TRADEHOLD LIMITED
(Registration number: 1970/009054/06)
Incorporated in the Republic of South Africa
JSE Ordinary Share code: TDH ISIN: ZAE000152658
JSE B Preference Share code: TDHBP ISIN: ZAE000253050
("**Tradehold**" or the "**Group**")

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE TRADEHOLD GROUP FOR THE SIX MONTHS TO 31 AUGUST 2020 AND CASH DIVIDEND DECLARATION

KEY INFORMATION

- Total assets: £807 million (29 February 2020: £883.9 million)
- Revenue: £34.5 million (31 August 2019: £47.7 million)
- Ordinary shareholders' equity: £253.9 million (29 February 2020: £282.7 million)
- Net loss attributable to ordinary shareholders: £8.7 million (31 August 2019: loss £0.4 million)
- Headline earnings per share: 0.5 pence (31 August 2019: 6.9 pence)
- Tangible net asset value per share: 105 pence / R23.39 (29 February 2020: 120 pence / R24.05)
- Interim dividend of 30 cents per ordinary share declared.

Tradehold's net assets at the reporting date were split across the United Kingdom in pound sterling (42.3%), United States dollar assets in Africa (8.1%), and the balance in South African rand (49.6%). In South Africa it owns 74.3% of the Collins Property Group. In the UK it holds 100% of the Moorgarth Property Group, including a 90% stake in Boutique (previously known as 'The Boutique Workplace Company'), a provider of serviced office accommodation in Greater London. Moorgarth owns a number of Boutique's sites.

FINANCIAL PERFORMANCE

Total assets now amount to £807 million (29 February 2020: £883.9 million), the decrease being mainly due to the adverse effects of the deterioration in the exchange rate of the ZAR against £ on Collins total assets, and proceeds from assets realised used to repay debt. Revenue was £34.5 million (31 August 2019: £47.7 million) while total loss attributable to shareholders stood at £8.7 million (31 August 2019: loss of £0.4 million). The increase in the loss is mainly due to an increase in Moorgarth losses of £5.3 million, a decrease in Collins net profit of £1.5 million mostly due to ZAR weakness, and an adverse movement on the revaluation of the financial assets of £1 million from the comparable period.

Headline earnings per share was 0.5 pence, down from 6.9 pence and tangible net asset value per share (as defined by management) was 105 pence / R23.39, compared to 120 pence / R24.05 at 29 February 2020.

The sum-of-the-parts valuation per share (as defined by management) was 107.8 pence / R24.01, compared to 121.5 pence / R24.34 at 29 February 2020.

OPERATIONAL PERFORMANCE

- Collins, with a portfolio consisting of predominantly large industrial buildings, collected 90% of all rents due during the reporting period (95% if Covid-related remissions of R30 million are excluded) and in the process achieved its pre-Covid budget for the period
- The vacancy rate in the Collins portfolio was maintained at a low

1,78% with all leases on average having another seven years to run

- Moorgarth, with a portfolio consisting of shopping centres and commercial properties, achieved, under extremely demanding conditions, an overall rent collection rate of 75%
- Moorgarth's management continued its programme of rebalancing the portfolio away from retail, which now constitutes 54% of its value against 60% 18 months ago
- Boutique, which operates from 31 buildings in Greater London, is experiencing a growing interest in the market for its flexible, fully-equipped office space. September's sales of 180 workstations were the highest in three years.

Collins Group

Collins weathered the Covid-19 storm well in the six months to end August. This was thanks largely to the composition of its property portfolio, with upmarket industrial and distribution centres accounting for about 83% of the total. Collins is also in the fortunate position of deriving the bulk of its income from JSE-listed or national tenants with whom it enjoys long-term contracts.

At the end of the reporting period the vacancy level of its 1.5 million square metres of gross lettable area (GLA) stood at 1.78%. The weighted average lease expiring profile remained at almost seven years.

