

RH BOPHELO LIMITED

Incorporated in the Republic of South Africa
(Registration number 2016/533398/06)
(JSE and RSE Share Code: RHB, ISIN: ZAE000244737)

Audited Annual Financial statements

For the year ended 28 February 2023

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

| <i>Contents</i> | <i>Page</i> |
|--|-------------|
| Statement of Directors' Responsibilities | 3 - 4 |
| Company Secretary's Certification | 5 |
| Audit and Risk Committee Report | 6 - 9 |
| Independent Auditor's Report | 10 - 14 |
| Directors' Report | 15 - 18 |
| Statement of Financial Position | 19 |
| Statement of Profit or Loss and Other Comprehensive Income | 20 |
| Statement of Changes in Equity | 21 |
| Statement of Cash Flows | 22 |
| Notes to the Annual Financial Statements | 23 - 67 |
| Supplementary Information | 68 - 69 |

Preparation of annual financial statements

The audited annual financial statements for the year ended 28 February 2023, as set out on pages 19 to 67 were prepared under the supervision of Mr Dion Mhlaba CA(SA). The annual financial statements have been audited in compliance with the applicable requirements of the Companies Act and JSE Listings Requirements.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

General Information

| | |
|------------------------------------|---|
| Company name | RH Bophelo Limited |
| Registration number | 2016/533398/06 |
| Registered business address | Unit 12, 1 Melrose Boulevard Melrose Arch Johannesburg 2076 |
| Investment manager | RH Bophelo Management Company Proprietary Limited Unit 12, 1 Melrose Boulevard Melrose Arch 2076 |
| Auditors | Mazars South Africa 54 Glenhove Road Melrose Estate Johannesburg Gauteng 2196 |
| Sponsor (South Africa) | Deloitte & Touche Sponsor Services Proprietary Ltd 5 Magwa Crescent Waterfall City Johannesburg Gauteng 2090 |
| Sponsor (Rwanda) | Faida Securities Rwanda Centenary House 4th Floor 124 Kigali Rwanda |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Statement of Directors' Responsibilities

The Directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of RH Bophelo Limited ("the Company"). The annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), including interpretations of such standards as issued by the Interpretations Committee, the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the requirements of the Companies Act, 71 of 2008, the Company's Memorandum of Incorporation ("MOI"), the King Code on Corporate Governance IV (King IV)TM, Johannesburg Stock Exchange (JSE) Listings Requirements, the Rwanda Stock Exchange (RSE) Listings Requirements and compliance with applicable laws.

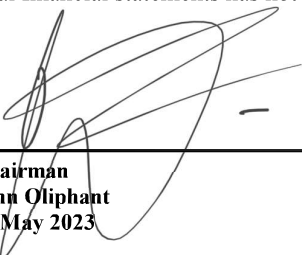
The Directors confirm that in preparing the annual financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all International Financial Reporting Standards that they consider to be applicable have been followed. The Directors are satisfied that the information contained in the annual financial statements fairly presents the results of operations for the year and the financial position of the Company at the end of the financial year.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company, and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, an endeavour is made to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The annual financial statements were prepared on the going concern basis. The assets of the Company, fairly valued, exceed its liabilities, fairly valued. Having considered the collective effects of the operating environment and the projected cash flows, the Directors are of the opinion that the Company will continue as a going concern in the foreseeable future.

The annual financial statements were audited by the independent auditors to whom unrestricted access was given to all financial records and related information, including minutes of all meetings of shareholders, the Board of Directors and committees of the Board. The unmodified audit opinion is set out on pages 10 to 14. Any reference to future financial performance included in the annual financial statements has not been audited or reported on by the external auditor.



Chairman
John Oliphant
31 May 2023



CEO
Quinton Zunga
31 May 2023

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Statement of Directors' Responsibilities

Chief Executive Officer and Chief Financial Officer responsibility statement

The Chief Executive Officer and Chief Financial Officer hereby confirm that:

- a) The annual financial statements set out on pages 15 to 67, fairly present in all material respects the financial position, financial performance, and cash flows of the issuer in terms of International Financial Reporting Standards (IFRS);
- b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- c) Internal financial controls have been put in place to ensure that all material information relating to the issuer have been provided to effectively prepare the annual financial statements of the issuer;
- d) The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with the primary responsibility for implementation and execution of controls;
- e) Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- f) We are not aware of any fraud involving directors.



Chief Executive Officer
Quinton Zunga
31 May 2023



Chief Financial Officer
Dion Mhlaba
31 May 2023

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Company Secretary's Certification

Declaration by the company secretary in respect of Section 88(2)(e) of the Companies Act

In my capacity as the Company Secretary, I hereby confirm, in terms of the South African Companies Act, No. 71 of 2008, as amended, that for the year ended 28 February 2023, RH Bophelo Limited has lodged with the Companies and Intellectual Property Commission (CIPC) all such returns as are required of a public company in terms of the Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



Shantel Dartnall
Company Secretary
Statucor Proprietary Limited

Date: 31 May 2023

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

AUDIT AND RISK COMMITTEE REPORT

Introduction

RH Bophelo Limited (“the Company”) was listed on the 12th of July 2017. The report of its Audit and Risk Committee (“ARC”) – which is chaired by Mr Lyndsay Maseko, an independent non-executive director, is presented below for the year ended 28 February 2023.

The ARC is a statutory committee constituted in terms of Section 94(7) of the Companies Act. It is an independent committee that is accountable to both the board of directors and the shareholders of the Company. The primary objectives of the Committee are to assist the Board in its oversight responsibilities, in particular, the Committee is responsible for the following:

- Evaluating the adequacy and efficiency of accounting policies
- Internal controls
- The audit process
- Financial reporting processes
- The independence and effectiveness of the external auditors
- Recommendation of the appointment and remuneration of external auditors

Responsibilities of the ARC

The ARC’s responsibilities have been delegated to the Committee by the Board of Directors and are governed by the ARC Charter (“the Charter”). During the year under review, the Committee discharged its responsibilities across the following key focus areas:

- Financial Reporting
- Governance and internal controls
- External audit

Composition of the Committee

The shareholders of the Company are required to approve the appointment of the members of the ARC at the annual general meeting in accordance with the provisions of the Companies Act. In line with the recommendations section 94 of the Companies Act and the King IV Code of Corporate Governance, all the members of ARC are independent non-executive directors who meet the requirements to serve on the Committee by virtue of their individual and collective expertise and experience. Members of executive management and the external auditors are not members of the Committee and attend meetings as permanent invitees. During the year under review, the committee held 6 meetings where the required quorum which is the majority of members was met.

The composition and attendance of the Committee during the year under review was as follows:

| Member | Qualifications | Date of first appointment to the Committee | Most recent appointment to the Committee (% Shareholder vote in favour) | Attendance |
|------------------------------|-----------------------|---|--|-------------------|
| Lyndsay Maseko - Chairperson | CA(SA); MCom | 17 November 2021 | 12 August 2022 (99,93%) | 6/6 |
| Bojane Segooa | CA(SA) | 04 October 2019 | 12 August 2022 (99,93%) | 3/6 |
| Dr Kgaogelo Ntshwana | MBChB | 27 March 2017 | 12 August 2022 (99,93%) | 4/6 |
| Mr Samson Moraba | BCom; PMD | Appointed: 27 June 2022 | 12 August 2022 (99,93%) | 3/3 |
| Dr Solomon Motuba | MBChB | Resigned: 12 August 2022 | | 3/3 |
| Dinao Lerutla | CFA, BBusSc | Resigned: 12 August 2022 | | 2/3 |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023
AUDIT AND RISK COMMITTEE REPORT

Financial reporting

The ARC reviewed the integrity of the interim results for the period ended 31 August 2022 and the annual financial statements for the year ended 28 February 2023 and recommended annual financial results to the board for approval.

During the course of its work, the Committee:

- Evaluated and approved the material disclosures made by the Company in relation to significant events and transactions including short-form and long-form announcements issued during the period under review.
- Approved the Company's updated valuation policy for listed and unlisted investments.
- Considered the appropriateness of the accounting policies adopted by the Company in the preparation of interim and annual financial statements.
- Considered the appropriateness of key estimates, assumptions and disclosures made, particularly in relation to the valuation of listed and unlisted investments.
- Examined and reviewed the interim and annual financial statements to ensure balanced and faithful presentation consistent with the application of appropriate accounting policies and standards.
- Considered the proactive monitoring report issued by the Johannesburg Securities Exchange and established that the most material disclosure omissions identified by the JSE in the sample of companies surveyed that are relevant to the Company, related to disclosures of fair value measurement in terms of IFRS 13. The ARC is satisfied that the Company's fair value disclosures in the interim and annual financial statements, are fully compliant with the disclosure requirements of IFRS 13 *Fair Value Measurement*.
- Considered the 2022 Audit Committee Briefing Document issued by the JSE in October 2022 and assessed its disclosures relating to cash flow information and liquidity and going concern. The ARC is satisfied that the Company's disclosures relating to cash flow information, liquidity and going concern in both the interim and annual financial statements, are compliant with the requirements of International Financial Reporting Standards.
- In light of the breach in the profitability covenants (which affect the Debt Service Coverage Ratio and Debt/EBITDA clauses) relating to the Company's credit facility with Norsad Limited, the Committee evaluated the Company's projected cash flows for the forthcoming year to assess whether the Company's cash reserves would be adequate to meet its short term obligations. This assessment included the various repayment scenarios that could be triggered on the Norsad facility. Having assessed the projected cash flows and the receipt of the waiver on the financing conditions with Norsad, the Committee incorporated these factors into its assessment of the Company's status as a going concern. More details about the going concern assessment can be found in note 26.
- Undertook a detailed review of the going concern status of the Company and concluded that the Company is a going concern and that the preparation of the interim and annual financial statements on the going concern basis was appropriate.
- Assessed the treatment of post-reporting period events, including the classification of events and additional disclosures provided in note 24. A significant post-reporting period event related to the initiation of negotiations with Norsad Limited to waive some of the repayment conditions associated with the breach of the Company's profitability covenants. The Committee assessed the projections and estimates provided by management as part of the process of requesting a waiver from Norsad and was satisfied that the projections and estimates were in line with the business plans of the Company. The Committee is satisfied that the post-reporting period events have been adequately assessed and where necessary, appropriately disclosed.
- Considered the appropriateness of the key audit matter reported in the external audit opinion. In this regard, the ARC reviewed the prior year findings in relation to IT matters, and because of the higher level of IT-related risks, will on behalf of the Board, facilitate the effective and efficient functioning of the newly formed IT Committee.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023
AUDIT AND RISK COMMITTEE REPORT

In assessing the appropriateness of the key audit matter reported in the external audit opinion, the Committee undertook the following:

| Key audit matter | How the matter was addressed |
|---|--|
| Valuation of financial assets held at fair value through profit or loss | <p>The Audit and Risk Committee (ARC) received presentations on valuation of the material investments across the Company including an analysis of the key judgements and assumptions applied and approved the valuation adjustments proposed by management for the year ended 28 February 2023 and the appropriateness of the IFRS 13 and IFRS 7 disclosures on fair value. In order to enhance the valuation process the Company engaged the services of independent external experts to undertake the valuations of some of the Company's key investments. The properties included in the valuation of different investee companies have been independently valued.</p> <p>The judgements and assumptions used in the process of valuation of investments in unlisted equities were consistent to those applied in the prior years. The ARC, alongside the Investment Committee, challenged and debated the significant subjective inputs and assumptions, and the valuation principles applied in the valuation of unlisted investments and properties. The ARC was satisfied that the process applied in the valuation process was sufficiently robust to give a fair indication of the fair value of all investments.</p> |

Governance and internal control environment

In discharging its responsibilities, the Committee, among other functions:

- Assessed the systems of internal controls to establish whether the controls in place are sufficient to address the risks inherent in the Company's operations and that the controls provide assurance against the risk of material losses or misstatements. The Committee is of the opinion that the systems of internal financial controls are designed effectively but noted that the implementation thereof requires ongoing attention.
- Assessed the evolving risk profile of the Company and recommended the adoption of a full-service internal audit function. The internal audit function was implemented in November 2022 to manage this risk.
- Reviewed the charter of the internal audit function, its proposed structure and its proposed workplan to ensure that the workplan covers material risk areas and business processes.
- Reviewed the process of the appointment of the new company secretary and evaluated the competence, qualifications and expertise of the newly appointed company secretary.
- Monitored the Company's adherence to the policy on non-audit services to ensure that safeguards remain in place in instances where the external auditors are required to perform non-audit services for the Company. During the year under review, no non-audit services were provided by the external auditors.
- The Committee performed an evaluation of the effectiveness of the Company's finance function and the adequacy of resources within the finance function and concluded that the finance function remains adequately staffed and capacitated to fulfil its role.
- The Committee is satisfied that the Chief Financial Officer – Mr D Mhlaba – has the appropriate expertise and experience to meet the scope of responsibilities of the CFO role.

External audit

The Committee is responsible for the recommendation to the shareholders of the appointment of the external auditors on an annual basis and for exercising oversight over the work of the external auditors.

During the year under review, the committee performed the following responsibilities in relation to external audit:

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

AUDIT AND RISK COMMITTEE REPORT

- Approval of the external audit plan and proposed scope of work and the proposed audit fees.
- Continuous monitoring of the Company's policy on audit and non-audit services.
- Continuous monitoring of the audit performance, independence and objectivity of the external auditors.
- Reviewed the effectiveness of the external auditors with reference to the quality of the audit team, technical skills and experience; the allocation of resources during the audit; and the execution of the approved audit plan.
- Reviewed the findings and recommendations of the external auditors and confirmed that there are no material unresolved matters.
- Confirmed that no Reportable Irregularities were identified and reported by the auditors in terms of the Auditing Profession Act, 26 of 2005.
- Evaluation of all relevant information – as required by the JSE Listings Requirements – provided by Mazars in order to assess the suitability of the reappointment of Mazars as external auditors and the appointment of Rochelle Murugan CA(SA) as the designated engagement partner.
- Confirmation of Rochelle Murugan's suitability to serve as engagement partner through the evaluation of her skills, experience and expertise and the confirmation that she is independent and does not appear on the list of disqualified auditors.
- The Committee chair held regular closed meetings with the external auditors for updates on external audit matters.

Furthermore, the Committee considered the fact that the IRBA rule on mandatory audit firm rotation came into effect on 1 April 2023. The Committee reviewed the tenure of Mazars as the external auditors and is satisfied that since Mazars have been auditors of the company since 2021, the implementation of the rule does not impact the Company currently. Consequently, the Committee resolved to recommend the appointment of Mazars and the appointment of Stephan Adlam CA(SA) as the engagement partner, at the Company's next AGM.

Recommendation for approval

The ARC is satisfied that it has fulfilled its responsibilities in accordance with the ARC charter and has reviewed the annual financial statements and recommended them for approval by the Board.



