

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

The definitions and interpretations commencing on page 10 of this Circular apply, *mutatis mutandis*, throughout this Circular.

If you are in any doubt as to the action you should take, please consult your Broker, CSDP, attorney, accountant, banker or other professional advisor immediately.

If you have disposed of all of your Shares in Trustco, then this Circular, together with the attached Notice and form of proxy should be forwarded to the purchaser to whom, or the Broker, agent, CSDP or banker through whom, you disposed of your Shares.

Shareholders should note that, whilst the entire Circular is important and should be read in its entirety, particular attention should be paid to the section entitled "Action required by Shareholders" commencing on page 7 of this Circular.

**Trustco does not accept any responsibility and will not be held liable for any failure on the part of any CSDP or Broker of a Dematerialised Shareholder to notify such Shareholder of the General Meeting or any business to be concluded thereat.**



### **TRUSTCO GROUP HOLDINGS LIMITED**

Incorporated in the Republic of Namibia and  
registered as an external company in  
South Africa  
(Registration number 2003/058)  
(External Registration number: 2009/002634/10)  
JSE share code: TTO NSX share code: TUC  
OTC: TSCHY  
ISIN: NA000A0RF067  
(**"Trustco"** or **"the Company"**)

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### **CIRCULAR TO TRUSTCO SHAREHOLDERS**


regarding

- TRUSTCO GROUP HOLDINGS LIMITED ACQUISITION OF 11.35% IN LEGAL SHIELD HOLDINGS LIMITED FROM RISKOWITZ VALUE FUND;
- PLACING OF UNAUTHORISED BUT UNISSUED SHARES UNDER THE CONTROL OF THE DIRECTORS,

and incorporating

- a Fairness Opinion prepared by the independent expert;
- a notice convening the General Meeting and
- a form of proxy (for use by holders of Certificated Shares and Dematerialised Shares with own-name registration only).

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<p><b>JSE Sponsor</b> Vunani Capital Sponsors</p>	 <p><b>Nexia SAB&amp;T</b> <small>accountants   auditors   consultants</small> <b>Auditors and Reporting Accountant</b> Nexia SAB&amp;T</p>	<p><b>NSX Sponsor</b> Simonis Storm</p>	<p><b>Independent Expert</b> W Consulting</p>
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Date of issue: Wednesday, 4 December 2024

*Additional copies of this Circular, in its printed form, may be obtained from the Company and the JSE Sponsor at the addresses set out in the "Corporate Information and Advisors" section of this Circular during normal business hours from the date of this Circular up to and including the date of the General Meeting. Electronic copies of this Circular are available on the Company's website, [www.tgh.na](http://www.tgh.na).*

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## CORPORATE INFORMATION AND ADVISORS

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### **Company Secretary and Registered Office of Trustco**

Komada Holdings (Proprietary) Limited  
Trustco House  
2 Keller Street  
Windhoek,  
Namibia  
(PO Box 11363, Windhoek, Namibia)  
Website: www.tgh.na  
Place of incorporation: Namibia  
Date of incorporation in Namibia: 4 February 2003  
Date of registration as external company in South Africa: 11 February 2009

### **South African Transfer Secretaries**

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers,  
15 Biermann Avenue,  
Rosebank, 2196  
(Private Bag X9000, Saxonwold, 2132)

### **Namibian Transfer Secretaries**

Transfer Secretaries Proprietary Limited  
(Registration number 93/713)  
(Burg Street entrance opposite Chateau Street)  
4 Robert Mugabe Avenue  
Windhoek, Namibia (PO Box 2401, Windhoek, Namibia)

### **Legal Advisors**

Joos Agenbach Attorney and Notary  
2nd floor, 37 Schanzen Road,  
Windhoek, Namibia  
9000  
Tel: +264 61 449 850

### **Auditor & Reporting Accountant**

Nexia SAB&T  
(Registration number 1997/018869/21)  
119 Witch-Hazel Avenue  
Highveld Technopark  
Centurion, 0157  
(PO Box 10512, Centurion, 0046)

7.A.1

### **JSE Sponsor**

Vunani Sponsors Proprietary Limited  
(Registration number 2008/005096/07)  
Vunani House, Vunani Office Park  
151 Katherine Street  
Sandown, Sandton, 2196  
(P.O. Box 652419, Benmore, 2010)

### **NSX Sponsor**

Simonis Storm Securities Proprietary Limited  
(Registration number 96/421)  
4 Koch Street,  
Klein Windhoek,  
Namibia  
(PO Box 3970, Windhoek, Namibia)

### **Independent Expert**

W. Technical Consulting (Pty) Ltd ("**W Consulting**")  
(Registration number: 2010/000744/07)  
Building B, Monte Circle Office Park,  
178 Montecasino Boulevard,  
Fourways Johannesburg, South Africa, 2191  
Tel No: +27 11 568 0370

## **FORWARD-LOOKING STATEMENT DISCLAIMER**

This Circular includes statements about Trustco and/or the Trustco Group that are, or may be deemed to be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words such as “believe”, “aim”, “expect”, “project”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “will”, “estimated”, “potential” or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Trustco cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity, and the developments within the industry in which Trustco operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions made by Trustco, as communicated in publicly available documents by Trustco, all of which estimates and assumptions, although Trustco believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Trustco or not currently considered material by Trustco.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Trustco not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Trustco has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

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## ACTION REQUIRED BY SHAREHOLDERS

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The definitions and interpretations commencing on page 10 of this Circular apply, *mutatis mutandis*, to the following section on action required by Shareholders.

Please take careful note of the following provisions regarding the action required by Shareholders:

1. If you have disposed of all of your Shares, this Circular should be handed to the purchaser of such Shares or the CSDP, Broker, banker, attorney or other agent who disposed of your Shares for you.
2. If you are in any doubt as to what action to take, consult your Broker, CSDP, banker, attorney, accountant or other professional advisor immediately.
3. This Circular contains information relating to the Implementation of the Sales Agreement, between Trustco and Riskowitz value fund for 400 000 000 Trustco shares at N\$1.17 per share, and the placing of authorized but unissued shares under the control of directors. You should carefully read this Circular and decide how you wish to vote on the Resolutions to be proposed at the General Meeting. The General Meeting convened in terms of the Notice incorporated in this Circular, will be held at Trustco's registered office, 2 Keller Street, Windhoek, Namibia on Tuesday, 7 January 2025 commencing at 12:00.

### 1. IF YOU HAVE DEMATERIALISED YOUR SHARES

#### 1.1 "Own-name" registration

You are entitled to attend in person, or be represented by proxy, at the General Meeting. If you are unable to attend the General Meeting but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the South African Transfer Secretaries, Computershare, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132), or the Namibian Transfer Secretaries, Transfer Secretaries Proprietary Limited, 4 Robert Mugabe Avenue (Burg Street entrance opposite Chateau Street) (PO Box 2401, Windhoek, Namibia), by no later than 12:00 on Friday, 3 January 2025.

#### 1.2 Other than "own-name" registration

You are entitled to attend in person, or be represented by proxy, at the General Meeting. You must **not** however, complete the attached form of proxy. You must advise your CSDP or Broker timeously if you wish to attend, or be represented at the General Meeting. If your CSDP or Broker does not contact you, you are advised to contact your CSDP or Broker and provide them with your voting instructions. If your CSDP or Broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them. If you do wish to attend or be represented at the General Meeting, your CSDP or Broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the General Meeting.

### 2. IF YOU HOLD CERTIFICATED TRUSTCO SHARES

You are entitled to attend, or be represented by proxy, at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the South African

Transfer secretaries, Computershare, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132), or the Namibian Transfer Secretaries, Transfer Secretaries Proprietary Limited, 4 Robert Mugabe Avenue (Burg Street entrance opposite Chateau Street) (PO Box 2401, Windhoek, Namibia), by no later than Friday, 3 January 2025.



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## IMPORTANT DATES AND TIMES

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The definitions and interpretations commencing on page 10 of this Circular apply mutatis mutandis to this section.

**2024-2025**

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Record date to determine which Trustco shareholders are eligible to receive the Circular	Friday, 22 November 2024
Circular posted to Shareholders and Notice convening the General Meeting published on SENS on	Wednesday, 4 December 2024
Last Day to Trade Shares in order to be recorded in the Namibian Share Register to vote at the General Meeting	Friday, 20 December 2024
Last Day to Trade Shares in order to be recorded in the South African Share Register to vote at the General Meeting	Friday, 20 December 2024
Record date to be entitled to attend, participate and vote at the General Meeting	Friday, 27 December 2024
Forms of proxy for Shareholders recorded on the Register to be received by the South African Transfer Secretaries by 12:00 (South African time) and by the Namibian Transfer Secretaries by 12:00 (Namibian time) on	Friday, 3 January 2025
General Meeting to be held at 12:00 (Namibian time) on	Tuesday, 7 January 2025
Results of General Meeting published on SENS on	Tuesday, 7 January 2025

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### Notes:

1. The above dates and times are subject to amendment. Any such amendment will be published on SENS.
2. A form of proxy not lodged with the Transfer Secretaries may be handed to the chairman of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting.
3. If the General Meeting is adjourned or postponed, a form of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
4. If the General Meeting is adjourned or postponed, then forms of proxy that have not yet been submitted should be lodged with the Transfer Secretaries preferably by no later than 48 hours before the adjourned or postponed General Meeting but may nonetheless be handed to the chairman of the adjourned or postponed General Meeting before the proxy exercises the voting rights of the Shareholder at the adjourned or postponed General Meeting.
5. Shareholders should note that, as transactions in Shares are settled in the electronic settlement system used by Strate, the settlement of the trade takes place three Business Days after such trade on the South African Share Register and five Business Days after such trade on the Namibian Share Register. Therefore, Shareholders who acquire Shares after the Last Day to Trade will not be eligible to vote at the General Meeting.
6. All times given in this Circular are specified as either local times in Namibia or South Africa. Any reference to local times will apply to the country in which the action is required.
7. Shareholders who have not Dematerialised their Shares will not be able to do so between Monday, 23 December 2024 and Friday, 27 December 2024, both dates inclusive for those Shareholders registered in the Namibian Share Register.
8. Shareholders who have not Dematerialised their Shares will not be able to do so between Monday, 23 December 2024 and Friday, 27 December 2024 both dates inclusive for those Shareholders registered in the South African Share Register.
9. Dematerialised Shareholders are required to notify their duly appointed CSDP or Broker of their response to the Circular in the manner and time stipulated in the agreement governing the relationship between the Shareholder and his/her CSDP or Broker.

