



TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia

(Registration number 2003/058)

Registered as an external company in South Africa

(External registration number 2009/002634/10)

NSX share code: TUC

JSE share code: TTO

OTCQX share code: TSCHY

ISIN Number: NA000A0RF067

(“Trustco” or “the Group”)

SHORT-FORM ANNOUNCEMENT: AUDITED CONSOLIDATED RESULTS FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2023, PUBLICATION OF INTEGRATED ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING

Trustco’s Board is pleased to announce its financial results for the 12 months ended 31 August 2023. Despite navigating a challenging investment landscape, the diversified Namibian-based investment group again showcased resilience and adaptability. Trustco sustained a solid financial footing, closing the year with NAD 1.15 billion in shareholders’ equity. The investment portfolio, valued at NAD 3.1 billion as of August 31, 2023, comprises unlisted African entities across various sectors, including short- and long-term insurance, real estate, commercial banking, micro-finance, education and mining.

This financial year witnessed a decline in the Group's Net Asset Value (NAV), reducing to NAD 1 153 million from NAD 1 834 million in the previous year. Similarly, NAV/Share experienced a decrease, dropping to 117c from 186c, reflecting the challenging worldwide economic environment. During this financial year, the portfolio experienced a decline in valuations largely due to the collective surge in discount rates totalling 11.68% (approximately NAD 650 million, or 66c per share). Forecasts suggest a potential



moderation in these rates, hinting at their reduction in the coming years, which may reverse the valuation declines.

The real estate portfolio witnessed a 42% decline in property values over the past few years due to Loan-to-Value (LTV) restrictions imposed by the Bank of Namibia. However, post-financial year end, the Bank of Namibia revised its LTV ratio prerequisites for prospective homebuyers, reducing mandatory deposits from up to 50% to a maximum of 10% for properties beyond the second. This was only effected after a High Court challenge by Trustco. This adjustment is expected to re-stimulate the historically buoyant property market, increase sales, and expedite property development timelines, all leading to improved valuations in the future.

The mining portfolio (Meya Mining) achieved commercial production, bolstering the monetization of Trustco's USD 116 million investment and moving anticipated dividend payments closer. This validates Trustco's calculated investment in diamond mining since 2016, diversifying Trustco's investment basket by asset class, geography as well as by currency. During the year, there was a notable escalation in the country risk component of its discount rate, consequently limiting its fair value gains.

In commercial banking and micro-financing, higher interest rates have contributed to revenue growth. However, the spectre of higher inflation poses risks of borrower defaults and credit demand contraction due to fiscal and monetary tightening. To mitigate the impact of COVID-19, the micro-financing portfolio has allocated NAD 210 million since 2020 for expected credit losses and credit relief to students. The ongoing restructuring of international debt influenced the timely deployment of fresh capital for this leverage model, affecting the portfolio's valuation.

Amid challenging economic conditions, the education portfolio exhibited resilience having served over 62 000 students since its inception. It is currently experiencing a temporary slowdown in growth due to its close association with the lending operations of the micro-financing portfolio.

In the insurance portfolio, heightened inflation and monetary tightening produced mixed effects. Higher interest rates boosted investment returns, but they also raised liabilities and capital requirements, which lowered the value of the overall insurance portfolio.

Trustco Group's Chairman, Adv. Raymond Heathcote SC commented: "This year presented headwinds from global dynamics and domestic policy changes impacting investment firms. However, Trustco has the fortitude to navigate challenges while creating superior value. Regulations are essential but cannot solely dictate our path to prosperity. Our commitment to the highest governance standards, business ethics and community upliftment remains unwavering."

Trustco's Group MD, Dr Quinton van Rooyen stated: "Trustco remains a family-centric enterprise, co-investing with more than 5 100 other investors, including 94 local and international institutional partners. We are deeply committed to long-term investment growth, as demonstrated by our stellar track record: a 69% CAGR in NAV since inception and a robust 18.1% since listing in 2006. It's the audacious spirit of entrepreneurship that's the true driver of economic success. We focus on creating long-term value for our investors by daring to challenge norms, innovate, steering towards a future of enduring growth and opportunity."