The group's results for the six months are in line with its pre-Covid budget despite granting Covid-remissions of R30 million during this period. Even so, by consistently focusing on satisfying client needs, the group managed to collect 90% of all income due despite most businesses being closed down during the countrywide lockdown in May.

Management continued focusing on achieving consistent, quality income streams. It had already previously embarked on an ongoing programme of upgrading the composition, average size and quality of the properties in the portfolio, that at the end of the reporting period was valued at R8.8 billion. To achieve this, non-core assets - 37 mainly smaller, mainly commercial buildings - were identified for disposal. Of these, 26 were sold by the end of the 2020 financial year. During the reporting period, a further seven were disposed of, with four remaining. As a result of these actions, the average size of properties in the portfolio increased from 17 367 to 20 420 square metres. The quality of income has improved by virtue of the fact that 89% of the rental income generated from properties sold was from non-national tenants, compared to the 79% rental income generated from national tenants on properties that have been developed.

Throughout the reporting period, the group managed to retain its strong cash position. It also focused strongly on the liability side of the balance sheet to reduce its associated costs by unwinding long-dated fixed interest rate agreements. The benefits derived from these actions will be felt going forward.

Management continues to look at ways of making the business more cash-generative by renegotiating facilities that would free up operating cash.

The total value of the Collins portfolio was £393.9 million (R8 773 million) at the reporting date, compared with £438 million (R8 634 million) as at 29 February 2020. The £ value has been adversely affected by the currency deterioration of the South African rand to pound sterling (R22.27 at the reporting date compared to R20.0388 at 29 February 2020).

Collins Group contributed net profit of £3.3 million (31 August 2019: £4.8 million) to the group's net loss after minorities in the six-month period. The decrease is mainly due to a lower valuation gain on its CPI hedges, and the deterioration in ZAR to £ from the comparable reporting period.

The Collins Group's total contribution to tangible net asset value per share is 51.8 pence (R11.54) compared to 59.3 pence (R11.88) at 29 February 2020.

Moorgarth
The first six months of the financial year turned into the most challenging ever for Moorgarth, as was likely the case for the entire modern-day British property industry. Covid-19 precipitated a rapid dimension change in terms of working practices, shopping behaviour and leisure activities. The change in consumer behaviour has been dramatic and is likely to endure. While online retail sales increased from the historic 19% of total sales to 33% and up to 40% during the three months of the full lockdown period, digital shopping growth is projected to continue. At the same time, working from home has become commonplace with many large tenants in commercial buildings forcing staff to remain home until 2021.

Industry figures show average rent collections in retail malls ranged from 20% to 50%, with many falling even below those levels. Moorgarth performed considerably better, with retail rent collections for the first three months of the reporting period averaging 71.4%. This was despite the government enforced closures of two of its malls during the initial lockdown. During the second three months, retail rent collections averaged 65.3%. However, commercial space rent collection levels were considerably higher, averaging 95%, bringing the average of the total portfolio to 75%. During this time Moorgarth achieved 15 new lettings and finalised 28 lease renewals or extensions, all at or close to ERV (estimated rental value).

To counter the effects of the drop in rent collections and consequently lower income, management's focus continued to be on key defensive measures to protect income, preserve cash and manage bank relationships. Major items of capital expenditure were deferred to a future date. Collectively, these steps enabled the company to meet all its operating costs and to service all debt requirements.

The impact of the pandemic has created massive uncertainty in the market, particularly in the retail sector, and as a result, the lack of comparable transactions against which to demonstrate any credible and accurate assessment of value have simply not existed. Coupled with the impending and as yet unknown outcome of Brexit, it has become almost impossible to put accurate valuations on assets. Management therefore decided on a general impairment of value across the portfolio. Using as a guideline the findings of the IPD All Property Index, it has reduced values overall by £11.8 million for the half-year, having also reduced values by a similar amount in the previous financial year. Since February 2019 Moorgarth's retail portfolio has been marked down by 18% in value, despite securing planning consent on our Reading project for 422 apartments. Retail now comprises 54% of the total portfolio, compared to 60% then.

