

INTERIM RESULTS

TRUSTCO GROUP HOLDINGS LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

28 FEBRUARY 2023



BUSINESS REVIEW AND OUTLOOK

Trustco Group Holdings Ltd (Trustco) is an investment entity headquartered in Windhoek, Namibia, that manages a diverse portfolio of investments spanning the insurance, education, real estate, resources, and banking and finance sectors. Historically, this investment portfolio has delivered exceptional returns, with a well-balanced asset mix, which has maintained an average weighting of 25% in US Dollar assets, while the remaining 75% is invested in Namibian Dollar assets.

As an IFRS 10 investment entity, the company measures its investments at fair value through profit or loss. This approach provides investors with additional transparency into the fair value of Trustco's underlying investments, enabling more informed investment decisions. Trustco continues to leverage this approach to provide its investors with increased visibility and insight into the value of its diverse investment portfolio.

During the period under review, the Namibian economy faced a mixed economic situation. Despite experiencing strong growth with an overall GDP growth of 3.5% in 2022, the country also faced headwinds due to the ongoing war in Ukraine, which had a negative impact on the global economy. Namibia's economy was affected by higher energy prices and supply chain disruptions, resulting in increased inflation levels, which rose to their highest level in years.

However, notwithstanding these challenges, the Namibian economy is expected to continue to grow in 2023, with the IMF projecting a GDP growth of 2.8%. Namibia also benefits from a stable political environment, with a history of democracy, and a government that is committed to economic growth and development. With ongoing reforms and continued growth, the country's economy is expected to become more stable and prosperous, providing a favourable environment for Trustco to operate in for years to come.

During the period under review, Trustco has seen a decrease in its Net Asset Value by 13.6%, moving from NAD 1 834 billion to NAD 1 584 billion. However, the group's strategic focus on developing its resources portfolio, with high-profile investments such as the Meya diamond mine in Sierra Leone, will result in the dilution of its holdings in this portfolio.

This dilution, which impacted the group's financials, is expected to be recovered as the investment transitions into commercial operation.

The group's loss for the period was NAD 250 million, compared to earnings of NAD 1 360 million in the previous corresponding period. Despite the decrease, Trustco remains optimistic about the long-term prospects of its investments, particularly in its resources portfolio. The loss per share was 25.38c, compared to earnings per share of 138.07c in the previous corresponding period. As Trustco continues to invest in strategic growth areas, it is expected to deliver improved financial performance in the future.

RESOURCES

Trustco's resources portfolio has experienced a decrease in valuation due to the dilution of its shareholding, but this was partially offset by a depreciation in the Namibia Dollar to US Dollar exchange rate. Currently valued at transaction value, this portfolio is expected to see a revaluation *via* the income approach once it transitions into commercial production. This revaluation is expected to offset the current dilution effect and contribute to the overall growth of the portfolio.

FINANCIAL SERVICES

Trustco's financial services portfolio comprises of banking and finance, insurance, education and property development investments. The portfolio is valued using the income approach, where financial services entities are discounted by the cost of equity, while other investments in the portfolio, such as education and property developments, are discounted at weighted average cost of capital.

In the banking and finance, insurance and education portfolios, the discount rates decreased due to lower risk profiles and higher income as a result of a higher interest rate environment. This resulted in enhancing its underlying cash flow forecasts, as interest rate expectations soared. Overall, this has positively impacted the financial services portfolio.

However, Trustco's property portfolio was impacted by increased inflation on the cost side of its valuation cash flow forecasts. This has resulted in decreased margins, as well as an increase in funding costs for new developments.

Despite these challenges, the company remains committed to maintaining its strong position in the financial services industry and continues to work towards enhancing its property portfolio to improve its overall financial performance.

SUBSEQUENT EVENTS

As of the reporting date, Trustco's previous management agreement with Next Capital (Pty) Ltd (Next) has come to an end. The company is currently in the process of preparing a circular for a new management agreement with Next, which will be presented to minority shareholders for approval.

DIVIDENDS

The board of directors has decided to defer the declaration of any 2023 interim dividend.

