RAND MERCHANT INVESTMENT HOLDINGS LIMITED (Incorporated in the Republic of South Africa) Registration number: 2010/005770/06 ISIN: ZAE000210688 Share code: RMI ("RMI" or "the group")

TRADING STATEMENT FOR THE YEAR ENDING 30 JUNE 2022 AND ADDITIONAL INFORMATION REGARDING NATURAL PERILS EXPOSURE

1. Trading statement

Paragraph 3.4 (b) of the JSE Listings Requirements requires companies to publish a trading statement as soon as they become reasonably certain that their financial results for the period to be reported on next will differ by at least 20% from those of the previous corresponding period.

Shareholders are referred to RMI's interim financial results announcement released on the Stock Exchange News Service (SENS) on 16 March 2022 where the accounting treatment of RMI's investments in Hastings Group (Consolidated) Limited (Hastings), Discovery Limited (Discovery) and Momentum Metropolitan Holdings Limited (Momentum Metropolitan) was explained as follows:

- The earnings of Hastings are equity accounted until 8 December 2021, the effective date of the sale. The proceeds on the sale of Hastings were utilised to, inter alia, repay all the group's outstanding preference share debt.
- The earnings of Discovery and Momentum Metropolitan are also equity accounted until 8 December 2021, the date on which the unbundling of RMI's shareholdings in these entities met the accounting definition of being highly probable.
- The financial results of all these investee companies are treated as discontinued operations in the RMI group financial results.

The unbundling of RMI's shareholdings in Discovery and Momentum Metropolitan was finalised on 25 April 2022.

The following non-recurring, material items, originating from the sale of Hastings and the unbundling of RMI's shareholdings in Discovery and Momentum Metropolitan, influence RMI's financial results for the year ending 30 June 2022 (current period):

- The profit on the sale of Hastings of R4.7 billion, which is excluded from headline earnings and normalised earnings.
- The gain on the distribution of RMI's shareholdings in Discovery and Momentum Metropolitan of R14.2 billion, which is also excluded from headline earnings and normalised earnings. This amount represents the difference between the carrying amount and the fair value of the investments in Discovery and Momentum Metropolitan on 20 April 2022, the first day RMI shares traded "ex" the entitlement to receive the unbundled Discovery and Momentum Metropolitan shares.

As a result of these two non-recurring, material items, earnings per share (EPS) for the current period is expected to be at least 1 325 cents or 600% higher than the EPS of 189.2 cents reported for the year ended 30 June 2021.

Conversely, the accounting treatment of the discontinued operations (equity accounting only until 8 December 2021), will impact negatively on EPS, headline earnings per share (HEPS) and normalised earnings per share (NEPS) for the current period. A further trading statement will be released on SENS as soon as RMI has reasonable certainty on the ranges of the expected EPS, HEPS and NEPS for the current period.

RMI regards normalised earnings (which excludes non-operational items and accounting anomalies) as the key indicator of the group's operational performance.

The financial information on which this trading statement is based has not been reviewed and reported on by the group's external auditor.

RMI's financial results for the year ending 30 June 2022 are expected to be released on SENS on or about Thursday, 22 September 2022.

- 2. Additional information regarding natural perils exposure in South Africa and Australia following severe weather events experienced in the current financial year
- 2.1 OUTsurance Holdings Limited (OUTsurance) exposure to the KwaZulu-Natal flood events

During April 2022, Kwazulu-Natal experienced severe flooding which has caused significant damage to coastal and inland areas in the province. OUTsurance currently estimates a gross exposure range of between R400 million to R450 million. More than 90% of claims have been assessed and 60% settled. Estimation uncertainty is high as a result of the magnitude of the event and the potential of inflationary developments. The gross exposure is well within the cover provided for by OUTsurance's catastrophe reinsurance programme.

OUTsurance's catastrophe excess of loss programme attaches for loss events in excess of R50 million. In addition to the retention amount of R50 million, OUTsurance is required to pay additional reinsurance reinstatement premiums. Including the reinstatement premiums, the overall net loss from this event is estimated between R160 million and R200 million.

OUTsurance has deployed significant resources to provide relief for customers and affected communities.

2.2 Update on Youi Holdings Proprietary Limited's (Youi) natural event exposure for the financial year to date

In the interim period from July to December 2021, Youi endured losses from the Melbourne earthquake and various large storm events associated with the higher-than-average wet weather. These events did not breach the A\$30 million catastrophe retention level. The ultimate claims cost for these events have exceeded initial estimates reported at 31 December 2021 by A\$8 million. This isolated under reserved position is linked to these specific events and is adjusted for in the current half's earnings.

The severe flood events experienced in Queensland and New South Wales during February and March 2022 have been interpreted as three individual events under the terms of Youi's reinsurance programme. As such, Youi's retained net loss from the flooding events was A\$6 million in aggregate. The estimated gross ultimate loss across these three events is the largest in Youi's history and estimated at A\$140 million. This exposure is adequately covered by Youi's catastrophe excess of loss and natural perils aggregate reinsurance programmes.

The above average rainfall patterns experienced in both South Africa and Australia over the course of the financial year to date continue to impact overall claims experience. Higher claims inflation continues to put upward pressure on ultimate claims cost.

OUTsurance is an 89.3% held subsidiary of RMI.

Rosebank 27 June 2022

Sponsor RAND MERCHANT BANK (A division of FirstRand Bank Limited)