RAC

RECM AND CALIBRE

INTEGRATED ANNUAL REPORT 2024

Contents

The audited financial statements for the year ended 31 March 2024, as set out on pages 23 to 49, were prepared by Dean Schweizer (CA)SA. The financial statements have been audited in compliance with the requirements of the Companies Act of South Africa No. 71 of 2008.

Company profile

RECM and Calibre Limited ("RAC") was established in 2009 as a joint venture between Regarding Capital Management (Pty) Ltd ("RECM") (a fund management firm) and Calibre Capital (RF) (Pty) Ltd ("Calibre") (a private equity firm). The listing of the non-cumulative redeemable participating preference shares (JSE share code: "RACP") was successfully completed in June 2010. RAC and RECM are controlled by Piet Viljoen and Jan van Niekerk and they, together with Theunis de Bruyn, control Calibre.

INVESTMENT OBJECTIVE

RAC makes long-term investments, with the objective of generating high real returns from capital appreciation, investment income or both. We achieve this through the acquisition of assets where size, liquidity, regulations or complexity act as a deterrent to most buyers. Our preference is to partner with good management teams of good businesses for long periods of time, but we may make ad hoc investments from time to time.

RISK MANAGEMENT

RAC believes the best way to manage risk is to build a large margin of safety into the price paid when assets are acquired. Such a margin of safety may consist of a price far below intrinsic value or alternatively, it may reside in the high-quality nature of the asset acquired. The quality of an asset is normally determined by factors including significant barriers to entry, the sustainability of these barriers and good management.

INVESTMENT UNIVERSE

RAC has a very broad investment universe, and is able to invest in any asset (public or private) in any geography (both inside and outside South African borders). We believe our broad universe to be a significant competitive edge. However, we prefer to stick to areas in which we have a high level of competence in analysing the situation.

STRUCTURE

RAC is funded through the issue of two types of securities, ordinary shares and participating preference shares. The ordinary shares are unlisted, while the participating preference shares are listed on the JSE. The economic interests of the ordinary and participating preference shares are exactly the same, although only the ordinary shares have voting power (except in certain special situations, which are more fully explained in the pre-listing statement and Memorandum of Incorporation, available at www.racltd.co.za).

INVESTMENT MANAGEMENT

The investment management function of RAC is outsourced to Regarding Capital Management (Pty) Ltd ("RECM"), under a discretionary mandate. RECM is controlled by Piet Viljoen and Jan van Niekerk.

RAC is a long-term investment Company and all operational and administrative functions have been outsourced to other entities, including RECM, as RAC does not employ any staff.

RECM thus performs:

1. An investment management function for RAC according to RAC's specific mandate; and
2. Administrative and operational functions on behalf of RAC.

All remaining content of this report should be read in this context. For the avoidance of doubt, where any reference is made to a function performed by the Company, other than a function performed by the Board or the Company itself, it should be read and understood that function was performed by a delegated entity as described above.

Board of Directors

PIETER GERHARDT VILJOEN (61)

Executive Director

BCom (Hons), CFA

Appointed: 24 June 2009

Piet started out as a lecturer at the University of Pretoria, and subsequently joined SARB as an economic analyst. He joined Allan Gray Investment Counsel in 1991 as a portfolio manager and later moved onto Investec Asset Management in 1995. He founded Regarding Capital Management (Pty) Ltd in 2003 and is currently Chairperson of the RECM Group. Piet is also a Non-Executive Director of Astoria Investments Ltd.

JOHANNES (Jan) CORNELIS VAN NIEKERK (49)

Executive Financial Director

Hons BCom (Maths), FIA, CFA

Appointed: 6 May 2013

Jan is a qualified actuary with more than 20 years of industry experience. He served as Chief Investment Officer of Citadel, the South African wealth manager, after which he became CEO of Peregrine Holdings, a JSE-listed financial services firm. Mr van Niekerk joined Regarding Capital Management (Pty) Ltd in April 2013 as an owner and CEO of the RECM Group. Jan is also a Non-Executive Director of Astoria Investments Ltd.

ZANELE MATLALA (61)

Independent Non-Executive Director and Chairperson

BCompt (Hons), CA(SA)

Appointed: 1 December 2014

Zanele is the Chief Executive Officer of Merafe Resources. Before joining Merafe, she was Group Financial Director of Kagiso Investments (Pty) Ltd, a position she held from January 2006. Her first appointment as Chief Financial Officer was at the Development Bank of Southern Africa (DBSA), where she served as Executive Manager: Private Sector and International. She joined the DBSA from the IDC, where she was head of Wholesale Venture Capital Funds. She is also a Non-Executive Director of Dipula Income Fund and Stefanutti Stocks Holdings. Zanele also serves as a trustee of the RECM Foundation.

TRENT ROSSINI (56)

Independent Non-Executive Director

BSc (Mech) Engineering, GDE (Industrial Engineer)

Appointed: 1 December 2014

Trent has 24 years of industry experience across a variety of industries. His early career included roles at both Accenture and Deloitte Consulting. He then joined Internet Solutions to head up their security division and subsequently served in the role of Business Solutions Director. Trent joined the Discovery group in 1999 to head up their e-commerce initiatives and subsequently served in the role of Chief Information Officer for Discovery Health. He was instrumental in the set-up of the joint venture with PruHealth where he became Chief Operating Officer. In 2010, Trent left Discovery and co-founded inQuba, a business which is focused on customer experience management and customer engagement, where he serves as Chief Operating Officer.

RODGER WALTERS (59)

Independent Non-Executive Director

BCom (Hons),CFA

Appointed: 14 December 2022

Rodger is a CFA charter holder with over 25 years' experience as an asset manager. His experience includes roles as a portfolio manager at Coronation Fund Managers, RECM, Momentum and Abvest Associates, where he was appointed as the Chief Investment Officer. Rodger is currently the Chief Financial Officer of ASISA (The Association for Savings and Investment South Africa).

Shareholders' letter

To our fellow shareholders

On 31 March 2024, RAC's Net Asset Value ("NAV") per share (ordinary and participating preference shares) amounted to R14,15, which is 3,5% lower than last year. The JSE All Share (Total Return) Index increased by 1,1% over the period.

As of 31 March 2024, our NAV on a look-through basis consists of the following:

			Directors Fair Value on 31 March (R'mn)		
	% ownership	% of total assets	**2024**	2023	2022
Core investments		**96,1**	**990,2**	1 019,5	961,2
Goldrush	59,4	96,1	**990,2**	1 019,5	961,2
Portfolio investments		1,8	**18,0**	15,3	45,8
Astoria Investments		–	**–**	–	23,1
Other investments		1,8	**18,0**	15,3	22,7
Cash and receivables		2,2	**22,7**	30,7	34,9
Total assets			**1030,90**	1 065,4	1 041,9
CGT and other liabilities			**(54,9)**	(63,5)	(51,0)
Funding			**(272,8)**	(273,2)	(250,0)
Net assets			**703,2**	728,8	740,9
Shares outstanding (Ordinary + Preference)			**49 708 815**	49 708 815	51 150 000
Net asset value per share ("R")			**14,15**	14,66	14,48
Astoria shares distributed			**–**	–	(23,1)
Net assets ex Astoria distribution			**703,2**	728,8	717,8
Net asset value per share ex Astoria distribution ("R")			**14,15**	14,66	14,03

MOVEMENT IN NAV

The change in RAC's NAV over the year can be broken down as follows:

	2024 R	2023 R
Interest and dividends received	**36 166 453**	30 549 228
Adjustments to fair value of assets	**(26 891 496)**	51 021 896
Realised gain/(loss) on sale of assets	**–**	(91)
Tax paid/received	**837 587**	(150 790)
Tax reversed/provided for	**5 808 563**	(10 356 227)
Financing expenses	**(30 277 350)**	(23 176 613)
Investment advisory fee	**(8 816 155)**	(12 955 132)
Operating expenses	**(2 386 714)**	(3 759 252)
Net (decrease)/ increase in NAV ex Astoria distribution	**(25 559 112)**	31 173 019
Astoria shares distributed	**–**	(23 068 645)
Participating preference shares repurchased	**–**	(20 178 066)
Net change in NAV	**(25 559 112)**	(12 073 692)

"Financing expenses", or dividends paid, increased by 31% due to higher interest rates and because RAC had a higher outstanding balance of preference shares for the full year. The other main expense, the investment advisory fee, reduced by 32%. It is linked to RAC's market cap and thus followed the RAC share price lower.

Shareholders' letter

continued

Goldrush

RAC's most significant investment is Goldrush Group (Pty) Ltd ("Goldrush"), South Africa's largest independent alternative gaming group, whose activities span Electronic Bingo Terminals ("EBTs"), Limited Pay-out Machines ("LPMs"), Retail Sports Betting shops and Online Betting. It serves its customers under the following brands: **Goldrush** (Bingo, LPM and Online Betting), **Bingo Royale** (Bingo), **Crazy Slots** (LPM), **Betnova** (Retail Sports Betting) and **G-bets** (Retail Sports Betting and Online Betting).

The primary value of the business is embedded in its exclusive ownership of gaming licences. The table below illustrates the progress in how licences were acquired and untilised across all segments.

Summary of gaming licenses: Goldrush

		Mar 2024	Mar 2023	Mar 2022	Mar 2021	Mar 2020	Mar 2019
Bingo	Licences Owned	**40**	36	35	35	35	35
	Licences Active	**35**	35	35	34	31	27
	EBT's in Operation	**4 526**	4 491	4 270	4 105	3 865	3 543
	Average EBT's per active licence	**129**	128	122	121	124	131
LPM	Route Licences	**7**	7	7	6	6	6
	Machines Approved	**5 200**	5 200	5 200	4 200	4 200	4 200
	Machines in Operation	**2 674**	2 854	2 665	2 412	2 198	1 882
Sports Betting	Licences Owned	**42**	45	33	33	33	33
	Licences in Operation	**30**	29	30	29	31	33
	Gaming positions/terminals	**509**	561	535	515	468	488
	Average Gaming positions per active licence	**17**	19	18	18	13	15
Total Physical Gaming Positions		**7 709**	7 906	7 470	7 032	6 531	5 913

Goldrush had a weak start to the financial year, dealing with the aftermath and disruptions of elevated blackouts during the summer of 2022/2023. The business had to solve its electricity supply where possible, increase its marketing spend and activities to communicate with its clients and allocate its energy, resources and capital to the areas that would enhance the business's longevity and with the best returns for shareholders. This led to Goldrush ultimately growing total gaming revenue for the year by 7% to R1,75bn. All four of the divisions (Bingo, LPM, Retail Sports Betting and Online) grew revenue, with the strongest contributions from Retail Sports Betting (up 15%) and Online (up 86%).