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular, the annexures hereto, the Notice and form of proxy, unless the context otherwise indicates, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column hereunder have the meaning stated opposite them in the second column, as follows:

<b>“Agreement”</b>	the agreement between the Parties to enter into the transaction dated 18 April 2024, including a first addendum thereto entered into between the Parties on 31 July 2024 and a second addendum thereto entered into between the Parties on 31 August 2024, the third addendum thereto on 10 October 2024, and the fourth addendum on 11 November 2024;
<b>“Articles”</b>	the memorandum and articles of association of Trustco Group Holdings Limited;
<b>“Associate(s)”</b>	bears the meaning assigned to this term in the Listings Requirements;
<b>“Applicable Laws”</b>	all and any of the following: (i) statutes, subordinated legislation and common law; (ii) regulations; (iii) ordinances and decisions of any competent authority or any governmental, intergovernmental or supranational agency, body, department or regulatory, self-regulated or other authority or organisation; and (v) other similar provisions. From time-to-time compliance with which is mandatory for that Party;
<b>“Authorised Share Capital”</b>	the authorised but unissued Shares in the Company being 2 500 000 000 share of NAD 0.23 par value each
<b>“Board” or “Directors”</b>	the board of directors of Trustco as at the Last Practicable Date whose names are set out on page 15 of this Circular;
<b>“Broker”</b>	a stockbroker as defined in the Financial Markets Act, or its duly authorised nominee;
<b>“Business Day”</b>	any day other than a Saturday, Sunday or a public holiday in South Africa or Namibia;
<b>“Certificated Shareholders”</b>	Shareholders who hold Certificated Shares;
<b>“Certificated Shares”</b>	Shares represented by share certificates or other physical Documents of Title, which have not been surrendered for Dematerialisation in terms of the requirements of Strate;
<b>“Circular”</b>	this document, to be issued on Wednesday, 4 December 2024 including its annexures, the Notice and the form of proxy;
<b>“Closing Date”</b>	means the date on which shareholders approvals for the implementation of the Transaction have been obtained;

<b>“CSDP”</b>	a Central Securities Depository Participant that holds in custody and administers securities or an interest in securities and that has been registered as a participant by a licenced central securities depository in terms of the Financial Markets Act;
<b>“Dematerialised Own-Name Shareholders”</b>	Dematerialised Shareholders who have instructed their CSDP to hold their Shares in their own name on the sub-register;
<b>“Dematerialised Shareholder”</b>	Shareholders who hold Shares which have been Dematerialised in terms of the requirements of Strate;
<b>“Dematerialised Shares”</b>	shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
<b>“Dematerialised” or “Dematerialisation”</b>	the process by which Certificated Shares are converted to, or held in electronic form as uncertificated Shares and are recorded in the sub-register of Shareholders maintained by a CSDP;
<b>“Dr Q van Rooyen” or “Dr van Rooyen”</b>	Dr Quinton van Rooyen, the managing director and largest shareholder of Trustco with 39.94% shareholding before the Transaction. Dr Quinton van Rooyen's associates are included and referred to under Next Capital Associates;
<b>“Effective Date”</b>	the first business day after the last of the Conditions Precedents are fulfilled and the Transaction accordingly becomes unconditional;
<b>“Financial Markets Act”</b>	the Financial Markets Act, 2012 (Act 19 of 2012), as amended;
<b>“General Meeting”</b>	the General Meeting of Shareholders to be held at 12:00 on Tuesday, 7 January 2025 via electronic platform (link to be provided to Shareholders via SENS announcement) and from the registered office of Trustco, 2 Keller Street, Windhoek, Namibia, to consider and if deemed fit, to approve, with or without modification, the Resolutions set out in the Notice;
<b>“Germinate SL Ltd”</b>	means Germinate (SL) Limited, a private limited company incorporated in Sierra Leone, whose registered office is 79 A Byrne Lane, Freetown, Sierra Leone with Ibrahim Sorie Kamara as the 100% shareholder and director;
<b>“Group”</b>	Trustco and all the subsidiary companies as well as any and all investee entities of Trustco;
<b>“IFRS”</b>	International Financial Reporting Standards formulated by the International Accounting Standards Board, from time to time;
<b>“Independent Expert”</b>	W. Technical Consulting (Pty) Ltd (" <b>W Consulting</b> ")  (Registration number: 2010/000744/07) a private company incorporated in accordance with the laws of South Africa;

<b>“JSE”</b>	JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
<b>“Last Day to Trade”</b>	the last day to trade in Shares in order to be reflected in the Register on the Record Date;
<b>“Last Practicable Date”</b>	Thursday, 21 November 2024, being the last practicable date prior to the finalisation of this Circular;
<b>“Listings Requirements”</b>	the Listings Requirements of JSE Limited, as amended from time to time;
<b>“Long Stop Date”</b>	means the date defined in the Agreement being 31 July 2024 or as otherwise agreed between the Parties in writing. Subsequent to the entering into the Agreement, the Parties entered into an addendum in terms whereof the long stop date was amended to be 31 December 2024 as announced on 14 October on SENS;
<b>“LSH or Legal Shield Holdings”</b>	Legal Shield Holdings Proprietary Limited, (Registration number 2006/399), a company incorporated in accordance with the laws of Namibia, 80% owned by Trustco and 11.35% owned by RVF, and 8.65% owned by Notre Dame;
<b>“LSH Transaction”</b>	the transaction in terms of which the Company acquires from RVF 1 135 shares in LSH in terms of the Sales Agreement;
<b>“Memorandum” or Articles”</b>	Memorandum of incorporation and Articles of Association of Trustco;
<b>“NAD”</b>	a Namibia Dollar which is equivalent to one South African Rand;
<b>“Namibia”</b>	the Republic of Namibia;
<b>“Namibian Companies Act”</b>	the Namibian Companies Act, 2004 (Act 28 of 2004), as amended;
<b>“Namibian Share Register”</b>	the register of Shareholders maintained in Namibia;
<b>“Namibian Transfer Secretaries”</b>	Transfer Secretaries Proprietary Limited (Registration number 93/713), a private company incorporated in accordance with the laws of Namibia;
<b>“Next” or “Next Capital”</b>	Next Capital (Proprietary) Limited (Registration number 2005/396), a private company incorporated in Namibia on 4 August 2005 in accordance with the laws of Namibia with Dr Q Van Rooyen being the sole shareholder of Next Capital. Next Investments Proprietary Limited changed its name to Next Capital (Pty) Limited on 19 June 2019 and subsequently converted to a private company. The directors of Next Capital is Dr Q van Rooyen, his wife Ms C van Rooyen;
<b>“Notice”</b>	the notice of General Meeting forming part of this Circular in terms of which the General Meeting is convened;

<b>“Notre Dame”</b>	University of Notre Dame du Lac, a non-profit corporation, organise and existing under the laws of Indiana, United State of America, with its principal address at 1251 North Eddy Street, Suite 400, South Bend, Indiana, USA;
<b>“NSX Sponsor” or “Simonis Storm”</b>	Simonis Storm Securities Proprietary Limited (Registration number 96/421), a private company incorporated in accordance with the laws of Namibia;
<b>“NSX”</b>	Namibian Stock Exchange, licensed as an exchange and regulated by the Stock Exchanges Control Act of Namibia (1985, as amended in 1992) and overseen by the Namibian Financial Institutions Supervisory Authority;
<b>“NSX Listings Requirements”</b>	the listings requirements of the NSX, as amended;
<b>“Parties”</b>	the parties to the Sale Shares Agreement as stipulated, being RVF and the Company;
<b>“Payment Shares”</b>	400 000 000 (Four Hundred Million) new Trustco shares, with a par value of NAD 0.23 each;
<b>“Protea Asset Management”</b>	Protea Asset Management LLC is the investment advisor to RVF. Protea Asset Management LLC is controlled by Sean Riskowitz
<b>“Purchase Consideration”</b>	<p>The issuing of 400,000,000 (Four Hundred Million) new Trustco shares listed on the JSE, at a share price of 117 (one hundred and seventeen) South African cents per share, in 2 tranches:</p> <ul style="list-style-type: none"> <li>- 200 million (Two Hundred million) Trustco shares, seven (7) days after the Effective Date;</li> <li>- 200 million (Two Hundred million) Trustco shares, twelve (12) months after the issue of the first tranche, unless the Company Secretary advises that the balance of the share issue is available before a period of twelve (12) months have lapsed.</li> </ul>
<b>“Register”</b>	collectively the Namibian Register and the South African Register maintained by the Transfer Secretaries;
<b>“Reporting Accountant” or “Nexia”</b>	SAB&T Chartered Accountants Incorporated (trading as “Nexia SAB&T”) (Registration Number: 1997/018869/21), 119 Witch-Hazel Avenue ,Highveld Technopark, Centurion, 0157;
<b>“Resolutions”</b>	the resolutions contained in the notice, which will be tabled at the General Meeting and in terms of which shareholders will be subject to the passing thereof to approve the LSH Transaction;
<b>“RVF” or “the Seller”</b>	Riskowitz Value Fund LP is a Delaware (United States) limited partnership. Protea Asset Management LLC is the investment advisor to RVF and controls the investment decisions made on behalf of RVF. Both RVF and Protea Asset Management LLC is controlled by Sean Riskowitz;

<b>“Sales Agreement”</b>	the agreement entered into between the Company and RVF on 18 April 2024 in terms of which RVF will sell LSH shares to the Company for the Purchase Consideration;
<b>“Sale Shares”</b>	1 135 LSH shares, constituting 11.35% in Legal shield holding;
<b>“SAICA Guide”</b>	the Guide on Pro Forma Financial Information issued by the South African Institute of Chartered Accountants;
<b>“SENS”</b>	the Stock Exchange News Service operated by the JSE;
<b>“Shareholders”</b>	holders of Shares;
<b>“Signature Date”</b>	signature date being the date on which the Party last signing the Agreement;
<b>“South African Share Register”</b>	the register of Shareholders maintained in South Africa;
<b>“South African Transfer Secretaries” or “Computershare”</b>	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07) a private company incorporated in accordance with the laws of South Africa;
<b>“Suspensive Conditions”</b>	the suspensive conditions set out in paragraph 4.4 below;
<b>“Total Income”</b>	means the sum of revenue, investment and other income as well as interest as per the consolidated statement of profit or loss in Trustco’s annual financial statements for a particular measurement period;
<b>“Transaction”</b>	the acquisition of 1 135 shares, representing 11.35% of the issued shares in LSH from RVF in terms of the Sales Agreements concluded between Trustco and RVF;
<b>“Transfer Secretaries”</b>	collectively the Namibian Transfer Secretaries and the South African Transfer Secretaries;
<b>“Trustco” or “Company” or “Purchaser”</b>	Trustco Group Holdings Limited (Registration number 2003/058), a public company incorporated in accordance with the laws of Namibia, the Shares of which are listed on three exchanges with a primary listing on the JSE and a secondary listing on the NSX and on the OTCQX; and
<b>“Vunani Sponsors”</b>	Vunani Sponsors Proprietary Limited (Registration number 2008/005096/07), a subsidiary of Vunani Capital Proprietary Limited (Registration number 1998/001469/07), a private company incorporated in accordance with the laws of South Africa.