M. Lydsay Maseko
Audit and Risk Committee Chairperson
31 May 2023

Independent Auditor's Report

28 February 2023

To the Shareholders of RH Bophelo Limited

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of RH Bophelo Limited (the company) set out on pages 19 to 67, which comprise the statement of financial position as at 28 February 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of RH Bophelo Limited as at 28 February 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How our audit addressed the key audit matter |
|--|--|
| <p><u>Valuation of financial assets at fair value through profit and loss and financial assets held for sale– Note 6</u></p> <p>The financial assets disclosed as note 6 in the annual financial statements of RH Bophelo Limited include Investments to the amount of R830,444,756 which amounts to 80% of Total Assets.</p> <p>The company has applied the discounted cash flow method for valuing unlisted investments on the Sum of the Parts methodology.</p> <p>There are a number of key areas of estimation and judgement made in determining the inputs of these valuations which include:</p> <ul style="list-style-type: none"> • future revenue, operating margins and other items impacting projected cash flows; • interest rates; • terminal growth rates; • capitalisation rates; • assumptions applied in the weighted average cost of capital; • discount rates applied to projected future cash flows; and • assumptions applied in the budgeting process. <p>These assumptions have a material impact on the valuation of the financial assets.</p> <p>Due to the level of judgement, market environment and significance of the financial assets to RH Bophelo Limited's financial position, this is considered to be a key audit matter.</p> | <p>Our audit procedures performed on the valuations obtained from management included the following:</p> <ul style="list-style-type: none"> • We recalculated the mathematical accuracy of the valuations. • We assessed the reasonability of the inputs applied in the cash flow forecast. • We compared the growth rates used in strategic plans with historical performance. • We assessed management's ability to forecast accurately by comparing 2023 actual results to the prior year budgets. • Using our internal valuation experts: <ul style="list-style-type: none"> ○ We evaluated the reasonableness of the company's fair value calculations and the principles and methodology of the discounted cash flow models. ○ We tested the assumptions applied to calculate the weighted average cost of capital, discount rates, terminal growth rates, capitalisation rates, and other items impacting the projected cash flows and recalculated those rates for accuracy. ○ Evaluated the reasons for any differences on inputs applied and evaluated the impact on management's fair value calculation, and proposed adjustments where required. ○ We tested the reasonability of assumptions used and sensitivity analysis with reference to industry related published data. |

| | |
|--|--|
| | <ul style="list-style-type: none"> • We assessed the competence, capabilities, and objectivity of management, their experts and our internal valuation experts. • We assessed the adequacy of the disclosures in the notes to the annual financial statements in accordance with the requirements of International Financial Reporting Standards in relation to IFRS 7 <i>Financial Instrument: Disclosures</i> and IFRS 13 <i>Fair Value Measurement</i>. |
|--|--|

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “RH Bophelo Limited Annual Financial Statements for the year ended 28 February 2023”, which includes the Directors’ Report, the Audit and Risk Committee’s Report and the Company Secretary’s Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the annual financial statements and our auditor’s reports thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Mazars has been the auditor of RH Bophelo Limited for three years.

The image shows the word "Mazars" written in a stylized, handwritten cursive font. The letters are dark and have a slightly textured appearance, suggesting they were written with a pen or marker. The signature is positioned to the left of the printed text block.

Mazars
Partner: Rochelle Murugan
Registered Auditor
31 May 2023
Johannesburg

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

DIRECTORS' REPORT

1. THE COMPANY

RH Bophelo Limited ("the Company") is an investment entity listed on the Johannesburg Stock Exchange ("JSE") and the Rwanda Stock Exchange ("RSE").

The Company's annual financial statements have been prepared for the year ended 28 February 2023.

2. PRINCIPAL ACTIVITIES

The Company seeks to generate returns for its shareholders through various investments in the healthcare and financial services. The Company is involved in making equity, quasi-equity, and equity-related investments in healthcare and financial sectors, specifically in operational infrastructure, health insurance, private hospital infrastructure, pharmaceuticals, retail and distribution and healthcare technology. The Company executes on its investment mandate primarily through two wholly-owned subsidiaries, RH Bophelo Operating Company Proprietary Limited ("RHBO") and RH Financial Services Proprietary Limited ("RHFS"). These subsidiaries are utilised to acquire and dispose various investments on behalf of the Company.

3. FINANCIAL RESULTS

The Directors are responsible for ensuring that the Company produces a set of annual financial statements which fairly present the state of affairs of the Company at the end of each financial year and the profit or loss for the year, in accordance with IFRS, the Companies Act, and the interpretations adopted by the International Accounting Standards Board, the Financial Reporting Pronouncements (as issued by the Financial Reporting Standards Council), the RSE Listings Requirements and the JSE Listings Requirements.

For the financial period ended 28 February 2023, the Company recorded total comprehensive loss of R32 212 840 (2022: comprehensive income of R53 484 180). Full details of the financial position and financial performance of the Company are contained in the detailed annual financial statements as set out on pages 19 - 67.

4. DIVIDENDS

There were no "A" ordinary share and "B" share dividends declared in the current year.

In the prior year (2022) the Company declared a gross maiden dividend of ZAR 15 cents per share on the "A" ordinary shares. The record date for the dividend was 23 July 2021 and it was paid on 26 July 2021. The total dividend was R9 703 695. A maiden dividend of R3 900 000 was declared, and paid on 25 February 2022 on the "B" class share.

5. DIRECTORS' FEES AND REMUNERATION

The directors' emoluments and earnings have been disclosed under note 21.

6. DIRECTORATE

During the period covered by this report, the directors of the Company were:

| | | |
|-----------------------|----------------------------|---------------------------|
| Bojane Segooa | Independent, Non-executive | |
| Dr. Kgaogelo Ntshwana | Independent, Non-executive | |
| Lyndsay Maseko | Independent, Non-executive | |
| Samson Moraba | Independent, Non-executive | Appointed - 27 June 2022 |
| Dinao Lerutla | Independent, Non-executive | Resigned - 12 August 2022 |
| Dr. Solomon Motuba | Independent, Non-executive | Resigned - 12 August 2022 |
| John Oliphant | Non-executive Chairman | |
| David Sekete | Non-executive | |
| Quinton Zunga | Chief Executive Officer | |
| Dion Mhlaba | Chief Financial Officer | |
| Vuyokazi Nomvalo | Transaction Executive | |
| Colin Clarke | Chief Investment Officer | |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

DIRECTORS' REPORT

7. GOING CONCERN

In accordance with the solvency and liquidity test set out in section 4 of the Companies Act, the Board is of the opinion that, after making enquiries, it has a reasonable expectation that the Company has sufficient resources to maintain its operational existence for the foreseeable future and that:

- The Company's assets fairly valued exceed its liabilities fairly valued.
- The Company maintains a strong net asset value position of R871 743 704 (2022: R903 956 544) and a net current asset position of R63 536 804 (2022: R12 141 041).
- The Company will be able to pay its debts as they become due in the ordinary course of business for the 12 months up to 29 February 2024.
- The Audit and Risk Committee considered the Company's going concern status in light of the new capital structure which included debt financing for the first time.
- During the course of the year, the Company concluded a financing arrangement with Norsad Limited which provided the Company with access to a borrowing facility of R100 million. The facility was drawn down in two tranches of R50 million in July 2022 and December 2022.
- Due to the comprehensive loss generated during the year, the Company breached its profitability covenants (which affect the Debt Service Coverage Ratio and Debt/EBITDA clauses) on this facility. The breach was due to the downward revision in the valuation of Africa Healthcare.
- Subsequent to the end of the financial period, Norsad granted the Company a waiver on the repayment conditions related to the covenant breach. The Company has maintained a cash balance 48% in excess of the value of its exposure to Norsad which means that the Company will continue to meet its ongoing financial obligations as they fall due.
- Negotiations relating to the general conditions of the loan agreement are still ongoing.
- Based on these initiatives relating to the Norsad facility, the directors believe that the Company's going concern status remains an appropriate basis for the preparation of its financial statements.

In addition to this assessment, the Directors have undertaken these additional steps and considered the following key factors in the assessment of the Company's status as a going concern:

- The Board – through the Audit and Risk Committee – has undertaken a detailed review of the going concern capability of the Company with reference to certain assumptions and plans underlying various internal cash flow forecasts. This review involved the interrogation of key estimations and projects underpinning the valuation of the Company's listed and unlisted investments. The Committee has indicated to the Board that the processes and methodologies applied in the valuation process are adequate to be used as the basis for the Company's going concern assessment.
- The Board also noted that during the period under review, the Covid-related National State of Disaster was abolished on the 4th of April 2022 which marked the end of 750 days of various levels of national lockdowns. In the aftermath of that decision, the country has not experienced any spikes in infections that might suggest future lockdowns are imminent.
- The Company continues to monitor the government's actions for addressing possible future spikes in infections. This includes the various scenarios and health data alerts as published by the Department of Health and the World Health Organisation.
- At the beginning of 2022, the escalation of tensions in the Ukraine impacted the global economy in a manner that resulted in increased inflation across the globe and an escalating cost-of-living crisis. For South Africa, the events escalated an already fragile economic outlook and the increase in fuel prices in particular, dimmed the outlook for the local economy.
- The continuous escalation of loadshedding throughout the country remains a significant operational risk for the Company at large as continuous disruptions impact all of the Company's facilities. In order to address this risk, the Directors have approved a plan to provide all the Company's facilities with alternative energy solutions which will be rolled out throughout the course of the 2023 calendar year.
- The Committee has considered the ongoing impacts of these macro-economic fundamentals and is satisfied that their impact has been adequately incorporated into the Company's valuation methodology.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

DIRECTORS' REPORT

Going concern (continued)

- Having assessed the variables and scenarios relating to external factors in addition to internal projections, cash flow forecasts, and the Company's ongoing negotiations relating to lender covenants, the directors have concluded that the going concern assumption remains the appropriate basis for preparing the financial statements of the Company.

8. STATED CAPITAL

The Company's authorised stated capital is 10 000 000 000 "A" no par value ordinary shares with voting rights (2022: 10 000 000 000 "A" no par value ordinary shares with voting rights). The Company also has 1 "B" restrictive no par value class of shares (2022: 1 "B" restrictive no par value class of shares).

The total number of ordinary shares in issue as at 28 February 2023 is 64 691 298 (2022: 64 691 298). There were no issues nor repurchases of ordinary shares during the year.

9. MATERIAL EVENTS

Investments

During the year, the Company deployed R14,8 million (2022: R20,7 million) towards two wholly owned subsidiaries.

The amounts were allocated as follows:

- Investment in RH Bophelo Operating Company Proprietary Limited ("RHBO") – R13,2 million; and
- Investment in RH Bophelo Financial Services Proprietary Limited ("RHFS") – R 1,6 million.

New acquisitions and additional investments made by RHBO:

- The Company invested R2,5 million equity in Dorama Investments Proprietary Limited, a newly incorporated company which acquired the investments in Africa Healthcare Proprietary Limited. The investments consist of AHC Nursing College Proprietary Limited, Platinum Private Hospital Proprietary Limited, AHC Emergency Medical Services Proprietary Limited and Gerijo Emergency Medical Services Proprietary Limited. These investments were previously held as subsidiaries of Africa Healthcare.
- In addition, shareholder loans of R3,5 million were advanced to Vryburg Holdings Proprietary Limited ("Vryburg Private Hospital"). An amount of R300 000 was advanced to Fauchard Tandheelkundige Sentrum Proprietary Limited ("Fauchard Day Clinic"). The loans were given to support the investee companies.
- The balance of the investment was utilised for expenses and R1,6 million is held in an interest bearing bank account.

Additional investments made by RHFS:

- Shareholder loans of R1,6 million were advanced to Wesmart Financial and Administration Solution Proprietary Limited ("Wesmart") to fund various operational requirements.

In line with its strategy of generating returns for its shareholders, the Company decided to exit an investment in the current financial period. RHFS, a wholly owned subsidiary of the Company, completed the disposal of its 30% shareholding in Genric Insurance Company Limited ("Genric") on 31 August 2022. The sale of the Company's interest was for a total cash consideration of R89,9 million which was received together with interest of R591 000 on the 06 January 2023. As a consequence of this disposal, RHFS has distributed an after-tax amount of R61,5 million as capital and R20,5 million as a dividend to the Company.

Loans provided to investee company

The Company provided a loan amounting to R14,1 million to Notamed Proprietary Limited to facilitate the expansion of RH Bell Clinic Proprietary Limited.

Further details regarding the investments and loans made or disposed in the current year are contained in note 6 and 7.

10. EVENTS AFTER THE REPORTING PERIOD

The Company entered into a purchase agreement to acquire a 29% interest in Ambit Health Proprietary Limited for R1,075 million through its subsidiary RHBO on 01 March 2023.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

DIRECTORS' REPORT

. Events after the reporting period (continued)

The Company advanced a R6 million loan to Rondebosch Medical Centre Proprietary Limited ("RMC") through its subsidiary RHBO on 03 March 2023 at an interest rate of 15% per annum.

In light of the profitability covenants on the Norsad facility being breached due to the Company's loss for the year, the Company entered into negotiations with Norsad to waive the repayment conditions on the loan. The waiver was granted. The Company is also negotiating the collective covenants on the Norsad agreement to be more aligned with the Company's business model. The negotiations are ongoing.

11. COMPANY SECRETARY

During the year the Company initiated a review of all its service providers and after an extensive process, appointed Statucor Proprietary Limited as its new company secretary with effect from 1 December 2022 after Corporate Vision Proprietary Limited tendered its resignation and resigned effective 30 December 2022.

The Board of RH Bophelo Limited hereby confirms that the relationship with the Company Secretary is at arm's length and the Board has satisfied itself of the competence, qualifications and experience of the Company Secretary.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Statement of Financial Position as at 28 February 2023

| | Note(s) | 2023 R | 2022 R |
|--|---------|-----------------------------|---------------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Financial asset at fair value through profit or loss | 6 | 816 444 756 | 921 999 472 |
| Loans to group companies | 7 | 47 305 206 | 37 723 921 |
| Property, plant and equipment | 8 | 2 315 903 | 3 159 617 |
| | | <u>866 065 865</u> | <u>962 883 010</u> |
| Current Assets | | | |
| Loans to group companies | 7 | 911 380 | 5 256 398 |
| Other receivables | 10 | 575 766 | 444 890 |
| Current tax receivable | 11 | - | 19 562 |
| Cash and cash equivalents | 12 | 151 930 126 | 7 763 716 |
| Financial assets held for sale | 6 | 14 000 000 | - |
| | | <u>167 417 272</u> | <u>13 484 566</u> |
| Total Assets | | <u>1 033 483 137</u> | <u>976 367 576</u> |
| Equity and Liabilities | | | |
| Equity | | | |
| Share capital | 13 | 633 589 672 | 633 589 672 |
| Retained income | | 238 154 032 | 270 366 872 |
| | | <u>871 743 704</u> | <u>903 956 544</u> |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Lease liabilities | 9 | 1 458 708 | 2 270 653 |
| Deferred tax | 14 | 56 400 257 | 68 796 855 |
| | | <u>57 858 965</u> | <u>71 067 508</u> |
| Current Liabilities | | | |
| Lease liabilities | 9 | 811 329 | 713 534 |
| Borrowings | 15 | 102 508 533 | - |
| Trade and other payables | 16 | 560 606 | 629 990 |
| | | <u>103 880 468</u> | <u>1 343 524</u> |
| Total Liabilities | | <u>161 739 433</u> | <u>72 411 032</u> |
| Total Equity and Liabilities | | <u>1 033 483 137</u> | <u>976 367 576</u> |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Statement of Profit or Loss and Other Comprehensive Income

| | Note(s) | 2023 R | 2022 R |
|---|---------|---------------------|---------------------|
| Investment income | | | |
| Interest income | 17 | 7 427 288 | 5 826 678 |
| Dividend income | 17 | 28 126 826 | 24 071 536 |
| (Losses)/Gains from financial assets at fair value through profit or loss | 18 | (55 623 405) | 58 464 695 |
| Total investment (loss)/income | | (20 069 291) | 88 362 909 |
| Other income | 19 | 4 242 350 | 1 872 316 |
| Interest expense | 15 | (7 032 925) | - |
| Professional services fees | 20 | (216 183) | (3 578 103) |
| Management fees | 20 | (4 068 122) | (4 520 532) |
| Other operating expenses | | (17 465 267) | (17 704 107) |
| | | <u>(28 782 497)</u> | <u>(25 802 742)</u> |
| Total (loss)/income before tax | | (44 609 438) | 64 432 483 |
| Income tax | 11 | 12 396 598 | (10 948 303) |
| Total (loss)/income after tax | | (32 212 840) | 53 484 180 |
| Other comprehensive income | | - | - |
| Total comprehensive (loss)/income for the year | | (32 212 840) | 53 484 180 |
| Basic and diluted (loss)/earnings per ordinary share (cents) | | (49,8) | 82,7 |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Statement of Changes in Equity

| | Total Share capital R | Retained income R | Total equity R |
|---|-----------------------------|-------------------------|--------------------|
| Balance at 01 March 2021 | 633 589 672 | 230 486 387 | 864 076 059 |
| Total comprehensive income for the year | - | 53 484 180 | 53 484 180 |
| "A" Class ordinary dividend | - | (9 703 695) | (9 703 695) |
| "B" Class dividend | - | (3 900 000) | (3 900 000) |
| Balance at 01 March 2022 | 633 589 672 | 270 366 872 | 903 956 544 |
| Total comprehensive loss for the year | - | (32 212 840) | (32 212 840) |
| Balance at 28 February 2023 | 633 589 672 | 238 154 032 | 871 743 704 |
| Note(s) | 13 | | |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Statement of Cash Flows

| | Note(s) | 2023 R | 2022 R |
|--|---------|---------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 30 | 14 806 917 | 3 761 752 |
| Finance costs paid | 15 | (4 524 392) | - |
| Net cash from operating activities | | <u>10 282 525</u> | <u>3 761 752</u> |
| Cash flows from investing activities | | | |
| Disposal of financial assets at fair value through profit and loss | 6 | 61 500 000 | 2 130 183 |
| Increase of financial assets at fair value through profit and loss | 6 | (13 359 640) | (22 858 882) |
| Loans to group companies repaid | 7 | 773 080 | 4 527 992 |
| Loans advanced to group companies | 7 | (14 083 596) | - |
| Purchase of property, plant and equipment | 8 | (45 584) | - |
| Net cash from/(used in) investing activities | | <u>34 784 260</u> | <u>(16 200 707)</u> |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | 15 | 100 000 000 | - |
| Payment on lease liabilities | 9 | (900 375) | (892 718) |
| "A" Class Shares - Dividends paid | | - | (9 703 695) |
| "B" Class Shares - Dividends paid | | - | (3 900 000) |
| Net cash from/(used in) financing activities | | <u>99 099 625</u> | <u>(14 496 413)</u> |
| Total cash movement for the year | | 144 166 410 | (26 935 368) |
| Cash and cash equivalents at the beginning of the year | | 7 763 716 | 34 699 084 |
| Total cash and cash equivalents at end of the year | 12 | <u>151 930 126</u> | <u>7 763 716</u> |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