FUTURE OUTLOOK

The board is optimistic about the growth prospects of Trustco, given the positive development of investment returns. The resources portfolio is expected to transition into a phase of positive operating cash flow generation,

which should enhance its returns and provide a hedge against exchange rate fluctuations. The financial services portfolio is also expected to benefit from higher interest rate margins, which should contribute to sustained growth in the future. Moreover, Namibia's economic prospects show favourable conditions for investment and growth. Overall, Trustco is well-positioned to take advantage of these conditions to continue to achieve positive investment returns in the future.

**ADV RAYMOND
HEATHCOTE SC**
CHAIRMAN AND
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

**DR QUINTON
VAN ROOYEN**
GROUP MANAGING
DIRECTOR AND
CEO

31 MAY 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT

FIGURES IN NAMIBIA DOLLAR MILLION	NOTES	2023 28 FEBRUARY UNAUDITED	2022 31 AUGUST AUDITED
ASSETS			
CASH AND CASH EQUIVALENTS		4	8
TRADE AND OTHER RECEIVABLES		91	65
AMOUNT DUE BY INVESTEE ENTITY	1	661	616
CURRENT TAX ASSETS		1	1
PROPERTY, PLANT AND EQUIPMENT		12	14
INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	2	3 439	3 632
DEFERRED TAX ASSETS		4	4
TOTAL ASSETS		4 212	4 340
EQUITY AND LIABILITIES			
LIABILITIES			
BORROWINGS	3	812	699
TRADE AND OTHER PAYABLES		213	208
AMOUNTS DUE TO RELATED PARTIES	4	1 591	1 586
LEASE LIABILITIES		3	4
DEFERRED TAX LIABILITIES		9	9
TOTAL LIABILITIES		2 628	2 506
CAPITAL AND RESERVES			
SHARE CAPITAL		227	227
SHARE PREMIUM		954	954
TREASURY SHARES	5	(14)	(14)
OTHER RESERVES		2 300	2 300
RETAINED LOSSES		(1 883)	(1 633)
TOTAL CAPITAL AND RESERVES		1 584	1 834
TOTAL EQUITY AND LIABILITIES		4 212	4 340

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FIGURES IN NAMIBIA DOLLAR MILLION	NOTES	6 MONTHS ENDED 28 FEBRUARY 2023 UNAUDITED	6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED RESTATED*
INTEREST REVENUE	6	28	1
FAIR VALUE LOSS ON INVESTMENTS		(142)	(1 925)
TOTAL INVESTMENT REVENUE		(114)	(1 924)
OTHER REVENUE	6	12	11
COST OF SALES		-	(1)
GROSS LOSS		(102)	(1 914)
GAIN ON DEEMED DISPOSAL OF SUBSIDIARIES		-	3 360
OPERATING EXPENSES	7	(73)	(39)
FINANCE COSTS		(75)	(47)
(LOSS) / PROFIT BEFORE TAXATION		(250)	1 360
INCOME TAX EXPENSE		-	-
(LOSS) / PROFIT FOR THE PERIOD		(250)	1 360
OTHER COMPREHENSIVE INCOME			
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS:			
FOREIGN CURRENCY EXCHANGE RESERVE RECLASSIFIED TO PROFIT OR LOSS		-	(38)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		(250)	1 322
(LOSS) / EARNINGS PER SHARE			
BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE (CENTS)	8	(25.38)	138.07

*Refer to note 12 for further information on the restatement of balances.

