

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")

AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS OF THE TRADEHOLD GROUP AND CASH DIVIDEND DECLARATION FOR THE YEAR TO 28 FEBRUARY 2021

KEY INFORMATION

- Total assets: £808 million (2020: £883 million)
- Headline loss per share: 1.9 pence (2020: earnings 9.5 pence)
- Revenue: £74.3 million (2020: £94.6 million)
- Ordinary shareholders' equity: £225.2 million (2020: £282.7 million)
- Net loss attributable to ordinary shareholders: £39.7 million (2020: net profit £5.99 million)
- Tangible net asset value per share: 94 pence / R19.75 (2020: 120 pence / R24.05)
- Final dividend: 30 cents per ordinary share declared

Although the group reported a net loss of £39.7 million, £44.5 million of this is due to non-cash investment property devaluations resulting from the Covid-19 pandemic, of which £33 million relates to its United Kingdom properties. A further non-cash loss of £10.7m was incurred, which is not Covid related and comprises a once-off breakage costs on Collins fixed rate hedge unwinds, part of a debt restructure which has contributed to a reduction in interest cost from an average of 11.3% to 8.4% (approximately R80 million saving per year). Tradehold ended the year with an improved cash position of £25.4 million and declared a final dividend of 30 cents per ordinary share (60 cents in total for the year).

At Tradehold we apply three essential principles in our business. These are to adapt, simplify and focus. It is this premise that has allowed us to weather the effects of the pandemic and the impact of a vastly accelerated change in market trends.

ADAPT

The South African business (Collins Group) has been particularly successful in managing change with agility and flexibility. The business collected 97% of all rent due (including remissions of R30 million), vacancies have remained low, at a mere 2.3% of all gross lettable space, with a 6.5 year weighted average lease expiry profile. We could thus exceed our pre-Covid budget for the year, achieving net operating profit before tax of R297 million (before one-off items). We made our first offshore investment, acquiring six retail warehouse properties in Austria for €33.2 million. Each of these is underpinned by a 10-year lease signed by OBI, Europe's largest DIY retailer. These properties were bought at a 7% net operating income yield.

In the UK, management has long recognised a growing appetite for flexible, fully equipped office space offered on a more accommodating basis and on shorter lease terms. This led to the establishment of Boutique, with its present 4 830 workstations spread across 32 buildings in Greater London. Based on the negotiation of new deals since year-end and the ongoing high level of interest, we believe the business is well-poised to capitalise on the new, hybridised nature of workspace sought by employers and their employees. In particular, this has been the case for businesses that require

a physical presence in the major cities while accommodating fewer employees. Notable is that March 2021 was the best month in Boutique's history with 529 workstations sold.

Shifting the thrust of the UK property business away from traditional retail has been an ongoing process. Traditional retail now accounts for 37% of the total property value in the UK. Adapting this way has helped the business to collect, under very challenging circumstances, on average 78% of total rent due (before rent concessions) over the full financial year. We regard this as most satisfactory in the prevailing climate. The medium- to long-term strategy for the UK property business is to adapt from a capital growth strategy to one that is less capital-intensive with the capacity to contribute to Tradehold's future dividends to shareholders.

SIMPLIFY

We are simplifying the group's structure, inter alia by reducing the number of countries in Africa where Tradehold operates. This allows us to focus all our attention on our primary businesses: the Collins Group, Moorgarth and Boutique. It is against this background that we have sold one of the last three properties in Mozambique and are in negotiations to sell the remaining two.

FOCUS

For the Collins Group the accent remains on building a premium industrial-based property portfolio, primarily by selling non-core assets and re-investing in better quality properties in South Africa, as well as off-shore. Seven non-core assets sold for R227 million, were transferred in the year at a loss to book value of only R1.3 million while another nine are in the process of being transferred to their new owners.

Tradehold is also constantly looking at ways to reduce the cost of debt to increase profitability. We were able to reduce average cost of debt from 11.3% to 8.4%, with 75% of that debt still fixed. This was achieved by breaking long-dates fixes in March last year when the long bond ran, and unwinding an inflation-linked hedge and using the proceeds from that gain (R228 million) to break and refix R1.5 billion of debt. The overall debt restructuring was achieved at a total cash cost of just R8 million, with an interest saving of approximately R80 million per annum.

In the UK, the focus has been on growing the Boutique business by taking advantage of the unique opportunities arising as a result of the pandemic. For Moorgarth, which incurred significant fair-value impairments to the UK portfolio, the accent now is on protecting capital invested through active asset management and by actively following through on our medium- to long-term strategy of reducing exposure to traditional retail. A further important focus on cost and cashflow management, as well as on the maintenance of excellent banking relationships have ensured that the UK business has sufficient liquidity for the foreseeable future.

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 24 May 2021. 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.

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 for those shareholders who are not exempt from DT. Shareholders who are not exempt from DT 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 will be as follows:

Declaration date	Monday, 24 May 2021
Last date to trade cum dividend	Tuesday, 8 June 2021
Date trading commences ex dividend	Wednesday, 9 June 2021
Record date	Friday, 11 June 2021
Date of payment to shareholders	Monday, 14 June 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 June 2021, and Friday, 11 June 2021, both days inclusive.

CH Wiese	KL Nordier
Chairman	Director

24 May 2021

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 audited summary consolidated financial statements for the year to 28 February 2021 ("Full Announcement") released on SENS. 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/2021/jse/isse/tdh/YE2021.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, Ground Floor, Block C, Investment Place, 10th Road, Hyde Park, 2196 at no charge, from Monday to Friday during office hours.

These annual results have been audited by the Company's auditors, PricewaterhouseCoopers Inc. who expressed an unmodified audit opinion thereon. That report also includes communication of key audit matters. This opinion is available, along with the annual financial statements on the Company's website at www.tradehold.co.za.

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, PJ Roelofse

Independent non-executive directors: HRW Troskie, MJ Roberts, LL Porter
Company secretary: PJ Janse van Rensburg
Transfer secretary: Computershare Investor Services (Pty) Ltd
Sponsor: Questco Corporate Advisory (Pty) Ltd

Resignation of director and changes to Board

In compliance with paragraph 3.59 of the Listings Requirements of the JSE Limited, Tradehold shareholders are advised that Mr David Anthony Harrop has resigned from the Board with effect from 20 May 2021.

The following changes to the Tradehold board occurred during the financial year:

Mr Paul Johannes Roelofse was appointed as an independent non-executive director to the Board with effect from 10 November 2020.