



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 GROUP HOLDINGS LIMITED ACQUIRES ADDITIONAL INTEREST IN
LEGAL SHIELD HOLDINGS LIMITED AND RISKOWITZ VALUE FUND SUBSCRIBES TO
TRUSTCO GROUP HOLDINGS SHARES IN LIEU OF CASH PAYMENT**

1. Introduction

Shareholders are advised that Trustco Group Holdings Limited (“the Purchaser”) has entered into an agreement with Riskowitz Value Fund LP (the “Seller” or “RVF”) to acquire 1,135 shares in Legal Shield Holdings Limited (“Sale Shares”) from RVF (the “Parties”) through issuing new Trustco shares to the Seller (the “Transaction”).

2. Description of the businesses conducted by Trustco and Legal Shield Holdings

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 Holdings 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 impressive 2,473 sellable hectares (6,112 acres) of prime real estate is strategically positioned across Namibia. This real estate portfolio has demonstrated its value-generating prowess, generating 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, 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 Shareholders are referred to pages 12 to 20 of Trustco's 2023 Integrated Annual Report for more detailed information on these high-value assets.

3. Rationale for the Transaction

The rationale for the Transaction:

- 3.1 the acquisition increases the net asset value of Trustco.
- 3.2 the acquisition 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 Trustco is able to re-acquire the Sale Shares at a substantial premium to the market price of the Trustco shares.

4. Payment

The Purchaser shall pay to the Seller:

- 4.1 By issuing 400,000,000 (Four Hundred Million) new Trustco (TTO) shares listed on the JSE, at a share price of 117 cents per share (the Payment Shares). in exchange for the Sale Shares in Legal Shield Holdings Limited
- 4.2 After issuance of the Payment Shares in the name of the Seller or its nominee, ownership of the Sale Shares shall pass from the Seller to the Purchaser.
- 4.3 The issue of Payment Shares will be effected in two tranches:
- 4.3.1 200 million shares, 7 (seven) days after the effective date; and
- 4.3.2 200 million shares, 12 (twelve) months after the issuance of the first tranche, unless the Company Secretary advises that the balance of the Payment Shares is available before the period has lapsed.

5. Salient terms and suspensive conditions

- 5.1 The Sale and Conversion Agreement ("Agreement") is subject to and conditional upon the fulfilment or waiver (as the case may be) of each of the following suspensive conditions ("the Suspensive Conditions") on or before 31 July 2024 or as otherwise agreed between the Parties in writing:
- 5.1.1 the board of directors of the Purchaser pass a written resolution approving the Transaction contemplated in this Agreement,

- 5.1.2 the Shareholders of the Purchaser pass a resolution authorising the Purchaser to purchase the Sale Share in exchange for the Payment Shares as provided for in the Agreement, including for the purposes of the JSE Listings Requirements and the Namibian Companies Act,
- 5.1.3 The required shareholders' approval be obtained by the Purchaser in writing in irrevocable proxy form within 21 (twenty-one) days of approval by the Trustco Board of the Agreement;
- 5.1.4 The Trustco Board shall obtain the necessary approvals from its shareholders by irrevocable proxies from shareholders prior to such shareholders' meeting by including in any notice of the shareholder's meeting its recommendation that Trustco's shareholders vote in favour of this Agreement as presented in the Proxy statement.
- 5.1.5 Consent, if required, be obtained by the Company's minority shareholders in the Company within 21 (twenty-one) days from the signature date.
- 5.2 The Parties agree that should any of the Suspensive Conditions remain unfulfilled by 31 July 2024 or such further date(s) as the Parties agree in writing, 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 Parties shall use their respective best endeavours in good faith to procure the fulfilment of the Suspensive Conditions as soon as reasonably possible after the date on which the last Party signing the Agreement signs ("Signature Date").
- 5.4 Trustco and RVF agree not to allow a *de facto* takeover of the Purchaser by the implementation of the Agreement. RVF provides the chairperson of Trustco with an irrevocable instruction to vote in line with the *status quo* prior to the Restatement Instruction on behalf of the shares obtained as part of the Agreement. The irrevocable instruction will remain in place until the Next Capital (Pty) Ltd and its associates can exercise 50% plus 1 of the voting rights of Trustco or the Company Secretary advises in writing that the voting rights have reverted in RVF, whereafter this condition will permanently fall away.

- 5.5 RVF will have the option to nominate one member to the Trustco Board, provided that (i) RVF is the owner of at least 20% (twenty percent) of the issued share capital of Trustco.
- 5.6 Put and Call Option: The Parties agreed that:
- 5.6.1 Call Option: RVF grants Trustco a call option to acquire at least 100,000,000 (One Hundred Million) Trustco shares from RVF at a price of N\$1,17 per shares in cash.
- 5.6.2 Put Option: Trustco grants RVF a put option of at least 100,000,000 (One Hundred Million) Trustco shares to Trustco shares at a price of N\$1,17 per share in cash.
- 5.6.3 The Call Option and the Put Option may be exercised by providing 30 (thirty) days' notice to the other party and
- 5.6.4 the Trustco Board must objectively concur that Trustco will be able to pay the option amount, which approval should not be unreasonably withheld.

6. Effective date

The Agreement will become unconditional on the first business day after the last of the Suspensive Conditions are fulfilled.

7 Financial information

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 above financial information has been extracted from the year-end results dated 31 August 2023 of Legal Shield Holdings Limited.

Shareholders are referred to the 2023 Integrated Annual Report of Trustco for detailed information on the nature and value of the assets being acquired.

8 Classification of the Transaction

RVF 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 of the JSE Limited ("Listings Requirements").

The Transaction is a category 1 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* an ordinary resolution. RVF and its associates will be excluded from voting on the Transaction.

The issue of Trustco shares to RVF as consideration is also a specific issue ("Specific Issue"), and a circular complying with section 5.51 of the Listings Requirements will be issued to shareholders.

A circular containing full details of the category 1, Related Party Transaction, Specific Issue of Shares 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.

9 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,

23 April 2024

Komada Holdings (Pty) Ltd

Company Secretary and Investor Relations Services to Trustco Group Holdings Limited

JSE Sponsor

Vunani Sponsors

NSX Sponsor

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OTCQX Sponsor

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