

TREMATON CAPITAL INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1997/008691/06)

Share code: TMT

ISIN: ZAE000013991

("Trematon" or "the Company")



DISPOSAL BY TREMATON OF ITS 60% INTEREST IN ARIA PROPERTY GROUP PROPRIETARY LIMITED ("ARIA") AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

- 1.1 Trematon shareholders ("**Shareholders**") are advised that Trematon, via its wholly owned subsidiary, Tremgrowth Proprietary Limited ("**Tremgrowth**") and its indirect wholly owned subsidiary, Club Mykonos Langebaan Proprietary Limited ("**CML**"), has on 6 September 2024 ("**Signature Date**") entered into an agreement with Aria (the "**Agreement**"), in terms of which CML will dispose of its entire 60% interest in Aria for a cash consideration of R293 million (the "**Transaction**"). The Transaction is structured as a repurchase by Aria of all of the 180 ordinary no par value shares held by CML in the share capital of Aria ("**Aria Shares**").
- 1.2 Trematon is an investment holding company, listed on the main board of the JSE Limited ("**JSE**"), which invests in assets that the Company believes to be undervalued, or where Trematon management can create value that has the potential to achieve its targeted internal rate of return.
- 1.3 Aria is a 60% held subsidiary of CML, a wholly owned subsidiary of Tremgrowth, and specialises in purchasing and holding commercial, retail and industrial properties for rental income purposes with a focus on redeveloping and repositioning these properties to maximise long-term value and to earn good yields and capital growth. Aria's portfolio of 13 commercial, retail and industrial properties ("**Properties**") is mostly located in the Western Cape. The remaining shareholders of Aria, post the Transaction, are the Sphinx Trust, the investment trust of Ilan Kaplan, managing director of Aria, which currently holds a 30% interest in Aria, and Glisan Street Investments (Proprietary Limited), which is wholly owned by the Blombos Investment Trust, the investment trust of members of the Roome family, including Justin Roome, executive director of Aria, which currently holds a 10% interest in Aria.

- 1.4 The Transaction allows for the realisation by Trematon of another successful long-term investment. The Transaction proceeds will give the Company the flexibility to strengthen and improve the Trematon group's current operations and/or return surplus funds to Shareholders.

2. TERMS OF THE DISPOSAL

In terms of the Transaction Aria will repurchase and cancel all of the 180 Aria Shares held by CML on the following terms and conditions: -

2.1 **Effective date of the Disposal**

The effective date of the Disposal shall be the later of 2 January 2025 and the 3rd business day following the date on which the last of the conditions precedent, as detailed in paragraph 2.2 below, is fulfilled or waived, as applicable ("**Effective Date**").

2.2 **Conditions Precedent**

The Transaction is subject to the fulfilment of the following outstanding conditions precedent:

- 2.2.1 by not later than the 5th business day following the Signature Date, CML, as a 60% shareholder of Aria, shall have passed a special resolution in terms of section 112, read with section 115 of the Companies Act, No. 71 of 2008, as amended, to the extent required;
- 2.2.2 by 28 November 2024 all resolutions in respect of the Transaction required to be approved and adopted by Trematon Shareholders shall have been duly adopted and approved at a general meeting of Shareholders convened for that purpose ("**General Meeting**"), as required pursuant to section 9 of the Listings Requirements of the JSE ("**Listings Requirements**");
- 2.2.3 within 60 days from the Signature Date the providers of loans of financial indebtedness ("**Debt Funding**") to Aria shall have, to the extent required, provided such consents of approvals in writing under the Debt Funding agreements between themselves and Aria, so that the Transaction can be implemented without an event of default, or other potential adverse consequence, being triggered under the relevant Debt Funding agreements; and
- 2.2.4 within 120 days from the Signature Date the Agreement and the Transaction shall have been approved, to the extent necessary, by the Competition Authorities in terms of the

Competition Act, Act 89 of 1998, either unconditionally or subject to such conditions as CML and Aria confirm in writing are acceptable to them.

