

METTLE INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2008/002061/06)
JSE share code: MLE ISIN: ZAE000257622
("Mettle")



TRADEHOLD LIMITED
(Registration number: 1970/009054/06)
Incorporated in the Republic of South Africa
JSE Share code: TDH ISIN: ZAE000152658
("Tradehold")



JOINT ANNOUNCEMENT REGARDING A SMALL RELATED PARTY TRANSACTION AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. Introduction

Shareholders of Mettle and Tradehold are advised that Tradegro S.à.r.l ("**Tradegro**") a wholly-owned subsidiary of Tradehold, has concluded an agreement ("**the Agreement**") with Reward Investments Limited ("**RIL**"), a subsidiary of Mettle, in terms of which RIL has repurchased 1 111 212 ordinary shares in its issued share capital from Tradegro (constituting a 10% equity interest in RIL) for a cash consideration of £2 600 000 ("**Purchase Consideration**") ("**the Transaction**"), such that RIL has become a wholly-owned subsidiary of Mettle.

2. Overview of RIL and Tradegro

RIL, a 90% owned subsidiary of Mettle, owns 82.5% of Reward Finance Group Limited ("**RFG**") which provides asset-secured short- and medium-term loans and invoice discounting to the United Kingdom's small to medium-sized enterprise ("**SME**") market. RIL and RFG's strategy is to target SMEs that are not adequately serviced by traditional banks.

Tradegro is a wholly-owned subsidiary of Tradehold and renders head office and treasury services to Tradehold.

3. Rationale for the Transaction

The Transaction is a further step in Mettle's strategy to increase its shareholding in RIL as the provision of loans to SME businesses in the United Kingdom is a key component of its strategy.

4. Purchase Consideration

The Purchase Consideration was settled in cash.

5. Categorisation

Mettle and Tradehold are both controlled by Dr Christo Wiese, through a number of investment entities controlled by him.

Accordingly, in terms of the Listings Requirements of the JSE Limited, the Transaction is classified as a Category 2, small related party transaction for Mettle and a small related party transaction for Tradehold.

6. Conditions precedent and effective date

No conditions precedent to the Transaction remain outstanding and the Transaction became effective on 14 September 2020.

7. Financial Information

The net asset value of RIL as at 29 February 2020, the financial year-end of Mettle and Tradehold, was £22 818 000. RIL generated a profit after tax (after non-controlling interest) for the year then ended of £2 762 000.

The financial information for RIL was extracted from its audited annual financial statements for the year ended 29 February 2020 and was prepared in accordance with International Financial Reporting Standards.

8. Warranties

The Agreement contains warranties that are customary for a transaction of this nature.

9. Fairness Opinions

The independent directors of Mettle and Tradehold appointed Nodus Capital TS (Proprietary) Limited (“**Nodus**”) and BDO Corporate Finance (Proprietary) Limited (“**BDO**”), respectively, as independent professional experts to opine on the fairness of the Transaction.

Nodus and BDO have both concluded that the terms of the Transaction are fair and their reports in this regard are available for inspection on Mettle’s and Tradehold’s websites, respectively, for 28 days from today at the following links: <https://mettleinvestments.com/investor-information/sens-announcements>; and <https://www.tradehold.co.za/investor-centre/sens-announcements>.

10. Withdrawal of cautionary announcement by Mettle

Shareholders are further advised that, pursuant to the publication of this announcement, the cautionary announcement released by Mettle on SENS on Friday, 4 September 2020 is withdrawn.

Cape Town
16 September 2020

Designated Advisor to Mettle and Sponsor to Tradehold


questco
CORPORATE ADVISORY
Questco Corporate Advisory (Pty) Ltd