CONDENSED CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

FIGURES IN NAMIBIA DOLLAR MILLION

	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	OTHER RESERVES	RETAINED INCOME	EQUITY OF OWNERS OF THE COMPANY	NON CONTROLLING INTEREST	TOTAL EQUITY
6 MONTHS ENDED 28 FEBRUARY 2023 UNAUDITED								
BALANCE AT 1 SEPTEMBER 2022	227	954	(14)	2 300	(1 633)	1 834	-	1 834
LOSS FOR THE PERIOD	-	-	-	-	(250)	(250)	-	(250)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	-	(250)	(250)	-	(250)
BALANCE AT 28 FEBRUARY 2023	227	954	(14)	2 300	(1 883)	1 584	-	1 584
6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED (RESTATED)								
BALANCE REPORTED AT 31 AUGUST 2021	372	3 094	(231)	(3 105)	1 897	2 027	300	2 327
PRIOR PERIOD ERROR (REFER TO NOTE 12)	(145)	(2 140)	-	2 285	(1 845)	(1 845)	(85)	(1 930)
RESTATED BALANCE AT 1 SEPTEMBER 2021	227	954	(231)	(820)	52	182	215	397
PROFIT FOR THE PERIOD - RESTATED	-	-	-	-	1 360	1 360	-	1 360
PROFIT PREVIOUSLY REPORTED	-	-	-	-	579	579	-	579
PRIOR PERIOD ERROR (REFER TO NOTE 12)	-	-	-	-	781	781	-	781
OTHER COMPREHENSIVE LOSS	-	-	-	(38)	-	(38)	-	(38)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	-	-	-	(38)	1 360	1 322	-	1 322
TRANSFER OF STAFF SCHEME BONUS SHARES	-	-	19	-	-	19	-	19
CHANGE IN PARENT'S STATUS TO AN INVESTMENT ENTITY - RESTATED	-	-	191	3 158	(3 117)	232	(215)	17
AS PREVIOUSLY REPORTED	-	-	191	3 158	541	3 890	(300)	3 590
PRIOR PERIOD ERROR (REFER TO NOTE 12)	-	-	-	-	(3 658)	(3 658)	85	(3 573)
BALANCE AT 28 FEBRUARY 2022	227	954	(21)	2 300	(1 705)	1 755	-	1 755

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 MONTHS ENDED 28 FEBRUARY 2023 UNAUDITED	6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED RESTATED
FIGURES IN NAMIBIA DOLLAR MILLION		
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH (USED IN) / GENERATED FROM OPERATIONS	(34)	23
FINANCE COSTS	(2)	-
NET CASH FROM OPERATING ACTIVITIES	(36)	23
CASH FLOWS FROM INVESTING ACTIVITIES		
PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	1	2
CASH AND CASH EQUIVALENTS DECONSOLIDATED UPON CHANGE IN STATUS TO THAT OF AN INVESTMENT ENTITY	-	(16)
DEBT INVESTMENT INTO INVESTEE ENTITIES	(36)	-
DEBT INVESTMENT REPAID BY INVESTEE ENTITIES	70	-
NET CASH FROM INVESTING ACTIVITIES	35	(14)
CASH FLOWS FROM FINANCING ACTIVITIES		
REPAYMENT OF BORROWINGS	(1)	(1)
REPAYMENT OF LEASE LIABILITIES	(2)	(5)
PROCEEDS FROM RELATED PARTIES BALANCES	-	20
NET CASH FROM FINANCING ACTIVITIES	(3)	14
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4)	23
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8	15
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	38

CONDENSED SEGMENT ANALYSIS

FIGURES IN NAMIBIA DOLLAR MILLION

AS AT 28 FEBRUARY 2023 UNAUDITED

	EQUITY VALUE	DEBT VALUE	28 FEBRUARY 2023
TBN HOLDINGS LTD	214	136	350
TRUSTCO BANK NAMIBIA LTD	13	-	13
LEGAL SHIELD HOLDINGS LTD	815	1 084	1 899
TRUSTCO MOBILE MAURITIUS	39	-	39
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	23	23
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	153	962	1 115
	1 234	2 205	3 439

6 MONTHS ENDED 28 FEBRUARY 2023 UNAUDITED

The following table represents the earnings from the group's equity and debt investments:

	INVESTMENT INCOME	FAIR VALUE GAIN/(LOSS)	28 FEBRUARY 2023
TBN HOLDINGS LTD	12	103	115
TRUSTCO BANK NAMIBIA LTD	-	4	4
LEGAL SHIELD HOLDINGS LTD	-	(83)	(83)
TRUSTCO MOBILE MAURITIUS	-	6	6
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	9	9
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	28	(181)	(153)
	40	(142)	(102)
OPERATING EXPENDITURE			(73)
FINANCE COSTS			(75)
LOSS FOR THE YEAR			(250)

