

GRAND PARADE INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration Number 1997/003548/06)
Share code: GPL
ISIN: ZAE000119814
("GPI" or "the Company")



TRADING STATEMENT

In terms of the JSE Limited Listings Requirements, a listed company is required to publish a trading statement as soon as it becomes aware that the financial results for the financial period to be reported on next will vary by 20% or more from those of the previous comparable period.

In March 2020 the South African Government instituted a national lockdown to limit the spread of the Coronavirus. Under the restrictions imposed, all GPI's operational businesses were shut down for the month of April. Burger King resumed limited trading in May through home delivery only, with all service modes resuming in June. The gaming businesses, SunWest and Sun Slots, remained closed from the end of March to the end of June, and only resumed operations in July under restrictive operational controls.

During this time management has acted swiftly to reduce costs and preserve cash through *inter-alia* the following initiatives:

- Reduced Salaries across the group;
- Implemented temporary layoffs and reduced working hours;
- Negotiated with landlords for rental holidays;
- Actively engaged with lenders to prevent covenant breaches;
- Accelerated sales of non-core assets;
- Renegotiated trading terms with creditors during the lock down period; and
- Cancelled all non-essential services.

Despite the actions taken to reduce costs, the lockdown had a material impact on the operating performance of the GPI group, and accordingly, GPI hereby advises that a reasonable degree of certainty exists that in respect of the year ended 30 June 2020:

- basic loss per share will be between 27.52 and 29.22 cents per share, compared to the basic loss per share of 8.48 cents reported for the comparable period ended 30 June 2019; and
- headline loss per share will be between 13.18 and 14.96 cents per share, compared to the headline earnings per share of 8.91 cents reported for the comparable period ended 30 June 2019.

Despite the tough operating conditions over the last six months, GPI has continued to make progress in its plan of selling assets, paying down debt and returning capital to shareholders as a dividend-active company. The previously announced sales of Burger King South Africa and Grand Foods Meat Plant for a combined enterprise value of R593 million, and the sale of the 33 Heerengracht property for R90 million are all ongoing. The value to be realised from these disposals is greater than the Group's current outstanding debt. We remain fully focused on completing these sales to reduce debt and become dividend-active once more.

The financial information on which this trading statement is based has not been reviewed or reported on by GPI's external auditors. The financial results for the period ended 30 June 2020 will be published on or about 23 September 2020.

Cape Town
14 September 2020

Sponsor and corporate advisor:
PSG Capital