1 General information

RH Bophelo Limited (“the Company”) is a legal entity registered in the Republic of South Africa. The Company is an investment entity that engages in making equity, quasi-equity and equity-related investments in healthcare and financial services, specifically in operational infrastructure, including health insurance, private hospital-related infrastructure, pharmaceuticals, retails and distributions and healthcare technology. The Company was incorporated on 13 December 2016.

RH Bophelo Operating Company Proprietary Limited ("RHBO") and RH Financial Services Proprietary Limited ("RHFS") are wholly-owned subsidiaries of the Company, which are utilised to acquire investments on behalf of the Company.

The Company has appointed RH Bophelo Management Company Proprietary Limited ("RHBM") as its investment manager, to manage its investment portfolio which includes advice on the Company’s investment decisions, in line with section 15 of the JSE Listings Requirements. The relationship between the Company and RHBM is governed by a shareholder-approved management agreement.

2 New and revised International Financial Reporting Standards in issue

2.1 Standards and amendments effective and adopted in the current year

In the current year, the Company adopted the following standards and amendments that are effective for the current financial year and that are relevant to its operations:

| Standard/Amendment | Effective date | Key requirements |
|--|-----------------------|--|
| <i>Property, Plant and Equipment</i> — Proceeds before Intended Use (Amendments to IAS 16) | 1 January 2022 | <ul style="list-style-type: none"> The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss The adoption had no impact on the Company as it does not undertake the construction or preparation of any assets under IAS 16. |
| Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) | 1 January 2022 | <ul style="list-style-type: none"> The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The adoption of the amendment had no impact on the Company as it has no existing onerous contracts. |
| IFRS 3 <i>Business Combinations</i> | 1 January 2022 | <ul style="list-style-type: none"> Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The adoption of the amendment had no impact on the Company as an investment entity does not apply IFRS 3 |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements (continued)

| | | |
|---|----------------|--|
| IFRS 9 <i>Financial Instruments</i> | 1 January 2022 | <ul style="list-style-type: none"> Annual Improvements to IFRS Standards 2018–2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. The adoption of the amendment had no impact on the Company as it has no liabilities that were de-recognised and subject to the assessment of the 10% test. |
| Annual improvements to IFRS standards 2018 – 2020 | 1 January 2022 | <ul style="list-style-type: none"> The annual improvements relating to IFRS 1 (<i>First Time Adoption of International Financial Reporting Standards</i>), IFRS 16 (<i>Leases – Reimbursement of Leasehold Improvements</i>) and IAS 41 (<i>Agriculture</i>) had no impact on the Company. |

2.2 Standards and amendments not yet effective

The following accounting standards, interpretations and amendments have been issued but are not yet effective as at 28 February 2023:

| Standard/Amendment | Effective date (Financial Reporting Periods commencing on or after) | Summary | Impact on RH Bophelo Limited |
|---|---|---|--|
| IAS 1 <i>Presentation of Financial Statements</i> | 1 January 2023 | Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or noncurrent. | The application of the amendment is not expected to have a significant impact on the amounts recognised or disclosed in the annual financial statements due to the fact that the Company's loan agreements do not contain uncertain settlement dates. The Company has not early adopted the amendment. The disclosure is reflective of the assessment that would be required should they have adopted the amendment. |
| IAS 1 <i>Presentation of Financial Statements</i> | 1 January 2023 | Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material. | The application of the amendment is expected to have a significant impact on the accounting policies disclosed in the annual financial statements as a number of accounting policies currently regarded as significant are unlikely to be regarded as material accounting policies under the new guidance. |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements (continued)

| | | | |
|---|----------------|---|--|
| IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> | 1 January 2023 | <p><i>Definition of Accounting Estimates:</i> The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The requirements for recognising the effect of change in accounting prospectively remain unchanged.</p> | The application is not expected to have a significant impact on the amounts recognised or disclosed in the annual financial statements as the accounting requirements remain unchanged. |
| IAS 12 <i>Income Taxes</i> | 1 January 2023 | <p><i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction:</i> The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.</p> | The application is not expected to have significant impact on the amounts recognised or disclosed in the annual financial statements as current leases make up a less than significant amount in the financial statements. |
| IAS 1 <i>Presentation of Financial Statements</i> Non-current liabilities with Covenants | 1 January 2024 | The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. | The impact of the amendment is currently being assessed. |

The standards will be adopted by the Company on the respective effective dates.

3. Basis of preparation

3.1 Statement of compliance and basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in the manner required by the Companies Act of South Africa, the RSE Listings Requirements and the JSE Listings Requirements. These annual financial statements have been prepared on the historical cost basis, except for unlisted investments and loans in group companies which are measured at fair value through profit and loss.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements (continued)

3.2 Functional and presentation currency

The annual financial statements are presented in South African Rand, which is also the Company's functional currency.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the annual financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the annual financial statements includes the determination of fair value for assets that are carried at fair value through profit or loss.

4.1 Investment entities

The Company and its subsidiaries – RH Bophelo Operating Company Proprietary Limited ("RHBO") and RH Financial Services Proprietary Limited ("RHFS") are classified as investment entities in line with IFRS 10 *Consolidated Financial Statements*.

According to IFRS 10, RH Bophelo Limited as an investment entity measures its investments in subsidiaries and its indirectly held associates at fair value through profit or loss in accordance with IFRS 9 *Financial instruments*.

After conducting an assessment of the Company's activities and business purpose, the Board of Directors have concluded that the Company meets the definition of an investment entity as per IFRS 10 based on the following factors:

- The Company and its subsidiaries obtained funds from more than one investor with the purpose of providing those investors with investment management services;
- The Company and its subsidiaries also committed to its investors that its business purpose is to invest in commercially viable healthcare and financial services assets that are cashflow positive or will be cashflow positive within 12 months; and
- The Company and its subsidiaries measure and evaluate the performance of all its investments on a fair value basis.

Furthermore, the Company, its subsidiaries and its indirectly held associates have more than one investment. The Company also has more than one investor and its investors are not related parties, additionally its interest is mainly in equity form in all its investments. The Company has an approved investment policy and has documented its exit strategy which outlines its approach to managing its investments.

The Company has set up RHBO and RHFS as separate legal entities in line with the business model for managing healthcare and financial services as discrete business segments. RHBO and RHFS also committed to investors that the business purpose is to invest in commercially viable healthcare and financial assets that are cashflow positive or will be cashflow positive within 12 months. The two subsidiaries measure and evaluate the performance of all investments on a fair value basis.

Based on the above assessment it was concluded that the Company and its subsidiaries (RHBO and RHFS) are investment entities and are therefore exempt from consolidation in line with paragraph 31 of IFRS 10. The underlying investments in subsidiaries held by the Company are accounted for as financial assets measured at fair value through profit or loss in accordance with IFRS 9. Additionally, as RHBO and RHFS are investment entities in their own capacity that have been structured separately in order to distinguish between the healthcare and the financial services portfolio, they are accounted for at fair value through profit or loss.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements (continued)

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

The Company received its investment management services from RH Bophelo Management Company Proprietary Limited ("RHBM"), an entity that is not controlled by the Company. The investment management company is an autonomous entity, that is not influenced or controlled by RH Bophelo Limited, as RH Bophelo Limited has no shareholding or managerial involvement in RHBM. It has experience in the healthcare investment and portfolio management industry of over 10 years. RHBM is able to provide investment management services and to raise capital for parties other than RH Bophelo. As a result, even though RHBM provides management services to the Company, it is not a service subsidiary in terms of IFRS 10 and is therefore not consolidated.

4.2 Unlisted investments

In valuing unlisted investments which form part of the financial assets of the Company, key assumptions and judgements are applied in determining the weighted average cost of capital ("WACC"), terminal growth rate ("TGR"), capital structure, market interest rates, earnings before interest, taxation, depreciation and amortisation ("EBITDA") and capitalisation rates to be used in the Sum of the Parts Valuation ("SOTP").

The basis for valuing unlisted investments is fair value. At the reporting date, an assessment is made of the value of each investment to determine any changes required in the fair value of the investments. Judgement is applied in identifying the most appropriate valuation method to determine the fair value of each investment. The Company considers the different valuation methods ranging from the earnings multiple method, the earnings yield method and the discounted cash flow method. The Company has applied the discounted cash flow methods for all its equity investments. This ensures consistency and comparability across different investments across the two segments.

The Company uses a SOTP valuation method, where all the different investee company businesses, properties and loans to group companies held are valued separately and then added together, less any net debt in order to calculate the total value of the Company. The cash flows of the different businesses are valued using a discounted cash flow ("DCF") method, whilst the properties are valued on the capitalisation rate method and the loans to group companies are discounted using fair market rates. This valuation approach is applied on an investment-by-investment basis across all portfolio assets.

The discounted cash flow method is used to derive the enterprise value of each investment using reasonable assumptions that are supported by external, third party inputs where applicable. Such inputs include market yields on corporate bonds, economic growth estimates provided by the SA Reserve Bank and estimations of inflation rates over the investment horizon. In deriving the enterprise value, judgement is applied in estimating future post-taxation cash flows and the terminal value (free cash flows available to the Company), and then discounting to the present value by applying an appropriate risk-adjusted rate that captures the risk inherent to the Company's projected WACC.

To provide an illustration of the sensitivity of the recognised fair values to changes in inputs, the Company has identified key inputs used in computing the DCF valuations and provided a sensitivity analysis based on changes – both favourable and unfavourable – to the inputs. The details of significant inputs are included in note 6.

Fair values of unlisted financial instruments are disclosed as level 3 in the fair value hierarchy since they have unobservable inputs and the valuation requires greater judgement and estimation in determining appropriate valuation assumptions and obtaining relevant and reliable inputs. The unobservable inputs applied do however reflect the assumptions that a market participant would apply when determining the pricing for the same assets.

4.3 Loans to group companies

When advancing and valuing loans to group companies, the Company considers the following factors:

- The purpose of the loan including the growth and expansion opportunities identified by the investee companies;
- The capacity of the investee companies to service the loans;
- Term of the loan;
- Market interest rate for purposes of valuing the loans; and
- The current portion of loans to group companies, which is based on the loan model, is equal to the sum of anticipated repayments for the next 12 months.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements (continued)

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

4.4 Deferred tax asset on assessed losses

Deferred tax assets are measured to the extent it is probable that taxable income will be available in the future against which the assets can be utilised. The forecast profit and cash flows are utilised in the assessment of the recoverability of deferred tax assets. Management also exercises judgement in assessing the likelihood that the business plans will be achieved and that the deferred tax assets are recoverable.

5 Accounting policies

5.1 Financial instruments

5.1.1 Recognition and classification

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, loans to group companies and other payables.

Financial assets

The Company classifies its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

As an investment entity, the Company's financial assets relate to investments in subsidiaries and its associates.

The Company classifies financial assets as held at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets which do not meet the requirements to be classified as financial assets held at amortised cost are carried at fair value through profit or loss. Due to the Company's business model of managing its loans to group companies – which is not to collect contractual cash flows made up of principal and interest – the loans to group companies are classified at fair value through profit or loss in order to eliminate the accounting mismatch that would materialise if they were classified at amortised cost.

Financial assets that are classified as held for sale are presented under current assets in the statement of financial position.

At 28 February 2023, the Company's financial assets comprised of the following:

- Investments in subsidiaries and associates - classified at fair value through profit or loss;
- Loans to group companies - designated at fair value through profit or loss. Refer to 5.1.3;
- Financial assets held for sale - financial assets earmarked for disposal are classified as held for sale;
- Other receivables - classified at amortised cost; and
- Cash and cash equivalents - classified at amortised cost.

Financial liabilities

The Company classifies financial liabilities as financial liabilities measured at amortised cost.

5.1.2 Initial measurement

Financial instruments are initially measured at fair value. Transaction costs for financial instruments that are not at fair value through profit or loss, are included in the initial measurement of the instrument.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements (continued)

5. Accounting policies (continued)

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Transaction costs associated with the issue of the Company's own equity instruments are set off against the proceeds from the issue of equity instruments.

The transaction price of the consideration received or given in exchange for a financial instrument, is generally regarded as the fair value of the financial instrument. However, the Company occasionally provides financial support to investee companies on terms that are different from market-related terms. When the fair value of the financial instrument differs from the transaction price at initial recognition, the Company accounts for the Day 1 gain or loss as a deferred gain or loss in line with IFRS 9. For transactions involving investee companies, the deferred gains are presented as an adjustment to the carrying amount of the investment.

5.1.3 Subsequent measurement

Financial assets and financial liabilities are subsequently measured in accordance with the initial classification category.

- Designated at fair value through profit or loss - Dividend income and Fair value gains and losses on financial assets are recognised in the statement of profit or loss as part of investment income as fair value gains or losses on financial instruments. Interest income is disclosed separately on the face of the statement of profit or loss.
- Financial assets classified at amortised cost are subsequently measured using the effective interest method with interest recognised in interest income, less any expected credit impairment losses which are recognised as part of credit impairment charges.
- Financial assets that have been earmarked for disposal are classified as held for sale and measured at fair value in line with IFRS 9 and IFRS 5.
- Financial liabilities are subsequently measured at amortised cost, using the effective interest method.
- Day 1 gains and losses will be derecognised once loans are fully repaid.

Impairment of financial assets

The impairment model is applied only on financial assets measured at amortised cost. The Company measures its financial assets at fair value through profit or loss with the exception of other receivables and cash and cash equivalents which are both measured at amortised cost.

The Company recognises a loss allowance for expected credit losses (ECLs) on other receivables. The Company measures loss allowances at an amount equal to the 12-month ECLs. To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the number of days past due. When determining whether the credit risk of other receivables has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. There has been no significant increase in credit risk since initial recognition

Expected credit losses on other receivables are presented as credit losses within operating expenses.

Measurement and recognition of expected credit losses

The measurement of expected credit loss is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account.