EBITDA (before IFRS 16 adjustments [1]) decreased by 2% to R367mn and included once-off bargain purchase gains of R17mn from acquiring Bingo Licences out of business rescue and R6mn of reversal of prior year gaming taxes. Excluding these once-off contributions, underlying EBITDA was R344mn, down 2% from the prior year. The discrepancy between the growth in turnover and the reduction in profitability is primarily due to additional expenses in generating electricity for Bingo branches from diesel generators, additional marketing costs and general inflationary pressure in operating expenses. Most of the marketing expenditure occurred in the first half of the financial year. This year, Goldrush spent R19,6mn on diesel, compared to R17,9mn and R2,3mn in the prior two years.

After-tax profit reduced by 28% to R97mn, while the dividend of R60mn was 20% higher than last year. The business reduced net interest-bearing debt by R7mn to R606mn and remained comfortably within its banking covenants.

Total active physical gaming positions reduced by 2,5% to 7 709 (out of a potential 11 000) at year-end with a number of LPMs out of commission as they were being redeployed to more profitable locations. The number of gaming positions in specific Retail Sports Betting shops was reduced deliberately.

[1] *For an explanation, see our 2023 shareholder's letter.*

Shareholders' letter

continued

The financial information in the following table reflects the history of Goldrush over the past 5 years.

Extract of financial information

	Mar 2024 R'mn	Mar 2023 R'mn	Mar 2022 R'mn	Mar 2021 R'mn	Mar 2020 R'mn	Mar 2019 R'mn
Total Gaming Revenue	**1 748**	1 638	1 383	911	1 396	1 319
– Bingo Division	**1 053**	1 027	844	567	943	905
– LPM Division	**433**	428	367	230	342	319
– Sports Betting	**262**	183	172	114	111	96
EBITDA (pre-IFRS 16 adjustments)	**367**	374	343	180	242	n/a
EBITDA (post-IFRS 16 adjustments)	**454**	449	434	223	270	n/a
Net interest-bearing debt	**606**	613	656	663	614	598
Net Profit after tax	**97**	134	103	n/a	n/a	n/a

To provide shareholders further detail on the Goldrush financials, an extract from the 2024 Audited Annual Financial Statements of Goldrush Group (Pty) Ltd is separately published at https://racltd.co.za/goldrush.

Bingo

Bingo turnover grew by 2,5% to R1,053bn, reflecting a marginal decrease in average revenue per machine to R233 558 and a 2,5% increase in the average number of machines for the year. At year-end, the total number of active machines stood at 4 526, of which 2 264 are owned and 2 262 leased.

Goldrush was awarded two more Bingo licences in Gauteng and acquired two licences in KwaZulu-Natal out of business rescue. None of these licences were in operation during the year. The licence in Atterbury Value Mart was relocated to Sandridge Square (Midrand). After year-end, one of the new KwaZulu-Natal licences was re-opened in Ladysmith. One active licence will be relocated during the coming year, while one new licence will be activated.

The first half of the financial year was spent on ensuring that the Bingo properties have the appropriate and consistent electricity solutions. The team increased marketing activity to bring customers back to the Bingo properties. This included a once-off above-normal spend.

Now that most of the licences have been activated and the properties have adapted to operating in the current environment, the Bingo team focuses on increasing the average revenue per machine and, where required, the number of machines in various properties. These are the two big levers management can pull to increase the profitability and, therefore, return on investors' capital. The second half of the financial year saw a marked improvement in visits to the land-based gaming locations.

The increase of EBTs is done via rental agreements, which allow the business to leverage its existing infrastructure without adding any pressure to the balance sheet. This remains the preferred method of expanding the number of gaming positions in the Bingo properties. At current prices for machines and profitability per machine, this is also produces the highest return on investor's capital.

Goldrush trialled various electricity solutions across the different properties, which bought time in terms of capital commitments and allowed for testing whether the solutions could deliver to their specs. By year-end, complete solutions have been adopted in two of the properties.

Shareholders' letter

continued

LPM

The LPM division increased turnover by 1,2% to R433mn, reflecting an increase of 1% in average revenue per machine for the year. The average number of LPMs increased marginally, but the active machines were 6% lower at year-end than last year.

This division has been the slowest to recover from the effect of the blackouts of December 2022. During the financial year, the LPM team removed unprofitable machines from those premises that were the hardest hit by the blackouts and re-deployed them to more profitable premises. The speed of this re-deployment is painfully slow, as many gambling boards were suspended for large parts of the year, which means that the necessary regulatory approvals could not be obtained.

No new machines were acquired during the year, and at year-end, Goldrush still had 145 machines that could be activated before further equipment would be bought. At one point during the year, this number stood at well over 200, or almost 7% of the entire LPM fleet. Most of the re-activations of machines happened late in the financial year.

Sports Betting

The Retail Sports Betting division cancelled three licences and opened one new store, increasing the number of stores to 30 (26 owned and 4 managed on behalf of a third party) with a combined 509 betting positions.

Retail Sports Betting grew gaming revenue by 15% to R126mn as the team's focus on larger premises paid off. As discussed last year, sports betting results are a bit more lumpy than in the Bingo or LPMs. Last year, several bets went against the house. This year, the phenomenon did not repeat.

In line with the strong growth of online gaming in the country, Online Betting experienced growth in gaming revenue of 86% to R136mn, and so became the third largest division for Goldrush, after Bingo and LPMs. Particularly satisfying is that all of this growth has been self-funded by the online division.

Online Betting in South Africa remains fiercely competitive, but the number of new competitors has slowed down. The industry has started to see the closure or scaling back of some operators which is a good sign for the profitability of this sector. The level of sophistication of the bets and games continues to improve. In South Africa, online betting sites and traditional online casinos provide the same entertainment equivalent.

The strategy for Goldrush's two gaming portals, www.goldrush.co.za and www.gbets.co.za, remains to grow organically.

Valuation

During the year, Goldrush bought back 1% of its shares. This means that RAC's shareholding in Goldrush increased from 58,8% to 59,4%.

We use EBITDA before IFRS 16 adjustments as the yardstick to calculate the business's enterprise value. This is consistent with our past methodology of many years. For the 2024 financial year, EBITDA before IFRS 16 adjustments amounted to R367mn. However, this includes a once-off amount of R23,4mn. We therefore use R344mn as the appropriate number.

The valuation multiple of 7 times EBITDA remains unchanged. After adjusting for remaining assets and financial liabilities, the equity value of Goldrush comes to R1,668bn, down 3,8% from last year. Including the R60mn dividend and the effect of the share buy-back, Goldrush shareholders experienced a small gain of 0,6% in the value of their investment for the year.

Shareholders' letter

continued

RAC's financing arrangement

RAC's bank finance has a maturity date of 31 March 2027, and the dividend rate is 90% of the prime rate. The arrangement explicitly allows RAC to forego dividend payments to buy back its shares and declare dividends. This flexibility was not used during the past year, with all due dividends paid during the year.

RAC's Future

Goldrush remains healthy, with ample operating leverage (the ability to significantly grow its revenue without requiring any further capital investment – we only need a little stability and economic growth) and very manageable financial leverage. Like many other South African companies, the management team has learned to operate a lean and efficient business. With a now-sufficiently large footprint, Goldrush has proven that it can manage its operations, can navigate the immediate challenges of operating in South Africa and pay dividends. It has also honed its capital allocation model to ensure that marginal capital investments are made in the most profitable part of the business at any time.

RAC will use all proceeds from its investments – primarily dividends from Goldrush – to reduce debt, buy back shares, or pay dividends to RAC shareholders (in that order). Goldrush itself has several growth opportunities which it can pursue.

The remaining portfolio of "Other Investments" will be disposed of in due course. Even though these assets represent a small part of RAC's NAV, they outperformed our cost of capital and thus contributed positively to RAC's NAV for the year.

After year-end, RAC's board of directors resolved that Goldrush should be regarded as a permanent asset. This means that RAC will no longer be adopting Investment Entity accounting in the future but will publish consolidated accounts.

To reflect that Goldrush is now the Company's largest asset, we will be looking to change the name of the Company from "RECM and Calibre Ltd" to "Goldrush Holdings Ltd."

SHAREHOLDERS' MEETING WITH EXECUTIVE DIRECTORS

This year, the customary meeting of RAC participating preference shareholders with the executive directors will be held at **11:00 on 31 July 2024 via a Microsoft Teams Webinar.** We also have a few seats for shareholders who wish to attend in person. We shall be in the RAC Boardroom, on the 1st Floor of The Barracks, 50 Bree Street, Cape Town.

For those planning on joining us in person – Bree Street is renowned for its great coffee and food establishments. So, although you will have to endure our company, at least the refreshments will be top-class.

To attend – online or in person – please use this link to register, or you can also register for the meeting on our website at www.racltd.co.za. Email info@racltd.co.za to request any help.

As always, we will answer all your questions, even if it takes all day. This is the one opportunity our fellow shareholders have to ask us questions in the year. We want to make the most of it.

You will be able to post questions live during the webinar. Or better yet – get in front of the queue and send your questions ahead of time to info@racltd.co.za.

You don't need to be a shareholder to attend. We welcome anybody who has a current or prospective interest in RAC.

Piet Viljoen
Executive Director

Jan van Niekerk
Executive Financial Director

Corporate governance

This corporate governance section provides details of the Board of Directors of RAC and its committees for the year ended 31 March 2024.

RAC continues to, and will always, be committed to the highest standards of corporate governance. RAC has no employees and all of its investment and operational functions are delegated as noted on page 1. For this reason there is no need for the Company to appoint a CEO.

Good corporate governance is an integral part of RAC's business (and investment) philosophy. RAC believes strongly in the principles of good corporate citizenship, namely integrity, transparency and accountability. These values govern the way in which RAC interacts with all its stakeholders, including investee companies. RAC believes that this principled approach provides a more enduring safeguard against business failure than the disproportionate focus on compliance.

Having said that, the Board of Directors supports the King IV Report on Corporate Governance™ in South Africa 2016 ("King IV Report™"). Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved. Accordingly, RAC aims to comply with the provisions and the spirit of the King IV Report™ to the extent that these are practical and appropriate. RAC has published a register on its website (http://racltd.co.za/governance/), which covers the principles of the King IV Report™ and provides a narrative statement as to the application of each principle.

BOARD OF DIRECTORS

RAC has a unitary Board which is chaired by Zanele Matlala, an independent Non-Executive Director.