CONDENSED SEGMENT ANALYSIS

(CONTINUED)

FIGURES IN NAMIBIA DOLLAR MILLION

AS AT 31 AUGUST 2022 AUDITED

	EQUITY VALUE	DEBT VALUE	31 AUGUST 2022
TBN HOLDINGS LTD	107	169	276
TRUSTCO BANK NAMIBIA LTD	9	-	9
LEGAL SHIELD HOLDINGS LTD	895	1 083	1 978
TRUSTCO MOBILE MAURITIUS	35	-	35
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	14	14
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	65	1 255	1 320
	1 111	2 521	3 632

6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED - RESTATED

The following table represents the earnings from the group's equity and debt investments:

	INTEREST INCOME	GAIN ON DEEMED DISPOSAL	FAIR VALUE LOSS	28 FEBRUARY 2022
TBN HOLDINGS LTD	12	678	(31)	659
TRUSTCO BANK NAMIBIA LTD	-	98	-	98
LEGAL SHIELD HOLDINGS LTD	-	673	(494)	179
TRUSTCO MOBILE MAURITIUS	-	27	-	27
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	(29)	(1)	(30)
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	-	1 913	(1 399)	514
	12	3 360	(1 925)	1 447

COST OF SALES	(1)
OPERATING EXPENDITURE	(39)
FINANCE COSTS	(47)
PROFIT FOR THE YEAR	1 360

NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS

FIGURES IN NAMIBIA DOLLAR MILLION	28 FEBRUARY 2023 UNAUDITED	31 AUGUST 2022 AUDITED
1. AMOUNTS DUE BY INVESTEE ENTITY		
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	661	616
	661	616

The amount due by the investee bears interest at market related interest rates and has no fixed repayment terms. The maximum exposure to credit risk at the reporting date is the fair value of the amount due. The group does not hold any direct collateral as security.

As the amount due by investee entities is not in default there is no increased credit risks associated with the financial asset receivable, therefore the amount due by investee entities is classified as fully performing and the credit losses for the amount due by investee entity was considered to be immaterial. The assessment related to credit risks includes consideration of the investees forward looking financial information and the strength of the counter parties ability to settle the outstanding debt owing.

2. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

EQUITY INVESTMENTS	1 234	1 111
DEBT INVESTMENTS	2 205	2 521
	3 439	3 632

RECONCILIATION OF CARRYING AMOUNT

OPENING BALANCE	3 632	1 985
GAIN ON DEEMED DISPOSAL AND REACQUISITION OF SUBSIDIARIES	-	3 360
FAIR VALUE LOSS	(142)	(1 713)
DEBT INVESTMENT MADE DURING THE PERIOD	36	-
DEBT INVESTMENT REPAYED DURING THE PERIOD	(70)	-
NON-CASH REPAYMENT OF DEBT INVESTMENT DONE DURING THE PERIOD	(17)	-
CLOSING BALANCE	3 439	3 632

Investments held at fair value through profit or loss are classified in level 3 of fair value hierarchy.

3. BORROWINGS

TERM LOANS*	805	691
CORPORATE BONDS	7	8
	812	699

*Refer to note 18 for information relating to the balance in dispute of NAD 476 million due to Helios Oryx Ltd.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS (CONTINUED)

FIGURES IN NAMIBIA DOLLAR MILLION	28 FEBRUARY 2023 UNAUDITED	31 AUGUST 2022 AUDITED
4. AMOUNTS DUE TO RELATED PARTIES		
NEXT CAPITAL (PTY) LTD	1 578	1 573
TRUSTCO STAFF SHARE INCENTIVE SCHEME TRUST	13	13
	1 591	1 586
CURRENT LIABILITIES	591	586
NON-CURRENT LIABILITIES	1 000	1 000
	1 591	1 586

The current amount due to Next Capital (Pty) Ltd (Next) bears interest at market related interest rates and is repayable on demand.

The non-current amount due to Next bears interest at market related interest rates, and is not repayable in the next 12 months. In the financial period ending 31 August 2022, Next has deferred the charging of any interest (circa NAD 400 million) of the reinstated loans (note 12), until discussions between Next and Trustco together with its European and African group of international funders, have been concluded.

