

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")



RELATED PARTY DISPOSAL AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Tradehold shareholders are referred to the announcement published on the Stock Exchange News Service ("**SENS**") on 23 May 2022 ("**23 May SENS announcement**") and are advised that the Company's wholly owned subsidiary, Tradehold S.à.r.l. ("**Tradehold S.à.r.l.**") has now concluded an agreement relating to the 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 "**Disposal Consideration**" and the "**Disposal**"). Moorgarth is the current holding company of all the Group's interests in the United Kingdom ("**U.K.**").

Moorgarth is an owner, developer and manager of commercial properties situated in the U.K..

The Purchaser is a company, which was incorporated in the U.K. for the purpose of the Disposal. Entities associated with Dr CH Wiese, Mr KR Collins, Mr FH Esterhuyse, Mr TA Vaughan 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 Disposal will therefore be a related party transaction for purposes of the JSE Limited ("**JSE**") Listings Requirements. In terms of the JSE Listings Requirements, the Related Parties and their associates will not be able to vote on the resolutions to approve the Disposal, at the General Meeting as mentioned in paragraph 7 below.

The 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.

The Disposal will be implemented on the third business day after the day on which the last of the conditions precedent (as mentioned below), are fulfilled or waived (the "**Closing Date**"), from which date all legal risk in and all benefit attaching to the Disposal will, against payment of an amount equal to the Disposal Consideration, pass to the Purchaser.

2. RATIONALE FOR THE DISPOSAL AND USE OF PROCEEDS

Shareholders are referred to the 23 May SENS announcement for detail regarding the rationale for the disposal and the use of proceeds.

3. CONDITIONS PRECEDENT

The implementation of the Disposal will be subject to the fulfilment and / or waiver of the following conditions precedent, by no later than 31 October 2022 (“the **Long Stop Date**”):

- disinterested shareholders approving the Disposal by way of an ordinary resolution, as required in terms of Section 9 and Section 10 of the JSE Listings Requirements;
- the conclusion of all financing documents (including ancillary security documents) between the Purchaser and the relevant financial institution(s) relating to the third-party funding arranged by the Purchaser to enable it to pay the Disposal Consideration, and all conditions to the relevant financing documents having been fulfilled;
- a flow of funds agreement has been entered into by the Company, the Purchaser and the relevant financial institution providing the financing referred to the Purchaser, and all conditions to such agreement having been fulfilled;
- the debt funding counterparties to any agreements pursuant to which any loan or other financial indebtedness has been made available to any Group company, and the hedge counterparties have, to the extent required, provided such consents or approvals, in writing, as may be required under the relevant debt funding agreements or hedges in order for the Disposal to be able to be affected without triggering any event of default or other potential adverse consequence under the relevant agreements;
- the Group has, with the consent of all applicable funding counterparties, effected a prior capitalisation of certain loan claims owing by members of the Group to Tradegro S.à r.l (“**Tradegro**”); and
- approval has been received from the JSE and any other regulatory authorities for the Disposal; and
- the exchange control authorities of the South African Reserve Bank having granted any approvals that may be required in connection with the Disposal or the financing thereof.

Furthermore, the Purchaser shall be entitled to cancel the Agreement by means of written notice to Tradehold at any time prior to the Closing Date in the event that, *inter alia*:

- a material adverse change has occurred, meaning:
 - a change in an event, matter or circumstance, or in any combination of such events, matters or circumstances, existing as at the Signature Date; and / or
 - an event, matter or circumstance, or any combination of such events, matters or circumstances, of which the Purchaser only becomes aware after the Signature Date which individually or in the aggregate, has, will, or is likely to have a material adverse effect on –
 - the condition (financial or otherwise) of the Moorgarth group and/or its business; or
 - the rights or remedies of the Purchaser under the Agreement.
- the Purchaser becomes aware that any warranty given by the Seller is not true and correct in all respects and/or that Tradegro is in breach of any warranty or will be so in breach on or at any time after the Closing Date, provided that the Purchaser shall not be entitled to cancel the Agreement unless the breach is –
 - incapable of being remedied by payment in money; or
 - capable of being remedied by payment in money, but such payment is not made forthwith, [or by an undertaking by Tradegro to reduce the Disposal Consideration by an equivalent amount;]
 - Tradegro or any Group company is liquidated, whether provisionally or finally (or any application is launched in that regard); or
 - any interdict, judgment or other order or action of any court or governmental body restraining, prohibiting or rendering illegal the implementation of the transactions contemplated in the Agreement is in effect, or any legal proceeding has been instituted by any person (including any

governmental body) seeking to prohibit, restrict or delay, declare illegal or to enjoin the implementation of the transactions contemplated herein.

4. WARRANTIES AND OTHER MATERIAL TERMS

Tradegro has provided the Purchaser with limited warranties, that are considered standard for a transaction of this nature.

5. FINANCIAL INFORMATION

The financial information set out below has not been reviewed or reported on by a reporting accountant in terms of Section 8 of the JSE Listings Requirements and is the responsibility of Tradehold's directors.

As the operations of most of the Company's subsidiaries are conducted in GBP and because of the distortion caused by the fluctuating value of the South African rand, Tradehold reports its results in GBP.

Moorgarth had a net asset value of GBP26,456,000 as at 28 February 2022, being the date of its last financial year end, and recorded a net profit after tax of GBP2,696,000 for the year ended 28 February 2022.

The above financial information has been extracted from Tradehold's audited and consolidated annual financial statements for the year ended 28 February 2022, which were prepared in accordance with International Financial Reporting Standards.

Tradehold S.à.r.l. has recorded the shares in, and claims against, Moorgarth at a total book value of GBP149,010,000, of which GBP122,554,000 relates to the loan claims.

6. CATEGORISATION

The Disposal is classified as a category 1 related party transaction in terms of the JSE Listings Requirements and, accordingly, requires the approval of a simple majority of disinterested shareholders in general meeting. In compliance with paragraph 10.4(f) of the JSE Listings Requirements, the Board has retained Valeo Capital Proprietary Limited, as the independent expert, to opine on the fairness of the Disposal, and its report in this regard will be contained in the Circular as mentioned below.

7. CIRCULAR

Full details of the Disposal, together with a notice convening a general meeting of shareholders to approve the Disposal ("the **General Meeting**") will be included in a circular to shareholders to be distributed in due course ("the **Circular**").

Of the total votes of disinterested shareholders exercisable at the meeting, being 32,414,041, Tradehold has received irrevocable undertakings to vote in favour of the Disposal from disinterested shareholder holding 15,140,902 votes.

The salient dates and times relating to the General Meeting will be released on SENS and published in the South African press at the time of the posting of the Circular.

8. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are advised that caution is no longer required to be exercised when dealing in their Tradehold shares as all the terms of the Disposal have now been announced.

Cape Town
1 June 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