As of 31 March 2024, the Board of RAC comprised five Directors, including one black female Director and one black male Director. The Board has two Executive Directors and three Independent Non-Executive Directors which leads to an appropriate balance of Executive and Non-Executive Directors.

Two of RAC's Independent Non-Executive Directors, Zanele Matlala and Trent Rossini, have served 9 consecutive years as directors of RAC and the Board is pleased to report that both directors have made themselves available for re-election at the forthcoming annual general meeting.

The Board has assessed the independence of Ms Matlala and Mr Rossini and is satisfied that both directors remain independent.

The Board supports the principles and aims for diversity of the Board and seeks to promote diversity of race, gender, age, independence, skills and experience. RAC's Board is sufficiently diversified and there are no gender and/or race quota or age targets. The Directors selected are individuals of the highest calibre and credibility, and have the necessary knowledge, skills and experience to make a meaningful contribution to the business of the Company and there is a clear division of responsibilities between Directors. There exists a clear balance of power and authority at Board level ensuring that no one Director has unfettered powers of decision-making.

Directors are kept informed of industry developments and international best practices. Upon appointment, the staff at RECM provide an introductory programme to all Independent Non-Executive Directors. The aim of the programme is to acquaint the Directors with a detailed understanding of the roles, operations and regulatory framework in existence within RECM so that they may better understand the manner in which the investment portfolio of the Company is being managed.

The Directors have a duty and responsibility to ensure that the principles set out in the King IV Report are observed as are practical and appropriate. The Directors have a fiduciary duty to act in good faith, with due diligence and care and in the best interests of the Company, with due regard to all stakeholders. The Board of Directors accepts these duties and responsibilities.

During the year under review, three meetings of the Board were held.

Name of member	22 June 2023	26 October 2023	22 February 2024
Zanele Matlala *(Chairperson)*	Present	Present	Present
Piet Viljoen	Present	Present	Present
Jan van Niekerk	Present	Present	Present
Trent Rossini	Present	Present	Present
Rodger Walters	n/a	n/a	Present

The Company Secretary and other persons attend meetings of the Board by invitation.

Corporate governance

continued

INTERNAL CONTROLS

Based on:

- the system of risk management within RECM, including the design, implementation and effectiveness of the internal financial controls; and
- considering information and explanations given by management of RECM and discussions with the external auditor on the results of the audit, assessed by the Audit and Risk Committee,

nothing has come to the attention of the Board that caused it to believe that the Company's system of internal controls and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

AUDIT AND RISK COMMITTEE

The Company has an Audit and Risk Committee comprising of Independent Non-Executive Directors, Rodger Walters (Chairperson), Zanele Matlala and Trent Rossini. A detailed report by the Audit and Risk Committee is set out on pages 14 to 17.

NOMINATION AND REMUNERATION COMMITTEE

RAC has a combined Nomination and Remuneration Committee which comprises Piet Viljoen and Rodger Walters. The Committee met once during the period. The Committee is satisfied that it has discharged its obligations during the period. RAC has no employees, CEO or senior management to remunerate and has only Independent Non-Executive Directors that receive remuneration and, accordingly, a remuneration policy has not been established.

The Nomination and Remuneration Committee considers and recommends future appointments to the Board. Despite the fact that the Company has no employees, this Committee considers remuneration matters pertaining to Independent Non-Executive Directors. Independent Non-Executive Directors are entitled to receive fees for their services as Directors of the Board and for other services as disclosed.

SOCIAL AND ETHICS COMMITTEE

The Company has a Social and Ethics Committee comprising Trent Rossini, Piet Viljoen and Jan van Niekerk. The Committee met once during the period with all three members present at the meeting. The Committee reports to Shareholders that the Directors have considered their individual and collective performance and are satisfied that they have acted in an appropriate manner in regard to the business of RAC. No independent assurance as to ethical performance has been undertaken and no independent opinion in this regard has been expressed. The Committee is satisfied that RAC considers the relevant social and ethical matters in its initial and ongoing evaluation of its investee companies. In the instances where RAC has control, RAC will further undertake to exercise oversight of the social and ethical matters as may be relevant to the activities of the controlled entity.

GOING CONCERN

After making due enquiries and considering future cash flow requirements, the Directors expect that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, the financial statements have been prepared on the going concern basis.

COMPANY SECRETARY AND PROFESSIONAL ADVICE

All Directors have unlimited access to the services of the Company Secretary, who in turn has access to appropriate resources within RECM in the provision of this support. The Board remains satisfied as to the performance, experience and expertise of the Company Secretary. The Company Secretary is not a Director and maintains an arm's length relationship with the Board of the Company.

All Directors are also entitled to seek independent professional advice with regard to the affairs of the Company.

Corporate governance

continued

AUDITOR INDEPENDENCE

The financial statements have been audited by the independent auditor, Forvis Mazars. The Board, supported by the Audit and Risk Committee believe that Forvis Mazars has acted at all times with unimpaired independence.

ANNUAL GENERAL MEETING

The agenda for the annual general meeting is set by the Company Secretary and communicated in the notice of the annual general meeting. Consequently, the notice of the annual general meeting is distributed in advance of the meeting and affords shareholders sufficient time to acquaint themselves with the effects of any proposed resolutions. Adequate time is also provided by the Chairperson in the annual general meeting for the discussion of any proposed resolutions. The conduct of a poll to decide on any proposed resolutions is controlled by the Chairperson at the meeting and takes account of the votes of all shareholders, whether present in person or by proxy.

In terms of the Memorandum of Incorporation of the Company, the preference shareholders are not entitled to be present at the meeting unless there are preference share dividends which remain unpaid for a period of six months or a resolution is proposed which directly affects the rights attached to the preference shares or the interests of the preference shareholders. As mentioned below, there is a meeting for preference shareholders with Executive Directors.

SUSTAINABILITY

RECM conducts its affairs against a decision-making framework that evaluates the significant and relevant aspects of an investment, before making a decision. These would include considering the risk of permanent capital loss by evaluating the legality of the affairs of the venture.

RECM places great emphasis on transparent and comprehensive reporting – it forms the basis of their investment decisions. RECM recognises that good governance reduces the investment risk. RECM takes environmental sustainability and governance issues into account in establishing the fair value of an investee Company on a case by case basis.

RECM communicates its views on sustainability with Directors and management of the investee companies and re-enforces these views by voting on resolutions where possible.

Due to the Company structure, the extent of sustainability reporting is limited to the above activities.

OTHER MATTERS OF INTEREST TO STAKEHOLDERS

The Company is run independently, with the Board establishing the Company policies, governance and risk management practices.

The Company does not make use of any information technology, but relies on the systems and resources of and utilised by RECM. While there is no specific governance relating to information technology, the Board does consider the risks related to the information technology utilised by RECM as a component of their overall review of RECM.

Other than the express support of the King IV Report and accounting standards mentioned in the notes, the Company does not subscribe to any other rules, codes or standards on a voluntary basis.

Dealings with preference shareholders are conducted, *inter alia*, by way of an annual meeting with the Executive Directors during which shareholders are invited to interact with the Executive Directors on any other matter of relevance. Shareholders may also contact the Company at other times by various means as detailed at the back of this document or on the Company's website.

Audited Annual Financial Statements

Directors' responsibilities and approval of the annual financial statements

for the year ended 31 March 2024

The Directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS® Accounting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the requirements of the JSE Listings Requirements, the requirements of the Companies Act of South Africa, the framework, measurement and recognition requirements of IFRS Accounting Standards and the SA Financial Reporting Requirements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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 Board of Directors sets 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 Directors of RECM and staff at RECM 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 in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined 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.

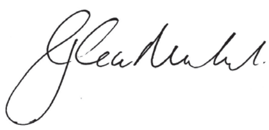
The Directors are satisfied that the Company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Board of Directors is responsible for the financial affairs of the Company.

The external auditors are responsible for independently auditing and reporting on the Company's annual financial statements. The annual financial statements have been examined by the Company's external auditors and their report is presented on pages 18 to 21.

The annual financial statements set out on pages 23 to 49, which have been prepared on the going concern basis, were approved by the Board of Directors on 25 June 2024 and were signed on their behalf by:

Zanele Matlala
Chairperson



Jan van Niekerk
Chief Financial Officer

Statement of responsibility by Chief Financial Officer

I, Jan van Niekerk, hereby confirm that:

(a) the annual financial statements set out on pages 23 to 49, fairly present in all material respects the financial position, financial performance and cash flows of RECM and Calibre Limited in terms of IFRS Accounting Standards;

(b) to the best of my 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 material information relating to RECM and Calibre Limited have been provided to effectively prepare its financial statements;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled my role and function as Chief Financial Officer with primary responsibility for implementation and execution of controls;

(e) where I am not satisfied, I have disclosed to the audit committee and the auditors any deficiencies in the design and operational effectiveness of the internal financial controls, and have remediated the deficiencies; and

(f) I am not aware of any fraud involving directors.

Signed by the CFO

Certificate by Company Secretary

The Company Secretary hereby certifies, in compliance with section 88(2)(e) of the Companies Act of South Africa, as amended, that all returns required have been lodged with the Companies and Intellectual Property Commission and that all such returns are true, correct and up to date.

G Simpson
Company Secretary

25 June 2024
Cape Town

Report of the Audit and Risk Committee

for the year ended 31 March 2024

This report, in respect of the financial year ended 31 March 2024, is presented by the Company's Audit and Risk Committee appointed by the ordinary shareholders.

The Audit and Risk Committee is an independent statutory committee appointed by the ordinary shareholders. Further duties, other than statutory duties, are delegated to the Audit and Risk Committee by the Board of Directors of the Company. This report includes both these sets of duties and responsibilities.

1. AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

The Audit and Risk Committee has adopted formal terms of reference which were approved by the Board of Directors and are reviewed regularly. The Committee has conducted its affairs in compliance with its terms of reference and has discharged its responsibilities contained therein.

2. AUDIT AND RISK COMMITTEE MEMBERS, MEETING ATTENDANCE AND ASSESSMENT

The Audit and Risk Committee is independent and consists of three Independent, Non-Executive Directors who are suitably skilled and experienced. The Committee is chaired by Rodger Walters. The Committee met on three occasions during the financial year. The Committee will meet at least three times per year as per its terms of reference.

Name of member	22 June 2023	26 October 2023	22 February 2024
Rodger Walters *(Chairperson)*	Present	Present	Present
Zanele Matlala	Present	Present	Present
Trent Rossini	Present	Present	Present

The effectiveness of the Audit and Risk Committee and its individual members are assessed on an annual basis. The Financial Director, Executive Director, external auditor and executives of RECM attend meetings by invitation.