5. TREASURY SHARES

NUMBER OF SHARES HELD	2	2
COST OF THE SHARES	14	14
MARKET VALUE OF THE TREASURY SHARES	1	1

NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS (CONTINUED)

FIGURES IN NAMIBIA DOLLAR MILLION	6 MONTHS ENDED 28 FEBRUARY 2023 UNAUDITED	6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED RESTATED
6. REVENUE		
EXTERNAL REVENUE BY PRODUCT LINES		
<i>INVESTMENT REVENUE</i>		
INTEREST REVENUE CALCULATED USING EFFECTIVE INTEREST METHOD	28	1
<i>OTHER REVENUE</i>		
SURETY FEES	12	11
	40	12
All revenue is recognised over time and is generated in Namibia.		
7. PROFIT BEFORE TAXATION		
THIS IS ARRIVED AT AFTER TAKING THE FOLLOWING INTO ACCOUNT:		
LOSS ON FOREX DIFFERENCES	50	12
SALARIES AND DIRECTORS' REMUNERATION	18	20
AMORTISATION AND DEPRECIATION	3	4
PROFIT ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	-	(1)
AUDITORS' REMUNERATION - AUDIT FEES	5	4
8. BASIC (LOSS) / EARNINGS AND HEADLINE EARNINGS		
(LOSS) / PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	(250)	1 360
<i>ADJUSTMENTS:</i>		
PROFIT ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	-	(1)
GAIN ON DEEMED DISPOSAL OF SUBSIDIARIES	-	(3 360)
TAX EFFECT	-	-
	(250)	(2 001)
SHARES		
THE WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED FOR BASIC EARNINGS PER SHARE MILLION	985	985
<i>ADJUSTED FOR:</i>		
CONTINGENTLY ISSUABLE SHARES AS A RESULT OF BUSINESS COMBINATIONS	-	-
WEIGHTED NUMBER OF ORDINARY SHARES FOR THE PURPOSES OF DILUTED EARNINGS PER SHARE MILLION	985	985
(LOSS) / EARNINGS PER SHARE		
BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE (CENTS)	(25.38)	138.07
HEADLINE AND DILUTED HEADLINE LOSS PER SHARE (CENTS)	(25.38)	(203.15)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS (CONTINUED)

FIGURES IN NAMIBIA DOLLAR MILLION	6 MONTHS ENDED 28 FEBRUARY 2023 UNAUDITED	6 MONTHS ENDED 28 FEBRUARY 2022 UNAUDITED RESTATED
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9. TRANSACTIONS WITH RELATED PARTIES

NEXT CAPITAL (PTY) LTD*

SURETY FEES ACCRUED TO RELATED PARTY	5	4
INTEREST ACCRUED TO RELATED PARTY	6	6

*Common shareholder: Dr Q van Rooyen.

Refer to note 5 for further information on amounts due to related parties.

10. TRANSACTIONS WITH INVESTEE ENTITIES

INTEREST RECEIVED FROM INVESTEE ENTITIES

TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	28	-
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SURETY FEE RECEIVED FROM INVESTEE ENTITY

TRUSTCO FINANCE (PTY) LTD	12	11
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Refer to note 1 for further information on amount due by investee entity.

11. FAIR VALUE

The fair values of financial assets and liabilities are not materially different from their carrying amounts since the interest receivable/payable is either close to current market rates, or the instruments are short-term in nature.

12. PRIOR PERIOD ERRORS

12.1 JSE PROACTIVE MONITORING

The unaudited condensed consolidated interim financial statements have been restated as a result of corrective actions as instructed by the JSE proactive monitoring. Refer to note 43 of the 2022 integrated annual report and audited financial statements for background information on the JSE proactive monitoring restatement.

12.2 ASSESSMENT OF THE GROUP'S TRANSITION TO THAT OF AN INVESTMENT ENTITY

In the preparation of the prior interim financial results, the group used estimates and valuation methodologies which it deemed suitable to account for the group's transition to that of an investment entity. These estimates and valuation methodologies were subsequently revised after thorough review by the external advisors and auditors at the group's financial year ended 31 August 2022. In the current period, the group remeasured the prior period interim results using the year end signed off estimates, valuation methodologies and restated balances (as per note 12.1) to restate the prior period's interim financial statements.