Due to the short-term nature of the cash and cash equivalents, and the fact that all counter parties are well established financial institutions with a good credit rating, no credit losses are estimated for the cash balances. Refer to note 28.2.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements (continued)

5. Accounting policies (continued)

5.1.4 Derecognition of financial instruments

Derecognition of financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expires; or
- the financial asset is transferred resulting in the transfer of substantially all the risk and rewards of ownership and the Company no longer retains control of the asset.

Derecognition of financial liabilities

The Company derecognises a financial liability when the obligation per the contract has been fulfilled, cancelled or expired.

5.2 Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less.

Cash and cash equivalents are classified as subsequently measured at amortised cost. It is the policy the Company not to discount cash and cash equivalents as it regards carrying amount to approximate fair value.

5.3 Other receivables

Other receivables are initially measured at fair value which approximates the transaction price.

Other receivables are subsequently measured at amortised cost, and derecognised upon settlement by the counterparty.

5.4 Loans to group companies

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Company provides loans to investee companies based on the needs to fund critical projects at the investee companies. In providing the loans, the Company regards the financial assistance as a necessary intervention in ensuring that the investee companies can maximise returns, which in turn, improves the generation of investment income and capital appreciation for the Company. The intention of the Company is not primarily the recovery of the contractual cashflows (capital and interest), but mainly to facilitate growth capital to investee companies for expansion purposes. In line with its strategy of monitoring the performance of the investee companies on a fair value basis, the Company measures the loans advanced to investee companies as financial assets at fair value through profit or loss.

This is primarily due to the fact that the measurement of the loans at fair value is more reflective of the way the Company measures and monitors its investments in its indirectly held associates and subsidiaries. Additionally, the focus on the evaluation and management of the performance of its associates and subsidiaries, rather than the nature of the loans advanced to the investee companies, results in more relevant information for the Company and its shareholders.

5.5 Unlisted investments

The Company's unlisted investments are investments in subsidiaries and its associates. As the Company is an investment entity the subsidiaries are not consolidated and the associates are not equity accounted.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements (continued)

5. Accounting policies (continued)

Beyond initial measurement, the Company determines the fair value of each investment on a continuous basis. The valuation techniques applied to the valuation of each investment incorporate level 3 inputs. IFRS 13 identifies a hierarchy of fair value inputs depending on the nature and source of the inputs used to determine the fair value of a recognised financial asset or liability. The Company applies this criteria in its fair value disclosures for unlisted investments. The allocation of a valuation input into the fair value hierarchy is determined on the level of the lowest level input that is significant to the fair value measurement in its entirety. Fair value changes are accounted for in profit or loss for the year as net gains or losses on financial assets at fair value through profit or loss.

A summary of the unlisted investments is contained in note 6.

5.6 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

5.7 Income tax

Income tax represents current and deferred tax. Current and deferred tax are recognised in profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

5.7.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

5.7.2 Deferred tax

Deferred tax is recognised on the temporary differences between the carrying amounts of assets and liabilities in the annual financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Such deferred tax liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. A deferred tax asset is recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

5.8 Investment income

The Company's investment income is made up of dividends, interest and fair value gains or losses on financial assets:

- Interest income (interest income from loans to group companies and interest income from bank balances) is recognised in the statement of profit or loss;
- Fair value movements through profit or loss consist of fair value gains or losses from financial assets measured at fair value through profit or loss, these are recognised on a bi-annual basis, using a suitable valuation methodology; and

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements (continued)

5. Accounting policies (continued)

- Dividend income (dividend income from investments in financial instruments) is recognised in the statement of profit or loss. Dividends are recognised when it is appropriately authorised and no longer at the discretion of the entity.

5.9 Other income

Other income is mainly made up of board fees and administrative costs recovered which are recognised on the accrual basis.

5.10 Segment reporting

The Company's Executive Committee – made up of the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and all operational executives – fulfils the role of the chief operating decision maker ("CODM"). The Executive Committee has been allocated the responsibility to continuously monitor the various components of the business and allocate capital and strategic resources based on the performance of each component. The Committee achieves this through reporting internally on each component on a monthly and quarterly basis.

The Executive Committee – as the CODM – has identified the following components as operating segments both for management and external reporting purposes:

- Healthcare segment – focusing on investments in healthcare infrastructure, healthcare technology, and property companies; and
- Financial services segment – focusing on investments in insurance and financial services relating to healthcare.

The reporting segments have been identified after applying the quantitative thresholds and after aggregating operating segments with similar characteristics. The related nature and complementarity of the services and focus areas are considered in aggregating operating segments into a reportable segment. Furthermore, discrete financial information is prepared and evaluated by the CODM in relation to the two segments identified.

The CODM regularly reviews the operating results of the healthcare and financial services segments and allocates resources based on the results of the reviews. In line with the exemption from consolidation and applying equity accounting, the Company does not account for associates in each segment using the equity method. Such investments are accounted for at fair value.

The financial performance and financial position of each segment have been disclosed in note 29.

5.11 Lease liabilities

The Company is a party to a lease contract relating to its office buildings.

Leases are accounted for by recognising a right-of-use asset and a lease liability unless they are regarded as short-term leases (less than 12 months) or leases of low-value assets.

At the inception of each new contract where the Company is a party to the contract, an assessment is undertaken to assess whether the contract contains a lease. In assessing the contract, the Company considers whether the contract conveys the right to control the use of an identified asset. This assessment includes the following factors:

- Whether the contract involves the use of an asset explicitly identified in the contract. The asset must be physically distinct or represent substantially all the capacity of the asset;
- Whether the Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
- Whether the Company has the right to direct the use of the asset.

Once a lease is identified, the Company recognises and measures the lease by recognising a right-of-use asset and a lease liability as follows:

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements (continued)

5. Accounting policies (continued)

| | Right-of-use Asset | Lease liability |
|------------------------|---|---|
| Initial measurement | The right-of-use asset is initially measured at an amount equal to the lease liability plus initial direct costs incurred by the Company. | The lease liability is initially measured at the present value of contractual payments due over the lease term. The discount rate used to discount the gross contractual payments to the present value is the incremental borrowing rate at the date of commencing the lease agreement |
| Subsequent measurement | The Company applies the cost model for the right-of-use asset recognised under the lease. The right-of-use asset is depreciated on a straight-line basis over the lease term. Depreciation is recognised as part of operating expenses. | After initial recognition, the lease liability increases as a result of finance costs - computed with reference to the interest rate per the lease agreement - and the lease liability is reduced by the value of any lease payments made. The finance costs are recognised as an interest expense over the time of the lease. |
| Termination of lease | When the lease is terminated, the remaining balance on the right-of-use asset and the lease liability are immediately derecognised. Any differences between the right-of-use asset and lease liability is recognised as a derecognition gain or loss in the determination of profit or loss for the year. | |

Details on leases entered into by the Company are disclosed in notes 8 and 9.

5.12 Property, plant and equipment

Property, plant and equipment are tangible assets which the Company holds for its own use and which are expected to be used for more than one year.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

The useful lives of items of property, plant and equipment have been assessed as follows:

| <i>Item</i> | <i>Depreciation method</i> | <i>Useful life</i> |
|----------------------------------|----------------------------|----------------------|
| Furniture and fixtures | Straight line | 5 years |
| Right-of-use asset - (buildings) | Straight line | 5 years (lease-term) |
| Computer equipment | Straight line | 3 years |

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the annual financial statements

| | 2023 R | 2022 R |
|---|--------------------|--------------------|
| 6. Financial assets at fair value through profit or loss | | |
| Opening balance | 921 999 472 | 842 778 946 |
| Additions- acquired in shares | 1 500 000 | - |
| Additions - acquired in cash | 13 359 640 | 22 858 882 |
| Disposals* | (61 500 000) | (2 130 183) |
| Fair value (losses)/gains | (44 914 356) | 58 491 827 |
| | 830 444 756 | 921 999 472 |
| Classification | | |
| Financial assets held for sale** | 14 000 000 | - |
| Non-current assets | 816 444 756 | 921 999 472 |
| | 830 444 756 | 921 999 472 |

The Company's investments are primarily unlisted entities that are operating in South Africa. The investments are measured at fair value through profit or loss. The investments under RHBO have been designated into healthcare investments portfolio and investments under RHFS have been designated into financial services investments portfolio.

**An investment in the RHFS portfolio was disposed of during the year under review. The proceeds received of R89,9 million and interest of R591 000 was distributed to the Company, after a tax payment of R7,1 million, as a R61,5 million capital distribution and a dividend of R20,5 million. The balance of R1,39 million was used to settle the loan to Genric of R600 000 and to pay expenses.*

*** The investment in Phelang Bonolo Healthcare Procurement and Management Proprietary Limited ("PBHPM") has been classified as held for sale as the Company accepted an offer from a third party to acquire PBHPM. The transaction is expected to be concluded during the 2023 calendar year.*

Investments in unlisted equity instruments – reconciliation

2023

| R | Opening balance | Additions/ (disposals) | Fair value changes* | Closing balance |
|-------|--------------------|---------------------------|------------------------|--------------------|
| RHFS | 86 331 368 | (59 828 509) | (17 214 799) | 9 288 060 |
| RHBO* | 835 668 104 | 13 188 149 | (27 699 557) | 821 156 696 |
| | 921 999 472 | (46 640 360) | (44 914 356) | 830 444 756 |

2022

| R | Opening balance | Additions/ (disposals) | Fair value changes* | Closing balance |
|--------|--------------------|---------------------------|------------------------|--------------------|
| RHFS | 65 098 258 | 15 900 000 | 5 333 110 | 86 331 368 |
| RHBO* | 775 466 243 | 6 958 882 | 53 242 979 | 835 668 104 |
| RH 12J | 2 214 445 | (2 130 183) | (84 262) | - |
| | 842 778 946 | 20 728 699 | 58 491 827 | 921 999 472 |

** RHBO includes a day 1 deferred gain of R5.8 million recognised on loans provided in note 7. Loans provided to the investee companies are regarded as transactions between equity participants and the resultant Day 1 gains and losses are presented as an adjustment to the carrying amount of the investments.*

The valuation of the investments in unlisted investments relies on various unobservable inputs that are sensitive to changes that would affect the recognised value of the investments in the annual financial statements. To aid stakeholders to understand the significant unobservable inputs that influence the valuation process, the company has identified the key inputs used in the valuations. A sensitivity analysis on these inputs has been prepared and disclosed in order to illustrate the potential impact of the changes to these inputs on the amounts recognised in the financial statements. Refer to note 6.2.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

6. Financial assets at fair value through profit or loss (continued)

6.1 Summary of significant investments

2023

| Entity | Description | Economic interest | Fair value at year end (R) | Cost (R) | Proportion of net assets (R)*** | WACC (Post-Tax) | Proportion of total investments | Income earned from investment (R) |
|-------------------------------------|---|--------------------------|-----------------------------------|-----------------|--|------------------------|--|--|
| Investments in subsidiaries* | | | | | | | | |
| Africa Healthcare | Operates and owns hospitals | 100% | 292 538 665 | 122 500 000 | 52 465 414 | 18,10% | 35% | - |
| Rondebosch Medical Centre**** | Hospital services | 100% | 224 325 090 | 143 700 000 | (44 801 292) | 19,80% | 27% | 4 276 000 |
| Medicare Hospital** | Hospital services and investment property | 54% | 221 316 462 | 123 500 000 | 71 585 584 | 17,10% | 27% | 3 650 000 |

All entities are incorporated in South Africa.

**Each of the investments listed here represents at least 5% of the total value of the investments at fair value through profit or loss.*

***The Company holds 54% in McGilliewie Proprietary Limited which is the operating company of Medicare Hospital and 50,1% in Magnacorp Proprietary Limited which is the property company.*

****The net asset values of investee companies were obtained from unaudited financial statements.*

*****The negative net asset value is due to the effect of IFRS 16 - Leases*

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

6. Financial assets at fair value through profit or loss (continued)

2022

| Entity | Description | Economic interest | Fair value at year end (R) | Cost (R) | Proportion of net assets (R)*** | WACC (Post-Tax) | Proportion of total investments | Income earned from investment (R) |
|-------------------------------------|---|-------------------|----------------------------|-------------|---------------------------------|-----------------|---------------------------------|-----------------------------------|
| Investments in subsidiaries* | | | | | | | | |
| Africa Healthcare | Operates and owns hospitals | 100 % | 346 329 018 | 122 500 000 | 60 445 476 | 18,40% | 38% | - |
| Rondebosch Medical Centre | Hospital services | 100 % | 209 659 959 | 143 700 000 | (33 521 488) | 19,80% | 23% | 15 300 500 |
| Medicare Hospital** | Hospital services and investment property | 54 % | 200 925 000 | 123 500 000 | 72 182 148 | 19,32% | 22% | - |
| Vryburg Private Hospital | Hospital services and investment property | 81 % | 32 721 975 | 43 852 435 | 22 539 041 | 20,89% | 4% | 2 564 726 |
| Investments in associates* | | | | | | | | |
| Generic Insurance | Short-term insurance | 30 % | 79 399 999 | 61 500 000 | 49 148 384 | 21,50% | 9% | 1 556 098 |

*Each of the investments listed here represents at least 4% of the total value of the investments at fair value through profit or loss.

**The Company holds 54% in McGilliewie Proprietary Limited which is the operating company of Medicare Hospital and 50,1% in Magnacorp Proprietary Limited which is the property company. In the prior period it was shown as 51%.

***The net asset values of investee companies were obtained from unaudited financial statements. The net asset value of Generic Insurance is shown as at 30 June 2021.

****The negative net asset value is due to the effect of IFRS 16 - Leases.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the annual financial statements

2023
R

2022
R

6. Financial assets at fair value through profit or loss (continued)

6.2 Sensitivity analysis

The ranges (and absolute values) used for the key unobservable inputs are as follows:

| Input | Range used (2023) | Range used (2022) |
|--|--------------------------|--------------------------|
| Capitalisation rate | 10% to 12% | 10% to 13,50% |
| TGR (Terminal Growth rate) | 4,50% to 5% | 4.50% to 5% |
| WACC (Weighted Average Cost of Capital)* | 17,10% to 21,50% | 18,40% to 21,50% |
| EBITDA (Earnings before interest, taxation, depreciation and amortisation)** | 14% to 19% | 12% to 14% |
| Market interest rate | 10,25% to 13,25% | 7% to 8% |

* A risk adjustment factor is incorporated in the calculation of WACC for each investment, which factors the planned growth projections and any market uncertainty.

**The disclosures relating to EBITDA are based on a five-year compounded annual growth rate and have been provided as part of the enhanced reporting on the sensitivity analysis for investments.

Explanation of key valuation inputs and possible impact of changes in inputs:

| Significant unobservable input | Current unit of measurement | Favourable changes | Unfavourable changes |
|---|------------------------------------|---|---|
| Capitalisation rate # | 10% to 12% | Decrease by 50 basis points, will result in an increase in the value of investments at year-end. | Increase by 50 basis points, will result in a decrease in the value of investments at year-end. |
| Terminal Growth rate | 4,50% to 5% | Increase by 50 basis points, will result in an increase in the value of investments at year-end. | Decrease by 50 basis points, will result in a decrease in the value of investments at year-end. |
| WACC (range) | 17,10% to 21,50% | Decrease by 50 basis points, will result in an increase in the value of investment at year-end. | Increase by 50 basis points, will result in a decrease in the value of investments at year-end. |
| EBITDA (Using the seven-year compounded annual growth rate on EBITDA) | 14% to 19% | Increase by 250 basis points, will result in an increase in the value of investments at year-end. | Decrease by 250 basis points, will result in a decrease in the value of investment at year-end. |
| Market interest rate (Prime rate 10,75%) (for loans to group companies) | 10,25% to 13,25% | Decrease by 50 basis points, will result in an increase in the loan balance at year-end. | Increase by 50 basis points, will result in a decrease in the loan balance at year-end. |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the annual financial statements

2023 2022
R R

6. Financial assets at fair value through profit or loss (continued)

The sensitivity analysis relating to the terminal growth rate was applied on the combined terminal value for all investments of R618 115 281 (prior year: R486 315 555). The terminal value range used in 2023 was between R9 million to R253 million and a range of between R22,7 million to R188 million used in 2022. The terminal value range is only presented for significant assets as presented in note 6.1.