3. ROLE AND RESPONSIBILITIES

The Audit and Risk Committee's role and responsibilities include responsibilities assigned to it by the Board, the JSE Listings Requirements as well as statutory duties per the Companies Act of South Africa.

In addition to its statutory duties, the Audit and Risk Committee is responsible for, *inter alia,* the following:

- ensuring, on an annual basis, that the Chief Financial Officer has the appropriate expertise and experience;
- ensuring that the Company has established appropriate financial reporting procedures and that those procedures are operating, which includes consideration of all entities included in the group; and
- ensuring suitability of the appointment of external auditors and the designated individual partner.

The Audit and Risk Committee executed its duties effectively.

4. EXTERNAL AUDITOR APPOINTMENT AND INDEPENDENCE

The Audit and Risk Committee has satisfied itself that the external auditor was independent of the Company, which includes consideration of previous appointments of the auditor, the extent of any other work undertaken by the auditor for the Company and compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors ("IRBA"). Requisite assurance was sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.

The Committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and audit fees for the 2024 financial year.

The Committee pre-approves the nature and extent of all non-audit services that the external auditor may provide the Company. No non-audit services were provided during the current financial year.

The Audit and Risk Committee:

- Reviewed and approved the external audit plan, confirming that material risk areas were included;
- Monitored the effectiveness of the external auditors in terms of audit quality and expertise; and
- Reviewed the external audit reports, taking into account management`s responses where required as well as any potential impact on the financial statements and internal financial control.

Report of the Audit and Risk Committee

for the year ended 31 March 2024

continued

The Committee has nominated, for re-election at the annual general meeting, Forvis Mazars, as the external audit firm and Nico Jansen as the designated auditor responsible for performing the functions of the auditor, for the 2025 financial year, post their inaugural audit of the Company for the year ended 31 March 2024. The Audit and Risk Committee has satisfied itself that the audit firm and designated auditor are registered with the IRBA. Fees paid to Forvis Mazars in relation to assurance services provided to the Company for the current financial year amount to R297 500 (amount paid to Ernst and Young Inc in the prior year amounted to R430 529).

5. FINANCIAL STATEMENTS AND ACCOUNTING PRACTICES

The Audit and Risk Committee has reviewed the accounting policies and the financial statements of the Company and is satisfied that they are appropriate and comply with IFRS Accounting Standards.

6. INTERNAL FINANCIAL CONTROLS

The Audit and Risk Committee has evaluated reports on the effectiveness of the Company's system of internal controls and risk management as performed by RECM. The Board Report on the effectiveness of the system of internal controls is included in the Directors' Responsibilities and Approval on page 12 of the Integrated Annual Report. The Audit and Risk Committee supports the opinion of the Board in this regard.

7. GOING CONCERN

The Audit and Risk Committee has reviewed a documented assessment, including key assumptions, prepared in respect of the going concern status of the Company and has made a recommendation to the Board in accordance herewith. The Board's statement on the going concern status of the Company, as supported by the Audit and Risk Committee, is stated in the Directors' Responsibilities and Approval on page 12 of the Integrated Annual Report.

8. GOVERNANCE OF RISK

The Board has assigned oversight of the Company's risk management function to the Audit and Risk Committee. The Committee considered the risk management policy and plan as well as the risk management process as performed by RECM. Other than the risk of capital loss as it relates to the practice of investing, the Board has not identified any risks that may threaten the long-term sustainability of the Company. The Committee is satisfied that all of the major risks associated with an investment company have been identified and that all of the controls are in place to manage these risks.

Risks for RAC

Risk	Impact	Mitigation Strategies
Degradation of operating environment in South Africa	The increased load-shedding and unreliability of infrastructure has increased the operating expenses of Goldrush and has also resulted in the need for additional security measures.	Infrastructure management and maintenance is a key focus area to reduce the impact from the increased load-shedding. A continued drive to install its own energy solutions to reduce the impact from the increased load-shedding has resulted in the impact of loadshedding being somewhat reduced.
Liquidity risk	Inability to make cash payments when due. Mostly related to dividend payments due by RIH on Absa Preference Shares. This could put RAC in breach of its funding covenants and lead to a forced sale of some of its assets at the wrong time and price. Refer to note 20 of the annual financial statement for further details on the guarantees provided.	Constant review of cash flow management and forecasted cash flows. Effective management of the portfolio resulting in growth of NAV per share and therefore the improved ability of the Company to raise equity and/or debt financing. Stronger focus on dividends from its more mature investments.

Report of the Audit and Risk Committee

for the year ended 31 March 2024

continued

Risk	Impact	Mitigation Strategies
Valuation of investments	Valuations of investments and the assumptions applied could influence the decisions of users of the financial statements. Returns to stakeholders, in terms of net asset value per share growth are reliant on the profitability and growth rates of the underlying investments as well as Directors' valuation assumptions. Changes in valuation of underlying investee businesses directly impacts the financial position of the Company.	The shareholders have appointed an appropriately experienced Board of Directors to manage the risks of the valuation of investments. Volatility of valuations of unlisted investments is managed through the application of consistent valuation methodologies. Disclosure of inputs into valuation calculations.
Portfolio concentration	The fact that a large part of the portfolio is concentrated in a small number of investments represents a higher risk to potential loss of capital or income.	The Company can invest in direct equity or debt instruments of companies on a global basis across all industries. This enables the Company to achieve diversification where required as it is not restricted in building its investment pool. This risk is closely monitored by the Investment Manager and the Board. It is also specifically disclosed and discussed with investors.
Regulatory and compliance risk	Unintentional non-compliance with laws and regulations which can potentially have a negative impact on the Company or on its investment performance since a number of investees operate in regulated industries.	The Board reviews the effectiveness of the risk management framework taking account of recommendations from the auditors and other professional advisors.
JSE Compliance	Suspension or termination of the listing on the JSE. Fines and public censures. Reputational risk.	Active monitoring by the corporate sponsors. Completion of annual compliance checklists.
BEE Status	Due to its structure, set-up and operation, RAC does not comply sufficiently with BEE regulations in order to be considered a B-BBEE investor. As such, to the extent that laws and regulations change over time, there is a risk that RAC's investee companies are negatively impacted by RAC's BEE status.	Ensuring that the BEE investment is done at an appropriate level in the investee companies.

Report of the Audit and Risk Committee

for the year ended 31 March 2024

continued

9. INTERNAL AUDIT AND COMPLIANCE

The Audit and Risk Committee relies on RECM and its service providers to monitor their internal controls, albeit in different formats. Furthermore, the Committee oversees cooperation between RECM staff and external auditors, and serves as a link between the Board of Directors and these functions.

10. INTERNAL FINANCIAL AND ACCOUNTING CONTROL

The Audit and Risk Committee has satisfied itself that the Chief Financial Officer has appropriate expertise and experience.

The Audit and Risk Committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function and confirms that appropriate financial reporting procedures have been established and that these procedures are operating.

Interim results and preliminary results are published after the September half-year and March full year-end.

The Committee is satisfied that it has complied with all its legal, regulatory and other responsibilities during the year under review.

Rodger Walters

Rodger Walters
Chairperson of the Audit and Risk Committee

25 June 2024

Forvis Mazars, Rialto Road
Grand Moorings Precinct Century City, 7441
PO Box 134, Century City, 7446
Docex 9 Century City

Tel: +27 21 818 5000
Fax: +27 21 818 5001
Email: cpt@mazars.co.za

forvismazars.com/za

Independent Auditor's Report

To the Shareholders of RECM and Calibre Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of RECM and Calibre Limited (the company) set out on pages 23 to 48, which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of RECM and Calibre Limited as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a opinion on these matters.

Matter	Audit response
Fair value estimation of Goldrush Group (Pty) Ltd (‘Goldrush”) investment: As at 31 March 2024, the fair value of the company’s investment in unlisted investments is R703,611,508 (2023: R729,252,092). The disclosures relating to the valuation of Goldrush are presented in Note 1.1 Significant judgements and sources of estimation uncertainty, Note 1.2 Financial instruments accounting policy and Note 3 Investments. As the company is an Investment Entity, the investments are valued at fair value through profit or loss. This is in accordance with IFRS 9 Financial instruments. The unlisted financial instrument is considered to be a level 3 financial instrument in terms of their fair value hierarchy. Management determined the fair value of the Goldrush shares using a price earnings multiple which is then applied to the sustainable earnings of Goldrush (actual EBITDA achieved). This valuation technique requires significant management judgement regarding the estimation and assumptions of inputs used. Judgements were applied regarding key assumptions, such as peer group comparable, multiple adjustments and marketability discounts, that are determined with reference to market conditions existing at the end of the financial year. Due to the significance of the value of the Goldrush investment, the complexity of the inputs and assumptions and the sensitivity of this investment to these primary inputs and assumptions, we considered this to be a key audit matter.	Our audit procedures included the following with assistance from our valuation specialists: • We evaluated the design and implementation of relevant controls in the fair value estimation process performed by management, which included those controls which related to ensuring that the appropriate inputs and assumptions were used by management. • We evaluated the appropriateness of the valuation methodology against accounting standards and generally accepted industry practice. • We evaluated the reasonability of the key inputs and estimations used by management in the valuation model (price earnings multiple applied to the sustainable earnings), by considering: ➢ The criteria adopted by management in selecting the price earnings multiple derived from the relevant peer group by considering the size, industry, geography, growth and profitability of Goldrush relative to the entities in the peer group; ➢ The adjustments made by management to the peer group price earnings multiple including the relevance of any marketability discount and control premium. • We confirmed the mathematical accuracy of the price earnings multiple and sustainable earnings calculation prepared by management. • We evaluated the reasonability and calculation of the sensitivity analysis with reference to the key unobservable inputs and that the sensitivity to key inputs appropriately reflect the Company’s exposure to financial instrument valuation risk. • We assessed whether the financial statement disclosures relating to the accounting estimates, including the description of estimation uncertainty and management’s significant judgements are consistent with requirements of IFRS 13 Fair Value Measurement, IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “RECM and Calibre Integrated Annual Report 2024”, which includes the Directors’ Report, Report of the Audit and Risk Committee and the Certificate by Secretary as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 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 Forvis Mazars has been the auditor of RECM and Calibre Limited for 1 year.

FORVIS MAZARS

Forvis Mazars
Partner: Nico Jansen
Registered Auditor
Date: 25 June 2024
Cape Town

Directors' report

for the year ended 31 March 2024

The Directors submit their report for the year ended 31 March 2024.

1. REVIEW OF ACTIVITIES

Main business and operations

The Company is engaged in investing as its principal activity and operates principally in South Africa.

