



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)

JSE share code: TTO

NSX share code: TUC

OTCQX share code: TSCHY

ISIN Number: NA000A0RF067

("Trustco" or "Company")

TRUSTCO ENTITIES SPECIFIC REPURCHASES OF SHARES FROM A RELATED PARTY

1. Introduction

1.1 Shareholders are advised that Trustco Group Holdings Limited ("**Trustco**") and Trustco Resources (Proprietary) Limited, a private company with registration number 2015/0081, ("**Trustco Resources**"); and Legal Shield Holdings Limited, a public company with registration number 2006/389, ("**Legal Shield**"), collectively referred to as "**Trustco Entities**" entered into a Share Repurchase Agreement ("**Agreement**") with the University of Notre Dame du Lac (**Notre Dame**) (the "**Selling Shareholder**") ("**the Transaction**").

1.2 Whereas, the Selling Shareholder will sell: (a) an aggregate of 120,500,490 shares ("**Public Shares**") of Trustco (12,8% of the total issued shares); (b) an aggregate of

2,898 Trustco Resources shares (0,7% of the total issued shares); and (c) an aggregate of 865 Legal Shield shares (8,65% of the total issued shares), collectively referred to as the “**Shares**”.

- 1.3 Each of the Trustco Entities intends to purchase its own Shares from the Selling Shareholder.
- 1.4 Upon receiving the Shares, each of the Trustco Entities will cancel the Shares being acquired.
- 1.5 The aggregated Purchase Price for the Shares is USD 5,000,000 (Five Million United States Dollars).

2. Description of the businesses conducted by Trustco, Legal Shield, Trustco Resources and Notre Dame

- 2.1 Trustco is an investment entity headquartered in Windhoek, Namibia, that manages a diverse portfolio of investments spanning the insurance, real estate, commercial banking, micro-finance, education and mining sectors. The business commenced in 1992 and has grown its investments substantially since its inception. The Group has a global presence with listings on the Namibian and Johannesburg Stock Exchanges, along with a presence on the OTCQX in New York.
- 2.2 Legal Shield is Trustco's 80% owned investment entity and is the holding company of Trustco Insurance Limited, Trustco Life Limited and Trustco's real estate portfolio. In fiscal year 2023, the insurance group produced a net profit margin of 32%. The real estate portfolio comprises an impressive 2,473 sellable hectares (6,112 acres) of prime real estate strategically positioned across Namibia. The real estate portfolio has demonstrated its value-generating prowess, generating gross cash in excess of NAD 934 million since 2011. Notably, the current average selling price for the portfolio stands at NAD 1,800 per square meter (USD 1,076.39 per square foot), underscoring the immense potential for capital appreciation and revenue growth within this asset class. This vast land bank presents an unparalleled opportunity, with the potential for over 26,000 mixed-use erven to be developed. The real estate portfolio has

established a proven track record, successfully servicing more than 1,106 erven across all its developments over the past decade. Moreover, the company boasts an ambitious development pipeline extending another 25 years. Namibia is experiencing an acute shortage of serviced land, for residential, commercial and industrial purposes.

- 2.3 Trustco Resources is Trustco's investment entity that houses the mining portfolio. The most significant investment in the mining portfolio is Meya Mining, a world-class diamond deposit in Sierra Leone which holds a 25-year mining licence. Meya Mining recently released findings from a diamond resource estimate, by Z Star Mineral Resource Consultants, Qualified Persons as defined by the SAMREC reporting code. The report estimated in-situ value of USD 763 million for the Meya River kimberlite domain, which represents less than 5% of the total combined strike lengths of the kimberlite domains within Meya Mining's licensed area. The mine is expected to reach commercial production during the 2024 financial year.
- 2.4 Notre Dame is a private, non-profit university organised and existing under the laws of Indiana, United States of America.

3. Rationale for the Transaction

The rationale for the Transaction:

- 3.1 the specific repurchase would increase the net asset value of Trustco.
- 3.2 the repurchase allows Trustco to directly benefit from anticipated post-Covid capital growth, improved liquidity and buyer demand in the Namibian property market.
- 3.3 the Transaction simplifies Trustco's investment portfolio and positions Trustco to raise capital for growth more efficiently.
- 3.4 The repurchases are considered an appropriate allocation of capital as the impact of the repurchases and cancellation of the Shares are expected to increase the net asset value per share.