## Trustco Group Holdings Limited

Incorporated in the Republic of Namibia and  
Registered as an external company in  
South Africa  
(Registration number 2003/058)  
(External Registration number: 2009/002634/10)  
JSE share code: TTO  
NSX share code: TUC  
OTCQX share code: TSCHY  
ISIN: NA000A0RF067  
("Trustco" or "the Company")

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### Directors – Trustco Group Holdings Limited

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#### Executive

7.B.1(a)  
7.B.1(d)

Dr Q van Rooyen (*Group Managing Director*)  
Mr F J Abrahams (*Group Financial Director*)

#### Non-executive

\* Adv. R Heathcote SC (*Chairperson*)  
\* Mr W J Geyser  
\* Mr R J Taljaard  
\* Ms J Van den Heever

\* *Independent*  
*All directors are Namibian citizens.*

### Directors – Legal Shield Holdings Limited (Major investment of Trustco Group Holdings Limited)

#### Executive

Mr F J Abrahams (*Group Financial Director*)  
Mr QZ van Rooyen (*Deputy Group CEO*)

#### Non-executive

\* Ms J van den Heever (*Chairperson*)  
\* Mr W J Geyser  
\* Mr R J Taljaard

\* *Independent*  
*All directors are Namibian citizens.*

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## CIRCULAR TO SHAREHOLDERS

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### 1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

#### 1.1. Introduction

Shareholders are referred to the SENS announcement published on 16 January 2024, the subsequent renewal of the cautionary announcements and the Sales Agreement and Withdrawal of Cautionary Announcement published on 23 April 2024 wherein they were advised that Trustco and RVF had entered into the Sales Agreement, in terms of which RVF would sell 1 135 LSH shares (11.35% of LSH shareholding) to the Company, for the Purchase Consideration.

#### 1.2. Purpose of this Circular

The purpose of this Circular is to provide Shareholders with the requisite information in accordance with the Listings Requirements and the Namibian Companies Act to enable Shareholders to make an informed decision as to how they will vote in respect of the Resolutions pertaining to the Transaction.

### 2. OVERVIEW AND PROSPECTS OF TRUSTCO

#### 2.1. General

Trustco is an investment entity headquartered in Windhoek, Namibia, that manages a diverse portfolio of investments spanning the insurance, real estate, 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. Business of the Group

Trustco is a family-centric investment group with a culture of creating long-term sustainable growth for all stakeholders. Decisions are biased towards long-term value creation and short-term hurdles are viewed as catalysts to drive success. The company primarily invests in assets in the financial services and resources industries. Trustco's business purpose is sustainable, medium-to long-term wealth creation through capital appreciation and investment income from our stakeholders on a per share basis, which aligns with our objectives of being a long-term but not a permanent investor.

##### 2.2.1. Insurance

The insurance investees, being Trustco Life Limited and Trustco Insurance Limited offers a diversified range of financial and risk products to individuals and SME's in Namibia. Trustco has an 80% investment in the insurance investee entities. The insurance investee is the market leader in Namibia in legal insurance. It has a large and established customer base in excess of 185,000 insured members. The insurance investee holds both long- and short-term insurance licenses through the entities Trustco Life Limited and Trustco Insurance Limited. Through its diversified product offering and by continually adapting to changing market conditions, both the insurance investee entities continue to provide unparalleled service to its loyal client base. With a variety of savings and investment



products offering above-average market returns, the insurer encourages a savings culture and promotes the financial wealth of members and investors. The insurer launched on 1 June 2022 the unlisted Trustco Domestic Investment Programme 6a.22. The aim of the programme was to raise NAD 50 million which had been fully subscribed by 16 November 2022. The insurance portfolio reported a claims ratio of 14.35% and maintained a solvency ratio of 27.59% and a CAR ratio of 1 662% for the short and long-term insurance companies respectively as at the last audited reporting period (being 31 August 2023) as published in the Integrated Annual Report of 2023 (page 16).

### **2.2.2. Education**

Trustco invests in long-distance education through the education investee, Institute for Open Learning (Proprietary) Limited ("Institute for Open Learning"), which is committed to providing quality, accredited, and value-adding educational programmes. This investee contributes to the educational, economic, and social advancement of Namibians. With skills acquired through studying with the Institute for Open Learning, students not only enhance their own net income but also plough their experience and knowledge back into the community.

### **2.2.3. Micro-Finance**

Trustco is invested in Micro-Finance, through its investee Trustco Finance (Proprietary) Limited ("Trustco Finance"). The business model perfectly complements the education investee. The investment provides solid and sustainable returns with high growth potential. Trustco Finance is a well-established educational lending business that provides 100% financing on all courses offered by the Institute for Open Learning, as published in the Integrated Annual Report of 2023. The investment was made in 2005 with the aim of better meeting the needs of lower-income Namibian consumers. Trustco Finance has made education a viable option for all.

### **2.2.4. Real Estate**

Trustco Properties owns an estimated 4 567 hectares of high-quality developable real estate. The total land bank presents an opportunity for over 26 000 mixed-use (residential, commercial, institutional and industrial) erven. Trustco Properties has successfully serviced more than 1 106 erven across all developments (IAR 2023 p18). To date, Trustco Properties has sold an estimated 90% of the erven it has developed and serviced, mostly across its Elisenheim and Lafrenz developments. Thus, Trustco Properties has serviced around 4% of its developable land bank. Therefore, the remaining land bank is estimated to take between 15 -25 years to develop, service and sell, which it is estimated to serve as a source of cashflow over the development period.

### **2.2.5. Mining**

Trustco Resources (Proprietary) Limited ("Trustco Resources") was established in 2015 with the strategic intent to diversify Trustco's investment portfolio via the natural resources sector. Due to the location of the mine in Sierra Leone, and through the sale of diamonds being conducted in United States Dollars, it enables the group to generate United States Dollar (USD) returns, an internalised hedge was created, to offset macroeconomic factors that might impact the group's traditional markets in Namibia and South Africa in the long run. Whilst the resources mandate is to build a diversified natural resources portfolio, its primary focus currently remains on unlocking and increasing value from its diamond assets.

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 resources investee holds and operates two diamond mining assets namely:

- Huso Investments (Pty) Ltd - Northern Namibia Development Company (Pty) Ltd - in Namibia - currently under care and maintenance.
- Meya Mining - in Sierra Leone. Meya Mining (Meya) is registered in the Republic of Mauritius and holds and operates a diamond mine in the eastern province of Sierra Leone, under a large-scale mining licence, ML 02/2019

### **2.3. Prospects**

The group possesses a portfolio of world-class assets and a diverse shareholder base from which significant value can continue to be created for our stakeholders for many years to come. The opportunities for growth include exciting prospects for further diversifying the investments and capitalising on the synergies that the group's investments creates, development projects of some of the highest quality real estate in Namibia and the maturing of the game changing diamond mining operations.

The group's diversified business model, both in revenue streams, geographic regions and asset spread has consistently delivered value for our shareholders over many years

## **3. BACKGROUND TO LEGAL SHIELD HOLDINGS**

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 47.50%. The impressive 2,473 sellable hectares (6,112 acres) of prime real estate is strategically positioned across Namibia as published in the Integrated Annual report of 2023.

### **3.1. Insurance Portfolio**

The Insurance portfolio continues to be the leader in providing legal insurance to a very large portion of the middle to low-income groups in Namibia. The Next Generation Legal Shield product offers quality legal insurance to customers, with added benefits that suit the individual customer's insurance needs. Add-on benefits are underwritten by Trustco Life, the long-term insurance company of the segment, and include funeral benefits, dread disease cover, health insurance and income protection cover. The most innovative benefit option on Trustco 4 Life Plus, a whole-life product available since June 2016, is that a customer may claim all premium contributions back after 15 claim-free years.

### **3.2. Real Estate Portfolio**

The properties portfolio remains active in mixed-use land development. The current land bank consists of four developments known as Elisenheim Property Development, Lafrenz Industrial Park, Northern Industrial Estate and Herboth's Property Development. Ultimately the developments will supply industrial, commercial and residential serviced stands to the market. 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 NAD1,800 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. More details are reflected in the Integrated Annual Report 2023 (pages 18-19) and Integrated Annual Report 2022 (page 17). Namibia is experiencing an acute shortage of serviced land, for residential, commercial and industrial purposes.

Shareholders are referred to note 5, starting on page 31 of the financials statements of LSH (2023) disclosing the investment properties of LSH. The note discloses the description and fair values of the investment properties together with development timelines and the sensitivities impacting the fair values of the properties.

## 4. THE TRANSACTION

### 4.1. Background

- 4.1.1. Shareholders were advised on 24 November 2017 that Trustco and RVF entered into a sale-of-share agreement in which RVF acquired 20% (twenty percent) of LSH for a cash consideration of N\$1,2 Billion. Shareholders approved the transaction on 15 May 2018. The full cash consideration was received, and the transaction was implemented.
- 4.1.2. Subsequently, RVF transferred 8.65% of its interest in LSH to Notre Dame.
- 4.1.3. Subsequently, RVF and Trustco entered into the Agreement in terms whereof Trustco would acquire the 11.35% interest in LSH as set out in the terms of the Transaction.

### 4.2. Rationale

#### The rationale for the Transaction:

- 4.2.1. The Transaction increases the net asset value of Trustco.
- 4.2.2. The Transaction allows Trustco to directly benefit from anticipated post-Covid capital growth, improved liquidity and buyer demand in the Namibian Property Market.
- 4.2.3. The Transaction simplifies Trustco's investment portfolio, as it increases Trustco's investment in LSH and positions Trustco to raise capital for growth more efficiently.
- 4.2.4. Trustco is able to re-acquire the Sale Shares at a substantial discount to when the Sale Shares were initially sold, and Trustco shares are being issued at a premium to the current market price.

### 4.3. Consideration

The Purchaser shall pay to the Seller by issuing 400,000,000 (Four Hundred Million) new Trustco shares listed on the JSE, at a share price of N117 cents per share (the "**Payment Shares**") in exchange for the Sale Shares in Legal Shield Holdings.

After issuance of the Payment Shares in the name of RVF or its nominee, being recorded on the share register of Trustco as the holder of the Payment Shares, ownership of the Sale Shares shall pass from RVF to the Trustco (the "**Registration**").

The issue of Payment Shares will be effected in two tranches:

- 200 million Payment Shares, 7 (seven) days after the Effective Date; and

- 200 million Payment 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.

#### **The rationale for the commercial arrangement:**

- 4.3.1.** In order to avoid a change in control of the Issuer, the Parties of the Transaction have entered into a commercial arrangement in terms of which the Payment Shares are issued in tranches. The commercial arrangement is necessary as it attempts to safeguard against the occurrence of a change of control event of the Issuer. The detrimental consequence of a change of control event would be (i) a change in control requires Competition Commission approval (ii) a change in control requires exchange control approval from the Bank of Namibia, (iii) it is against the fund mandate of the Seller to control an investment and (iv) the funding arrangements of the Purchaser prohibits a change in control, which would constitute an event of default.
- 4.3.2.** The total dilutionary effect of the Agreement will occur over time, not on the first day after the Closing of the Transaction.

Delivery of the Sale Shares will take place by the Seller physically providing the share certificates in relation to the Sale Shares to the Purchaser's Company Secretary, together with the necessary share transfer documentation duly executed.

Delivery in terms of the above will take place on the first business day after the Registration.