The operating results and state of affairs of the Company are fully set out in the attached annual financial statements and do not in our opinion require any further comment. RAC has adopted NAV per share as its primary indicator of performance and accordingly trading statements are published based on the movement of RAC's NAV per share.

Net loss of the Company was R25 559 112 (2023: profit of R31 173 019), after taxation of R12 617 (2023: R6 304).

2. GOING CONCERN

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

3. EVENTS AFTER THE REPORTING PERIOD

For disclosure relating to events subsequent to the reporting period, please refer to note 22 of the annual financial statements.

4. DIRECTORS' SHAREHOLDING

Direct and indirect beneficial interests of Directors and associates as at 31 March 2024 are:

	Ordinary shares				Preference shares			
	2024 Number	**2024 %**	2023 Number	2023 %	**2024 Number**	**2024 %**	2023 Number	2023 %
Piet Viljoen	**2 500 001**	**66,67**	2 500 001	66,67	**2 126 247**	**4,63**	2 126 247	4,63
Jan van Niekerk	**1 249 999**	**33,33**	1 249 999	33,33	**166 600**	**0,36**	166 600	0,36
Trent Rossini	**–**	**–**	–	–	**1 500 000**	**3,26**	1 500 000	3,26
Rodger Walters	**–**	**–**	–	–	**116 000**	**0,25**	64 200	0,14
Total	**3 750 000**	**100,00**	3 750 000	100,00	**3 908 847**	**8,51**	3 857 047	8,39

Directors' interests have not changed subsequent to year-end.

5. DIRECTORS' INTEREST IN CONTRACTS

Piet Viljoen and Jan van Niekerk are Directors of Regarding Capital Management (Pty) Ltd and of RAC Investment Holdings (Pty) Ltd. RECM and Calibre Limited appointed RECM to administer its affairs and to manage its investment portfolio on an ongoing discretionary basis for an annual fee of 1% calculated on the portfolio value which is taken as market capitalisation of RAC plus outstanding debt. Piet Viljoen and Jan van Niekerk control RECM and each have over 20 years' investment experience.

6. AUTHORISED AND ISSUED SHARE CAPITAL

There were no changes in the authorised or issued share capital of the Company during the year under review

7. DIVIDENDS

No cash dividends were declared or paid to shareholders during the year.

8. COMPLIANCE WITH CORPORATE LAWS

RAC has complied with the Companies Act particularly with reference to the incorporation provisions as set out in the Companies Act and has operated in conformity with its Memorandum of Incorporation during the year under review.

9. CHANGE IN AUDITOR

During the current financial year the Company changed auditor from Ernst and Young Inc. to Forvis Mazars due to mandatory audit firm rotation.

Statement of financial position

at 31 March 2024

	Notes	2024 R	2023 R
ASSETS			
Non-current assets		**703 611 508**	729 252 091
Investments	3	**703 611 508**	729 252 091
Current assets		**740 494**	717 396
Investments	3	**725 605**	204 279
Cash and cash equivalents	5	**14 889**	513 117
Total assets		**704 352 002**	729 969 487
EQUITY AND LIABILITIES			
Equity		**703 263 282**	728 822 394
Share capital – ordinary shareholders	6	**18 206 250**	18 206 250
Share capital – preference shareholders	6	**505 810 200**	505 810 200
Retained income		**179 246 832**	204 805 944
Liabilities			
Current liabilities		**1 088 720**	1 147 093
Trade and other payables	8	**1 085 003**	1 143 539
Current tax payable		**3 717**	3 554
Total equity and liabilities		**704 352 002**	729 969 487

Net asset value note			
Net asset value attributable to ordinary shareholders	7	**53 053 715**	54 981 878
Net asset value attributable to preference shareholders	7	**650 209 567**	673 840 516
Net asset value per ordinary share (cents)	7	**1 415**	1 466
Net asset value per preference share (cents)	7	**1 415**	1 466

Statement of comprehensive income

for the year ended 31 March 2024

	Notes	**2024** **R**	2023 R
Income	10	**1 548 259**	22 203 298
Operating expenses		**(1 454 171)**	(1 911 891)
Operating profit		**94 088**	20 291 407
Fair value (loss)/gain on subsidiary	12	**(25 640 583)**	10 887 916
(Loss)/profit before taxation		**(25 546 495)**	31 179 323
Taxation	11	**(12 617)**	(6 304)
(Loss)/profit for the year		**(25 559 112)**	31 173 019
Other comprehensive income/(loss) for the year net of taxation		**–**	–
Total comprehensive (loss)/income		**(25 559 112)**	31 173 019
(Loss)/earnings per share			
Per share information (ordinary and preference)			
Basic and diluted (loss)/earnings per share (cents)	13	**(51)**	62

Statement of changes in equity

for the year ended 31 March 2024

	Ordinary share capital R	Preference share capital R	Retained income R	Total shareholders' equity R
Balance at 31 March 2022	18 206 250	506 296 000	216 393 836	740 896 086
Total comprehensive income	–	–	31 173 019	31 173 019
Distribution in specie (note 23)	–	–	(23 068 645)	(23 068 645)
Cancellation of shares (note 23)	–	(485 800)	(19 692 266)	(20 178 066)
Balance at 31 March 2023	**18 206 250**	**505 810 200**	**204 805 944**	**728 822 394**
Total comprehensive loss	**–**	**–**	**(25 559 112)**	**(25 559 112)**
Balance at 31 March 2024	**18 206 250**	**505 810 200**	**179 246 832**	**703 263 282**
Notes	6	6		

Statement of cash flows

for the year ended 31 March 2024

	Notes	2024 R	2023 R
Cash flows from operating activities			
Cash utilised in operations	14	**(1 512 707)**	(1 667 977)
Interest received	10	**1 933**	3 942
Dividends received	10	**1 500 000**	2 000 000
Tax paid	15	**(12 454)**	(6 988)
Net cash (outflow)/inflow from operating activities		**(23 228)**	328 977
Cash flows from investing activities			
Sale of investments	3	**425 000**	610 000
Purchase of investments	3	**(900 000)**	(450 000)
Net cash (outflow)/inflow from investing activities		**(475 000)**	160 000
Net movement in cash and cash equivalents		**(498 228)**	488 977
Cash and cash equivalents at the beginning of the year		**513 117**	24 140
Cash and cash equivalents at the end of the year	5	**14 889**	513 117

Notes to the annual financial statements

for the year ended 31 March 2024

GROUP STRUCTURE

RECM and Calibre Limited ("RAC" or "the Company") was established in 2009 as a closed-end investment entity that makes long-term investments, with the objective of generating high real returns from capital appreciation, investment income or both. Investments can be listed or unlisted, public or private, and there are no limits as to the geographic location.

Given that the investment infrastructure of RAC has been set up to facilitate investments and funding in the most efficient manner, investments are made either through a fully owned subsidiary incorporated in South Africa, currently RAC Investment Holdings (Pty) Ltd ("RIH") or directly.

Given that the majority of investments are held through RIH, RAC has provided the fair value disclosure in two parts in note 3. Notes 3.1 and 3.3 disclose the investment in RIH as required by IFRS® Accounting Standards and notes 3.2 and 3.4 provide additional disclosures that the Directors deem useful by looking through RIH to the underlying investments. All fair value movements on the investment in RIH are recognised in profit or loss.

1. MATERIAL ACCOUNTING POLICY INFORMATION

The annual financial statements have been prepared in accordance with IFRS Accounting Standards, the SA Financial Reporting Requirements, the Companies Act of South Africa and the JSE Listings Requirements on the historical cost basis, except as set out below, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies have been applied consistently to all periods presented in these financial statements. The adoption of the new accounting standards and amendments to IFRS Accounting Standards had no material impact on the results of either the current or prior year. Refer to note 2.1.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates, judgements and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may have a material impact to the financial statements.

Significant judgements include:

Assessment as an investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value rather than consolidate them. The criteria, which define an investment entity, are as follows:

- an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- an entity that measures and evaluates the performance of substantially all its investments on a fair value basis (refer to note 3 for additional disclosures relating to fair value).

Based on the above, the Company is considered to meet all three conditions of the definition and, hence, qualifies as an investment entity. Consolidated Financial Statements are, therefore, not prepared.

In line with RAC carrying its investment in RIH at fair value, RAC has also applied the exemption in IAS 28 to carry any interests in associates and joint ventures at fair value through profit or loss. Such application is applied consistently due to the fact that the Company is an investment entity and evaluates its investments on a fair value basis. The Company reports to its investors via annual and semi-annual results and to its management, via internal management reports, on a fair value basis. All investments are reported at fair value to the extent allowed by IFRS Accounting Standards in the Company's annual report.

The Board has also concluded that the Company meets the additional characteristics of an investment entity, in that it has exposure, directly or indirectly, to more than one investment; the investments are predominantly in the form of equities and similar securities; and its investors are not related parties. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price.

The Company uses valuation techniques, as disclosed in note 3, for unlisted financial instruments that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Although estimates are based on management's best knowledge and judgement of current facts as at the reporting date, the actual outcome may differ from the estimates, possibly significantly.

Segmental analysis

The Directors considered the implications of IFRS 8 – *Operating Segments* and are of the opinion that the operations of the Company are substantially similar and that the risks and returns of these operations are likewise similar.

Resource allocation and the management of the operations are performed on an aggregated basis, and as such the Company is considered to be a single aggregated business.

1.2 Financial instruments

Financial instruments

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Transaction costs for financial assets at FVTPL are recognised as an expense when incurred.

For a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into one of three categories:

- Financial assets at amortised cost;
- Financial assets at FVTPL.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes cash and cash equivalents which comprise of cash on hand and demand deposits.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

The Company's financial assets at FVTPL includes all investments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without a material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised for those credit exposures for which there has been a significant increase in credit risk since initial recognition, over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or financial liabilities at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities at amortised cost include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

Trade and other payables were subsequently measured at amortised cost, using the effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in profit or loss.

Fair value determination for comparative and current year amounts

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Tax liabilities or assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and liabilities are only set off against each other if the Company has a legally enforceable right to set them off.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are not recognised on investments in subsidiaries, associates or joint ventures where the Company controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination (other than the acquisition by an investment entity of a subsidiary that is required to be measured at fair value through profit or loss).

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

1.4 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Redeemable, participating, non-cumulative preference shares are classified as equity where the redemption is at the option of the Company and not the shareholders.

1.5 Income

Interest for all financial instruments measured at amortised cost is recognised using the effective interest rate.