The Company does not expect the unobservable inputs to fluctuate by more than 50 basis points on the capitalisation rate, terminal growth rate, weighted average cost of capital and market interest rates and 250 basis points on earnings before interest, tax, depreciation and amortisation was deemed as an appropriate measurement for the sensitivity analysis on investments.

The capitalisation rate is used in the valuation of properties.

| | 2023 | | 2022 | |
|---|------------------------|--------------------------|------------------------|--------------------------|
| Significant unobservable input | Favourable changes (+) | Unfavourable changes (-) | Favourable changes (+) | Unfavourable changes (-) |
| Capitalisation rate | 12 528 873 | (11 429 783) | 5 935 600 | (5 682 382) |
| Terminal growth rate | 17 707 696 | (16 542 788) | 8 910 714 | (9 142 534) |
| WACC | 24 119 151 | (22 530 655) | 13 973 463 | (14 010 709) |
| EBITDA | 25 382 825 | (25 633 307) | 26 687 823 | (27 231 222) |
| Total | 79 738 545 | (76 136 533) | 55 507 600 | (56 066 847) |
| Current fair value as at year end | 830 444 756 | 830 444 756 | 921 999 472 | 921 999 472 |
| Fair value after accounting for total effect of changes in inputs | 910 183 301 | 754 308 223 | 977 507 072 | 865 932 625 |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

6. Financial assets at fair value through profit or loss (continued)

6.3 Sensitivity analysis: Properties

Included in some of the investment balances are amounts relating to properties that were acquired as part of the investee companies. The capitalisation rate used to value each property is a significant unobservable input. An increase in the capitalisation rate results in a decrease in the fair value of the property and – by extension – the fair value of the investment. A decrease in the capitalisation rate results in an increase in the fair value of the property and – by extension – the fair value of the investment.

The sensitivity analysis relating to the property component of each investment with a fair value that has a property element is as follows –

| Investments with a property component | Total fair value at year-end (R) | Property value included in valuation (R) | Residual | Capitalisation rate | Changes in capitalisation rate (R) | |
|---------------------------------------|-------------------------------------|---|--------------|---------------------|---------------------------------------|---------------------------|
| | | | | | Favourable (-50 bps) | Unfavourable (+50 bps) |
| 2023 | | | | | | |
| Africa Healthcare* | 292 538 665 | 80 000 000 | 212 538 665 | 11% - 12% | 3 763 975 | (3 440 000) |
| Vryburg Private Hospital | 35 630 586 | 24 300 000 | 11 330 586 | 11% | 1 157 143 | (1 056 522) |
| Medicare Private Hospital | 221 316 462 | 107 715 000 | 113 601 462 | 11% | 5 129 286 | (4 683 261) |
| RH Bell Clinic | 17 645 988 | 35 000 000 | (17 354 012) | 10% | 1 842 105 | (1 666 667) |
| Fauchard Clinic | 13 209 454 | 14 000 000 | (790 546) | 11,50% | 636 364 | (583 333) |

**Africa Healthcare consists of two properties, St Helena Property (R69 million with a capitalisation rate of 11%) and Fochville (R11 million with a capitalisation rate of 12%).*

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

6. Financial assets at fair value through profit or loss (continued)

| Investments with a property component | Total fair value at year-end | Property value included in valuation | Residual | Capitalisation rate | Changes in capitalisation rate | |
|---------------------------------------|------------------------------|--------------------------------------|--------------|---------------------|--------------------------------|------------------------|
| | (R) | (R) | | | (R) | |
| 2022 | | | | | Favourable (-25 bps) | Unfavourable (+25 bps) |
| Africa Healthcare* | 346 329 018 | 95 800 000 | 250 529 018 | 12% - 13,5% | 1 834 043 | (1 766 308) |
| Vryburg Private Hospital | 32 721 947 | 24 300 000 | 8 421 947 | 11% | 565 116 | (540 000) |
| Medicare Private Hospital | 200 925 000 | 101 202 000 | 99 723 000 | 11% | 2 353 535 | (2 248 933) |
| RH Bell Clinic | 13 194 804 | 34 000 000 | (20 805 196) | 10% | 871 795 | (829 268) |
| Fauchard Clinic | 17 410 218 | 14 000 000 | 3 410 218 | 11,5% | 311 111 | (297 872) |

**Africa Healthcare consists of two properties. St Helena Property (R84 800 000 with a capitalisation rate of 13,5%) and Fochville (R11 000 000 with a capitalisation rate of 12%)*

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

6. Financial assets at fair value through profit or loss (continued)

6.4 Sensitivity analysis – significant investments in unlisted equities

The table below reflects the potential effect of changes in significant unobservable inputs that affect the valuation of the company’s most significant financial assets (each making up at least 5% of the total investments). As the investments are held at fair value through profit or loss; the changes – if they materialised – would be reflected in the statement of profit or loss.

2023

| Significant unobservable input | WACC | | EBITDA | | TGR | | |
|--------------------------------|------------------------------|--------------------|----------------------|---------------------|-----------------------|--------------------|----------------------|
| Subsidiaries | Total fair value at year-end | Favourable -50 bps | Unfavourable +50 bps | Favourable +250 bps | Unfavourable -250 bps | Favourable +50 bps | Unfavourable -50 bps |
| Africa Healthcare | 292 538 665 | 8 956 954 | (8 385 793) | 10 877 439 | (10 877 439) | 5 593 722 | (5 239 067) |
| Medicare Private Hospital | 221 316 462 | 4 892 610 | (4 544 391) | 8 021 938 | (8 021 938) | 5 525 212 | (5 131 969) |
| Rondebosch Medical Centre | 224 325 090 | 10 269 588 | (9 600 472) | 6 483 448 | (6 733 929) | 6 588 763 | (6 171 753) |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

6. Financial assets at fair value through profit or loss (continued)

2022

| Significant unobservable input | | WACC | | EBITDA | | TGR | |
|---------------------------------------|-------------------------------------|---------------------------|-----------------------------|----------------------------|------------------------------|---------------------------|-----------------------------|
| Subsidiaries | Total fair value at year-end | Favourable -25 bps | Unfavourable +25 bps | Favourable +250 bps | Unfavourable -250 bps | Favourable +25 bps | Unfavourable -25 bps |
| Africa Healthcare | 346 329 018 | 5 634 671 | (5 440 972) | 10 226 660 | (10 226 660) | 3 605 138 | (3 482 066) |
| Medicare private Hospital | 200 925 000 | 2 816 064 | (2 717 801) | 6 683 703 | (6 683 703) | 1 833 973 | (1 771 041) |
| Rondebosch Medical Centre | 209 659 959 | 3 713 434 | (3 587 843) | 5 924 616 | (5 924 616) | 2 389 096 | (2 309 493) |
| Fauchard Clinic | 9 880 614 | 260 256 | (249 192) | 415 974 | (415 974) | 184 576 | (176 940) |
| Indirect Associates | | | | | | | |
| Generic Insurance | 79 399 999 | 825 304 | (1 306 207) | 1 555 429 | (2 073 071) | 132 944 | (637 317) |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

6. Financial assets at fair value through profit or loss (continued)

6.5 Investment portfolio - reconciliation of movements during the year

The table below has been provided as part of section 15 of the JSE Listings Requirements

2023 RHBO portfolio

| Subsidiaries | Opening balance R | Additions/ (Disposals) R | Fair value changes R | Closing balance R |
|----------------------------|----------------------------------|---|-------------------------------------|----------------------------------|
| Africa Healthcare | 346 329 018 | - | (53 790 353) | 292 538 665 |
| Vryburg Private Hospital | 32 721 975 | 3 500 000 | (591 389) | 35 630 586 |
| Medicare Private Hospital | 200 925 000 | - | 20 391 462 | 221 316 462 |
| RH Bell Clinic | 13 194 804 | - | 4 451 184 | 17 645 988 |
| Fauchard Clinic | 17 410 218 | 300 000 | (4 500 764) | 13 209 454 |
| Rondebosch Medical Centre | 209 659 959 | - | 14 665 131 | 224 325 090 |
| Dorama Investments | - | 2 500 000 | (2 499 999) | 1 |
| Indirect Associates | | | | |
| PBHPM* | 10 283 000 | - | 3 717 000 | 14 000 000 |
| Locumbase | 4 000 000 | - | (3 242 667) | 757 333 |
| | 834 523 974 | 6 300 000 | (21 400 395) | 819 423 579 |
| Other | 1 144 130 | 6 888 149 | (6 299 162) | 1 733 117 |
| | 835 668 104 | 13 188 149 | (27 699 557) | 821 156 696 |

2023 RHFS portfolio

| Subsidiaries | | | | |
|---------------------|-------------------|---------------------|---------------------|------------------|
| Wesmart | 7 030 349 | 1 750 000 | 511 463 | 9 291 812 |
| Indirect Associate | | | | |
| Generic Insurance | 79 399 999 | (61 500 000) | (17 899 999) | - |
| Other | (98 980) | (78 509) | 173 737 | (3 752) |
| | 86 331 368 | (59 828 509) | (17 214 799) | 9 288 060 |

*Phelang Bonolo Healthcare Procurement and Management Proprietary Limited (PBHPM) has been classified as held for sale.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

6. Financial assets at fair value through profit or loss (continued)

2022 RHBO portfolio

| Subsidiaries | Opening balance R | Additions R | Fair value changes R | Closing balance R |
|----------------------------|----------------------------------|------------------------|-------------------------------------|----------------------------------|
| Africa Healthcare | 309 051 124 | - | 37 277 894 | 346 329 018 |
| Vryburg Private Hospital | 31 198 897 | - | 1 523 078 | 32 721 975 |
| Medicare Private Hospital | 176 648 074 | - | 24 276 926 | 200 925 000 |
| RH Bell Clinic | 29 905 438 | - | (16 710 634) | 13 194 804 |
| Fauchard Clinic | 18 612 802 | - | (1 202 584) | 17 410 218 |
| Rondebosch Medical Centre | 197 341 805 | - | 12 318 154 | 209 659 959 |
| Indirect Associates | | | | |
| PBHPM* | 10 296 615 | - | (13 615) | 10 283 000 |
| Locumbase | - | 4 000 000 | - | 4 000 000 |
| | 773 054 755 | 4 000 000 | 57 469 219 | 834 523 974 |
| Other | 2 411 488 | 2 958 882 | (4 226 240) | 1 144 130 |
| | 775 466 243 | 6 958 882 | 53 242 979 | 835 668 104 |

2022 RHFS portfolio

| Subsidiaries | | | | |
|---------------------|-------------------|-------------------|------------------|-------------------|
| Wesmart | 8 859 019 | 450 000 | (2 278 670) | 7 030 349 |
| Indirect Associate | | | | |
| Generic Insurance | 56 239 238 | 9 000 000 | 14 160 761 | 79 399 999 |
| Other | - | 6 450 000 | (6 548 981) | (98 980) |
| | 65 098 257 | 15 900 000 | 5 333 110 | 86 331 368 |

*Phelang Bonolo Healthcare Procurement and Management Proprietary Limited (PBHPM).

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the annual financial statements

| | 2023 R | 2022 R |
|------------------------------------|--------------------------|--------------------------|
| 7. Loans to group companies | | |
| Opening balance | 42 980 319 | 43 819 072 |
| Additions | 14 083 596 | - |
| Repayments - received in cash* | (1 000 000) | (6 000 000) |
| Repayments - non cash | (1 500 000) | - |
| Interest accrued | 4 361 720 | 5 272 643 |
| Fair value adjustments | (10 709 049) | (111 396) |
| Closing balance** | <u>48 216 586</u> | <u>42 980 319</u> |
| Classification | | |
| Current assets | 911 380 | 5 256 398 |
| Non-current assets | 47 305 206 | 37 723 921 |
| | <u>48 216 586</u> | <u>42 980 319</u> |

**Loan repayments are first applied to an accrued interest outstanding, the balance is then applied to the outstanding loan balance as a capital repayment. In the current year R773 080 (2022: R4 527 992) was recognised as a capital cash repayment.*

***Includes a day 1 deferred gain of R5.8 million recognised on loans provided to these entities. Loans provided to the investee companies are regarded as transactions between equity participants and the resultant Day 1 gains and losses are presented as an adjustment to the carrying amount of the investments.*

The classification between current and non-current assets is based on the expected date of settlement. Any amounts due within 12 months which are made up of any capital and interest are classified as current. The remainder is classified as non-current.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the annual financial statements

| | 2023 R | 2022 R |
|---|-------------------------|-------------------------|
| 7. Loans to group companies (continued) | | |
| <i>7.1 Reconciliation of loans to group companies held at fair value through profit or loss</i> | | |
| Africa Healthcare Proprietary Limited: | | |
| Opening balance | 8 817 711 | 14 606 417 |
| Repayment | (2 500 000) | (6 000 000) |
| Interest accrued | 959 854 | 1 472 008 |
| Fair value adjustment | (898 925) | (1 260 714) |
| | <u>6 378 640</u> | <u>8 817 711</u> |

The Company issued the loan to Africa Healthcare Proprietary Limited in June 2019 at 15% interest rate which is repayable in 5 years to enable Africa Healthcare Proprietary Limited to finance expansions.

| | | |
|---|--------------------------|--------------------------|
| Notamed Proprietary Limited (RH Bell Property Company) | | |
| Opening balance | 34 162 608 | 29 212 655 |
| Additions | 14 083 596 | - |
| Interest accrued | 3 401 866 | 3 800 635 |
| Fair value adjustment | (9 810 124) | 1 149 318 |
| | <u>41 837 946</u> | <u>34 162 608</u> |

The Company issued an initial R20 million loan to Notamed Proprietary Limited in December 2019, the loan initially incurred interest at 15% which was repriced to 10% effective from 1 March 2022. The decision to amend the terms of loan was taken to assist the investee.

In the current period the Company increased funding to Notamed by R14,1 million. Both loans were to enable Notamed Proprietary Limited to finance expansions. Refer to note 22.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the annual financial statements

2023
R

2022
R

7. Loans to group companies (continued)

7.2 Sensitivity analysis

Explanation of key valuation inputs and possible impact of changes in inputs.

The Company has a financial assistance policy that governs the provision of financial assistance to group companies. A key input – the interest charged on the financial assistance – is dependent on the profile of each entity and is regarded as an unobservable input. This input is central to the valuation of the loans provided to group companies. As a result, any change to this and other unobservable input would affect the recognised value of the loans in the annual financial statements. To aid stakeholders understand the possible impact of the change in significant inputs that influence the valuation process for the loans to group companies, the Company has prepared a sensitivity analysis based on changes – both favourable and unfavourable – to the inputs.

The table below reflects the potential effect of changes in significant unobservable inputs that affect the valuation of the Company's loans. As the loans are held at fair value through profit or loss; the changes – if they materialised – would be reflected in the statement of profit or loss.