#### **4.4. Suspensive Conditions**

- 4.4.1.** This 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 December 2024 ("the Long Stop Date") or as otherwise agreed between the Parties in writing:
  - 4.4.1.1.** the board of directors of the Purchaser pass written resolutions approving the transaction contemplated in this Agreement, which resolutions shall include (without limitation) (i) the approvals and other requirements required of the board in terms the JSE Listings Requirements and (ii) such approvals as may be required for the purposes of section 90 of the Companies Act No. 28 of 2004 of Namibia (the "**Namibian Companies Act**"), and (ii) any other required statutory or regulatory approvals being obtained;
  - 4.4.1.2.** the shareholders of the Purchaser pass an ordinary resolution authorising the Purchaser to purchase the Sale Shares in exchange for the Payment Shares as provided for in this Agreement, including for the purposes of the JSE Listings Requirements and the Namibian Companies Act, and such ordinary resolution is registered with the Namibian registrar of companies as required in terms of section 211 of the Namibian Companies Act.
  - 4.4.1.3.** The required shareholders' approval be obtained by the Purchaser in writing in irrevocable proxy form within 21 days (Twenty-One days) of approval by the Trustco Board of the Agreement.

- 4.4.1.4.** The board of directors of Trustco 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.
- 4.4.1.5.** Consent, be obtained by the Company from minority shareholders in the Company within 21 (twenty-one) days from signature date.
- 4.4.2.** The Parties agree that should any of the Suspensive Conditions remain unfulfilled by 31 December 2024 or after such further date(s) as the Parties agree in writing, then this 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 this Agreement.
- 4.4.3.** 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 Signature Date, but in any event by no later than the Long Stop Date.
- 4.4.4.** The Suspensive Conditions will be deemed to have been met, or waived by a Party, (and the date upon which the Agreement became Effective), upon written confirmation by the Company Secretary of the Purchaser.

#### **4.5. Rights Associated with Shares**

- 4.5.1.** The Seller will not be entitled to cede, assign, pledge or encumber the Sale Shares in any way from the Signature Date to the date of transfer thereof from the Seller to the Purchaser.
- 4.5.2.** The Purchaser and the Seller agree not to allow a *de facto* takeover of the Purchaser by the implementation of this Agreement. In terms of the Namibian legislation, specifically the Competition Act, Act 2003 control relates to 50% plus 1 of the votes of the Company.
- 4.5.3.** Trustco will not issue Payment Shares to the Seller, when such issue will be in excess of 49.9% of the total issued shares (less treasury shares). This will remain in place to ensure that there is no change in control - to ensure that the Competition Commission and Bank of Namibia exchange control approval would not be required. This requirement is further in line with the mandate prohibitions of the Seller that it is not allowed to control an investment.

### **5. APPLICATION OF THE LISTINGS REQUIREMENTS**

#### **5.1.1. Entering into of the Sales Agreement**

In terms of the Listings Requirements, paragraph 10.1, the entering into of the Agreement is categorised as a related party transaction as RVF and its associates are material shareholders in Trustco in terms of paragraph 10.1(b)(i) of the JSE Listings Requirements.

Accordingly, RVF and its associates, are not entitled to vote at any meeting of shareholders relating to the passing of the required resolutions to approve the implementation of the Agreement.

The Transaction is a category 1, related party transaction in terms of section 9 of the Listings Requirements, which requires 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.

## 6. SHARE CAPITAL

The share capital before and after the Sales Agreement issuance, is as follows:

	Column 1	Column 2
	Before the Agreement	After the Agreement
<b>Authorized share Capital</b>		
Number of shares of NAD 0.23 each (000's)	2 500 000	2 500 000
Share Capital (NAD '000)	575 000	575 000
<b>Issued Share Capital</b>		
Number of shares of NAD 0.23 each (000's)	992 174	1 392 174
Number of treasury shares of NAD 0.23 each (000's)	47 705	47 705

## 7. MAJOR SHAREHOLDERS

As at the Last Practicable Date insofar as is known to Trustco, the following Shareholders, other than Directors and their Associates (which are disclosed below), were, directly or indirectly, beneficially interested in 5% or more of the issued share capital of Trustco.

### Before the Transaction:

Shareholder	Direct Shareholding	Indirect Shareholding	Total Shares Held	Shareholding %
<b>Dr. Van Rooyen</b>	111 980 000	265 220 060	377 200 060	39,94%
<b>Riskowitz Value Fund</b>	222 267 861		222 267 861	23,53%
<b>Notre Dame</b>	120 604 762		120 604 762	12,77%
<b>Germinate SL Ltd</b>	85 416 666		85 416 666	9,04%
<b>Total</b>	540 269 289	265 220 060	805 489 349	85,28%

### Notes:

The percentage shareholding was calculated based on Shares in the issue of 944,469,726 as at the Last Practicable Date which number of shares was calculated by subtracting 47,705,048 treasury shares from the total issued number of Shares of 992,174,774.

### After the Transaction

Shareholder	Direct Shareholding	Indirect Shareholding	Total Shares Held	Shareholding %
<b>Dr Van Rooyen</b>	111,980,000	265,220,060	377,200,060	28,06%
<b>Riskowitz Value Fund</b>	622,267,861		622,267,861	46,28%
<b>Notre Dame</b>	120,604,762		120,604,762	8,97%
<b>Germinate SL Ltd</b>	85,416,666		85,416,666	6,35%

<b>Total</b>	940,269,289	265,220,060	1,205,489,349	89,66%

- The percentage shareholding was calculated based on Shares in the issue of 992,174,774, which is the number of shares currently in issue, plus 400,000,000 shares to be issued, subtracting 47,705,048 treasury shares from the total number of issued shares after the Transaction of 1,344,469,726.

## 8. DIRECTORS

### 8.1. Directors' Interest in Securities

7.B.20

As at the Last Practicable Date, the direct and indirect beneficial interests of the Directors (including any Associates of the Directors and any director of the Board who resigned during the 18 months preceding the Last Practicable Date) in the share capital of the Company are reflected below:

#### Before the Transaction

	Direct beneficial	Indirect beneficial	Total number of shares held	Percentage shareholding
<b>Abrahams, Floors Jacobus</b>	2,451,518		2,451,518	0.26%
<b>Geyser, Winton John</b>	124,415		124,415	0.01%
<b>Heathcote, Raymond</b>	1,354,802		1,354,802	0.14%
<b>Taljaard, Renier Jacobus</b>	50,151		50,151	0.01%
<b>Van Den Heever, Janene</b>	119,915		119,915	0.01%
<b>Van Rooyen, Quinton, Dr</b>	111,980,000	265,220,060	377,200,060	39.94%
<b>Grand Total</b>	116,080,801	265,220,060	381,300,861	40.37%

#### Notes:

- Based on Total Issued shares as at 12 September 2024 being 992,174,774 less Shares held in treasury of 47,705,048
- The entire indirect beneficial shareholding of Dr Q van Rooyen is held through Associates to Dr Q van Rooyen as shown below:

Associate	Number of Trustco Shares held	Shareholding %
Next Capital	265,220,060	28.03%
Othinge Investments	5,000,000	0.53%

- Next Capital is a Namibian company of which Dr van Rooyen is the sole shareholder.
- Othinge Investments is a Namibian company of Ms C van Rooyen, the wife of Dr van Rooyen.

#### After the Transaction

	Direct beneficial	Indirect beneficial	Total number of shares held	Percentage shareholding
<b>Abrahams, Floors Jacobus</b>	2,451,518		2,451,518	0,18%
<b>Geyser, Winton John</b>	124,415		124,415	0,01%
<b>Heathcote, Raymond</b>	1,354,802		1,354,802	0,10%

<b>Taljaard, Renier Jacobus</b>	50,151		50,151	0,00%
<b>Van Den Heever, Janene</b>	119,915		119,915	0,01%
<b>Van Rooyen, Quinton Dr</b>	111,980,000	265,220,060	377,200,060	28,06%
<b>Grand Total</b>	116,080,801	265,220,060	381,300,861	28.36%

- Based on Total Issued shares as at 12 September 2024 being 992,174,774 plus 400,000,000 shares to be issued for the Transaction less Shares held in treasury of 47,705,048
- The entire indirect beneficial shareholding of Dr Q van Rooyen is held through Associates to Dr Q van Rooyen, after the Transaction, as shown below:

<b>Associate</b>	<b>Number of Trustco Shares held</b>	<b>Shareholding %</b>
Next Capital	265,220,060	19.73%
Othinge Investments	5,000,000	0.37%

## **8.2. Directors' Interest in Transactions**

**8.2.1.** None of the Directors, including those who resigned in the 18 months preceding the Last Practical Date have any material beneficial, direct or indirect interest in any transactions that were effected by Trustco during the current or immediately preceding financial year; or during an earlier financial year and remain in any respect outstanding or unperformed.

**8.2.2.** No directors resigned during the previous 18 months.

## **8.3. Directors' Remuneration**

**8.3.1.** No remuneration of any director of Trustco will vary as a result of the entering into of the Transactions mentioned in this circular.

## **9. DIRECTORS OPINION AND RECOMMENDATION**

The Independent Directors, having considered the Transaction and the terms set out in the Agreement, have considered the Transaction to be fair, but in line with the advice by the Independent Expert acceptable to the JSE, accepts the opinion that the transaction is unfair, but reasonable. The Directors recommend the Transaction to Shareholders for approval. In line with Schedule 5 (paragraph 5.6 thereof) of the Listings Requirements, the full fairness opinion, together with the reasons for the Independent Expert's opinion, is included in Annexure 3 attached to this Circular. The key considerations in assessing reasonableness is provided by the Independent Expert:

### **1. Share-for-Share Structure**

The share-for-share nature of the transaction has important implications for its reasonableness. Since no cash is changing hands, there are no immediate liquidity impacts for Trustco. This mitigates concerns around paying a premium, as Trustco does not need to raise or deploy cash resources for the Transaction.

Additionally, the exiting LSH shareholders are not completely removed from the future performance of LSH, as they will receive shares in Trustco, which continues to hold a significant stake in LSH. As Trustco's success is partly tied to LSH's future value, the exiting shareholders maintain indirect exposure to LSH's performance through their Trustco shares.

### **2. Simplification of Ownership**



We have specifically assessed the strategic objective of simplifying the ownership structure by reducing the number of external shareholders in LSH and find it to be reasonable. By increasing its stake, Trustco aims to streamline governance processes and reduce the administrative complexity associated with managing a diverse shareholder base. This aspect of the transaction aligns with Trustco's long-term strategy for LSH, enabling it to operate more efficiently and respond more effectively to market opportunities without the added challenges posed by a fragmented ownership structure.

### **3. Timing of the Investment**

The transaction represents a strategic early-entry decision, a common approach for investment entities aiming to generate alpha by positioning ahead of anticipated value-enhancing developments. While the price includes a premium relative to the current valuation of LSH, this is supported by expectations of future growth beyond current projections

Key drivers of this expected growth include macroeconomic expansion spurred by oil discoveries and green energy projects in Namibia, reductions in borrowing costs due to declining REPO rates, and land appreciation driven by rising demand for real estate. These factors cannot be included in the current valuation, as they are based on future events that lack sufficient certainty or measurable impact. However, they provide a rational basis for the premium, reflecting the potential for outsized returns should these developments materialise.

### **4. Strategic Value of Undeveloped Land**

LSH's significant land holdings, especially those near strategic infrastructure projects and economic zones, are expected to appreciate as Namibia's economy grows. The current DCF valuation may not fully capture this potential due to conservative near-term assumptions, but the long-term appreciation of these assets is a key driver of Trustco's willingness to pay a premium.