Dividends are recognised when the Company's right to receive payment has been established.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective or early adopted in the current year

The following new and revised IFRS Accounting Standards, interpretations and amendments applicable to the Company were adopted during the current financial year.

Standard/ Interpretation	Effective date: Years beginning on or after	Impact
IAS 1 – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023	Accounting policies assessed under new requirements and no changes to policies identified.

2.2 Standards and interpretations not yet effective

The following new and revised IFRS Accounting Standards, interpretations and amendments applicable to the Company have been issued but are not yet effective. The Company plans to adopt these statements when they become effective.

Standard/ Interpretation	Effective date: Years beginning on or after	Impact
IAS 1 – Amendments to IAS 1 Classification of liabilities as current and non-current	1 January 2024	The amendments specify the requirements for classifying liabilities as current and non-current. The amendments clarify: • What is meant by a right to defer settlement. • That a right to defer must exist at the end of the reporting period. • That classification is unaffected by the likelihood that an entity will exercise its deferral right. • That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. The changes are not expected to have a material impact on the Company.

2. NEW STANDARDS AND INTERPRETATIONS continued

2.2 Standards and interpretations not yet effective (continued)

Standard/ Interpretation	Effective date: Years beginning on or after	Impact
IFRS 18	1 January 2027	The statement specifies three defined categories for income and expenses: operating, investing and finance. The changes are expected to improve the structure of the income statement and requires all companies to provide new defined subtotals, including operating profit which should allow improved comparison of companies by investors. The detailed impact of adopting the statement is being assessed by management.

3. INVESTMENTS

	2024 R	2023 R
Fair value hierarchy of financial assets		
Level 2		
Class 4 – Money market fund	**725 605**	204 279
	725 605	204 279
Level 3		
Class 5 – Unlisted shares – Unquoted – fair value through profit or loss	**703 611 508**	729 252 091
	703 611 508	729 252 091
Total financial assets at fair value	**704 337 113**	729 456 370
Total assets at fair value through profit or loss	**704 337 113**	729 456 370
Non-current assets – fair value through profit or loss	**703 611 508**	729 252 091
Current assets – fair value through profit or loss	**725 605**	204 279
Total investments	**704 337 113**	729 456 370
Management classifies money market fund as current and other investments as non-current.		
Level 3 reconciliation		
Opening balance	**729 252 091**	741 432 820
Distribution in specie	**–**	(23 068 645)
Fair value (loss)/gain on investments recognised in profit or loss	**(25 640 583)**	10 887 916
Closing balance	**703 611 508**	729 252 091

3. INVESTMENTS continued

Level 1

Class 1 financial assets are valued at the listed price per the exchange on which they trade.

Level 2

Class 3 financial assets are valued based on the price of the underlying assets.

Class 4 financial assets are valued by taking the following market observable data into account and applying them to the holdings:

- credit spread of the institution at which the funds are held
- any difference in the interest rate earned and what is available in the market

Class 6 financial assets are unlisted shares valued at the last traded price between third parties if the transaction occurred within the last 6 months.

Level 3

Class 5 unlisted unquoted shares are valued using a number of valuation techniques based on the following unobservable market data for each investment as applicable:

- Net profit of investee
- Equity and net debt of investee
- Return on capital
- Price/Earnings ratio
- Expected cash flows
- NAV of the investee if it recognises its assets and liabilities at fair value

Management uses the above information in multiple valuation techniques as applicable by comparing the investee information to similar type entities in the listed market. The nature of the fair value calculations as at 31 March 2024 means that there is a range of reasonable possible alternative outcomes for the fair values as they are sensitive to indirect and direct quantifiable inputs.

There have been no significant changes to the inputs to the fair valuation calculations of the investments to which RAC is exposed. RIH has continued to be valued based on its NAV which is driven by the valuation of the underlying investments. Management is responsible for preparing the valuations which are reviewed by the Audit and Risk Committee and approved by the Board.

In terms of IFRS Accounting Standards, RAC is an Investment Entity, and therefore no consolidated results are required to be prepared. IFRS Accounting Standards requires the fair value disclosure to be prepared at the Unit of Account Level (i.e.: at the level of shares that RAC owns and those are shown above). The Board of Directors has provided the following disclosures looking through the 100% held subsidiary, RIH to the underlying investments. In addition, a summary of the NAV of RIH as well as the underlying valuation techniques and sensitivities have been provided.

Notes to the annual financial statements

for the year ended 31 March 2024

continued

3. INVESTMENTS continued

	2024 R	2023 R
Fair value hierarchy of financial assets held by RAC Investment Holdings (Pty) Ltd		
Level 1		
Class 1 – Listed shares – Quoted	**17 911 453**	12 105 033
	17 911 453	12 105 033
Level 2		
Class 4 – Money market fund	**1 806 752**	1 126 908
	1 806 752	1 126 908
Level 3		
Class 5 – Unlisted shares – Unquoted – fair value through profit or loss	**990 219 897**	1 019 539 678
	990 219 897	1 019 539 678
Total financial assets at fair value	**1 009 938 102**	1 032 771 619
Non-current assets	**1 008 131 350**	1 031 644 711
Current assets	**1 806 752**	1 126 908
Total investments	**1 009 938 102**	1 032 771 619
Summary of Net Asset Value of RIH		
Total investments from above	**1 009 938 102**	1 032 771 619
Loans and receivables	**17 850 077**	20 826 012
Cash and cash equivalents	**2 248 369**	11 186 570
Deferred tax	**(52 777 592)**	(58 586 155)
Loans and payables	**(861 923)**	(3 769 770)
Preference shares	**(272 785 525)**	(273 176 185)
Net asset value of RIH	**703 611 508**	729 252 091

3. INVESTMENTS continued

3.1 Description of significant unobservable inputs and their sensitivities of investments held by RAC (level 3 investments).

31 March 2024

	Valuation technique	Cost R'm	Fair value R'm	Significant unobservable inputs	Range	Sensitivity
RAC Investment Holdings ("RIH")	NAV	519,5	703,6	Earnings and multiple of the underlying investments (refer to breakdown below)	N/A	A change in the valuation techniques as documented below would result in a change in fair value of approximately R204,1m.

3.2 The below table shows the sensitivities per underlying investment held by RIH as if these were held directly by RAC (level 3 investments)

Goldrush Group ("Goldrush")	Multiple	522,9	990,2	EBITDA	7	An increase or decrease in the EBITDA multiple by 1 would result in a change in fair value of approximately R204,1m.
Total			**990,2**			

3.3 Description of significant unobservable inputs and their sensitivities of investments held by RAC (level 3 investments).

31 March 2023

	Valuation technique	Cost	Fair value Rm	Significant unobservable inputs	Range	Sensitivity
RAC Investment Holdings ("RIH")	NAV	519,5	729,3	Earnings and multiple of the underlying investments (refer to breakdown below)	N/A	A change in the valuation techniques as documented below would result in a change in fair value of approximately R206,2m.

3.4 The below table shows the sensitivities per underlying investment held by RIH as if these were held directly by RAC (level 3 investments)

Goldrush Group ("Goldrush")	Multiple	522,9	1 019,5	EBITDA	7	An increase or decrease in the EBITDA multiple by 1 would result in a change in fair value of approximately R206,2m.
IASeminars SA	Multiple	32,1	–	NAV	N/A	The business is currently recovering from the severe impact that Covid had on its operations and is still being valued at Rnil and therefore no sensitivity has been calculated.
Total			**1 019,5**			

3. INVESTMENTS continued

Factors that were considered in all valuations include the current market conditions, the invested market segment, and any interest rate uncertainty. The nature of fair value calculations being somewhat subjective and sensitive to direct and indirect quantifiable inputs means that there is a range of reasonably possible alternative outcomes for the fair values of these investments. Where we have influence over our investee companies, we plan to play an active role in the long-term strategy of the Company, ensuring that our interests are aligned.

Goldrush

We have used the actual achieved EBITDA (earnings before interest, tax, depreciation and amortisation) for the year ended 31 March 2024, but excluded once-off income items totaling R23,4m relating to a bargain purchase of an investment by Goldrush as well as refunds on prior year gaming taxes.

A multiple of 7 is applied to these earnings to determine the enterprise value of the business, after which adjustments are made for the structure of the balance sheet. These balance sheet adjustments entail the addition of non-operating assets and a deduction of net debt and financial liabilities.

The chosen EBITDA multiple of 7 times is retained taking into account that Goldrush is unlisted and is still in a growth phase. The multiple remains:

- consistent with that used in the prior 3 years;
- lower than the 25-year average EBITDA multiples of comparable listed South African gaming operators, which range between 7.1 and 8.3;
- lower than the historic EBITDA multiple of the JSE All Share Index as a whole.

As at 31 March 2024, Goldrush had a net asset value of R449,6m (2023: R372m) and therefore RAC`s proportionate share amounts to R266,8m (2023: R218,7m). For additional commentary in relation to Goldrush, please refer to the Shareholders letter.

4. FINANCIAL ASSETS BY CATEGORY

The categorisation of financial assets is as follows:

	Amortised cost R	Financial assets at fair value through profit or loss R	Total R
2024			
Cash and cash equivalents	**14 889**	**–**	**14 889**
Investments	**–**	**704 337 113**	**704 337 113**
	14 889	**704 337 113**	**704 352 002**
2023			
Cash and cash equivalents	513 117	–	513 117
Investments	–	729 456 370	729 456 370
	513 117	729 456 370	729 969 487

	2024 R	2023 R
5. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Bank balances	**14 889**	513 117
Credit quality of cash at bank and short-term deposits, excluding cash on hand		
The credit quality of cash at bank and short-term deposits can be assessed by reference to external ratings (if available) or historical information about counterparty default rates. The credit rating as disclosed below is considered to be a strong credit rating and therefore the risk of credit losses on cash and cash equivalents is considered to be low.		
Credit rating		
F1+ (Fitch)	**14 889**	513 117

		2024 R	2023 R
6.	**SHARE CAPITAL**		
	Authorised		
	5 000 000 ordinary voting shares of R0,01 each	**50 000**	50 000
	200 000 000 non-cumulative redeemable participating preference shares of no par value.		–
	Non-cumulative redeemable participating preference shares of no par value are redeemable at the option of the company and rank equal to ordinary shares in respect of dividends and on winding up.		
	250 000 000 redeemable preference shares of no par value.	**–**	–
	The redeemable preference shares will have the rights and privileges, restrictions and conditions as determined by the Directors upon issue thereof, but which are intended to rank in priority to the participating preference shares, the perpetual preference shares and ordinary shares in respect of dividends and on winding up.		
	1 500 000 000 perpetual preference shares of no par value.	**–**	–
	The perpetual preference shares will have the rights and privileges, restrictions and conditions as determined by the Directors upon issue thereof, but which are intended to rank in priority to the participating preference shares and ordinary shares in respect of dividends and on winding up.		
	Issued		
	3 750 000 (2023: 3 750 000) ordinary shares of R0,01 each	**37 500**	37 500
	Share premium	**18 168 750**	18 168 750
		18 206 250	18 206 250
	45 958 815 (2023:45 958 815) non-cumulative redeemable participating preference shares (refer to note 13 for movements)	**505 810 200**	505 810 200

The economic interests of the ordinary and non-cumulative redeemable participating preference shares are exactly the same, although only the ordinary shares have voting power.

