

GRAND PARADE INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/003548/06)

JSE share code: GPL

ISIN: ZAE000119814

("GPL" or the "Company")

and

GMB LIQUIDITY CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2022/587629/07)

("GMB" or the "Offeror")

JOINT ANNOUNCEMENT OF THE FIRM INTENTION TO MAKE A MANDATORY OFFER TO GPL SHAREHOLDERS AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Shareholders are advised that GMB Liquidity Corporation Proprietary Limited ("**Offeror**" or "**GMB**") has provided the Company with written notice that the Offeror has acquired additional shares in the Company which has resulted in the Offeror's total beneficial interest increasing to 35.14% of the Company's issued ordinary share capital (net of treasury shares). Accordingly, the Offeror will proceed with a mandatory offer to all GPL shareholders to acquire their ordinary shares in GPL not already owned by GMB (each a "**Mandatory Offer Share**"), as contemplated in section 123 of the Companies Act, No. 71 of 2008, as amended ("**Companies Act**"), for a cash consideration of R3.33 per Mandatory Offer Share ("**Mandatory Offer Consideration**") ("**Mandatory Offer**").

The purpose of this joint firm intention announcement ("**Firm Intention Announcement**") is to advise the GPL shareholders of the terms and conditions of the Mandatory Offer.

2. RATIONALE FOR THE MANDATORY OFFER

The Offeror believes that GPL will benefit from the support of the Offeror as key shareholder subsequent to the Mandatory Offer. Furthermore, it is not the current intention of the Offeror to apply for the delisting of GPL from the Johannesburg Stock Exchange ("**JSE**").

GPL has communicated to the market its intention to unlock value for all shareholders through a controlled sale of assets. Over the past 24 months GPL has disposed of its stake in Burger King South Africa, disposed of smaller investments and properties, closed unprofitable investments, and unbundled its stake in the Spur Corporation to its shareholders. The remaining assets within GPI consist of minority investments in SunWest International, the Golden Valley Casino, and SunSlots, a minority investment in Infiniti Gaming Africa and two

investment properties. Aligned with GPL's stated strategy to unlock value for its shareholders, GPL has recently commenced a process to potentially sell the shares in GPL and/or its underlying assets as per the cautionary announcement and its renewal released on SENS on 21 September 2022 and 31 October 2022 respectively. Subsequent to, but independently of, GPL launching this process, GMB acquired its interest in GPL resulting in the Mandatory Offer. GPL sees the Mandatory Offer as being aligned with GPL's stated strategy to unlock value for all GPL shareholders, whilst still allowing GPL shareholders the choice to remain GPL shareholders or to realise their investment in GPL at the Mandatory Offer Consideration.

The Mandatory Offer Consideration represents a premium of:

- 0.91% to the share price of R3.30 as at 8 November 2022, being the business day prior to the publication of this Firm Intention Announcement;
- 1.33% to the 5-day volume weighted average price ("**VWAP**") up to and including 8 November 2022; and
- 1.01% to the 30-day VWAP up to and including 8 November 2022.

3. **INFORMATION ABOUT THE OFFEROR**

GMB is a wholly owned subsidiary of GMB Investments Proprietary Limited ("**GMBI**"). Mr Gregory Bortz serves as the sole director and Chairman of both entities. GMBI is a family office platform established by Mr Bortz for investing in South Africa. Most recently, GMBI, through its wholly owned subsidiary GMB, made a financial investment in the horse racing operator in the Western Cape through financing Kenilworth Racing Proprietary Limited and Mr Bortz has assumed the position of chairperson of that organisation. GMB is not a related or inter-related person to GPL as contemplated in section 2 of the Companies Act.

4. **TERMS AND CONDITIONS OF THE MANDATORY OFFER**

4.1 **Terms of the Mandatory Offer**

The Offeror will make a Mandatory Offer, in terms of section 123 of the Companies Act whereby each GPL shareholder will be entitled to elect whether or not to dispose of all of their Mandatory Offer Shares to the Offeror for the Mandatory Offer Consideration ("**Mandatory Offer Participants**").

4.2 **Mandatory Offer Consideration**

Mandatory Offer Participants who have so elected shall receive the Mandatory Offer Consideration, in the amount of R3.33 per Mandatory Offer Share held by such Mandatory Offer Participant after the fulfilment or waiver of the Mandatory Offer Conditions as defined and set out below.

In terms of regulation 111(2) of the Takeover Regulations, 2011 promulgated under the Companies Act ("**Takeover Regulations**"), if an offer is made and the offeror or its concert parties has acquired relevant securities in the offeree regulated company within the 6 months period before the commencement of the offer period, the consideration paid, per security, to the minorities of the same class must be identical to, or where appropriate, similar to the highest consideration paid, excluding commission, tax and duty, for those acquisitions.

The highest price at which the Offeror acquired GPL Shares within the six-month period before the commencement of the offer period was R3.33. The Mandatory Offer Consideration per Mandatory Offer Share will accordingly be R3.33.