The correction of the errors above results in adjustments as follows:

NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS (CONTINUED)

STATEMENT OF FINANCIAL POSITION

FIGURES IN NAMIBIA DOLLAR MILLION	28 FEBRUARY 2022 PREVIOUSLY REPORTED	ADJUSTMENTS	28 FEBRUARY 2022 RESTATED
ASSETS			
AMOUNTS DUE BY INVESTEE ENTITY	624	(8)	616
INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS	7 635	(4 215)	3 420
INTANGIBLE ASSETS	35	(35)	-
DEFERRED TAX ASSETS	23	(19)	4
TOTAL ASSETS	8 317	(4 277)	4 040
LIABILITIES			
TRADE AND OTHER PAYABLES	(213)	(8)	(221)
AMOUNTS DUE TO INVESTEE ENTITIES	(1 075)	1 075	-
AMOUNTS DUE TO RELATED PARTIES	(140)	(1 512)	(1 652)
TOTAL LIABILITIES	(1 428)	(445)	(1 873)
EQUITY			
SHARE CAPITAL	(372)	145	(227)
SHARE PREMIUM	(3 094)	2 140	(954)
OTHER RESERVES	(15)	(2 285)	(2 300)
RETAINED EARNINGS	(3 017)	4 722	1 705
TOTAL EQUITY	(6 498)	4 722	(1 776)
TOTAL EQUITY AND LIABILITIES	(7 926)	4 277	(3 649)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FIGURES IN NAMIBIA DOLLAR MILLION	28 FEBRUARY 2022 PREVIOUSLY REPORTED	ADJUSTMENTS	28 FEBRUARY 2022 RESTATED
REVENUE	52	(40)	12
GAIN ON DEEMED DISPOSAL OF SUBSIDIARIES	551	2 809	3 360
FAIR VALUE GAIN/(LOSS)	102	(2 027)	(1 925)
OPERATING EXPENSES	(80)	41	(39)
PROFIT FOR THE PERIOD	579	781	1 360
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	579	781	1 360
BASIC EARNINGS	579		1 360
HEADLINE EARNINGS/(LOSS)	27		(2 001)
BASIC EARNINGS PER SHARE (CENTS)	36.63		138.07
DILUTED EARNINGS PER SHARE (CENTS)	36.51		138.07
HEADLINE EARNINGS/(LOSS) PER SHARE (CENTS)	1.70		(203.15)
DILUTED HEADLINE EARNINGS/(LOSS) PER SHARE (CENTS)	1.69		(203.15)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS (CONTINUED)

STATEMENT OF CASH FLOWS

FIGURES IN NAMIBIA DOLLAR MILLION	28 FEBRUARY 2022 PREVIOUSLY REPORTED	ADJUSTMENTS	28 FEBRUARY 2022 RESTATED
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH (USED IN)/GENERATED FROM OPERATIONS	(39)	62	23
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(39)	62	23
CASH FLOWS FROM INVESTING ACTIVITIES			
ADDITIONS TO PROPERTY PLANT AND EQUIPMENT	(1)	1	-
PROCEEDS FROM DISPOSAL OF PROPERTY PLANT AND EQUIPMENT	2	-	2
PROCEEDS FROM DISPOSAL OF INTANGIBLE ASSETS	1	(1)	-
CASH AND CASH EQUIVALENTS DECONSOLIDATED UPON CHANGE IN STATUS TO THAT OF AN INVESTMENT ENTITY	(14)	(2)	(16)
NET CASH UTILISED IN INVESTING ACTIVITIES	(12)	(2)	(14)
CASH FLOWS FROM FINANCING ACTIVITIES			
REPAYMENT OF BORROWINGS	(1)	-	(1)
REPAYMENT OF LEASE LIABILITIES	(5)	-	(5)
PROCEEDS FROM RELATED PARTIES BALANCES	111	(91)	20
REPAYMENT OF RELATED PARTY BALANCES	(31)	31	-
NET CASH FROM FINANCING ACTIVITIES	74	(60)	14
NET CHANGE IN CASH AND CASH EQUIVALENTS	23	-	23

NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS (CONTINUED)

13. DIRECTORS

There have been no changes to the directorate for the period under review.