2.3 The Properties

Aria owns the following Properties:

1. 7 Dartfield – Erf 195 Eastgate Ext 13, Gauteng;
2. Stanhope Bridge – Erf 169815, Claremont, Western Cape;
3. Maitland Mews – Erf 22703, Maitland, Western Cape;
4. York Street Boulevard – Erf 18782, George, Western Cape;
5. Bolt Avenue – Erf 1648, Montague Gardens, Western Cape;
6. North Wharf – Erf 149298, Cape Town, Western Cape;
7. HK Parow – Erf 23380, Parow, Western Cape;
8. Edgars Wynberg – Erf 91503, Wynberg, Western Cape;
9. Maynard Mall – Remainder of erven 67925, 67947, 67948, 67949, 67957, 67959, 67960, 67958, 92087 and 92809, Wynberg, Western Cape;
10. Pier Place – Erf 170, Roggebaai, Western Cape;
11. 12 Nourse - Erf 99971, Cape Town, Western Cape;
12. Berg River Park - Erf 21279, Paarl, Western Cape; and
13. Riverside Mall - Erf 113370, Rondebosch, Western Cape.

2.4 Consideration and Application of Proceeds

2.4.1 The consideration payable by Aria to CML for the Aria Shares shall be an amount of R293 million (two hundred and ninety three million Rand) (“**the Consideration**”). The Consideration is payable in cash without any deduction and free of bank charges on the Effective Date. Should the Effective Date occur after 1 January 2025, the Consideration shall escalate by an amount equal to R1 million in respect of each completed calendar month that elapses after 1 January 2025.

2.4.2 The Consideration will be used to expand and strengthen the Company’s current investments and the Company intends to distribute any surplus to Shareholders.

2.5 Additional Significant Terms of the Agreement

2.5.1 Other than the Consideration, with effect from the Signature Date until the Effective Date, Aria shall not make any distributions, as contemplated in the Companies Act, Act 71 of 2008, to its shareholders.

2.5.2 As soon as possible after the Signature Date and with effect from the Effective Date, Aria shall procure the release of CML and Trematon from any guarantees, suretyships, indemnities and undertakings (“**Guarantees and Suretyships**”) which they may have furnished in respect of the obligations of Aria and, pending the procurement of this release, Aria indemnifies CML and Trematon against any claims arising from the Guarantees and Suretyships on or following the Effective Date.

2.6 **Warranties and Indemnities**

The Agreement provides for such warranties and indemnities between CML and Aria as are usual in transactions of this nature.

3. **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 Listings Requirements and is the responsibility of Trematon’s directors.

- 3.1 The total value of the net assets of Aria as at 29 February 2024 (the “**Last Reporting Date**“) was R456.9 million (FY2023: R456.8 million).
- 3.2 CML’s interest in the net assets of Aria as at the Last Reporting Date was R274.2 million (FY2023: R274.1 million).
- 3.3 The total profits attributable to the net assets of Aria at the Last Reporting Date was R12.1 million (FY2023: R128.5 million).
- 3.4 CML’s interest in the profits attributable to the net assets of Aria at the Last Reporting Date was R7.2 million (FY2023: R77.1 million).

The above financial information has been extracted from Trematon’s audited and consolidated annual financial statements for the year ended 31 August 2023, and its interim financial statements for the six months ended 29 February 2024, which were prepared in accordance with International Financial Reporting Standards.

4. **CATEGORISATION, CIRCULAR AND SALIENT DATES AND TIMES**

- 4.1 In terms of section 9 of the Listings Requirements the Transaction constitutes a category 1 disposal transaction and, accordingly, requires the approval of a majority of Shareholders at the General Meeting.

- 4.2 A circular containing full details of the Transaction, a notice of the General Meeting, incorporating the view of the Board on the Transaction, and the valuation reports of an independent valuer on the Properties will be distributed to Shareholders in due course.
- 4.3 The salient dates and times in relation to the circular and General Meeting will be published by way of a SENS announcement.

5. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Having regard to the information in this announcement Shareholders are advised that they no longer need to exercise caution when dealing in their Trematon shares.

Cape Town
9 September 2024

Sponsor



Questco Corporate Advisory Proprietary Limited

Legal Advisor



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