

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



PROPOSED DISPOSAL AND CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Tradehold shareholders are advised that the Company's wholly owned subsidiary, Tradehold S.à.r.l. ("Tradehold S.à.r.l.") intends to enter into an agreement relating to a potential disposal of its entire shareholding in Moorgarth Holdings (Luxembourg) S.à.r.l. (a wholly owned subsidiary of Tradehold) ("Moorgarth"), as well as all of Tradehold S.à.r.l.'s loan claims against Moorgarth and certain of its subsidiaries, to Moorgarth Group Holdings Limited (the "Purchaser"), for a fixed cash consideration of GBP102,500,000 (the "Proposed Disposal Consideration" and the "Proposed Disposal"). Moorgarth is the current holding company of all the Group's interests in the United Kingdom ("U.K.")

The Purchaser is a company, which was incorporated in the U.K. for the purpose of the Proposed Disposal. Entities associated with Dr CH Wiese, Mr KR Collins, Mr FH Esterhuyse, Mr TA Vaughn and Ms KL Nordier, all directors of Tradehold, collectively hold 67.2% of the issued shares of the Company and are shareholders of the Purchaser ("the Related Parties"). The Proposed Disposal will therefore be a related party transaction for purpose of the JSE Limited ("JSE") Listings Requirements.

The Proposed Disposal will be commercially effective from 1 March 2022, and consequently all income earned after this date will be retained in Moorgarth save for certain payments made by Moorgarth and any of its subsidiaries in respect of the repayment of the principal amount and the payment of interest owing in respect of the loan claims owing to Tradehold S.à.r.l. made thereafter.

2. RATIONALE FOR THE DISPOSAL

Tradehold has a relatively complex corporate structure that has served the Group well in the past. However, the structure is now considered to be unnecessarily complex in the current investment market. It is therefore envisaged that, after the implementation of the Proposed Disposal, the Company will assume South African tax residency, change its reporting currency to ZAR, and will be able to reduce its head office overheads and costs through a simplified, South African-based group structure.

In addition to the simplification of the Group's structure and the reduction of associated overheads, the Proposed Disposal is intended to address the market's negative perception of the Group, in relation to its business in the U.K., in particular arising from:

- general structural changes in the U.K. retail property sector; and
- the high level of gearing, coupled with the impending maturity of certain of the funding facilities that were used to fund the Group's U.K. acquisitions.

It is envisaged that on implementation of the Proposed Disposal, Tradehold's primary investment focus will be its portfolio of industrial and logistics properties held through its 74.3% investment in Collins Property Projects Proprietary Limited and that it will make application to the JSE for classification as a Real Estate Investment Trust, as defined in the JSE Listings Requirements .

The directors of Tradehold who are independent of the Purchaser are of the view that all of the aforementioned factors will contribute to providing a basis for a potential rerating of Tradehold shares and a reduction of the discount to the net asset value per share at which the shares currently trade.

3. USE OF PROCEEDS

It is the Company's intention that the Proposed Disposal Consideration (net of taxes and transaction costs) be used to redeem the Company's preference shares ("**Preference Shares**") held by Rand Merchant Bank, a division of First Rand Bank Limited ("**RMB**"), and that the balance of the Proposed Disposal Consideration be used to fund the payment of a special dividend to Tradehold shareholders in an amount of approximately ZAR 4.00 per share (exchange rate dependant), the declaration and payment of which would be conditional upon the implementation of the Proposed Disposal.

4. CONDITIONS PRECEDENT

The implementation of the Proposed Disposal will be subject to the fulfilment and / or waiver of, *inter alia*, the following conditions precedent:

- disinterested Shareholders approving the Proposed Disposal by way of an ordinary resolution, as required in terms of Section 9 and Section 10 of the JSE Listings Requirements;
- RMB, as agent for the holders of the Preference Shares has, to the extent required, provided such consents or approvals, in writing, as may be required under the documentation pertaining to the Preference Shares for a prior capitalisation of certain loan claims owing by members of the Group to Tradegro S.à r.l.;
- the Purchaser securing the requisite financing to pay the Proposed Disposal Consideration; and
- the exchange control authorities of the South African Reserve Bank having granted any approvals that may be required in connection with the Proposed Disposal or the financing thereof.

5. TIMING AND CAUTIONARY ANNOUNCEMENT

Shareholders are advised that the proposed agreements pertaining the Proposed Disposal are expected to be signed by close of business on Friday, 27 May 2022. The Company will then issue a circular to shareholders containing the terms and details of the Proposed Disposal during July and the Proposed Disposal will be voted on by disinterested shareholders only, at a general meeting to be held during August 2022. The Related Parties will not participate in the aforesaid vote at the general meeting. A number of major Disinterested shareholders who have been engaged to date have indicated their support for the Proposed Disposal. If successfully concluded, the Proposed Disposal may have a material effect on the price at which Tradehold shares trade and shareholders are therefore advised to exercise caution when dealing in their Tradehold shares until a further announcement, containing the full terms of the Proposed Disposal, is made.

Cape Town
23 May 2022

JSE Sponsor and Joint Corporate Advisor



Questco Corporate Advisory Proprietary Limited

Joint Corporate Advisor



Mettle Corporate Finance Proprietary Limited

Legal Advisor



Cliffe Dekker Hofmeyr