Loans at fair value through profit or loss

| | 2023 | | 2022 | |
|---|------------------------------|--------------------------------|------------------------------|--------------------------------|
| Significant unobservable input | Favourable changes (-50 bps) | Unfavourable changes (+50 bps) | Favourable changes (-50 bps) | Unfavourable changes (+50 bps) |
| Market interest rate: SA prime rate | 583 654 | (576 019) | 602 468 | (592 527) |
| Current fair value as at year end | 48 216 586 | 48 216 586 | 42 980 319 | 42 980 319 |
| Fair value after accounting for total effect of changes in inputs | 48 800 240 | 47 640 567 | 43 582 787 | 42 387 792 |

8. Property, plant and equipment

| | 2023 | | | 2022 | | |
|---------------------------------|------------------|--------------------------|------------------|------------------|--------------------------|------------------|
| | Cost | Accumulated depreciation | Carrying value | Cost | Accumulated depreciation | Carrying value |
| Right of use asset on buildings | 3 816 806 | (1 844 789) | 1 972 017 | 3 816 806 | (1 081 428) | 2 735 378 |
| Furniture and fixtures | 591 408 | (285 451) | 305 957 | 591 408 | (167 169) | 424 239 |
| Computer equipment | 45 584 | (7 655) | 37 929 | - | - | - |
| Total | 4 453 798 | (2 137 895) | 2 315 903 | 4 408 214 | (1 248 597) | 3 159 617 |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the annual financial statements

2023
R

2022
R

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

| | Opening balance | Additions | Depreciation | Total |
|-----------------------------------|----------------------------|------------------|---------------------|------------------|
| Computer equipment | - | 45 584 | (7 655) | 37 929 |
| Furniture and fixtures* | 424 239 | - | (118 282) | 305 957 |
| Right-of-use asset on buildings** | 2 735 378 | - | (763 361) | 1 972 017 |
| | 3 159 617 | 45 584 | (889 298) | 2 315 903 |

Reconciliation of property, plant and equipment - 2022

| | Opening balance | Depreciation | Total |
|---------------------------------|----------------------------|---------------------|------------------|
| Furniture and fixtures | 542 521 | (118 282) | 424 239 |
| Right-of-use asset on buildings | 3 498 739 | (763 361) | 2 735 378 |
| | 4 041 260 | (881 643) | 3 159 617 |

*The assets relate to furniture and fixtures that were installed in the leased building. The assets are depreciated over 5 years in line with the lease term.

**The right-of-use asset relates to the lease of office buildings for a period of 5 years.

The Company leases its office buildings in terms of a five-year non-cancellable lease. On inception date, the Company recognised a right-of-use asset equal to the present value of the future lease payments of the lease liability. As the Company uses a cost model in relation to its owned property, plant and equipment and the right-of-use asset is being depreciated over the lease term. (Refer to note 9).

9. Lease liabilities

Lease liabilities have been included in the liabilities section on the statement of financial position.

The lease liability relating to the lease contract for office buildings has been computed using the contractual lease payments using the incremental borrowing rate in the lease. The reconciliation of the lease liability for the year is as follows:

| | | |
|-------------------------|------------------|------------------|
| Opening balance | 2 984 187 | 3 639 758 |
| Interest accrued | 186 225 | 237 147 |
| Repayments | (900 375) | (892 718) |
| | 2 270 037 | 2 984 187 |
| Non-current liabilities | 1 458 708 | 2 270 653 |
| Current liabilities | 811 329 | 713 534 |
| | 2 270 037 | 2 984 187 |

Right of use asset of the leased office building has been shown under property plant and equipment in note 8.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the annual financial statements

| | 2023 R | 2022 R |
|--|---------------------|-------------------|
| 10. Other receivables | | |
| Fees receivables | 560 121 | 132 250 |
| Prepayments | 15 645 | 15 645 |
| SARS VAT | - | 296 995 |
| | <u>575 766</u> | <u>444 890</u> |
| 11. Taxation | | |
| South African Income tax | | |
| Normal taxation - current year | - | - |
| Deferred taxation - current year | (12 396 598) | 10 948 303 |
| | <u>(12 396 598)</u> | <u>10 948 303</u> |
| Normal tax reconciliation: | | |
| (Loss)/Profit before tax | (44 609 438) | 64 432 483 |
| Tax at 28% | (12 490 643) | 18 041 095 |
| Tax effect of adjustments on taxable income | | |
| Add loss/(less gain) on financial assets through profit or loss at standard tax rate | 3 114 911 | (3 269 304) |
| Add impact of non-deductible expenses | 626 194 | 2 954 564 |
| Other income | - | 20 710 |
| Exempt dividend income | (7 875 511) | (6 740 030) |
| Effect of Deferred tax rate change on opening balance | (2 088 898) | - |
| Unrecognised deferred tax assets* | 6 248 310 | - |
| Other | 69 039 | (58 732) |
| Effective tax expense | <u>(12 396 598)</u> | <u>10 948 303</u> |
| <p>*During the current reporting period, the Company has reassessed its ability to utilise a significant portion of its deferred tax assets. Based on this assessment, it has been determined to limit the recognition of these deferred tax assets. The total amount of assessed loss carried forward is R35,6 million.</p> | | |
| Income tax paid | | |
| Current tax receivable at beginning of the year | 19 562 | 19 562 |
| Receivable written off | (19 562) | - |
| Current tax receivable/(payable) | <u>-</u> | <u>19 562</u> |
| 12. Cash and cash equivalents | | |
| Cash and cash equivalents consist of: | | |
| Call account | 13 759 293 | 14 422 |
| Current account | 4 982 981 | 7 749 294 |
| Investment Account | 133 187 852 | - |
| | <u>151 930 126</u> | <u>7 763 716</u> |

Cash and cash equivalents consist of the Company's cash balances held in a current account and a call account and a cash investment account with First National Bank.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the annual financial statements

| | | |
|--|------|------|
| | 2023 | 2022 |
| | R | R |

13. Stated capital

Authorised

10 000 000 000 "A" no par value ordinary shares with voting rights. (2022: 10 000 000 000 "A" no par value ordinary shares with voting rights).

*1 "B" restrictive class of shares. (2022: 1 "B" restrictive class of shares.)

Issued

64 691 298 "A" ordinary shares with no par value (2022: 64 691 298 "A" ordinary share in issue)

*1 "B" restrictive no par value class of shares held in issue (2022: 1 "B" restrictive no par value class of shares held in issue)

Reconciliation of issued "A" shares

| | 2023 Number of shares | 2022 Number of shares |
|---|-----------------------------|-----------------------------|
| Reconciliation of number of shares issued: | | |
| Opening Balance | 64 691 298 | 64 691 298 |
| Reconciliation of issued "B" shares | | |
| RH Bophelo Management Company Proprietary Limited | 1 | 1 |

*The Class B shares dividends are calculated based on 15% of more than 10% growth in accumulated net asset value less any accumulative equity raises. In the current year, the net asset value decreased by 3,6% (prior year: increase of 4,6%) and dividend declared of R nil (Prior year: Rnil). "B" Dividends accrued and declared are payable within 30 days, if such dividends are not paid within 30 days, they will accrue interest at a prime plus 2% and class B shares will receive one voting right per B share, until fully settled. B shares only receive voting rights when payment of the B shares dividend is outstanding for longer than 30 days.

Capital risk management

The Company manages its capital in a manner that seeks to ensure that it can invest in entities that will assist in maximising returns to shareholders. The Company is committed to utilising both debt (note 15 for additional information) and equity in acquiring strategic investments, our target debt is 30%. The Company is not subject to any externally imposed capital requirements. There has been no change from prior period on how capital risk management is managed by the Company.

The Board through its Investment Committee reviews the capital structure on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each form of capital. The Company has a target gearing ratio of 30% determined as the proportion of net debt to equity. The gearing ratio at 28 February 2023 of 18,6% was below the target range and has remained below target since the reporting date.

The "B" class share with no par value will form part of the capital structure and any dividends declared will have an impact on the capital structure in subsequent years.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the annual financial statements

| | 2023 R | 2022 R |
|---|--------------|---------------|
| Net Asset Value | 871 743 704 | 903 956 544 |
| Number of ordinary shares in issue | 64 691 298 | 64 691 298 |
| Net asset value and tangible net asset value per ordinary share at year end | 1347,5 cents | 1 397,3 cents |

Net asset value and tangible net asset value per ordinary share is used as a measurement for trading statement purposes. Net asset value and tangible net asset value per ordinary share decreased by 3,6% in the current year (2022: increase of 4,6%).

14. Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset and the net amount reported in the statement of financial position. The deferred tax liability is made up of the following temporary differences:

| | | |
|---|----------------------------|----------------------------|
| Fair value adjustments on financial assets at fair value through profit or loss | (60 105 312) | (74 791 078) |
| Right of use asset | (532 444) | (765 905) |
| Lease liability | 612 910 | 835 572 |
| Prepaid expenses | (3 874) | (4 017) |
| Tax loss carry forward | 3 602 400 | 5 920 864 |
| Property Plant and Equipment | 26 063 | 7 709 |
| Net deferred tax liability | <u>(56 400 257)</u> | <u>(68 796 855)</u> |

Reconciliation of movement in deferred tax liability

| | | |
|--|----------------------------|----------------------------|
| At beginning of year | (68 796 855) | (57 848 552) |
| Decrease/(Increase) in fair value gains on financial assets at fair value through profit or loss | 12 459 643 | (13 124 224) |
| Decrease in right of use asset | 213 741 | 213 742 |
| Decrease in lease liability | (199 962) | (183 560) |
| Increase in prepaid expenses | - | (365) |
| (Decrease)/increase in tax loss available for set off against future taxable income | (2 185 041) | 2 138 395 |
| Decrease in Property, Plant and Equipment | 19 319 | 7 709 |
| Effect of Deferred tax rate change on opening balance | 2 088 898 | - |
| Balance at the end of the year | <u>(56 400 257)</u> | <u>(68 796 855)</u> |

On 23 February 2021, a reduction in the corporate tax rate from 28% to 27% for the years of assessment commencing 1 April 2022 was announced. This impacts the measurement of deferred tax assets and liabilities which must be measured at the tax rates that are expected to apply to the period in which the underlying asset or liability is realised or settled.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the annual financial statements

| | 2023 R | 2022 R |
|---|--------------------|-----------|
| 15. Borrowings | | |
| Held at amortised cost | | |
| Borrowings | 102 508 533 | - |
| | <u>102 508 533</u> | <u>-</u> |
| Reconciliation of movement in borrowings | | |
| Balance at the beginning of the year | - | - |
| Proceeds from borrowings | 100 000 000 | - |
| Interest accrued during the year | 7 032 925 | - |
| Finance costs paid | (4 524 392) | - |
| | <u>102 508 533</u> | <u>-</u> |

The Company entered into a loan agreement with Norsad Capital Limited for a total credit facility of R100 million. This was disbursed in two tranches R50 million on 13 July 2022 and R50 million on 06 December 2022. 60% of the capital amount is repayable quarterly starting 30 September 2023. The final repayment on the 30th June 2029 shall include a balloon payment of 40%.

Interest is payable quarterly in arrears at a floating rate of 7,5% plus 3 month JIBAR.

The loan has been classified as current due to covenants breach.

The loan is secured by the Company's investments and first ranking mortgage bond over Fezinet Proprietary Limited trading as Vryburg Private Hospital ("Vryburg"), RH Bell Clinic Proprietary Limited ("RH Bell") and Fauchard Tandheelkundige Sentrum Proprietary Trading ("Fauchard") as well as second ranking over the mortgage bond over BMc Gilliwe Proprietary Limited ("Medicare").

Due to the comprehensive loss generated during the year, the Company breached its profitability covenants on the facility. Downward adjustment in profits was due mainly to the valuation of Africa Healthcare. Subsequent to the end of the financial period, the Company entered into negotiations with Norsad to waive the repayment obligation related to the covenant breach. The waiver was granted. The Company has maintained a cash balance 48% in excess of the value of its exposure to Norsad which means that the Company will continue to meet its ongoing financial obligations as they fall due. The breach does not have an impact on the Company's ability to continue as a going concern.

16. Other payables

| | | |
|--------------------|----------------|----------------|
| Accounts payable* | 458 045 | 617 508 |
| Accrued expenses** | 15 665 | 12 482 |
| VAT Payable | 86 896 | - |
| | <u>560 606</u> | <u>629 990</u> |

*Includes an amount of R376 351 payable to Rwanda Stock Exchange in the current period for listing fees denominated in dollars.

**Relates to an medical aid expenses incurred during the current period which was settled subsequent to year end.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the annual financial statements

| | 2023 R | 2022 R |
|---|---------------------|-------------------|
| 17. Investment Income | | |
| Interest income from bank balances | 3 065 568 | 554 035 |
| Interest income from loans to group companies* | 4 361 720 | 5 272 643 |
| Total interest income | 7 427 288 | 5 826 678 |
| Dividend income** | 28 126 826 | 24 071 536 |
| <p><i>*Refer to note 7 where loans to group companies are disclosed.</i> <i>**Dividend income relates to dividends received from RHFS and RHBO, refer to related parties note 22.</i></p> | | |
| 18. Fair value (losses)/gains from financial assets at fair value through profit or loss | | |
| Financial assets as at fair value through profit or loss | (55 623 405) | 58 464 695 |
| Fair value (losses)/gains on financial assets at fair value through profit or loss* | (44 914 356) | 58 576 091 |
| Fair value losses on loans to group companies** | (10 709 049) | (111 396) |
| | (55 623 405) | 58 464 695 |
| <p><i>*Refer to note 6 for full detailed reconciliation.</i> <i>**Refer to note 7 for full detailed reconciliation.</i></p> | | |
| 19. Other income | | |
| Directors fees* | 372 061 | 356 600 |
| Other income | - | 12 823 |
| Support services** | 3 870 289 | 1 502 893 |
| | 4 242 350 | 1 872 316 |
| <p><i>*Fees for Board participation in Rondebosch Medical Centre and Genric Insurance Company.</i> <i>**This represents fees charged for the provision of managerial, infrastructural and support services to RHBO and RHFS.</i></p> | | |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the annual financial statements

| | 2023 | 2022 |
|--|-----------|-----------|
| | R | R |
| 20. Expenses | | |
| Total expenses included the following | | |
| Marketing and Advertising | 352 839 | 835 871 |
| Depreciation – Property, plant & equipment | 125 937 | 118 282 |
| Depreciation – Right-of-use Asset | 763 361 | 763 361 |
| Listing fees | 755 089 | 745 315 |
| Management fees* | 4 068 122 | 4 520 532 |
| Remuneration for non-executive directors | 1 855 500 | 1 842 460 |
| Employment costs*** | 4 791 453 | 1 830 366 |
| Due diligence expenses | - | 447 334 |
| Financial reporting and audit fees | 3 870 909 | 1 586 532 |
| Professional fees | 216 183 | 3 578 103 |
| Secretarial Fees | 1 163 972 | 1 582 671 |
| Interest expense - lease liability | 186 225 | 237 147 |
| Donations** | 1 423 949 | 1 720 000 |

*Management fees are 1% per quarter of the RH Bophelo's enterprise value, with adjustments of average share price for the year taking into consideration the debt and cash balances.

**Donations mainly relate to donations to RH Foundation NPC which is a related party. The relationship is mainly through the cross directorship of Vuyokazi Nomvalo in both RH Bophelo and RH Foundation NPC.

*** Includes an amount of R67 893 paid in relation to medical aid contributions on behalf of employee.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

21. Directors' remuneration

Remuneration paid to the Directors during the current period ended 28 February 2023 was as follows:

| | For services as a director**** | Remuneration | Short term employee benefits | Total |
|-------------------|---|---------------------|---|------------------|
| Quinton Zunga* | - | 2 000 000 | - | 2 000 000 |
| Vuyokazi Nomvalo | - | 1 423 866 | - | 1 423 866 |
| Dion Mhlaba | - | 1 779 958 | 87 818 | 1 867 776 |
| Collin Clarke* | - | 1 620 000 | - | 1 620 000 |
| John Oliphant | 275 000 | - | - | 275 000 |
| Solomon Motuba | 110 000 | - | - | 110 000 |
| Kgaogelo Ntshwana | 277 000 | - | - | 277 000 |
| David Sekete** | 285 500 | - | - | 285 500 |
| Bojane Segooa | 200 000 | - | - | 200 000 |
| Dinao Lerutla | 100 000 | - | - | 100 000 |
| Samson Moraba | 209 000 | - | - | 209 000 |
| Fulu Makwetla*** | 178 000 | - | - | 178 000 |
| Lyndsay Maseko | 261 000 | - | - | 261 000 |
| | 1 895 500 | 6 823 824 | 87 818 | 8 807 142 |

*The Directors are remunerated by RH Bophelo Management Company Proprietary Limited, remuneration for Executive Directors is made up of salaries that are short-term employee benefits. The directors have standard employment contract terms.

