



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 “Company”)

MANAGEMENT AGREEMENT RENEWAL AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Shareholders are referred to the announcement published on SENS on 23 August 2021 and the subsequent renewal of the cautionary announcements, the latest dated 19 July 2023 regarding the agreement (**“Management Agreement”**) entered into between Next Capital Pty Ltd (**“Next”**) and Trustco. In terms of the Management Agreement Next has been appointed to provide the management and investment services to Trustco, for which Next shall earn a fee from Trustco for the provision of such services (**“Management Fee”**). The Management Agreement was approved by the Trustco Board on 21 August 2021.

Next is the investment entity of Dr Quinton van Rooyen, who is the Chief Executive Officer and Managing Director of Trustco and majority shareholder. Dr Quinton van Rooyen is a director and shareholder of Next. Trustco has been managed by the founding family since inception in 1992 and the latest management agreement expired 31 March 2021. This management agreement aligns management performance with shareholders expectations.

2. MANAGEMENT AGREEMENT

Shareholders are reminded of the terms of the Management Agreement as published on 23 August 2021, for which Trustco obtained irrevocable undertakings from the minority shareholders to approve the Management Agreement. Trustco shall now commence with the circular process to formally obtain shareholders' approval.

With the management agreement in place, Trustco's succession planning process and continuity of leadership strategy has been secured for the next 10 years.

3. FINANCIAL INFORMATION

The implementation of the management agreement by the group with effect from 1 April 2021 will result in cumulative management fees of NAD 87 million to 28 February 2023. Since 1 April 2021, no provision has been made for management fees.

Consequently, the effect on the unaudited interim results for the six months ended 28 February 2023 will be a decrease of net asset value and an increase of net loss before tax of the group by NAD 87 million. For the same reporting period, basic and headline loss per share will increase by 9 cents. The unaudited interim results of Trustco for the six months ended 28 February 2023 were prepared in accordance with IFRS.

4. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

With the publication of the financial effect of the transaction, shareholders are advised that caution is no longer required to be exercised when dealing in the Company's securities regarding the Management Agreement.

Trustco's Deputy CEO, Quinton Z van Rooyen, noted; "The renewal of the management agreement provides indispensable continuity of leadership for the next decade and steadfast alignment between management incentives and shareholder interests. As Deputy CEO, I am fully confident that this arrangement will further empower the talented management team to maintain their steadfast focus on executing Trustco's long-term strategic vision and capital allocation policies to unlock significant value. While the agreement will have a short-term accounting impact, we firmly believe that the immeasurable benefits of retaining our experienced leadership far outweigh the costs. Trustco boasts a proven track record of superior historical returns. With the agreement renewed, we have reinforced the framework to deliver on Trustco's next phase of value accretion in line with the Board formulated strategy."

Any enquiries can be sent via email to the company secretary at komada@tgh.na.

Windhoek, Namibia,

15 August 2023

Komada Holdings (Pty) Ltd

Company Secretary and Investor Relations Services to Trustco Group Holdings Limited

JSE Sponsor

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