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## CONDUIT CAPITAL LIMITED

Incorporated in the Republic of South Africa  
(Registration number 1998/017351/06)  
Share code: CND ISIN: ZAE000073128  
("Conduit Capital" or "the Company")

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### ARBITRATION AWARD

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Shareholders are referred to the announcements released on SENS on:

- 11 February 2020 wherein it was advised that Constantia Risk and Insurance Holdings Proprietary Limited ("**Constantia**" or "**CRIH**"), a wholly owned subsidiary of the Company, had concluded a share sale and subscription agreement ("**Agreement**") with Trustco Property Holdings Proprietary Limited ("**Trustco Properties**"), an indirect wholly owned subsidiary of Trustco Group Holdings Limited ("**Trustco**"). In terms of the Agreement and subject to certain suspensive conditions, CRIH agreed to acquire 100% of the issued ordinary shares and all loan accounts (if any) ("**Sale Shares**") of Herboth's Property Development Proprietary Limited ("**Herboth's**") from Trustco Properties for a purchase consideration of R1 billion ("**Purchase Consideration**") ("**the Transaction**"). The Purchase Consideration was intended to be settled by way of a fully refundable deposit of R50 million and the balance of R950 million by the issue and allotment of shares in CRIH ("**Subscription Shares**"). The deposit was non-refundable and part of the payment of the Purchase Consideration if the conditions were fulfilled.

In terms of the Agreement, Trustco Properties and CRIH were each entitled to obtain a valuation of the property owned by Herboth's ("**Property**") within four weeks of the signature date of the Agreement, prepared by an accredited valuator in Namibia experienced in the valuation of publicly listed entities in the real estate sector. In the event that the value determined for the Property in terms of either of the aforementioned valuations was less than R950 million, or greater than R1 050 million, the Purchase Consideration would be adjusted to equate to the average of the two valuations obtained ("**Average Property Valuation**"); provided always that either party would have an option to cancel the Agreement by giving five days' notice to the other party, in the event that the Average Property Valuation was R800 million or less;

- 30 April 2020 wherein it was advised, *inter alia*, that the date by which the suspensive conditions to the Transaction were required to be met was to be extended by mutual consent between the parties;
- 19 November 2020 wherein it was advised, *inter alia*, that an independent Namibian property expert had valued the Property at R783.9 million, Trustco's audited interim results for the 12 months ended 31 March 2020 included an increased fair value adjustment of the Property to R250 million and that the parties were in discussions regarding the aforementioned developments;
- 4 December 2020, 20 January 2021 and 3 March 2021 wherein it was advised, *inter alia*, that discussions between the parties were still in progress; and
- 18 March 2021 wherein it was advised, *inter alia*, that negotiations between the parties had been terminated.

Shareholders are hereby advised that certain disputes between the parties arising from the Agreement and the termination of negotiations, including the repayment of the deposit, were referred to arbitration under the auspices of AFSA International ("**AFSA**"). On 14 June 2024, AFSA's Tribunal made the following award:

- Trustco Properties is to pay CRIH an amount of R50 million plus interest thereon at a rate of 7.75% per annum from 10 December 2020 to the date of payment; and
- Trustco Properties' counterclaim against CRIH is dismissed.
- Trustco Properties is to pay the arbitration and legal costs.

CRIH is taking steps to enforce the Award.

Cape Town  
18 June 2024

**Sponsor**  
Merchantec Capital