** R40 000 was earned through board participation in Africa Healthcare Proprietary Limited.

***Fulu Makwetla is a non-executive member of the Investment Committee and director in RH Bophelo Management Company.

****The fees earned by non-executive directors are for board and subcommittee meeting attendance.

Remuneration was paid to the Directors during the 28 February 2022 period as follows:

| | For services as a director* | Remuneration | Total |
|-------------------|--|---------------------|------------------|
| Quinton Zunga | - | 2 000 000 | 2 000 000 |
| Vuyokazi Nomvalo | - | 1 293 864 | 1 293 864 |
| Dion Mhlaba | - | 1 800 000 | 1 800 000 |
| Colin Clarke | - | 1 620 000 | 1 620 000 |
| John Oliphant | 300 000 | - | 300 000 |
| Solomon Motuba | 281 460 | - | 281 460 |
| Kgaogelo Ntshwana | 230 000 | - | 230 000 |
| David Sekete | 206 000 | - | 206 000 |
| Refiloe Nkadimeng | 50 000 | - | 50 000 |
| Dinao Lerutla | 305 000 | - | 305 000 |
| Bojane Segooa | 220 000 | - | 220 000 |
| Fulu Makwetla | 200 000 | - | 200 000 |
| Lyndsay Maseko | 60 000 | - | 60 000 |
| | 1 852 460 | 6 713 864 | 8 566 324 |

*The fees earned by non-executive directors are for board meeting attendance.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

22. Related parties

Related parties are entities with the ability to control the other party or exercise significant influence over such party in making financial and operating decisions, or anyone that is part of the key management personnel (including Directors) of the Company. Management considered the key agreements, transactions and relationships between the Company and other entities and has classified the entities listed below as a related party. The Company discloses all its relationships in investments that are owned directly and indirectly. Direct investments include investments that are owned by RH Bophelo and indirect investments include investments that are owned through investments of RHBO and RHFS. Where applicable, any transaction with a related party is disclosed below.

Relationships

Relationship with direct subsidiaries

| | |
|--|---|
| RH Bophelo Operating Company Proprietary Limited | 100% shareholding unconsolidated subsidiary, cross directorship of Quinton Zunga, Vuyokazi Nomvalo, David Sekete, Dion Mhlaba, John Oliphant. |
| RH Financial Services Proprietary Limited | 100% shareholding unconsolidated subsidiary, cross directorship of Dion Mhlaba and Colin Clarke. |
| RH Bophelo Property Proprietary Limited | 100% shareholding unconsolidated subsidiary, cross directorship of Dion Mhlaba and Colin Clarke. |

Relationship with indirect subsidiaries

| | |
|---|---|
| Africa Healthcare Proprietary Limited | 100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Vuyokazi Nomvalo and Colin Clarke. |
| St Helena Property Proprietary Limited | 100% shareholding unconsolidated subsidiary held through RHBO |
| CFM Proprietary Limited | 100% shareholding unconsolidated subsidiary held through RHBO |
| Fochville Hospital Proprietary Limited | 100% shareholding unconsolidated subsidiary held through RHBO |
| Vryburg Holding Company Proprietary Limited | 81% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke. |
| Henley Solution Proprietary Limited | 81% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke. |
| Megafrack Proprietary Limited | 100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Dion Mhlaba and Colin Clarke. |
| Fauchard Tandheelkundige Sentrum Proprietary Limited Trading as Fauchard Day Clinic | 100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke. |
| RH Bell Clinic Proprietary Limited | 100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke. |
| Notamed Proprietary Limited | 100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke. |
| Bridger Proprietary Holdings Proprietary Limited | 100% shareholding unconsolidated subsidiary held through Notamed. |
| RIOSE Proprietary Limited | 100% shareholding unconsolidated subsidiary held through RHFS, cross directorship of Dion Mhlaba and Colin Clarke. |
| RH Bophelo Pharma Proprietary Limited | 100% shareholding unconsolidated subsidiary. |
| Fezinet Proprietary Limited Trading as Vryburg Private Hospital | 81% shareholding unconsolidated subsidiary held through Vryburg Holding Company, cross directorship of Colin Clarke. |
| Fenetiq Proprietary Limited | 81% shareholding unconsolidated subsidiary held through Vryburg Holding Company, cross directorship of Colin Clarke. |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

| | |
|--|--|
| BMc Gilliwie Proprietary Limited Trading as Medicare Private Hospital | 54% shareholding unconsolidated subsidiary held through Megafrack, cross directorship of Vuyokazi Nomvalo and Colin Clarke. |
| Magnacorp Proprietary Limited | 50,1% shareholding unconsolidated subsidiary held through Megafrack, cross directorship of Vuyokazi Nomvalo and Colin Clarke. |
| Wesmart Financial and Administration Solution Proprietary Limited | 60% shareholding unconsolidated subsidiary held through RHFS, cross directorship of Dion Mhlaba and Colin Clarke. |
| Rondebosch Medical Centre Proprietary Limited | 100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Dion Mhlaba and Colin Clarke. |
| Dorama Investments Proprietary Limited | 100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke. |
| AHC Nursing College Proprietary Limited | 100% shareholding unconsolidated subsidiary held through Dorama Investments. |
| Platinum Private Hospital Proprietary Limited | 100% shareholding unconsolidated subsidiary held through Dorama Investments. |
| AHC EMS Proprietary Limited | 100% shareholding unconsolidated subsidiary held through Dorama Investments. |
| Gerijo EMS Proprietary Limited | 100% shareholding unconsolidated subsidiary held through Dorama Investments. |
| RMC Pharmacy Proprietary Limited | 100% shareholding unconsolidated subsidiary held through Rondebosch. |
| Relationship with indirect associates and joint ventures | |
| Phelang Bonolo Healthcare Procurement and Management Proprietary Limited ("PBHPM") | 49% unconsolidated associate held through RHBO, manages and owns 8,3% in Botshilu Private Hospital Proprietary Limited, cross directorship of Vuyokazi Nomvalo. |
| Botshilu Private Hospital Proprietary Limited | 8,3% owned by PBHPM, a hospital in Shoshanguve. |
| Botshilu Properties Proprietary Limited | 100% owned by Botshilu Private Hospital and owns the hospital property in Shoshanguve. |
| Locumbase Proprietary Limited | 10% shareholding, unconsolidated associate through RHBO. |
| Relationship with directors, shareholders and others | |
| RH Bophelo Management Company Proprietary Limited | Cross directorship for the following directors in RH Bophelo Limited: Quinton Zunga, Dion Mhlaba, Colin Clarke and John Oliphant. Provides investment management services and holds the B-share. |
| RH Managers Proprietary Limited | Cross directorship for the following directors in RH Bophelo Limited: Quinton Zunga, Dion Mhlaba and David Sekete (non-executive). The Company and RH Managers share an office space. |
| Metamax Proprietary Limited | Dion Mhlaba is a director in both Megafrack and Metamax, both companies own majority shareholding in Magnacorp and Medicare hospital. Metamax owns 46% of Medicare hospital and 49% of Magnacop Proprietary Limited. |
| RH Bophelo Energy Proprietary Limited | Cross directorship of Dion Mhlaba and Colin Clarke |
| RQ Capital Partners Proprietary Limited | Quinton Zunga (CEO) is the majority shareholder and holds 3% issued shares of the company. |
| Third Way Investment Group Proprietary Limited | John Oliphant (chairman of RHB) is the majority shareholder and holds 2% of the company. |
| Public Investment Corporation SOC Limited | Shareholder with significant influence. |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

K2015398326 Proprietary Limited

Loan receivable by RHBO at fair value of R1,6 million.

Medicare Practitioners Investment Holdings Proprietary Limited

Loan receivable to Medicare Private Hospital of R2,4 million.

RH Foundation NPC*

Cross directorship of Vuyokazi Nomvalo.

*RH Foundation NPC is used to advance the Company's corporate social responsibilities.

Related party balances reflected on the statement of financial position at year end

| | 2023 | 2022 |
|--|-------------------|-------------------|
| | R | R |
| Loan accounts - Owing by related parties* | | |
| Africa Healthcare Proprietary Limited | 6 378 640 | 8 817 711 |
| Notamed Proprietary Limited | 41 837 946 | 34 162 608 |
| | 48 216 586 | 42 980 319 |
| | | |
| *Refer to note 7 for details of the terms of the loans. | | |
| Amounts included in Other receivable due from related parties | | |
| Rondebosch Medical Centre Proprietary Limited | 449 650 | 132 250 |
| | 449 650 | 132 250 |
| | | |
| Amounts included in Other payables due to related parties | | |
| Directors fees* | - | 30 000 |
| | - | 30 000 |
| | | |
| *Unpaid directors fees for the period | | |
| Related party transactions with impact on the statement of profit or loss | | |
| Interest received from related parties | | |
| Africa Healthcare Proprietary Limited | 959 854 | 1 472 008 |
| Notamed Proprietary Limited | 3 401 866 | 3 800 635 |
| | 4 361 720 | 5 272 643 |
| | | |
| Interest paid to related parties | | |
| RH Bophelo Management Company Proprietary Limited | - | 66 614 |
| | - | 66 614 |
| | | |
| Dividend Income received from related parties | | |
| RH Financial Services Proprietary Limited | 20 476 826 | 7 825 528 |
| RH Bophelo Operating Company Proprietary Limited | 7 650 000 | 16 246 008 |
| | 28 126 826 | 24 071 536 |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the annual financial statements

| | 2023 R | 2022 R |
|---|-------------------------|-------------------------|
| Other income received from related parties | | |
| Rondebosch Medical Centre* | 276 000 | 300 500 |
| Generic Insurance Company Limited | - | 56 100 |
| RH Bell | - | 12 823 |
| RH Bophelo Operating Company** | 3 225 241 | 1 127 170 |
| RH Financial Services** | 645 048 | 375 723 |
| | <u>4 146 289</u> | <u>1 872 316</u> |

**Rondebosch Medical Centre is a 100% subsidiary of RHBO where two of the Company's executives serve on the Board and the Company claims a monthly retainer which is what constituted the Directors fees income.*

***Income relates to fees charged for support services - See note 19*

Management fees paid to related parties

| | | |
|---|-------------------------|-------------------------|
| RH Bophelo Management Company Proprietary Limited | 4 068 122 | 4 250 532 |
| | <u>4 068 122</u> | <u>4 250 532</u> |

Rent paid to related parties

| | | |
|---------------------------------|-----------------------|-----------------------|
| RH Managers Proprietary Limited | 900 375 | 892 718 |
| | <u>900 375</u> | <u>892 718</u> |

Donation paid to related parties

| | | |
|-------------------|---------|-----------|
| RH Foundation NPC | 840 365 | 1 720 000 |
|-------------------|---------|-----------|

**Donation made by RH Bophelo for supplier and enterprise development initiatives undertaken by RH Foundation NPC.*

23. Commitments and financial support

The Company provides financial support to investee companies in line with its policy on financial assistance. During the 2023 financial period, the financial support was provided in the form of debt funding.

The Company provided financial assistance to its unconsolidated subsidiaries through equity and loans.

- There are no restrictions on the loans.
- In line with the Company and group policy on loans to group companies, section 45 of the Companies Act is applied for each form of financial assistance approved within the group and between group companies.
- Currently the Company has no commitment to provide any of its subsidiaries with financial assistance, nor commitment to assist their subsidiaries in obtaining financial support.
- The Company has no contractual obligation to provide financial support to its subsidiaries for the next 12 months.
- There are no unfulfilled commitments at the reporting date.
- The Company may provide assistance to investee companies from time to time for the purposes of expansion.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

23. Commitments and financial support (continued)

A summary of transactions for financial support are as follows:

2023

| Name of subsidiary | Nature of financial support | | Purpose for financial support |
|---|-----------------------------|------------|-------------------------------|
| | Equity R | Loan R | |
| RH Financial Services Proprietary Limited | 1 671 491 | - | Expansion |
| RH Bophelo Operating Company Proprietary | 13 188 149 | - | Expansion |
| Notamed Proprietary Limited | - | 14 083 596 | Expansion |
| <i>Note</i> | <i>6</i> | <i>7</i> | |

The Company had no outstanding loan commitments to investee companies in the current and prior period. The financial support is in the form of equity and therefore no restrictions exist.

2022

| Name of subsidiary | Nature of financial support | Purpose for financial assistance | |
|---|-----------------------------|----------------------------------|-----------|
| | | Equity R | |
| RH Financial Services Proprietary Limited | 15 900 000 | | Expansion |
| RH Bophelo Operating Company Proprietary | 6 958 882 | | Expansion |
| <i>Note</i> | <i>6</i> | | |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

24. Events after the reporting period

The Company entered into a purchase agreement to acquire a 29% interest in Ambit Health Proprietary Limited for R1,075 million through its subsidiary RHBO on 01 March 2023.

The Company advanced a R6 million loan to Rondebosch Medical Centre Proprietary Limited ("RMC") through its subsidiary RHBO on 03 March 2023 at an interest rate of 15% per annum.

In light of the profitability covenants on the Norsad facility being breached due to the Company's loss for the year, the Company entered into negotiations with Norsad to waive the repayment conditions on the loan. The waiver was granted. The Company is also negotiating the collective covenants on the Norsad agreement to be more aligned with the Company's business model. The negotiations are ongoing.

25. Contingent liabilities

There were no contingent liabilities at year end.

26. Going concern

In accordance with the solvency and liquidity test set out in section 4 of the Companies Act, the Board is of the opinion that, after making enquiries, it has a reasonable expectation that the Company has sufficient resources to maintain its operational existence for the foreseeable future and that:

- The Company's assets fairly valued exceed its liabilities fairly valued.
- The Company maintains a strong net asset value position of R871 743 704 (2022: R903 956 543) and a net current asset position of R63 536 804 (2022: R12 141 041).
- The Company will be able to pay its debts as they become due in the ordinary course of business for the 12 months up to 29 February 2024.
- The Audit and Risk Committee considered the Company's going concern status in light of the new capital structure which included debt financing for the first time.
- During the course of the year, the Company concluded a financing arrangement with Norsad Limited which provided the Company with access to a borrowing facility of R100 million. The facility was drawn down in two tranches of R50 million in July 2022 and December 2022.
- Due to the comprehensive loss generated during the year, the Company breached its profitability covenants (which affect the Debt Service Coverage Ratio and Debt/EBITDA clauses) on this facility. The breach was due to the downward revision in the valuation of Africa Healthcare.
- Subsequent to the end of the financial period, the Company entered into negotiations with Norsad to waive the repayment conditions related to the covenants breach. The waiver was granted. The Company has maintained a cash balance 48% in excess of the value of its exposure to Norsad which means that the Company will continue to meet its ongoing financial obligations as they fall due.
- Negotiations relating to the general conditions of the loan agreement are still ongoing.
- Based on these initiatives relating to the Norsad facility, the directors believe that the Company's going concern status remains an appropriate basis for the preparation of its financial statements.