14. GOING CONCERN

The financial results have been prepared on the going concern basis which considers the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business. The board of directors, as part of their responsibilities, assesses the going concern of the group. As part of their assessment, the board of directors considered working capital requirements, availability of resources and reserves either from existing operational activities or further borrowings, available information about the future, financial impact of ongoing litigation, the possible outcomes of planned events and the responses to such events and conditions that would be available to the board.

The board of directors has, *inter alia*, considered the following specific factors in determining whether the company and group is a going concern for the foreseeable future:

- Loss for the six months period ended 28 February 2023 of NAD 250 million;
- Accumulated loss of NAD 1.9 billion as at 28 February 2023;
- Cash utilised from operating activities by the group for the ended 28 February 2023 amounting to NAD 36 million,
- Whether the group has sufficient cash resources from investing activities which is readily available, in order to settle its creditors and maturing liabilities as and when they fall due in the foreseeable future, whilst continuing to maintain its operating abilities for the foreseeable financial period;
- Whether there is any significant pending litigation that will threaten the going concern status of the group;
- Assessment of the existing economic conditions related to the various investees and whether the possibility exists to sufficiently scale said operations in the foreseeable future to provide additional cash resources; and
- Assessment of the solvency and liquidity position of the company in accordance with the Companies Act.

Following the above assessment, the board of directors believes that the above factors, coupled with prevailing economic conditions and forecast economic outlook presents some challenges for the foreseeable future. In response to the above factors, to address future cash flow requirements, detailed liquidity improvement initiatives have been developed and are being pursued, with the implementation thereof regularly monitored. These conditions are considered to indicate that a material uncertainty exists which may cast significant doubt on the ability of the group to continue as a going concern in the foreseeable future. This is largely attributable to the short-term liquidity position of the group. Therefore, the ability of the group to continue as a going concern is dependent on the successful implementation or conclusion of the below noted matters in order to address the liquidity risk the group faces on an ongoing basis:

- completion of various technical, geological and financial milestones by the resources portfolio related to the mining operations in Sierra Leone in order to conclude a transaction with an international diamantaire of a debt and equity investment totalling USD 75 million into Meya Mining. The additional funding will enable the resources investee to adequately scale production of its flagship asset, which will enable the group to recover its net debt and equity investment in the resources investee in the foreseeable future;
- recovery of USD 6 million in working capital from its resources investee in the near future which will assist with the short-term liquidity requirements of the group;
- recovery of USD 42 million in interest bearing debt from its resources investee by Q4 of 2023, once Meya Mining achieves the above stated production targets, which will assist with the short-term liquidity requirements of the group;
- continued subordination of debt owing to related party investors of the group for the foreseeable future;
- successful negotiations with international lenders in order to agree revised repayments terms associated with borrowings due and payable in the foreseeable future; and
- successful resolution of various ongoing legal matters in order to mitigate the potential liquidity impact thereof.

The board of directors has evaluated the plans noted above to address the material uncertainty related to the going concern assumption of the group and note that these plans will alleviate the group's liquidity position should they be executed successfully.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS (CONTINUED)

The board of directors has evaluated the group's liquidity requirements to confirm whether the group has access to sufficient resources to continue as a going concern in the foreseeable future, considering the above factors and consequently having prepared a cash flow forecast covering a period of 12 months from the date of these financial statements, concluded that the group would be able to continue its operations as a going concern. The directors are not aware of any other matters that may impact the group. The directors are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group. Following the above assessment, the board of directors continues to adopt the going concern basis of accounting in preparing the financial statements.

15. EVENTS OCCURRING AFTER THE REPORTING PERIOD

During the AGM conducted on 30 March 2023, the motion to approve the general authority to repurchase shares was passed.

Subsequent to the reporting period, the suspension of the trading of the securities of Trustco's shares on all stock exchanges was uplifted.