1. Financial Year 2023 Summary

- Net Asset Value per share ("**NAVPS**") decreased by 37% to 117 cents per share, compared to the NAVPS of 186 cents in respect of the 31 August 2022 Year End Results;
- Basic loss per share ("**LPS**") decreased by 147% to (69.14) cents per share, compared to the earnings per share ("**EPS**") of 145.89 cents reported on in respect of the 31 August 2022 Year End Results; and
- Headline loss per share ("**HLPS**") decreased by 65% to (69.24) cents per share, compared to the headline loss per share of (195.13) cents in respect of the 31 August 2022 Year End Results.
- No dividends have been declared for the 12 months ended 31 August 2023.

2. Audited results

The annual financial statements for the 12 months ended 31 August 2023 (“**Audited Results**”) were audited by Nexia SAB&T (“**JSE Accredited Auditors**”), who expressed an unmodified audit opinion.

The Company wishes to inform shareholders that the integrated annual report, the full auditors report, inclusive of key audit matters in respect of the Audited Results are available on the Company's website at <https://www.tgh.na/investors/results-centre/> and have been published at <https://senspdf.jse.co.za/documents/2023/jse/isse/tto/Aud2023.pdf> .

3. Posting of Integrated Annual Report

Trustco shareholders (“**Shareholders**”) are advised that the Company’s integrated annual report, incorporating the audited consolidated annual financial statements for the 12-month period ended 31 August 2023 and the notice of the annual general meeting (“**AGM**”) of the Company have been distributed to shareholders today, 18 December 2023 to all shareholders recorded in either the South African or Namibian register on Friday, 8 December 2023.

4. Notice of Annual General Meeting

Notice is hereby given that the AGM of Shareholders of the Company in respect of the 12 months ended 31 August 2023 will be held at Trustco House, 2 Keller Street, Windhoek and conducted by way of and will be accessible to Shareholders through electronic communication on Thursday, 1 February 2024 at 12h00.

A Shareholder, representative, or proxy for a shareholder who wishes to participate in the AGM *via* electronic communication (“**Participants**”), should apply in writing to the group’s company secretary, by posting the application incorporated in the integrated annual report or send such application *via* email to komada@tgh.na at least seven (7) business days prior to the AGM, to arrange for Shareholder (or representative or proxy) to provide reasonable satisfactory identification to the transfer secretaries, with details on how to access the AGM by means of electronic participation.



The record date for the purposes of determining which Shareholders of the Company are entitled to participate in and vote at the AGM is Friday, 26 January 2024. Accordingly, the last day to trade Trustco shares in order to be recorded in either the South African or Namibian register to be entitled to vote at the AGM will be Tuesday, 23 January 2024.

Proxy forms for Namibian Shareholders should be lodged with the Namibian transfer secretary being Namibia Transfer Secretaries (Pty) Ltd at 4 Robert Mugabe Avenue Windhoek Namibia or posted to PO Box 2401 Windhoek Namibia.

Proxy forms for South African Shareholders should be lodged with the South African transfer secretary being Computershare Investor Services (Pty) Ltd at Rosebank Towers 15 Biermann Ave Rosebank, 2196, South Africa or posted to Private Bag X9000, Saxonwold, 2132 South Africa.

Proxy forms must be received by either the Namibian Transfer Secretary or the South African Transfer Secretary no later than 12h00 on Monday, 29 January 2024 provided that any form of proxy not delivered to either the transfer secretary by this time may be handed to the chairman of the AGM prior to the commencement of the AGM, at any time before the appointed proxy exercises any shareholder rights at the AGM.

5. Statement of Compliance and Basis of Preparation

This short-form announcement contains only a summary of the information in the full announcement and does not contain the full and complete details and is the responsibility of the directors.

Please refer to the full announcement released on SENS for additional information. In addition, electronic copies of the full announcement may be requested and obtained, at no charge during office hours from the company secretary at komada@tgh.na, or from the sponsor at sponsor@vunanicapital.co.za.



Any investment decisions by investors and/or Shareholders should be based on consideration of the full announcement made on Trustco's website.

Shareholders are welcome to contact the company secretary for more information at komada@tgh.na.

Windhoek, Namibia,

18 December 2023

Komada Holdings (Pty) Ltd

Company Secretary and Investor Relations Services to Trustco Group Holdings Limited

JSE Sponsor

Vunani Sponsors

NSX Sponsor

Simonis Storm Securities Proprietary Limited – Windhoek

OTCQX Sponsor

J.P Galda & Co – New York