Notes to the annual financial statements

for the year ended 31 March 2024

continued

		2024 R	2023 R
7.	**NET ASSET VALUE PER SHARE**		
	Net asset value per share is calculated by dividing the net asset value attributable to each class of share by the number of shares in issue as at year end. Given the ordinary and preference shares have the same rights to the net asset value of the Company, net asset value per share is the same for both classes. Tangible asset value per share equals the net asset value per share.		
	Number of shares in issue at year-end		
	Ordinary shares	**3 750 000**	3 750 000
	Preference shares	**45 958 815**	45 958 815
	Net asset value attributable to ordinary shareholders	**53 053 715**	54 981 878
	Net asset value attributable to preference shareholders	**650 209 567**	673 840 516
	Net asset value per ordinary share (cents)	**1 415**	1 466
	Net asset value per preference share (cents)	**1 415**	1 466
8.	**TRADE AND OTHER PAYABLES**		
	Audit fee payable	**342 125**	430 529
	Other accruals	**–**	213 114
	Directors' fees payable (refer to note 17)	**742 878**	499 896
		1 085 003	1 143 539

Trade and other payables are interest free and generally settled within 60 days.

9. FINANCIAL LIABILITIES BY CATEGORY

	Financial liabilities at amortised cost R	Total R
2024		
Trade and other payables	**1 085 003**	**1 085 003**
	1 085 003	**1 085 003**
2023		
Trade and other payables	1 143 539	1 143 539
	1 143 539	1 143 539

Notes to the annual financial statements

for the year ended 31 March 2024

continued

		2024 R	2023 R
10.	**INCOME**		
	Dividend income		
	RAC Investment Holdings – cash dividend	**1 500 000**	2 000 000
	RAC Investment Holdings – dividend inspecie (refer note 23)	**–**	20 178 066
	Total dividend income	**1 500 000**	22 178 066
	Interest income		
	Bank *	**1 933**	3 942
	Money market fund	**46 326**	21 290
	Total interest income	**48 259**	25 232
	Total income	**1 548 259**	22 203 298

* *This interest is recognised using the effective interest rate method.*

		2024 R	2023 R
11.	**TAXATION**		
	Major components of the tax expense		
	Current		
	Income tax – current period	**12 617**	6 304
	Deferred		
	Current period	**–**	–
		12 617	6 304
	Reconciliation of the tax expense		
	Reconciliation between accounting profit and tax expense		
	Accounting (loss)/profit	**(25 546 495)**	31 179 323
	Tax at the applicable tax rate of 27%	**(6 897 554)**	8 418 417
	Tax effect of adjustments on taxable income		
	Non-taxable dividend income	**(405 000)**	(5 988 078)
	Non-taxable fair value adjustments	**6 922 958**	(2 939 738)
	Non-tax deductible expenses relating to exempt income	**392 213**	515 703
		12 617	6 304

Notes to the annual financial statements

for the year ended 31 March 2024

continued

		Gross R	Tax R	Net R
12.	**FAIR VALUE GAIN/(LOSS) ON SUBSIDIARY**			
	2024			
	Loss arising during the year:			
	Unlisted shares – subsidiary	**(25 640 583)**	**–**	**(25 640 583)**
		(25 640 583)	**–**	**(25 640 583)**
	2023			
	Gain arising during the year:			
	Unlisted shares – subsidiary	10 887 916	–	10 887 916
		10 887 916	–	10 887 916

Given that RIH is a 100% held subsidiary of RAC, RAC is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, the requirements in terms of IAS 12 for the exemption to recognise a deferred tax liability on the investment in RIH have been met. Temporary differences not recognised in terms of IAS 12 amount to R184 080 823 (2023: R209 721 406). Deferred tax has been recognised in RIH on the investments that it expects to incur taxes on when realising their value.

Notes to the annual financial statements

for the year ended 31 March 2024

continued

		2024 number	2023 number
13.	**(LOSS)/EARNINGS AND HEADLINE (LOSS)/ EARNINGS PER SHARE**		
	Earnings/(loss) and headline (loss)/ earnings per shares are based on the (loss)/profit attributable to ordinary and preference shareholders in issue during the year.		
	Number of shares in issue at year-end		
	Ordinary shares	**3 750 000**	3 750 000
	Preference shares	**45 958 815**	45 958 815
	Reconciliation of issued shares to weighted average number of shares		
	Ordinary shares (opening and closing balance)	**3 750 000**	3 750 000
	Preference shares opening balance	**45 958 815**	47 400 000
	– cancellation of shares on 30 September 2022	**–**	(1 441 185)
	Preference shares opening balance	**45 958 815**	45 958 815
	Total opening balance of issued shares	**49 708 815**	51 150 000
	– cancellation of shares on 30 September 2022	**–**	(718 618)
	Total weighted average number of shares	**49 708 815**	50 431 382
	Earnings (R)		
	Net (loss)/earnings after tax	**(25 559 112)**	31 173 019
	Headline (loss)/earnings	**(25 559 112)**	31 173 019
	Basic and diluted (loss)/earnings per ordinary and preference shares (cents)	**(51)**	62
	Basic and diluted headline(loss)/earnings per ordinary and preference shares (cents)	**(51)**	62

		2024 R	2023 R
14.	**CASH UTILISED IN OPERATIONS**		
	(Loss)/profit before taxation	**(25 546 495)**	31 179 323
	Adjustments for:		
	Dividend income	**(1 500 000)**	(22 178 066)
	Interest income	**(48 259)**	(25 232)
	Unrealised loss/(gain) on investments	**25 640 583**	(10 887 916)
	Changes in working capital:		
	Trade and other payables	**(58 536)**	243 914
		(1 512 707)	(1 667 977)

		2024 R	2023 R
15.	**TAX PAID**		
	Balance at the beginning of the year	**(3 554)**	(4 238)
	Current tax for the year recognised in profit or loss	**(12 617)**	(6 304)
	Balance at the end of the year	**3 717**	3 554
		(12 454)	(6 988)

16. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Subsidiary

As at year-end, RAC has a single unlisted equity investment being a 100% (2023: 100%) held subsidiary, RAC Investment Holdings (Pty) Ltd ("RIH"). The subsidiary is not consolidated due to the Company being an investment entity in terms of IFRS 10 which requires investments to be accounted for at fair value. RIH is an investment holding Company, operating in South Africa. For additional information relating to RIH, please refer to note 3.

RIH holds the following investments as at 31 March 2024

Subsidiaries

As at year-end, RIH has a 59,36% (2023: 58,8%) economic interest in Goldrush Group (Pty) Ltd ("Goldrush") which is incorporated in South Africa and has interests in Bingo, Limited Pay Out Machine and Sports Betting licences in Southern Africa. RIH has 59,36% (2023: 58,8%) of the voting rights as at year-end and Goldrush is therefore considered to be a subsidiary.

17. RELATED PARTIES

Relationships

Shareholders with significant influence	Seneca Investments Proprietary Limited (PG Viljoen); TTOW Investments (Pty) Ltd (JC Van Niekerk)
Subsidiaries	RAC Investment Holdings (Pty) Ltd Goldrush Group (Pty) Ltd
Members of key management	JC Van Niekerk PG Viljoen Z Matlala T Rossini R Walters
Common directorships	Regarding Capital Management (Pty) Ltd (Investment Manager) Merchant West Investments (Pty) Ltd ("MWI")

Messrs PG Viljoen and JC Van Niekerk do not receive any directors' emoluments from RAC or from any other Company directly in relation to services rendered to RAC. They benefit as shareholders of the Company. Non-executive directors fees are disclosed in note 18.

	2024 **R**	2023 R
Related party transactions		
Income received from related parties		
RAC Investment Holdings (Pty) Ltd – dividend	**1 500 000**	22 178 066
MWI Money Market Fund – interest	**46 326**	21 290
Related party balances		
Directors fees payable	**742 878**	499 896
Investment in MWI Money Market Fund	**725 605**	204 279

RAC Directors with material interests in contracts entered into by RAC or RIH

Messrs PG Viljoen and JC van Niekerk are Directors of Regarding Capital Management (Pty) Ltd, RAC and RIH.

18. DIRECTORS' EMOLUMENTS

Directors' emoluments consist of Directors' fees and are considered to be short-term benefits which are paid in the year.

	2024 **R**	2023 R
Rodger Walters	**342 048**	93 237
Trent Rossini	**186 433**	174 236
Zanele Matlala	**186 433**	174 236

Executive directors do not receive any directors' fees from the Company and the Company has no employees.

19. RISK MANAGEMENT

Risk Management objectives and policies

The Company's financial objective is to grow the net asset value per share; bearing in mind the absolute necessity to ensure the Company's ability to operate as a going concern at all times. The manager of the Company's assets regards the risk of losing capital as the most important risk to manage. This risk is managed firstly through buying only into assets where the price paid is substantially less than the value expected to be received. A secondary, but equally important risk management tool is to focus on the underlying quality of the assets acquired.

The Board of RAC is required to consider and report on various risks in its financial reporting. The risk management function focuses on actively securing the Company's financial objectives by employing the services of a professional Investment Manager. The most significant financial risks to which the Company and RIH are exposed are described below. The Company does not engage in the trading of financial assets for speculative purposes. Its Memorandum of Incorporation also limits the amount of leverage it can employ.

As a result of RAC owning 100% of the issued shares of RIH, the following Risk Management disclosures have where relevant also been completed looking through RIH as if RAC held the underlying investments directly.

Market risk

Market risk comprises three types of risk: equity price risk, interest rate risk and liquidity risk. In addition, the Directors consider credit risk and foreign exchange risk.

Equity price risk

The Company is subject to the risk of adverse movements in the market price of listed securities in which it has invested. This market risk is managed by the investment adviser by buying assets below their expected value. These investments are monitored on an ongoing basis by the Investment Manager and regularly reported on to the Board of Directors. Significant investments are approved in advance. A decrease or increase of 10% (2023: 10%) in the market price would have an estimated R1,8m (2023: R1,2m) impact on the fair value of the underlying portfolio of listed investments. This movement would impact the profit or loss of RAC as the movement would impact the NAV of RIH. A 10% (2023: 10%) change in the fair value of RIH would have a profit or loss impact of R70,3m (2023: R72,9m).