The land banking strategy employed by LSH positions it to benefit from increasing demand for real estate in the future, which is aligned with Trustco's investment approach of holding assets with long-term growth potential.

### **Conclusion**

In our opinion, while the transaction is not fair based on the current DCF valuation of LSH, it is reasonable when considering Trustco's long-term strategy and factors that support potential value appreciation. The share-for-share structure mitigates immediate liquidity risks, and exiting LSH shareholders retain indirect exposure to LSH's performance through their Trustco shares. Additionally, the transaction's strategic objective of consolidating ownership and control over LSH aligns with Trustco's goal to streamline operations and strengthen its influence over the asset.

The acquisition of an additional 11.35% interest, while not fundamentally changing Trustco's control (as it already holds majority ownership), does enhance Trustco's strategic influence and economic stake in meaningful ways. By increasing its share, Trustco will be entitled to a larger portion of LSH's earnings, directly benefiting its shareholders.. Simplifying ownership further aligns with Trustco's goal to streamline governance and reduce administrative complexities associated with minority shareholders.

## **10. WORKING CAPITAL STATEMENT**

Having made due and careful enquiry as to the working capital requirements of the Company and the Group for the 12 months following the date of issue of this Circular, and having considered the effects of the Transaction, the Board is of the opinion that the working capital available to the Company and the Group are sufficient for the Group's present requirements, that is, for at least the next 12 months from the date of issue of this Circular.

7.F.1 (a)-(b)

## 11. MATERIAL CONTRACTS

Other than the Agreement to this circular, the Company has entered into:

- The management agreement entered into by Trustco and Next was announced on SENS on 23 August 2021. This agreement remains subject to shareholders' approval and has not been implemented to date;
- A Shareholders Agreement in terms whereof Sterling Global Trading subscribe to up to 70% shareholding in Meya Mining for an equity purchase consideration of USD 25 million, together with a debt structure of up to USD 50 million, as announced on SENS dated 27 July 2023. The SGT transaction has already been concluded and included in the Trustco Group Holdings Limited interim financial results for the period ended 29 February 2024, the transaction, though implemented, is subject to shareholder approval in terms of JSE Listings Requirement 9.20 (b).;
- An agreement to convert the related party indebtedness to QVR, Next and its associates inclusive of N\$1,478,768,750 (One Billion Four Hundred and Seventy-Eight Million Seven Hundred and Sixty-Eight Thousand Seven Hundred and Fifty) (the loan") and N\$2,949,072 (Two Billion Nine Hundred and Forty-Nine Million and Seventy-Two Thousand Namibia Dollars) (outstanding purchase price) for the Huso Transaction be converted into fully paid-up TTO Shares at a conversion price of N\$1,17 per Trustco share as announced on SENS on 11 July 2024;
- A Share Repurchase Agreement with Notre Dame as announced on SENS dated 24 June 2024 in terms whereof Trustco and its investees would acquire its entire interest in Trustco, Trustco Resources and Legal Shield Holdings for a total price of USD5,000,000. These shares would be cancelled upon the closing of the transaction.
- A share issue in lieu of payment of the Independent Non-Executive Directors, which was announced on SENS on 13 August 2024. The board approved, on the recommendation of the Remco, that Shares will be issued to the Independent Non-Executive Directors as ad-hoc compensation. The total number of shares would be 9,500,000.
- Share Issue in lieu of payment of Senior Executive, whose terms were announced on 23 August 2024.
- The Share Consolidation Announcement date was 14 August 2024, on which the board approved the consolidation of Trustco shares at a ratio of 20:1.

Further details of these transactions will be included in a circular(s) to be distributed to shareholders to vote and approve. An announcement dated 11 November 2024 has been released on SENS with updates for shareholders to consider.

Other than the agreements mentioned above, to the best knowledge of the Directors, none of the entities comprising the Group, have, either verbally or in writing, entered into any other material contracts, being restrictive funding arrangements, and/or a contract entered into otherwise than in the ordinary course of business, either:

- within two years prior to the date of this Circular; or
- at any time and containing any obligation or settlement that is material to the Group at the date of this Circular.

## 12. PRO-FORMA FINANCIAL EFFECTS

	<b>Before - 29 Feb 2024 Reviewed Actual<sup>1</sup></b>	<b>After – LSH Transaction Pro forma<sup>2</sup></b>	<b>Percentage Change</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)	11.17	9.45	-15.37%
Diluted earnings per share (cents)	11.17	8.09	-27.59%
Headline earnings per share	11.17	9.45	-15.37%
Diluted headline earnings per share (cents)	11.17	8.09	-27.59%
<b>Net asset value per share</b>			
Net asset value per share (cents)	128.22	114.43	-10.76%
Net tangible asset value per share (cents)	128.22	114.43	-10.76%
<b>Shares</b>			
Total shares in issue (millions)	985	1 185	20.30%
Deemed treasury shares (millions)	2	2	-
Weighted average number of shares (000) (millions)	985	1 385	40.61%

1. The “Before” column represents the financial information of Trustco, extracted without adjustment, from the published interim financial results of Trustco for the year ended 29 February 2024.
2. The “After” column represents the financial information of Trustco, adjusted to take into consideration the financial effects of the LSH Transaction.

The pro forma financial information, including the pro forma financial effects, as set out below, of the Transaction on the financial information of Trustco as at and for the six months ended 29 February 2024, is set out in Annexure 1 of this Circular and is presented in accordance with the provisions of the JSE Listings Requirements and the Guide on Pro forma Financial Information issued by the South African Institute of Chartered Accountants. The pro forma financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors. The accounting policies used in the preparation of the pro forma financial effects are compliant with IFRS and are consistent with those applied in the annual financial statements of Trustco for the financial year ended 31 August 2023. The pro forma financial information has been prepared for illustrative purposes only, to provide information on how the Transaction may have affected the financial position and financial performance of Trustco for the six months ended 29 February 2024, had the Transaction occurred on 1 September 2023 for statement of profit or loss purposes and on 29 February 2024 for statement of financial position purposes. Due to its nature, the pro forma financial information may not fairly represent Trustco’s financial position, changes in equity, results of operations or cash flows after implementation of the Transaction..

## 13. MATERIAL CHANGES

With effect from 1 September 2021, the company transitioned to an investment entity in terms of IFRS 10: Consolidated Financial Statements (“IFRS 10”).

From this date the company ceased to consolidate its subsidiaries (other than those subsidiaries that are not, themselves investment entities that provide services related to the company's investment activities) and to instead carry its net investments in the subsidiaries' debt and equity at fair value, with subsequent changes in fair value being recognised in profit and loss. There has been no material change to Trustco, its subsidiaries' or its investee entities financial position since the end of the last financial period reported on.

#### 14. EXPERTS' CONSENTS

Each of the JSE Sponsor, NSX Sponsor, South African Transfer Secretaries, Namibian Transfer Secretaries, Reporting Accountant and Independent Experts have consented in writing to act in the capacities stated and the inclusion of their names, and, where applicable, their reports in the form and context in which they appear in this Circular and have not withdrawn their consents prior to publication of this Circular.

#### 15. IRREVOCABLE UNDERTAKINGS

The following Shareholders, has provided irrevocable undertakings to vote in favour of the implementation of the Transaction:

Shareholder	Number of Shares for which an irrevocable undertaking has been provided	Shares as a percentage of total shares in issue <sup>1</sup>	Shares as a percentage of shares eligible to vote <sup>2</sup>
Dr Q van Rooyen and Next Capital and Associates	377,200,060	39.94%	51.95%
D Swindon	1,598,383	0.18%	0.24%
W McTeer	1,300,215	0.14%	0.18%
Seafwell Investments	5,030,838	0.53%	0.69%
E Laing	22,161	0.00%	0.00%
CA Coetzee	157,825	0.02%	0.02%
W T Van Schalkwyk	23,758	0.00%	0.00%
F Abrahams	2,451,518	0.26%	0.34%
M Jacobs	996,999	0.11%	0.14%
C Jacobie	1,248,714	0.13%	0.17%
E Janse van Rensburg	1,952,546	0.21%	0.27%
D Van Heerden	1,224,389	0.13%	0.17%
Othinge Investments	5,000,000	0.50%	0.69%
W Geyser	124,415	0.01%	0.02%
R Taljaard	50,151	0.01%	0.01%
F J Williams	10,481	0.00%	0.00%
R Heathcote	1,354,802	0.14%	0.19%
M Du Preez	21,378	0.00%	0.00%
<b>TOTAL</b>	<b>399,768,633</b>	<b>42,31%</b>	<b>55.08%</b>

#### Notes:

47,705,048 Shares were held as treasury shares as at the Last Practicable Date, whose votes will not be taken into account in determining the results of the voting at the General Meeting on any of the proposed resolutions.

1. Total number of Shares in issue as at the Last Practicable Date is 992,174,774.
2. The total number of Shares eligible to vote is 726,103,536, which represents the total Shares in issue less Shares held in treasury of 47,705,048 and less Shares currently held by RVF and its associates being 218,366,190 Shares as of the Last Practicable Date.

Current Number of Shares in Issue	992,174,774
Less: Treasury Shares	(47,705,048)
Less: Shares held by Related Party - RVF and associates	(218,366,190)
Total	726,130,536

7.D.11

## 16. LITIGATION STATEMENT

### PENDING LEGAL CASES

- **HELIOS ORYX LIMITED V TRUSTCO GROUP HOLDINGS LIMITED ("Trustco")**

Helios Oryx Limited (Helios) issued a summons in the High Court of Justice (Business and Property Courts of England and Wales Commercial Court). The summons relates to a facility agreement entered into between Helios Oryx Limited and Trustco.

This action is being defended by Trustco Group Holdings Ltd (TGH). Helios declared all amounts outstanding under the facility agreement due and demanded payment, totalling USD 19.6 million. On 20 January 2021, the High Court of Justice of England and Wales granted summary judgment in favour of Helios against TGH for USD 21.4 million together with costs and struck the TGH counterclaim.

On 15 March 2022, Trustco emailed the court with an application for permission to appeal to the Supreme Court against the dismissal of its counterclaim. The application to seek permission to appeal was refused on 23 March 2022.

On 29 March 2022, TGH applied to obtain leave to appeal against the dismissal of the TGH counterclaim from the Supreme Court. The application was refused.

Helios also issued an application in the High Court of Namibia in an attempt to register and enforce the summary judgment award obtained in London enforceable in Namibia. TGH is opposing the application and filed a counterclaim against Helios in Namibia.

TGH's total exposure to the Helios claim (inclusive of interest and costs) is fully recognised in the financial statements.

- **BANK OF NAMIBIA V TRUSTCO GROUP HOLDINGS LIMITED**

Bank of Namibia served an application on Trustco Bank to place Trustco Bank in provisional liquidation. Trustco Bank filed a notice of opposition and an answering affidavit. The Bank of Namibia brought an application requesting the presiding judge to recuse herself, which application was dismissed by the presiding judge. Bank of Namibia is considering filing an appeal against the dismissal of their application.