- 3.5 Shareholders are referred to the integrated annual report where Shareholders were advised that Trustco would continue to repurchase its shares as long as the Company and the board resolve that the prevailing share price does not reflect the intrinsic value of the group.
- 3.6 Trustco believes this to be an excellent way to create significant future value for all Shareholders on a per share basis.

4. Payment

The Trustco Entities shall pay to the Selling Shareholder USD 5,000,000 (Five Million United States Dollars) after the Closing Date.

5. Salient terms and suspensive conditions

- 5.1 The Agreement is subject to and conditional upon the fulfilment or waiver (as the case may be) of all regulatory approvals within 6 (six) months after the Effective Date (being 20 June 2024) or as otherwise agreed between the Parties in writing.
- 5.2 The Parties agree that should any of the Suspensive Conditions remain unfulfilled then the Agreement shall not come into force or effect. In such event, no Party shall have any claim against the other Party(ies) by virtue of the provisions of the Agreement.
- 5.3 The representations and warranties of the Selling Shareholder contained in the Agreement shall be true and accurate as of Closing.
- 5.4 The representations and warranties of the Trustco Entities contained in this Agreement shall be true and accurate as of the Closing.
- 5.5 The Parties shall use their respective best endeavours in good faith to procure the fulfilment of the Suspensive Conditions and act in good faith between the Effective Date and the Closing Date.

- 5.6 The Trustco Entities shall apply for approval of the Transaction through the regulatory process at JSE and any other required regulatory bodies and obtain any necessary approvals, including approval of shareholder materials from JSE in order to move toward shareholder approval.
- 5.7 The shareholders of Trustco, shall approve the Transaction through a special resolution at a general meeting of shareholders authorising Trustco to repurchase the Public Shares as contemplated in the Agreement, including for the purposes of section 5.69(b) of the JSE Listings Requirements and section 89(1) and (2) of the Namibian Companies Act, and such special resolution is registered with the Namibian registrar of companies as required in terms of section 211 of the Namibian Companies Act, 2004.
- 5.8 The number of treasury shares held after the repurchase will remain unchanged.

6. Financial information

The book value of the net assets of Trustco, which are the subject of the Transaction, as of 31 August 2023, was NAD 1 153 million. The loss after tax attributable to Trustco for the year ended 31 August 2023 was NAD 681 million.

The book value of the net assets of Legal Shield Holdings Limited, which are the subject of the Transaction, as of 31 August 2023, was NAD 793 million. The profit after tax attributable to Legal Shield Holdings Limited for the year ended 31 August 2023 was NAD 81 million.

The book value of the net assets of Trustco Resources, which are the subject of the Transaction, as of 31 August 2023, was NAD 1 050 million. The profit after tax attributable to Trustco Resources for the year ended 31 August 2023 was NAD 258 million.

The above financial information has been extracted from the year-end results dated 31 August 2023.

7 Classification of the Transaction

- 7.1 In terms of the Listings Requirements of the JSE Limited (“**Listings Requirements**”), the Specific Repurchase requires the approval of a resolution achieving a 75% majority of the votes cast in favour thereof by all shareholders present or represented by proxy at the general meeting, excluding participants and their associates.
- 7.2 Notre Dame currently owns 12.8% shares in Trustco.
- 7.3 Notre Dame and its associates are material shareholders in Trustco and are thus a related party (“Related Party”) to Trustco in terms of paragraph 10.1(b) (i) of the Listings Requirements.
- 7.4 Accordingly, in terms of paragraph 5.69(b) of the Listings Requirements, Notre Dame and its associates will be excluded from voting on the Specific Repurchase.
- 7.5 The Transaction is a category 2 related party transaction in terms of section 10 of the Listings Requirements requiring a circular to be sent to shareholders and the approval of Trustco shareholders *via* resolution.
- 7.6 A circular containing full details of the category 2, Related Party Transaction, Specific Repurchase Transaction, a Fairness Opinion as well as a notice to convene a general meeting of Shareholders to consider and, if deemed fit, to pass with or without modification, the resolutions necessary to approve and implement the Transaction, will be made available to Shareholders in due course. The circular will also contain the date of the general meeting.

8 Board Responsibility

The Trustco Board, individually and collectively, accepts full responsibility for the accuracy of the information contained in this announcement. In addition, the Trustco Board certifies that to the best of its knowledge and belief, the information contained in this announcement solely pertaining to the Group is true and, where appropriate, does not omit anything that is likely to affect the importance of the information contained herein, and that all reasonable enquiries to ascertain such information have been made.

Windhoek, Namibia,

24 June 2024

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