In addition to this assessment, the Directors have undertaken these additional steps and considered the following key factors in its assessment of the Company's status as a going concern:

- The Board – through the Audit and Risk Committee – has undertaken a detailed review of the going concern capability of the Company with reference to certain assumptions and plans underlying various internal cash flow forecasts. This review involved the interrogation of key estimations and projects underpinning the valuation of the Company's listed and unlisted investments. The Committee has indicated to the Board that the processes and methodologies applied in the valuation process are adequate to be used as the basis for the Company's going concern assessment.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

26. Going concern (continued)

- The Board also noted that during the period under review, the Covid-related National State of Disaster was abolished on the 4th of April 2022 which marked the end of 750 days of various levels of national lockdowns. In the aftermath of that decision, the country has not experienced any spikes in infections that might suggest future lockdowns are imminent.
- The Company continues to monitor the government's actions for addressing possible future spikes in infections. This includes the various scenarios and health data alerts as published by the Department of Health and the World Health Organisation.
- At the beginning of 2022, the escalation of tensions in the Ukraine impacted the global economy in a manner that resulted in increased inflation across the globe and an escalating cost-of-living crisis. For South Africa, the events escalated an already fragile economic outlook and the increase in fuel prices in particular, dimmed the outlook for the local economy.
- The continuous escalation of loadshedding throughout the country remains a significant operational risk for the Company at large as continuous disruptions impact all of the Company's facilities. In order to address this risk, the Directors have approved a plan to provide all the Company's facilities with alternative energy solutions which will be rolled out throughout the course of the 2023 calendar year.
- The Committee has considered the ongoing impacts of these macro-economic fundamentals and is satisfied that their impact has been adequately incorporated into the Company's valuation methodology.
- Having assessed the variables and scenarios relating to external factors in addition to internal projections and cash flow forecasts, and the Company's ongoing negotiations relating to lender covenants, the directors have concluded that the going concern assumption remains the appropriate basis for preparing the financial statements of the Company.

27. Basic, diluted and headline losses per share

Basic (loss)/earnings per share

The calculation of basic loss per ordinary share is based on a comprehensive loss of R32 212 840 (2022: comprehensive earnings R53 484 180) and a weighted average number of ordinary shares in issue of 64 691 298 (2022: 64 691 298). The basic loss per ordinary share is 49,8 cents (2022: basic earnings per ordinary share 82,7 cents).

Diluted (loss)/earnings per share

The Company has no dilutive instruments and as a result, the calculation of diluted loss per ordinary share is based on diluted loss of R32 212 840 (2022: diluted earnings R53 484 180) and a weighted average number of ordinary shares in issue of 64 691 298 (2022: 64 691 298). The diluted loss per ordinary share are 49,8 cents (2022: diluted earnings per ordinary share 82,7 cents).

Headline (loss)/earnings per share

The calculation of headline loss per ordinary share is based on headline loss of R32 212 840 (2022: headline earnings R53 484 180) and a weighted average number of ordinary shares in issue of 64 691 298 (2022: 64 691 298). The headline loss per ordinary share is 49,8 cents (2022: headline earnings per ordinary share 82,7 cents).

Diluted headline (loss)/earnings per share

The Company has no dilutive instruments and as a result, the calculation of diluted headline loss per ordinary share is based on diluted headline loss of R32 212 840 (2022: diluted headline earnings R53 484 180) and a weighted average number of ordinary shares in issue of 64 691 298 (2022: 64 691 298). The diluted headline loss per ordinary share are 49,8 cents (2022: diluted headline earnings ordinary per share 82,7 cents).

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

28. Financial risk management and capital management

Overview

The Company is exposed to the following risks from its use of financial instruments:

- Liquidity risk;
- Credit risk; and
- Market risk (interest rate risk, price risk and currency risk).

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established an Audit and Risk Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports quarterly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Audit and Risk Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

28.1. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company defines a default as an event where a counterparty's payments are more than 90 days past-due. This is in line with the rebuttable presumption of IFRS 9.

Risks occur when the Company is unable to meet its short-term obligations, largely due to its inability to convert its financial assets into cash and cash equivalents. The Company's strategy is to make long-term investments in unlisted portfolio companies, which are not as readily realisable as quoted investments. The Company might struggle to generate liquidity on short notice and the Board therefore regularly monitors its forecasts, cash flows, commitment levels and available liquidity resources, the latter consisting of loans issued to group companies, income received for Board participation and cash and cash equivalents. The maturity profile of our assets aims to match the liquidity profile with the Company's liquidity requirements to ensure the availability of resources when required.

Liquidity risk is monitored on a quarterly basis by the Company. The nature of the business is such that the majority of operating assets and liabilities are received and settled within one month.

The following table discloses the undiscounted contractual maturity of financial assets and liabilities:

| 2023 | Carrying amount | 3 months or less | 3-12 months | 1 to 5 years | Over 5 years |
|----------------------------------|------------------------|-------------------------|----------------------|---------------------|---------------------|
| Contractual cash outflows | | | | | |
| Loan payable | (102 508 533) | - | (102 508 533) | - | - |
| Lease liabilities | (2 489 669) | - | (945 394) | (1 544 275) | - |
| Other payables | (560 060) | (560 606) | - | - | - |
| | (105 558 262) | (560 606) | (103 453 927) | (1 544 275) | - |
| 2022 | Carrying amount | 3 months or less | 3 -12 months | 1 to 5 years | Over 5 years |
| Contractual cash outflows | | | | | |
| Lease liabilities | (3 390 782) | - | (900 375) | (2 490 407) | - |
| Other payables | (629 990) | (629 990) | - | - | - |
| | (4 020 772) | (629 990) | (900 375) | (2 490 407) | - |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

28. Financial risk management and capital management (continued)

28.2. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, and continuous monitoring of counterparty credit risk profile. In line with the rebuttable presumption of IFRS 9, the Company regards any counterparty payment that is more than 90 days past due as a default.

Credit risk exposure arising on cash and cash equivalents is managed by the Company through dealing with well-established financial institutions with high credit ratings.

The carrying amount of financial assets represents the maximum exposure to credit risk:

Cash and cash equivalents:

| | 2023 | 2022 |
|--|-------------|-------------|
| | R | R |
| First National Bank | 151 930 126 | 7 763 716 |
| The credit rating at year end for First National Bank is as follows: | | |
| Standard and Poor | BB | BB- |
| Moody's | Ba2 | Ba2 |

28.3. Market risk

Market risk is the risk that changes in the market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. In the current year, the Company had exposure to interest rate risk, price risk and currency risk.

The exposure to interest rate risk is from keeping its cash balances in an interest-bearing account. During the current year interest income of R3,1 million (prior year: R0,6 million) was generated on an average cash balance of R79,8 million (prior year: R21,2 million), reflecting an average interest rate of 3,88% (prior year: 2,83%). Had interest rates been 50 basis points higher or lower, the impact on the reported interest income would have been as follows:

2023:

| Cash and cash equivalents | Projected interest income (-50bps) | Actual interest income | Projected interest income (+50bps) |
|---------------------------|---|-----------------------------------|---|
| Interest income | 2 670 521 | 3 065 568 | 3 460 615 |

2022:

| Cash and cash equivalents | Projected interest income (-50bps) | Actual interest income | Projected interest income (+50bps) |
|---------------------------|---|-----------------------------------|---|
| Interest income | 536 360 | 554 035 | 705 960 |

Price risk includes fair value estimation on financial asset at fair value through profit or loss and loans to group companies.

Refer to note 6 and 7 disclosure on the market risks sensitivities of financial asset at fair value through profit or loss, and loans to group companies:

The Company pays its Rwanda Stock Exchange listing fees in dollars therefore, it is exposed to currency risk. It is the only transaction in foreign currency and it is an immaterial amount therefore there is no need to provide for hedging.

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

29. Segmental information

The Company's Chief Operating Decision Maker (CODM), the Executive Committee, makes strategic resource allocations on behalf of the Company. The Company has identified operating segments based on the internal reports that are reviewed by the Executive Committee and are used to inform decision-making. The Executive Committee regards the business as consisting of two segments, the healthcare segment and the financial services segment. The geography of the two segments is South Africa. The two segments are measured on the basis of the investment income and capital appreciation. The investment income comprises of gains or losses in the fair value of the underlying investments in indirectly held associates and subsidiaries, plus any interest and dividend income.

The segment information provided to the CODM for the year ended 28 February 2023 is as follows:

2023 Segment information

| Reconciliation | Healthcare segment | Financial services segment | Total |
|---|-------------------------------|---|---------------------|
| | R | R | R |
| Losses from financial assets at fair value through profit or loss | (38 408 606) | (17 214 799) | (55 623 405) |
| Interest income | 4 361 720 | - | 4 361 720 |
| Dividend income | 7 650 000 | 20 476 826 | 28 126 826 |
| Segment investment (loss)/income | (26 396 886) | 3 262 027 | (23 134 859) |
| Segment other income | 3 501 241 | 741 109 | 4 242 350 |
| Segment (loss)/income | (22 895 645) | 4 003 136 | (18 892 509) |
| Total segment net (loss)/income | (22 895 645) | 4 003 136 | (18 892 509) |

| Segment assets | Healthcare segment | Financial services segment | Total |
|--|-------------------------------|---|--------------------|
| | R | R | R |
| Financial assets at fair value through profit and loss | 821 156 696 | 9 288 060 | 830 444 756 |
| Loans to group companies | 48 216 586 | - | 48 216 586 |
| Total segment assets | 869 373 282 | 9 288 060 | 878 661 342 |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

29. Segmental information (continued)

2022 Segment information

| Reconciliation | Healthcare segment | Financial services segment | Total |
|--|-------------------------------|---|-------------------|
| | R | R | R |
| Gains from financial assets at fair value through profit or loss | 53 131 584 | 5 333 111 | 58 464 695 |
| Interest income | 5 272 643 | - | 5 272 643 |
| Dividend income | 16 246 008 | 7 825 528 | 24 071 536 |
| Segment investment income | 74 650 235 | 13 158 639 | 87 808 874 |
| Segment other income | 1 440 493 | 431 823 | 1 872 316 |
| Segment income | 76 090 728 | 13 590 462 | 89 681 190 |
| Segment expenses | (330 000) | - | (330 000) |
| Total segment net income | 75 760 728 | 13 590 462 | 89 351 190 |

| Segment assets | Healthcare segment | Financial services segment | Total |
|--|-------------------------------|---|--------------------|
| | R | R | R |
| Financial assets at fair value through profit and loss | 835 668 103 | 86 331 369 | 921 999 472 |
| Loans to group companies | 42 980 319 | - | 42 980 319 |
| Total segment assets | 878 648 422 | 86 331 369 | 964 979 791 |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Notes to the Annual Financial Statements

29. Segmental information (continued)

Segment investment (losses)/income is reconciled to total (loss)/income before tax as follows:

| | 2023 | 2022 |
|---------------------------------------|----------------------------|--------------------------|
| Segment investment (loss)/income | (23 134 859) | 87 808 874 |
| Non-segment investment income | | |
| Interest income | 3 065 568 | 554 035 |
| Total investment (loss)/income | (20 069 291) | 88 362 909 |
| Segment other income | 4 242 350 | 1 872 316 |
| Total (loss)/income | <u>(15 826 941)</u> | <u>90 235 225</u> |
| Segment expense | - | (330 000) |
| Non-segment expenses | (28 782 497) | (25 472 742) |
| Total Expenses | <u>(28 782 497)</u> | <u>(25 802 742)</u> |
| Total (loss)/income before tax | <u>(44 609 438)</u> | <u>64 432 483</u> |

Total reportable segment assets are reconciled to total assets as follows:

| | | |
|--|----------------------|--------------------|
| Segment assets for reportable segments | 878 661 342 | 964 979 791 |
| Other non-current assets | 2 315 903 | 3 159 617 |
| Other current assets | <u>152 505 892</u> | <u>8 228 168</u> |
| Total assets | 1 033 483 137 | 976 367 576 |
| Total liabilities | 161 739 433 | 72 411 032 |

30. Cash generated from operations

| | | |
|---|-------------------|------------------|
| Total (loss)/income before taxation | (44 609 438) | 64 432 483 |
| Adjustments for: | | |
| Depreciation | 889 297 | 881 646 |
| Losses/(Gains) on financial assets at fair value through profit or loss | 55 623 405 | (58 464 694) |
| Loss on disposal of financial assets | - | 84 262 |
| Interest expense | 7 219 150 | 237 147 |
| Interest not received in cash | (232 620) | - |
| Interest unpaid on loans to group companies | (3 902 180) | (3 800 635) |
| Write off of non-debtor | 19 562 | - |
| Changes in working capital: | | |
| Other receivables | (130 876) | (122 384) |
| Trade and other payables | (69 383) | 513 927 |
| | <u>14 806 917</u> | <u>3 761 752</u> |

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Supplementary Information

1. Major shareholders

Those shareholders who, insofar as is known to the Company, directly or indirectly, beneficially hold significant shareholding of 2% or more of the issued share capital of the Company are set out below:

2023;

| Shareholder | Number of A Ordinary Shares held | % of A Ordinary Shares held* |
|---|---|---|
| Public Investment Corporation SOC Limited | 43 096 902 | 67 % |
| Perthpark Properties Limited | 7 994 924 | 12 % |
| Sentio Capital Management Proprietary Limited | 1 926 875 | 3 % |
| Dr Mandisa Joyce Gwendoline | 1 816 470 | 3 % |
| Mr Quinton Zunga | 1 516 350 | 2 % |
| Mr Stephanus Phillipus Van Huyssteen | 1 424 885 | 2 % |
| RSOV Invest Proprietary Limited | 1 145 666 | 2 % |
| | 58 922 072 | 91 % |

2022:

| Shareholder | Number of A Ordinary Shares held | % of A Ordinary Shares held* |
|---|---|---|
| Public Investment Corporation SOC Limited | 43 371 265 | 67 % |
| Perthpark Properties Limited | 7 994 924 | 12 % |
| Sentio Capital Management Proprietary Limited | 1 971 604 | 3 % |
| Dr Mandisa Joyce Gwendoline | 1 816 470 | 3 % |
| Mr Quinton Zunga | 1 516 350 | 2 % |
| Mr Stephanus Phillipus Van Huyssteen | 1 442 336 | 2 % |
| RSOV Invest Proprietary Limited | 1 193 800 | 2 % |
| | 59 306 749 | 91 % |

**Rounded to zero decimal places*

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2023

Supplementary Information

2. Shareholding spread

Shareholder analysis per JSE Listings Requirements 3.43 of public and non-public shareholders:

2023:

| Shareholder | Number of Shareholders | Number of 'A' Ordinary Shares held | % Holding |
|-------------------------|-------------------------------|---|------------------|
| Public shareholders | 846 | 18 786 274 | 29,00 % |
| Non-public shareholders | 8 | 45 905 024 | 71,00 % |
| Total | 854 | 64 691 298 | 100,00 % |

2022:

| Shareholder | Number of Shareholders | Number of 'A' Ordinary Shares held | % Holding |
|-------------------------|-------------------------------|---|------------------|
| Public shareholders | 644 | 18 511 911 | 29,00 % |
| Non-public shareholders | 8 | 46 179 387 | 71,00 % |
| Total | 652 | 64 691 298 | 100,00 % |

2023:

| Director's interest or shareholding* | Direct | Indirect | Total | Percentage held |
|---|------------------|------------------|------------------|------------------------|
| Director | | | | |
| Quinton Zunga | 1 516 350 | - | 1 516 350 | 2,3% |
| Dion Mhlaba | 33 302 | - | 33 302 | 0,1% |
| Vuyokazi Nomvalo | 4 000 | - | 4 000 | 0% |
| John Oliphant | 12 200 | 1 039 270 | 1 051 470 | 1,6% |
| David Sekete | - | 200 000 | 200 000 | 0,3% |
| Kgaogelo Ntshwana | 3 000 | - | 3 000 | 0% |
| | 1 568 852 | 1 239 270 | 2 808 122 | 4,3% |

* There was no changes in Director's direct or indirect interests since 28 February 2023.

2022:

| Director's interest or shareholding | Direct | Indirect | Total | Percentage held |
|--|------------------|------------------|------------------|------------------------|
| Director | | | | |
| Quinton Zunga | 1 516 350 | - | 1 516 350 | 2,3% |
| Dion Mhlaba | 33 302 | - | 33 302 | 0,1% |
| Vuyokazi Nomvalo | 4 000 | - | 4 000 | 0% |
| John Oliphant | 12 200 | 1 039 270 | 1 051 470 | 1,6% |
| David Sekete | - | 200 000 | 200 000 | 0,3% |
| Kgaogelo Ntshwana | 3 000 | - | 3 000 | 0% |
| | 1 568 852 | 1 239 270 | 2 808 122 | 4,3% |