- **NAMRA V TRUSTCO GROUP HOLDINGS LIMITED**

Trustco and its investee companies, filed a review and constitutional challenge against the impugned decisions of the Namibia Revenue Agency (NamRA). The NamRa ordered First National Bank to freeze most of Trustco Group Holdings' and some of its subsidiary company's bank accounts. The NamRA and the Respondents are defending the application. NamRA filed its discovery bundle in November 2023, and Trustco Group Holding supplemented its review application. An urgent application was settled with NamRa agreeing to withdraw the notices to freeze accounts. The matter remains ongoing and set for trial in Q4 of 2024. The Namra matter is a constitutional challenge and review the application against the amnesty period provided to all taxpayers to receive amnesty for all penalties and interest, but in return NamRA offsets all tax credits first against penalties and interest, which actions negate the amnesty provided by Namra

#### **Litigation of the LSH group**

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. Trustco Life Ltd and Trustco Insurance Ltd (subsidiaries) were involved in an industry class action against the implementation of the Act of Parliament, Namibia National Reinsurance Corporation Act (Act 22 of 1998). The industry class action against the implementation of the Act of Parliament, Namibia National Reinsurance Corporation Act (Act 22 of 1998) was finalised on 14 March 2023 with the judgement in favour of Trustco Life Ltd and Trustco Insurance Ltd.

The group is involved in an ongoing legal dispute with Constantia Risk and Insurance (Pty) Ltd (CRIH) regarding a N\$50 million deposit paid under a Share Sale and Subscription Agreement (SSA). CRIH claims the SSA lapsed due to unfulfilled conditions precedent and seeks the return of the deposit. The group contends that the conditions were either met or should be deemed fulfilled due to CRIH's conduct.

An arbitrator initially ruled in favour of CRIH. The group is currently preparing a review application against this ruling. The outcome and potential financial implications of this case remain uncertain.

Save as recorded above, the directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened that may have a material effect on the financial position of the Trustco or Legal Shield Holdings Limited.

## **17. EXPENSES**

No preliminary expenses were incurred during the past three years by the Group.

It is estimated that the total expenses relating to the Transaction will amount to approximately NAD 1,971,783-81 (costs are exclusive of VAT) and include the following:

<b>Parties</b>	<b>Estimated amount</b>
	<b>NAD</b>
JSE Sponsor – Vunani	550,000-00
Legal Advisor - Joos Agenbach	150,000-00
Independent Expert - W Consulting	347,700-00
NSX Sponsor – Simonis Storm	20,000-00
Reporting Accountant – Nexia	700,000-00
JSE document fees	124,083-81

## **18. NOTICE OF GENERAL MEETING AND VOTING RIGHTS**

### **18.1. Notice of General Meeting**

The General Meeting will be held at 12:00 on Tuesday, 7 January 2025 via online platform from the registered office of Trustco, 2 Keller Street, Windhoek, Namibia in order to consider the Resolutions required to implement the of the Sale Agreement, and the placing of authorized but unissued shares under the control of directors.

The Notice convening the General Meeting and a form of proxy for use by Certificated Shareholders and Dematerialised Own-Name Shareholders who are unable to attend the General Meeting, are attached hereto and form part of this Circular.

### **18.2. Approval and Voting rights**

All Shares rank *pari passu* with each other and at the General Meeting, every Shareholder present or represented by proxy shall have one vote for every Share held.

## **19. DIRECTORS' RESPONSIBILITY STATEMENT**

7.B.22

The Directors, whose names are stated on page 15 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.

## **20. DOCUMENTS AVAILABLE FOR INSPECTION**

7.G.1 (a) – (j)

The following documents, or copies thereof, where applicable, are available and can be requested from the company secretary at [komada@tgh.na](mailto:komada@tgh.na) in electronic format, and that of the JSE Sponsor, whose addresses are set out in the "Corporate Information and Advisors" section of this Circular, from the date of this Circular up and to including the date of the General Meeting:

- The Sales Agreement and Addendums relating thereto;
- the Memorandum and Articles of Association of Trustco;
- the Memorandum and Articles of Association of Legal Shield Holdings Limited, being Trustco's major subsidiary;
- Trustco executive directors' service contracts;
- the signed independent Reporting Accountant's Assurance Report on the Compilation of the *Pro Forma* Financial Effects set out in Annexure 1 to this Circular;
- the consent letters referred to in paragraph 14;
- the signed independent expert opinion as set out in Annexure 3;
- a signed copy of this Circular;
- the irrevocable undertakings referred to in paragraph 15;
- the annual reports of Trustco for the 3 years ended 31 August 2023, 31 August 2022 and 31 August 2021; and

- LSH annual financial reports for the year ended 31 August 2023, 31 August 2022 and 31 August 2021 and the respective Reporting Accountants reports;
- the reviewed interim results of Trustco for the six months ended 29 February 2024 ; and
- the reviewed interim results of LSH for the six months ended 29 February 2024

## 21. DOCUMENTS INCORPORATED BY REFERENCE

The following information which has been prepared pursuant to the provisions of the Listings Requirements has been incorporated by reference in terms of paragraph 11.61 of the JSE Listings Requirements and listed in the tables below:

### 21.1. Historical financial information

The historical financial information of Trustco in respect of the 12 months ended 31 August 2023 which are the responsibility of the directors of Trustco and have been prepared in accordance with IFRS and the Company's accounting policies, have been incorporated by reference and are available for viewing on the Company's website as set out below and at the Company's registered office and at the Corporate Advisor and Sponsor's office.

#### Information incorporated by reference

#### Website link

[Unaudited Condensed Consolidated Interim Financial Statements for The Six Months Ended 29 February 2024](https://www.tgh.na/investors/results-centre/Unaudited_Condensed_Consolidated_Interim_Financial_Statements_for_The_Six_Months_Ended_29_February_2024)

<https://www.tgh.na/investors/results-centre/>

[Historical financial information of Trustco for the 12 months ended 31 August 2023](https://www.tgh.na/investors/results-centre/Historical_financial_information_of_Trustco_for_the_12_months_ended_31_August_2023)

<https://www.tgh.na/investors/results-centre/>

[Historical Financial Information of Trustco for the 12 Months Ended 31 August 2022](https://www.tgh.na/investors/results-centre/Historical_Financial_Information_of_Trustco_for_the_12_Months_Ended_31_August_2022)

<https://www.tgh.na/investors/results-centre/>

[Historical Financial Information of Trustco for the 12 Months Ended 31 August 2021](https://www.tgh.na/investors/results-centre/Historical_Financial_Information_of_Trustco_for_the_12_Months_Ended_31_August_2021)

<https://www.tgh.na/investors/results-centre/>

**Signed on behalf of all of the Directors in terms of the powers of attorney granted to Mr Floors J Abrahams on 4 December 2024**

F J Abrahams

*Executive Director*



Windhoek



## ANNEXURE 1

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### PRO FORMA FINANCIAL INFORMATION OF TRUSTCO GROUP HOLDINGS LIMITED

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#### **Basis of preparation**

All terms defined in the Circular into which this Annexure 1 has been incorporated by reference shall bear the same meanings in this Annexure 1.

8.16  
8.18(a) – (c)  
8.19(a)-(b)  
8.30(a)-(d)  
8.31(a)-(d)  
8.32(a)-(b)

Set out below are the *pro forma* consolidated statement of financial position and *pro forma* consolidated statement of financial performance of Trustco Group Holdings Limited (hereinafter referred to as Trustco), showing the *pro forma* financial effects of the transaction (the “*Pro Forma* Financial Information”).

The *Pro Forma* Financial Information of Trustco has been prepared for illustrative purposes only and because of its nature may not fairly present Trustco’s financial position, changes in equity and results of operations.

The *Pro Forma* Financial Information is based on the reviewed published financial information of Trustco as at and for the six months ended 29 February 2024.

The *Pro Forma* Financial Information has been prepared to illustrate the impact of Transaction on the reviewed published financial information of Trustco on the assumption that the Transaction occurred on 1 September 2023 for statement of profit or loss and other comprehensive income purposes and on 29 February 2024 for statement of financial position purposes.

The *Pro Forma* Financial Information has been prepared using the accounting policies of Trustco which comply with IFRS, in accordance with the applicable criteria of the JSE Listings Requirements and in terms of the *Guide on Pro Forma Financial Information* issued by SAICA and are consistent with those applied in the reviewed published financial information.

The *Pro Forma* Financial Information is the responsibility of the directors.

Nexia SAB&T’s independent reporting accountant’s report on the *Pro Forma* Financial Information is set out in Annexure 2 to this Circular



**Trustco Group Holdings Ltd**  
**Consolidated Statement of Financial Position as at**  
**29 February 2024**

*Figures in Namibia Dollar million*

	Notes	Before LSH Transaction	LSH Transaction	Sub-Total	Transaction costs	Total adjusted balance
<b>Assets</b>						
Cash and cash equivalents	(iv)	17	-	17	(2)	15
Trade and other receivables		28	-	28	-	28
Amount due by investee entity		697	-	697	-	697
Current tax assets		1	-	1	-	1
Property, plant and equipment		6	-	6	-	6
Investments measured at fair value through profit or loss	(i)	3 140	95	3 235	-	3 235
Deferred tax assets		4	-	4	-	4
<b>Total assets</b>		<b>3 893</b>	<b>95</b>	<b>3 988</b>	<b>(2)</b>	<b>3 986</b>
<b>Equity and liabilities</b>						
<b>Liabilities</b>						
Trade and other payables		216	-	216	-	216
Borrowings		770	-	770	-	770
Amounts due to related parties		1 642	-	1 642	-	1 642
Lease liabilities		2	-	2	-	2
<b>Total liabilities</b>		<b>2 630</b>	<b>-</b>	<b>2 630</b>	<b>-</b>	<b>2 630</b>
<b>Capital and reserves</b>						
Share capital	(ii)	1 181	47	1 228	-	1 228
Other reserves	(ii)	2 300	48	2 348	-	2 348
Treasury shares		(14)	-	(14)	-	(14)
Accumulated losses	(iii)	(2 204)	-	(2 204)	(2)	(2 206)
<b>Total capital and reserves</b>		<b>1 263</b>	<b>95</b>	<b>1 358</b>	<b>(2)</b>	<b>1 356</b>
<b>Total equity and liabilities</b>		<b>3 893</b>	<b>95</b>	<b>3 988</b>	<b>(2)</b>	<b>3 986</b>
<b>Net asset value per share (cents)</b>		128.22		114.60		114.43
<b>Net tangible asset value per share (cents)</b>		128.22		114.60		114.43
<b>Number of shares in issue net of treasury shares (million)</b>		985		1 185		1 185
<b>Notes</b>						

## Notes

- 1) The "Before" column represents the statement of financial position of Trustco, extracted without adjustment, from the reviewed condensed consolidated interim financial statements for the six months ended 29 February 2024. The reviewed financial information can be viewed in full in the latter part of the circular or on the Company's website.
- i. Acquiring 11.35% of the ordinary share capital in Legal Shield Holdings Limited measured at the proportionate fair value of the investee as at the reporting date. This adjustment will have a continuing effect on Trustco's pro forma statement of financial position.
- ii. Issue of 400 million ordinary par value shares in Trustco Group Holdings Ltd to Riskowitz Value Fund at N\$ 1.17 per ordinary share as settlement for the Transaction of the 11.35% equity in Legal Shield Holdings Limited.