Moorgarth's share of the group net loss amounted to £12.4 million, against a net loss of £7.1 million at 31 August 2019.

The total value of Moorgarth's portfolio at half year (excluding IFRS 16 right-of-use assets) dropped to £230.3 million from £239.6 million if its interest in joint ventures (not reflected in the balance sheet) is included. The decrease was mainly due to fair-value losses (excluding IFRS 16 fair-value losses on right-of-use assets) of £11.8 million (29 February 2020: loss of £13.6 million) on investment properties, of which £6.4 million relates to the joint venture held properties.

Moorgarth's contribution to tangible net asset value per share was 41.5 pence (R9.25) (29 February 2020: 44.9 pence (R9)).

Boutique

Boutique (previously The Boutique Workplace Company or TBWC) offers flexible office accommodation from 31 buildings in greater London. Together, these buildings (some of which are owned by Moorgarth that buys and equips them for Boutique's needs) offer some 4 400 individual workstations in a modern shared office environment, including substantial amounts of amenity/breakout spaces.

The pandemic clearly had a short-term impact on the company during the reporting period in that footfall in greater London offices fell to virtually nil overnight when the UK was put into a three-month lockdown. Most employers adopted a conservative position on staff returning to the office, and in Greater London, many staff members, especially those dependent on public transport, remained at home. This situation has continued even after full lockdown ended.

Despite this, Boutique remained fully operational since the end of the lockdown in June and managed to end the reporting period in an improved cash position. In addition, with indications that market conditions might be improving, September proved the best month for new business in three years.

Cost-saving measures saw general operating expenses drop by a third, with salary costs substantially reduced by using the government's furlough scheme and negotiating rent concessions from landlords. All capital expenditure was placed on hold and stringent cashflow measures introduced.

Boutique is also increasingly focusing on management contracts as a growing number of landlords become open to such arrangements in the light of how difficult traditional lease occupation has become. For Boutique, such contracts are attractive as they do not require significant capital commitment while operational liabilities remain with the landlord.

Boutique's EBITDA (earnings before interest, tax, amortisation and depreciation) for the six months to end August was £595 000 (31 August 2019: £1.4 million), before adjusting for the new IFRS 16 reporting requirements.

Nguni Group (Namibia)

Negotiations are underway to sell Tradehold's total Namibian portfolio which comprises a number of top-quality retail and commercial properties as well as vacant land for development. Given the quality of the assets and corresponding income stream, the portfolio was able to perform satisfactorily despite the impact of Covid-19.

The value of the Namibian portfolio was £33.4 million (R745 million) at the reporting date, compared with £37 million (R743 million) on 29 February 2020. The value has been adversely affected by the currency deterioration of the South African rand to pound sterling (R22.27 at the reporting date compared to R20.04 at 29 February 2020). Namibia reported a net profit after minorities of £1 million (31 August 2019: net profit of £409 000). The Nguni Group's total contribution to tangible net asset value per share was 8 pence (R1.79) (29 February 2020: 8.5 pence (R1.71)).

Tradehold Africa Group (Mozambique, Botswana and Zambia)
The value of the portfolio decreased to £23.4 million from £23.7 million at the end of February 2020 due the weakening of the US$ against £. The company contributed £1.9 million in profit to the total group loss, compared to a net profit of £1.7 million for the corresponding period. Tradehold Africa's total contribution to tangible net asset value per share was 7.1 pence (R1.57) (29 February 2020: 7.3 pence (R1.47).

INTERIM ORDINARY SHARE CASH DIVIDEND
The board of directors of Tradehold (the "Board") resolved to declare a gross cash dividend of 30 cents per ordinary share on 12 November 2020 - Tradehold's first interim dividend ever. The income used for this purpose is Tradehold's share of the dividend Collins Group declares every six months in terms of the agreement with its minority shareholders. The dividend will reduce Tradehold's stated capital.