As of the reporting date, Trustco's previous management agreement with Next has come to an end. The company is currently in the process of preparing a circular for a new management agreement with Next, which will be presented to minority shareholders for approval.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

16. CHANGE IN COMPOSITION OF THE GROUP

There were no other changes in the composing of the group during the interim period.

17. BASIS OF PREPARATION OF INTERIM RESULTS

The unaudited interim results have been prepared in accordance with the framework concepts and measurement and recognition criteria of IFRS and the results are presented in accordance with the requirements of IAS 34 Interim Financial Reporting, the interpretations adopted by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and the Namibian Stock Exchange and in the manner as required by the Companies Act of Namibia and the Companies Act of South Africa, and are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates.

The unaudited interim results of the group are prepared as a going concern on the historical basis except for the measurement of investments in subsidiaries held at fair value through profit or loss. The unaudited interim results are presented in Namibia Dollar, which is the group's functional and presentation currency and amounts are rounded to the nearest million unless otherwise stated.

The preparation of the unaudited interim results has been supervised by the Group Financial Director, Mr Floors Abrahams, BCom (Acc).

These interim results are unaudited and have not been reviewed by the group's external auditors.

PRESENTATION CURRENCY

The unaudited interim results are prepared in millions of Namibia Dollar. The group's functional and presentation currency is Namibia Dollar. At 28 February 2023, NAD 1 was equal to ZAR 1 (South African Rand) and the USD (United States Dollar) was equal to NAD 18.42.

ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the adoption of the amendments detailed in note 17.1.

The preparation of the unaudited interim results requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS (CONTINUED)

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of the assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

17.1 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The following amended standards became applicable for the current reporting period.

Standards which did not have material effect on the group's financial statements

- IFRS 3 Business Combinations - Reference to the Conceptual Framework
- IFRS 9 Financial Instruments - Annual Improvements to IFRS Standards 2018–2020
- IAS 16 Property, Plant and Equipment - Property, Plant and Equipment: Proceeds before Intended Use
- IAS 37 Provisions, Contingent Liabilities and Contingent: Assets Onerous Contracts—Cost of Fulfilling a Contract

The group did not change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

17.2 IMPACT OF STANDARDS ISSUED BUT NOT YET APPLIED BY THE GROUP

The group has chosen not to early adopt the following standards which has been published and is mandatory for the group's accounting periods beginning on or after 28 February 2023.

- IFRS 17 Insurance contracts (effective for annual periods beginning on or after 1 January 2023)
- IAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023)
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023)
- IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023).

Management has assessed the impact of these new and revised standards on the group and concluded that they have no material effect on the group.

18. PENDING LEGAL CASES

- Helios Oryx Limited vs Trustco Group Holdings Limited
- Bank of Namibia v Trustco Group Holdings Limited
- NAMRA v Trustco Group Holdings Limited

Refer to note 40.2 of the Trustco's integrated annual report and audited financial statements 2022 for background of these cases. There has been no further changes on these cases since the last balance sheet date (31 August 2022).

CORPORATE INFORMATION

TRUSTCO GROUP HOLDINGS LTD

(Incorporated in the Republic of Namibia and registered as an external company in South Africa)
 Company Registration Number: 2003/058
 External Company Registration Number: 2009/002634/10
 NSX Share Code: TUC
 JSE Share Code: TTO
 OTCQX Share Code: TSCHY
 ISIN Number: NA000A0RF067

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 Namibia

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Komada Holdings (Pty) Ltd

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BANKERS: NAMIBIA

Trustco Bank Namibia Ltd
 Bank Windhoek Ltd
 First National Bank of Namibia Ltd

BANKERS: SOUTH AFRICA

First National Bank South Africa Ltd

JSE EQUITY SPONSOR

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 151 Katherine Street, Sandown Sandton

JSE DEBT SPONSOR

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EXECUTIVE DIRECTORS

F J Abrahams
 Dr Q van Rooyen

NON-EXECUTIVE DIRECTORS

W Geysler
 R Taljaard
 Adv R Heathcote Sc
 J van den Heever

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FEEDBACK

We welcome the views of our stakeholders on the Interim Results.

Kindly contact us at annualreport@tgh.na with your feedback