The settlement of the payment shares will be affected in two tranches:

- 200 million shares, 7 (seven) days after the Effective Date; and
- 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.

For the purposes of the pro-forma financial information the assumption has been made that 200 million shares are issued as at reporting date and the remaining shares are recognised as contingently issuable fixed number of shares included as part of shares for vendors within other reserves, as these shares will be issued within 12 (twelve) months after the issuance of the first tranche.

IAS 32 deals with settlement of a transaction using the entity's own equity instruments. [refer IAS 32.21 to 24]. The Transaction is settled in a fixed number of shares, IAS 32.AG27(a) explains that the total value of the consideration (cash or another financial asset received) is credited directly to equity as an equity contribution. Therefore, the increase in share capital following from the additional shares issued is not measured at the fair value of the shares. Thus no gain/loss will be recognised from the issuer's perspective on conclusion of the transaction

This adjustment will have a continuing effect on Trustco's pro forma statement of financial position.

- iii. Estimated transaction cost as per paragraph 17 relating to the Transaction as at 29 February 2024, settled in cash as at reporting period end. This adjustment will not have a continuing effect on Trustco's pro forma statement of financial position.

- iv. Cumulative change on the statement of financial position due to effects of points ii, iii and iv mentioned above as at reporting period end.
- v. The following further transactions are highlighted for shareholders' consideration.

#### **Meya Mining Limited Equity Interest Dilution: 23 February 2023**

During the financial year ended 31 August 2023 Meya Mining Limited (Meya) concluded a transaction with Sterling Global Limited (SGT) whereby Meya would issue additional equity to SGT up to a 70% shareholding in Meya to the value of USD 25 million. Trustco Group Holdings Limited is required in accordance with the JSE Limited Listings Requirements to dispatch a circular to shareholders containing a notice to convene a general meeting for shareholders to approve the proposed transaction by way of an ordinary resolution, prior to the implementation thereof. Trustco has not been able to issue the circular to shareholders, due to the SAMREC/ SAMVAL compliant competent persons report (CPR), which is a prerequisite for inclusion in the circular, remaining outstanding. Trustco received irrevocable undertakings of 63.26% of its shareholders to vote in favour of the transaction. The equity investment, together with a debt investment directly into Meya, enabled the underground development and the transition to commercial production. The decision to implement the transaction with SGT was made for the economic benefit of all shareholders and diluted the Trustco equity stake in Meya to 19.5%. Therefore, the financial impact associated with SGT transaction noted above has already been included in the Trustco Group Holdings Limited interim financial results for the period ended 29 February 2024.

#### **Next Conversion Agreement Announcement Date: 11 June 2024.**

Trustco agreed terms with Dr Quinton van Rooyen ("van Rooyen") and Next (collectively referred to as "the Lenders") to convert Trustco's total indebtedness towards the Lenders in the amount of N\$ 1,478,768,750 (one billion four hundred and seventy-eight million seven hundred and sixty-eight thousand seven hundred and fifty Namibia Dollars) (USD 82.15 million) related party loan ("the Loan"); and N\$2,949,072,000 (two billion nine hundred and forty-nine million and seventy-two thousand Namibia Dollars) (USD 163.8 million) as the outstanding purchase price to the Lenders for the mining assets sold. . The indebtedness between Trustco and the Lenders will be converted into shares for N\$ 1,17 per share ("Conversion Price") (USD 0.065), being the audited Net Asset Value ("NAV") per share, as of 31 August 2023 and recorded in the audited annual financial statements ("AFS") of Trustco. Trustco Group Holdings Limited is required in accordance with the JSE Limited Listings Requirements to dispatch a circular to shareholders containing a notice to convene a general meeting for shareholders to approve the proposed transaction by way of an ordinary resolution, prior to the implementation thereof. Trustco has not been able to issue the circular to the shareholders, therefore the financial impact of this proposed transaction has not been taken into consideration in the above pro-forma. Shareholders are therefore advised to take note of this transaction.

#### **Share Buyback: Announcement Date: 24 June 2024**

Trustco, Trustco Resources, and Legal Shield Holdings, collectively referred to as “Trustco Entities”, entered into a Share Repurchase Agreement with the University of Notre Dame du Lac (Notre Dame) (the “Seller”). The Seller 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”. The aggregated Purchase Price for the Shares is USD 5,000,000 (Five Million United States Dollars). Trustco Group Holdings Limited is required in accordance with the JSE Limited Listings Requirements to dispatch a circular to shareholders containing a notice to convene a general meeting for shareholders to approve the proposed transaction by way of an ordinary resolution, prior to the implementation thereof. Trustco has not been able to issue the circular to the shareholders, therefore the financial impact of this proposed transaction has not been taken into consideration in the above pro-forma. Shareholders are therefore advised to take note of this transaction.

**Share Issue in lieu of payment of Independent Non-Executive Directors: Announcement Date: 13 August 2024**

In terms whereof the board approved, on recommendation of the Remco, that shares be issued to the INED's in lieu of historical director's compensation during successive years. The total number of shares is 9,500,000. Trustco Group Holdings Limited is required in accordance with the JSE Limited Listings Requirements to dispatch a circular to shareholders containing a notice to convene a general meeting for shareholders to approve the proposed transaction by way of an ordinary resolution, prior to the implementation thereof. Trustco has not been able to issue the circular to the shareholders, therefore the financial impact of this proposed transaction has not been taken into consideration in the above pro-forma. Shareholders are therefore advised to take note of this transaction.

**Share Issue in lieu of payment of Senior Executive: 23 August 2024**

In terms whereof the board, on the recommendation of the remuneration committee, approved a FY204 shares bonus proposal (“FY2024 Bonus”). In terms of the bonus scheme the executive member, Mr. Floors Abrahams, the financial director of Trustco would receive 5,000,000 (Five Million) Trustco Shares. Trustco Group Holdings Limited is required in accordance with the JSE Limited Listings Requirements to dispatch a circular to shareholders containing a notice to convene a general meeting for shareholders to approve the proposed transaction by way of an ordinary resolution, prior to the implementation thereof. Trustco has not been able to issue the circular to the shareholders, therefore the financial impact of this proposed transaction has not been taken into consideration in the above pro-forma. Shareholders are therefore advised to take note of this transaction.

**Share Consolidation: Announcement Date 14 August 2024**

In terms whereof the board approved the consolidation of Trustco's shares at a ratio of 20:1. Trustco Group Holdings Limited is required in accordance with the JSE Limited Listings Requirements to dispatch a circular to shareholders containing a notice to convene a general meeting for shareholders to approve the proposed transaction by way of an ordinary resolution, prior to the implementation thereof. Trustco has not been able to issue the circular to the shareholders, therefore the financial impact of this proposed transaction has not been taken into consideration in the above pro-forma. Shareholders are therefore advised to take note of this transaction.

**Trustco Group Holdings Ltd**  
**Consolidated Statement of Profit or Loss and Other Comprehensive**  
**Income**

for the six months ended 29 February 2024

	Notes	Before LSH Transaction	LSH Transaction	Fair value adjustment	Sub-Total	Transaction costs	6 Months ended 29 Feb 2024 Adjusted
<i>Figures in Namibia Dollar million</i>							
Interest revenue		17	-	-	17	-	17
Fair value gain on investments	(iii)	78	-	4	82	-	82
<b>Total investment revenue</b>		<b>95</b>	<b>-</b>	<b>4</b>	<b>99</b>	<b>-</b>	<b>99</b>
Other income		130	-	-	130	-	130
Operating expenses	(iv)	(24)	-	-	(24)	(2)	(26)
Finance costs		(100)	-	-	(100)	-	(100)
<b>Profit before taxation</b>		<b>101</b>	<b>-</b>	<b>4</b>	<b>105</b>	<b>(2)</b>	<b>103</b>
Income tax		9	-	-	9	-	9
<b>Profit for the period</b>		<b>110</b>	<b>-</b>	<b>4</b>	<b>114</b>	<b>(2)</b>	<b>112</b>
<b>Shares</b>							
Weighted average number of shares (000)	(ii)	985	200		1 185	-	1 185
Fully diluted number of shares (000)	(ii)	985	400		1 385	-	1 385
<b>Earnings per share</b>							
Basic earnings per share (cents)	(v)	11.17			9.62		9.45
Diluted earnings per share (cents)	(v)	11.17			8.23		8.09
Headline earnings per share (cents)	(v)	11.17			9.62		9.45
Diluted headline earnings per share (cents)	(v)	11.17			8.23		8.09

## Notes

1) The "Before" column represents the statement of profit or loss and other comprehensive income of Trustco, extracted without adjustment, from the reviewed condensed consolidated interim financial statements for the six months ended 29 February 2024. The reviewed financial information can be viewed in full in the latter part of the circular or on the Company's website.

iii. Fair value remeasurement of the Legal Shield Holdings Limited equity interest for the six months period ended at 29 February 2024 following from the increased equity interest held up to 91.35% as at reporting period end. This adjustment has been made on the assumption that the transaction had occurred with effect from 1 September 2023, resulting in a revised fair value measurement through profit or loss following from the increased direct equity interest in the investee entity. This adjustment will have a continuing effect on Trustco's pro forma statement of financial position.

iv. Estimated transaction cost as per paragraph 17 relating to the Transaction for the six months ended 29 February 2024. This adjustment will not have a continuing effect on Trustco's pro forma statement of financial position.

ii. Issue of 400 million ordinary par value shares in Trustco Group Holdings Ltd to Riskowitz Value Fund at N\$ 1.17 per ordinary share as settlement for the Transaction of the 11.35% equity in Legal Shield Holdings Limited.

The settlement of the payment shares will be affected in two tranches:

- 200 million shares, 7 (seven) days after the Effective Date; and
- 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.

For the purposes of the pro-forma financial information the assumption has been made that 200 million shares are issued as at reporting date and the remaining shares are recognised as contingently issuable fixed number of shares included as part of shares for vendors within other reserves, as these shares will be issued within 12 (twelve) months after the issuance of the first tranche..

IAS 32 deals with settlement of a transaction using the entity's own equity instruments. [refer IAS 32.21 to 24]. The Transaction is settled in a fixed number of shares, IAS 32.AG27(a) explains that the total value of the consideration (cash or another financial asset received) is credited directly to equity as an equity contribution. There is therefore no gain/loss recognised from the issuer's perspective on conclusion of the transaction

This adjustment will have a continuing effect on Trustco's pro forma statement of financial position.

v. Cumulative change on the statement of profit or loss and other comprehensive income, specifically the earnings per share and headline earnings per share, due to effects of points ii, iii and iv mentioned above.



vi. The following further transactions are highlighted for shareholders' consideration.

#### **Meya Mining Limited Equity Interest Dilution: 23 February 2023**

During the financial year ended 31 August 2023 Meya Mining Limited (Meya) concluded a transaction with Sterling Global Limited (SGT) whereby Meya would issue additional equity to SGT up to a 70% shareholding in Meya to the value of USD 25 million. Trustco Group Holdings Limited is required in accordance with the JSE Limited Listings Requirements to dispatch a circular to shareholders containing a notice to convene a general meeting for shareholders to approve the proposed transaction by way of an ordinary resolution, prior to the implementation thereof. Trustco has not been able to issue the circular to shareholders, due to the SAMREC/ SAMVAL compliant competent persons report (CPR), which is a prerequisite for inclusion in the circular, remaining outstanding. Trustco received irrevocable undertakings of 63.26% of its shareholders to vote in favour of the transaction. The equity investment, together with a debt investment directly into Meya, enabled the underground development and the transition to commercial production. The decision to implement the transaction with SGT was made for the economic benefit of all shareholders and diluted the Trustco equity stake in Meya to 19.5%. Therefore, the financial impact associated with SGT transaction noted above has already been included in the Trustco Group Holdings Limited interim financial results for the period ended 29 February 2024.