Interest rate risk

As the Company, through its investment in RIH, has exposure to interest bearing assets at times during the financial year, the Company's statement of comprehensive income is indirectly influenced by market interest rates.

Based on the exposure as at 31 March 2024 if interest rates had been 1% higher/lower with all other variables held constant, post-tax profit/(loss) for the year would have been R0,1m (2023: R0,1m) higher/lower.

As at year-end RIH had funding from Absa Bank Limited ("Absa") in the form of preference shares. The dividend on the funding is linked to prime. A 1% change in prime will result in RIH needing to pay an additional R2,5m (2023: R2,5m) of preference dividends per year.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk 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 manages liquidity risk through an ongoing review of foreseeable future commitments and ensuring that adequate cash balances are maintained at all times.

19. RISK MANAGEMENT continued

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

RAC	Less than 60 days R	Total R
At 31 March 2024		
Trade and other payables	**1 085 003**	**1 085 003**
At 31 March 2023		
Trade and other payables	1 143 539	1 143 539

The Company has provided a guarantee in favor of Absa for RIH's obligations under the Preference Share Agreement. Full details of this guarantee can be found in Note 20.

The maturity groupings for RIH are as follows:

RIH	Less than 1 year R	1 to 2 years R	2 to 5 years R	More than 5 years R	Total R
At 31 March 2024					
Loans and payables	**69 122 135**	**81 365 235**	**200 975 863**	**–**	**351 463 233**
At 31 March 2023					
Loans and payables	27 687 420	99 431 662	234 552 316	–	361 671 398

Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company in full. The Company is exposed to this risk primarily due to receivables from financial institutions or investee companies. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at amortised cost recognised at the reporting date in RIH. This would include loans and receivables from RIH to underlying investees of R33,8m (2023: R33,7m). Whilst no credit limits were exceeded during the reporting period or no amounts were considered to be past due, management of RIH has provided for R33,8m (2023: R28,4m) of capital and interest receivable from investee companies as at year-end as the investees are no longer expected to be able to meet the loan repayments going forward. In addition to this, an expected credit loss of R2,1m was provided against the remaining loan receivable of R5,3 million as at 31 March 2023.

The Board considers that all other financial assets are of good credit quality. No other financial assets are impaired or past due for each of the reporting dates under review.

Foreign exchange risk

The Company is able to operate internationally and foreign exchange risk arising from exposure to foreign currencies may arise from time to time. As at year-end, the Company is not directly exposed to foreign exchange movements.

Notes to the annual financial statements

for the year ended 31 March 2024

continued

20. GUARANTEE, CESSION AND PLEDGE

As at year-end RIH has issued 242 (2023: 250) preference shares for R1 000 000 each to Absa. The preference shares pay a preference dividend on 31 March and 30 September each year at a rate equivalent to 90% of prime or 120% of prime on deferred dividends. The preference shares issued to Absa have been issued with the following covenants:

- secured asset cover ratio to exceed 2 with the secured asset being Goldrush
- dividend cover ration to exceed 1.5 times
- net debt to EBITDA ratio of Goldrush to be less than 250%

As at 31 March 2024, the dividend cover ratio was 1.19 times and therefore the covenant is in breach. Absa has agreed to waive their right to enforce early redemption as a result of this covenant breach.

RAC and RIH provided the following securities to Absa in terms of the Preference Share Agreement:

- RAC has provided a guarantee in favour of Absa for the full, complete and punctual payment and performance by RIH of all its obligations under the Preference Share Agreement. RIH is required to make minimum capital repayments amounting to R42m on 31 March 2025, R50m on 31 March 2026 and R150m on 31 March 2027. Any additional capital payments made prior to these dates, will reduce the next required capital payment accordingly. Expected cash flows in terms of the agreement are R68,3m (2023: R24,9m) within 1 year, R81,4m (2023: R99,4m) within 2 years and R201m (2023: R234,6m) within 5 years.
- RAC pledged its shares held in RIH to Absa.
- RIH pledged its shares held in Goldrush, which have a carrying amount of R990,2m as at 31 March 2024 to Absa.

The securities will remain in full force until such time as the preference shares issued to Absa have been fully redeemed and all payments made.

At year-end, both the value of RAC's pledged shares in RIH as well as RIH's pledged shares in Goldrush exceeded the value of the preference shares issued to Absa. The directors of RAC foresee the possibility of RAC needing to make any payments under the guarantee as being highly remote.

RIH may not pay any distribution in excess of R2m to RAC without the prior consent of Absa.

21. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern as the Company has access to adequate resources to operate for the foreseeable future. The Company is projecting positive cash flows over the next 12 months and therefore funds are expected to be available to finance future operations and the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

22. SUBSEQUENT EVENTS

Subsequent to year-end, the Board resolved to remove the requirement for the Company to have an active exit strategy for the investment into Goldrush Group (Pty) Ltd. As a result of this decision, the Company will no longer meet the requirements for investment entity accounting and will, therefore, consolidate the financials of Goldrush Group going forward.

23. NON-CASH TRANSACTIONS

RAC earned interest income totalling R46 326 (2023: R21 290) on its investment in the Money Market Fund. This interest was re-invested directly into the Money Market Fund and therefore is not included in the statement of cash flows.

RIH transferred 5 114 999 Astoria shares to RAC in the prior year, with a fair value of R23 068 645 in settlement of a share buy-back. RAC subsequently distributed these shares to its shareholders on the basis of 1 Astoria share for every 10 RAC shares held.

RIH distributed 1 441 185 RAC participating preference shares in the prior year, with a value of R20 178 066, to RAC which were then delisted and cancelled by RAC.

Shareholder information

as at 31 March 2024

As at 31 March 2024, three million seven hundred and fifty thousand (3 750 000) ordinary shares were in issue. The beneficial interests as at 31 March 2024 are shown below. The Company also had forty five million, nine hundred and fifty eight thousand, eight hundred and fifteen (45 958 815) preference shares in issue. Shareholders with beneficial interests of 3% or greater as at year-end are listed below:

	2024		2023	
Beneficial shareholder name	**Number**	**%**	Number	%
Ordinary shares				
Seneca Investments Proprietary Limited (PG Viljoen)	**2 500 000**	**66,7**	2 500 000	66,7
PG Viljoen	**1**	**–**	1	–
Maximus Investments CC (JC van Niekerk)	**1**	**–**	1	–
TTOW Investments Proprietary Limited (JC van Niekerk)	**1 249 998**	**33,3**	1 249 998	33,3
Preference shares				
Astoria Investments Ltd	**7 510 225**	**16,3**	7 510 225	16,3
Calibre Investment Holdings	**3 400 000**	**7,4**	3 400 000	7,4
Steyn Capital SNN QI Hedge Fund	**2 747 407**	**6,0**	1 812 328	3,9
Rozendal Flexible Prescient QI Hedge Fund	**2 500 408**	**5,4**	2 563 189	5,6
TNT Trust (T Rossini)	**1 500 000**	**3,3**	1 500 000	3,3

Public shareholders analysis	**2024**		2023	
Security holders analysis	**Number**	**%**	Number	%
Ordinary shares				
Non-public	**4**	**100,0**	4	100,0
Preference shares				
Public	**681**	**97,6**	750	97,8
Non-public	**17**	**2,4**	17	2,2

Invitation to Preference Shareholders' meeting with Executive Directors

RECM and Calibre Limited
(Incorporated in the Republic of South Africa)
(Registration number 2009/012403/06)
Preference share code: RACP • ISIN: ZAE000145041
("RAC" or "the Company")

This year the meeting of RAC preference shareholders with Executive Directors will be held at 11:00 on Wednesday, 31 July 2024 via a Microsoft Teams Webinar. You don't need to be a shareholder to attend.

In order to attend, please register on the RAC website: www.racltd.co.za. You don't have to have Microsoft Teams installed on your computer. You will have an option to join in your web browser.

As always, we will answer all your questions, even if it takes all day. This is the one opportunity that our fellow shareholders have to ask questions of us in the year. We want to make the most of it.

You will be able to post questions live during the webinar, or you can send your questions before the time to info@racltd.co.za.

G Simpson
Company Secretary

Corporate information

RECM AND CALIBRE LIMITED

("RAC" or "the Company")

COUNTRY OF INCORPORATION AND DOMICILE

South Africa

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

Investments as principal activities

COMPANY REGISTRATION NUMBER

2009/012403/06

PREFERENCE SHARE CODE

RACP

ISIN

ZAE000145041

DIRECTORS

Z Matlala *(Independent Non-Executive Director, Chairperson)*

T Rossini *(Independent Non-Executive Director)*

R Walters *(Independent Non-Executive Director)*

JC van Niekerk *(Executive Financial Director)*

PG Viljoen *(Executive Director)*

COMPANY SECRETARY

G Simpson

FINANCIAL STATEMENTS INTERNALLY COMPILED BY

D Schweizer – Chartered Accountant (S.A.)

REGISTERED OFFICE AND BUSINESS ADDRESS

1st Floor, The Barracks
50 Bree Street
Cape Town
8001

POSTAL ADDRESS

PO Box 44
Greenpoint
8001

EMAIL ADDRESS

info@recm.co.za

WEBSITE

www.racltd.co.za

AUDITORS

Forvis Mazars
Mazars House
Rialto Road
Grand Moorings Precinct
Century City
7441

SPONSOR

Questco Corporate Advisory (Pty) Ltd
Ground Floor, Block C
Investment Place
10th Road
Hyde Park
2196

(PO Box 98956, Sloane Park, 2152)

TRANSFER SECRETARIES

JSE Investor Services South Africa (Pty) Ltd
One Exchange Square
Gwen Lane
Sandown, Sandton
2196

(PO Box 4844, Johannesburg, 2001)

BANKERS

The Standard Bank of South Africa Ltd
Park Vista Building
Cnr Hendrik Verwoerd & Embankment Street
Centurion

(PO Box 9633, Centurion, 0046)

ATTORNEYS

Cliffe Dekker Hofmeyr
11 Buitengracht Street
Cape Town
8001
South Africa

(PO Box 695, Cape Town, 8000)

FINANCIAL SERVICES PROVIDERS

Regarding Capital Management (Pty) Ltd
1st Floor, The Barracks
50 Bree Street
Cape Town
8001

(PO Box 44, Greenpoint, 8001)

GRAPHICULTURE