The distribution constitutes a foreign dividend as defined in section 1 of the Income Tax Act ("ITA") and is a dividend for purposes of dividends tax ("DT"), since the shares are listed on the JSE Limited ("JSE").

An exemption from DT is provided for in the ITA in respect of foreign dividends paid to a South African company and to a non-resident to the extent that it is paid in respect of listed shares, provided certain administrative procedures are complied with.

The ITA further provides for an exemption from income tax in respect of foreign dividends received or accrued in respect of listed shares.

In terms of the ITA, DT of 20% has been withheld in the case of those shareholders who are not exempt from it. They will therefore receive a net dividend of 24 cents per ordinary share.

Tradehold has 261 346 570 ordinary shares in issue. Its income tax reference number is 9725/126/71/9.

The salient dates for the dividend are as follows:

Declaration date	Thursday, 12 November 2020
Last date to trade cum dividend	Tuesday, 1 December 2020
Date trading commences ex dividend	Wednesday, 2 December 2020
Record date	Friday, 4 December 2020
Date of payment to shareholders	Monday, 7 December 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 2 December 2020, and Friday, 4 December 2020, both days included.

OUTLOOK
At the end of the 2020 financial year, we made the point that the turmoil and devastation caused by Covid-19 would result in too many imponderables to make predictions about the future. That statement is still as true now as it was then. Globally, more than a million people have already died of the disease and the economic disruption continues. The UK is one of the countries to have been particularly hard hit, with a second wave leading to tighter lockdown restrictions across the country. In South Africa, joblessness is increasing daily while the government's new recovery plan,

even if implemented immediately, will take time before it has any impact on the local economy. The Board therefore believes trading conditions will remain largely unchanged. Nevertheless, it expects the results for the full year to February 2021 to show some improvement on those of the first half.

APPOINTMENT OF DIRECTOR

In compliance with paragraph 3.59 of the Listings Requirements of the JSE, Tradehold shareholders are advised that Mr Paul Johannes Roelofse has been appointed as an independent non-executive director to the Board with effect from 10 November 2020.

Mr Roelofse holds a B.Acc. (Cum Laude) degree and a B.Acc. (Hons) degree from the University of Stellenbosch. He is a qualified Chartered Accountant and CFA charterholder. He was employed at Rand Merchant Bank from 2002 until 2019, where he headed the global Corporate Finance business and served on the Investment Banking Board.

C H Wiese	K L Nordier
Chairman	Director

12 November 2020

FULL ANNOUNCEMENT

The contents of this announcement are the responsibility of the directors of Tradehold. The announcement is only a summary of the information contained in the complete unaudited condensed consolidated interim results for the six months ended 31 August 2020 ("Full Announcement") released on SENS today. Any investment decisions by investors and shareholders should be based on consideration of the Full Announcement which is available at the following link:
https://senspdf.jse.co.za/documents/2020/jse/isse/tdh/Int2020.pdf
and on Tradehold's website at http://www.tradehold.co.za. Copies of the Full Announcement are available for inspection and may be requested at no charge from Tradehold's registered office at 36 Stellenberg Road, Parow Industria or Tradehold's company secretary at tdhcosec@leacorporateservices.co.za, or from the offices of its sponsor, Questco Corporate Advisory Proprietary Limited, 33 Ballyclare Drive, Bryanston at no charge, from Monday to Friday during office hours.

DIRECTORS AND ADMINISTRATION

Executive directors: TA Vaughan, FH Esterhuyse, DA Harrop, KL Nordier
Non-executive directors: CH Wiese (alternate JD Wiese), HRW Troskie, MJ Roberts, LL Porter, KR Collins
Independent non-executive directors: HRW Troskie, MJ Roberts, LL Porter
Company secretary: P J Janse van Rensburg
Transfer secretary: Computershare Investor Services (Pty) Ltd
Sponsor: Questco Corporate Advisory Proprietary Limited