4.3 **The Mandatory Offer Conditions**

4.3.1 Implementation of the Mandatory Offer is subject to the fulfilment or waiver, as the case may be, of the following conditions ("**Mandatory Offer Conditions**") by no later than 28 April 2023:

4.3.1.1 all approvals, consents and/or waivers from the applicable South African regulatory authorities as may be required in order for the Mandatory Offer to be implemented (other than the issue of the compliance certificate by the TRP as contemplated in paragraph 4.3.1.2) have been obtained, including, to the extent required, approval/s of the Competition Commission and/or Competition Tribunal and the relevant gambling authorities ("**Regulatory Authorities**"), provided that if such approvals are granted conditionally, this Mandatory Offer Condition shall not be regarded as having been fulfilled unless before such date GMB gives notice to the Company to the effect that such conditions and terms are acceptable to GMB; and

4.3.1.2 the TRP has issued a compliance certificate in relation to the Mandatory Offer in terms of section 119(4)(b) of the Companies Act.

4.3.2 Waiver and extension of Mandatory Offer Conditions:

4.3.2.1 the Mandatory Offer Conditions set out in paragraph 4.3.1 are not capable of being waived but the time and/or date for fulfilment of these Mandatory Offer Conditions may be extended from time to time as may be agreed in writing between the Offeror and the relevant Regulatory Authorities, to the extent required; and

4.3.2.2 an announcement will be released on SENS as soon as practicable after all the Mandatory Offer Conditions have been fulfilled, if the Mandatory Offer

Conditions are not fulfilled timeously, or if the time and/or date for fulfilment of the Mandatory Offer Conditions is extended.

4.4 Independent Board

GPL has constituted an independent board of directors of GPL ("**Independent Board**") for the purposes of the Mandatory Offer, including, evaluating the terms and conditions of the Mandatory Offer and advising GPL shareholders thereon as required by the Takeover Regulations. The Independent Board comprises:

- Mark Bowman – Independent Non-Executive Director – Chairman of the Independent Board
- Ronel Van Dijk – Independent Non-Executive Director
- Professor Walter Geach – Independent Non-Executive Director

5. MANDATORY OFFER

On 9 November 2022, the Offeror acquired 722 221 GPL shares, with the result that the Offeror's total beneficial interest in GPL as at the date of this announcement amounts to 156,297,600 GPL shares, being 35.14% of the issued ordinary shares of GPL (net of Treasury Shares). As such, the Offeror's beneficial interest in GPL is more than 35% and it is required to make the Mandatory Offer.

6. BENEFICIAL INTEREST IN GPL ORDINARY SHARES

The Offeror has disclosed the following beneficial interests in GPL held by the Offeror and persons related to the Offeror:

Shareholder	Number of GPL Shares	Percentage of GPL shares (net of Treasury Shares)
GMB Liquidity Corporation Proprietary Limited	156,297,600	35.14 %
Total	156,297,600	35.14 %

There are no persons acting in concert with the Offeror.

7. INDEPENDENT EXPERT AND FAIR AND REASONABLE OPINION

The Independent Board will appoint an independent expert ("**Independent Expert**") to provide it with external advice in connection with the Mandatory Offer, in the form of the fair and reasonable opinion as required by and in compliance with the Takeover Regulations.

The full substance of the Independent Expert's report in connection with the Mandatory Offer, once procured, will be more fully set out in the circular to be posted to shareholders as referred to in paragraph 11 below.

8. INDEPENDENT BOARD RESPONSIBILITY STATEMENT

The Independent Board accepts responsibility for the information contained in this announcement insofar as it relates to GPL and the Mandatory Offer. To the best of their collective knowledge and belief, the information contained in this announcement is true and this announcement does not omit anything likely to affect the importance of the information.

9. OFFEROR RESPONSIBILITY STATEMENT

The Offeror accepts responsibility for the information contained in this announcement insofar as it relates to detail around the Offeror and the Mandatory Offer. To the best of its knowledge and belief, the information contained in this announcement is true and this announcement does not omit anything likely to affect the importance of the information.

10. CASH CONFIRMATION

The funds to settle the Mandatory Offer Consideration are in place and, in accordance with Regulation 111(4) and 111(5) of the Takeover Regulations, the Offeror has obtained and delivered to the TRP an irrevocable unconditional bank guarantee issued by Investec Bank Limited for the maximum possible Mandatory Offer Consideration.

11. POSTING OF THE COMBINED CIRCULAR

GPL and the Offeror have indicated that their current intention is to issue a joint circular to GPL shareholders, containing full terms and conditions of the Mandatory Offer ("**Circular**").

Full details of the Mandatory Offer as well as the Independent Expert's opinion and the recommendation of the Independent Board will be included in the Circular which will contain, *inter alia*, the terms of the Mandatory Offer and pertinent dates relating to the Mandatory Offer. GPL and the Offeror applied to the TRP to approve an extension of the 20-business day period for the posting of the Circular in terms of Regulation 102(2)(b). The TRP has granted an extension of 9 business days for the publication of the Circular. The Circular is expected to be posted on or about 15 December 2022.

12. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

GPL shareholders are advised that, as a result of the publication of this announcement, the cautionary announcement and its renewal released on SENS on 21 September 2022 and 31 October 2022, respectively, are hereby withdrawn.

CAPE TOWN

9 November 2022

FINANCIAL ADVISER TO GPL

Rand Merchant Bank, a division of FirstRand Bank Limited

SPONSOR TO GPL

PSG Capital Proprietary Limited

LEGAL ADVISER TO GPL

Clyde & Co LLP

LEGAL ADVISER TO GMB

Solaris Law Proprietary Limited