#### **Next Conversion Agreement Announcement Date: 11 June 2024.**

Trustco agreed terms with Dr Quinton van Rooyen ("van Rooyen") and Next (collectively referred to as "the Lenders") to convert Trustco's total indebtedness towards the Lenders in the amount of N\$ 1,478,768,750 (one billion four hundred and seventy-eight million seven hundred and sixty-eight thousand seven hundred and fifty Namibia Dollars) (USD 82.15 million) related party loan ("the Loan"); and N\$2,949,072,000 (two billion nine hundred and forty-nine million and seventy-two thousand Namibia Dollars) (USD 163.8 million) as the outstanding purchase price to the Lenders for the mining assets sold. . The indebtedness between Trustco and the Lenders will be converted into shares for N\$ 1,17 per share ("Conversion Price") (USD 0.065), being the audited Net Asset Value ("NAV") per share, as of 31 August 2023 and recorded in the audited annual financial statements ("AFS") of Trustco. Trustco Group Holdings Limited is required in accordance with the JSE Limited Listings Requirements to dispatch a circular to shareholders containing a notice to convene a general meeting for shareholders to approve the proposed transaction by way of an ordinary resolution, prior to the implementation thereof. Trustco has not been able to issue the circular to the shareholders, therefore the financial impact of this proposed transaction has not been taken into consideration in the above pro-forma. Shareholders are therefore advised to take note of this transaction.

#### **Share Buyback: Announcement Date: 24 June 2024**

Trustco, Trustco Resources, and Legal Shield Holdings, collectively referred to as "Trustco Entities", entered into a Share Repurchase Agreement with the University of Notre Dame du Lac (Notre Dame) (the "Seller"). The Seller 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". The aggregated Purchase Price for the Shares is USD 5,000,000 (Five Million United States Dollars). Trustco Group Holdings Limited is required in accordance with the JSE Limited Listings Requirements to dispatch a circular to shareholders containing a notice to convene a general meeting for shareholders to approve the proposed transaction by way of an ordinary resolution, prior to

the implementation thereof. Trustco has not been able to issue the circular to the shareholders, therefore the financial impact of this proposed transaction has not been taken into consideration in the above pro-forma. Shareholders are therefore advised to take note of this transaction.

**Share Issue in lieu of payment of Independent Non-Executive Directors: Announcement Date: 13 August 2024**

in terms whereof the board approved, on recommendation of the Remco, that shares be issued to the INED's in lieu of historical director's compensation during successive years. The total number of shares is 9,500,000. Trustco Group Holdings Limited is required in accordance with the JSE Limited Listings Requirements to dispatch a circular to shareholders containing a notice to convene a general meeting for shareholders to approve the proposed transaction by way of an ordinary resolution, prior to the implementation thereof. Trustco has not been able to issue the circular to the shareholders, therefore the financial impact of this proposed transaction has not been taken into consideration in the above pro-forma. Shareholders are therefore advised to take note of this transaction.

**Share Issue in lieu of payment of Senior Executive: 23 August 2024**

In terms whereof the board, on the recommendation of the remuneration committee, approved a FY204 shares bonus proposal ("FY2024 Bonus"). In terms of the bonus scheme the executive member, Mr. Floors Abrahams, the financial director of Trustco would receive 5,000,000 (Five Million) Trustco Shares. Trustco Group Holdings Limited is required in accordance with the JSE Limited Listings Requirements to dispatch a circular to shareholders containing a notice to convene a general meeting for shareholders to approve the proposed transaction by way of an ordinary resolution, prior to the implementation thereof. Trustco has not been able to issue the circular to the shareholders, therefore the financial impact of this proposed transaction has not been taken into consideration in the above pro-forma. Shareholders are therefore advised to take note of this transaction.

**Share Consolidation: Announcement Date 14 August 2024**

In terms whereof the board approved the consolidation of Trustco's shares at a ratio of 20:1. Trustco Group Holdings Limited is required in accordance with the JSE Limited Listings Requirements to dispatch a circular to shareholders containing a notice to convene a general meeting for shareholders to approve the proposed transaction by way of an ordinary resolution, prior to the implementation thereof. Trustco has not been able to issue the circular to the shareholders, therefore the financial impact of this proposed transaction has not been taken into consideration in the above pro-forma. Shareholders are therefore advised to take note of this transaction.

**Trustco Group Holdings Ltd  
Consolidated Statement of Movements  
in Equity**

<i>Figures in Namibia Dollar million</i>	Notes	Before LSH Transaction	LSH Transaction	Fair value adjustment	Sub-Total	Transaction costs	Total adjusted balance
<b>Balance at 1 September 2023</b>							
<b>Share capital</b>							
Issued shares	(ii)	227	46	-	273	-	273

<b>Share premium</b>							
Share premium	(ii)	954	1	-	955	-	955
<b>Treasury shares</b>							
Treasury shares		(14)	-	-	(14)	-	(14)
<b>Other reserves</b>							
Contingency reserve	(ii)	-	48	-	48	-	48
Shares for vendors		2 300	-	-	2 300		2 300
<b>Accumulated earnings</b>							
Opening balance		(2 314)	-	-	(2 314)	-	(2 314)
Profit / (loss) for the period for the period		110	-	-	110	(2)	108
<b>Balance at 29 February 2024</b>		<b>1 263</b>	<b>95</b>		<b>1 358</b>	<b>(2)</b>	<b>1 356</b>

#### Notes

1) The "Before" column represents the statement of changes in equity of Trustco, extracted without adjustment, from the reviewed condensed consolidated interim financial statements for the six months ended 29 February 2024. The reviewed financial information can be viewed in full in the latter part of the circular or on the Company's website.

- ii. Issue of 400 million ordinary par value shares in Trustco Group Holdings Ltd to Riskowitz Value Fund at N\$ 1.17 per ordinary share as settlement for the Transaction of the 11.35% equity in Legal Shield Holdings Limited.

The settlement of the payment shares will be affected in two tranches:

- 200 million shares, 7 (seven) days after the Effective Date; and
- 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.

For the purposes of the pro-forma financial information the assumption has been made that 200 million shares are issued as at reporting date and the remaining shares are recognised as contingently issuable fixed number of shares included as part of shares for vendors within other reserves, as these shares will be issued within 12 (twelve) months after the issuance of the first tranche.

IAS 32 deals with settlement of a transaction using the entity's own equity instruments. [refer IAS 32.21 to 24]. The Transaction is settled in a fixed number of shares, IAS 32.AG27(a) explains that the total value of the consideration (cash or another financial asset received) is credited directly to equity as an equity contribution. There is therefore no gain/loss recognised from the issuer's perspective on conclusion of the transaction

This adjustment will have a continuing effect on Trustco's pro forma statement of financial position.



**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE PRO FORM FINANCIAL INFORMATION OF TRUSTCO GROUP HOLDINGS LIMITED**

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**To the Directors of Trustco Group Holdings Limited**

Trustco House  
2 Keller Street  
Windhoek  
Namibia

Dear Sir(s)/Madam(s)

**Report on the Assurance Engagement on the Compilation of *Pro Forma* Financial Information included in this Circular to Shareholders**

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Trustco Group Holdings Limited by the directors. The *pro forma* financial information, as set out in **paragraph 12** and **Annexure 1** of the Circular ("the Circular"), to be dated on or about 4 December 2024, consists of the *pro forma* consolidated statement of financial position as at 29 February 2024 and the *pro forma* consolidated statement of profit or loss and other comprehensive income for the six months ended 29 February and related notes. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the Johannesburg Stock Exchange Limited ("**JSE**") Listings Requirements and described in the basis of preparation paragraph of **Annexure 1**.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the proposed transaction, as described in **paragraph 4** to the Circular, on the Company's financial position as at 29 February 2024, and the Company's financial performance for the period then ended, as if the transaction had taken with effect from 1 September 2023 and for the period then ended. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the period ended 29 February 2024, on which an unmodified review report was issued on 4 December 2024, containing a Material Uncertainty related to the Going Concern paragraph.

***Directors' Responsibility for the Financial Information***

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the basis of preparation paragraph of **Annexure 1** of the Circular.

***Our Independence and Quality Management***

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants* (including International Independence Standards).

Nexia SAB&T applies International Standard on Quality Management (“ISQM”) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### ***Reporting Accountant's Responsibility***

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listing Requirements and basis of preparation paragraph described in **Annexure 1** of the Circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information included in a prospectus is solely to illustrate the impact of a significant transaction on unadjusted financial information of the entity as if the transaction had occurred or had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- 1) The related *pro forma* adjustments give appropriate effect to those criteria; and
- 2) The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the transaction in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the basis for preparation paragraph of **Annexure 1** of the Circular.

### **Consent**

This report on the *pro forma* financial information is included solely for the information of the Shareholders. We consent to the inclusion of our report on the *pro forma* financial information, and the references thereto, in the form and context in which they appear.

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### **Nexia SAB&T**

Johandre Engelbrecht

Director

Registered Auditor and Reporting Accountant Specialist

4 December 2024

119 Witch-Hazel Avenue, Highveld Technopark, Centurion, 0046

## ANNEXURE 3

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### INDEPENDENT FAIRNESS OPINION

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4 December 2024

To: The Directors

Trustco Group Holdings Limited  
2 Keller Street  
Trustco House  
Windhoek  
Namibia

**Subject: Draft Fairness Opinion on the Proposed Related Party Transaction between Trustco Group Holdings Limited and the shareholders of Legal Shield Holdings Ltd**

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#### 1. Introduction

On 17 April 2024, Trustco Group Holdings Limited ("TGH" or "the issuer") proposed to acquire 1,135 shares in Legal Shield Holdings Ltd (LSH), constituting 11.35% of LSH's issued share capital. Trustco will issue 400,000,000 Trustco shares as payment for this interest in LSH ("the transaction").

LSH and the shareholders of LSH are related parties to TGH. In terms of JSE listing requirements 10.4(f) *"the issuer must include a statement by the board of independent directors confirming whether the transaction is fair insofar as the shareholders of the issuer are concerned and that the board of directors has been so advised by an independent expert acceptable to the JSE..."*.

The board of directors of TGH ("the Board") has therefore requested W Technical Consulting Proprietary Limited ("W. Consulting") to act as independent professional expert in terms of the JSE Listings Requirements. The Board further mandated us to comment on the reasonableness of the transaction.

This fairness opinion has been prepared in compliance with JSE Listings Requirements. The purpose of this document is to outline the procedures conducted, the documents reviewed, the valuation methodologies applied, and the resulting conclusions.

#### 2. Description of the Proposed Transaction

Management of Trustco Group Holdings Limited ("Management") indicated that the proposed transaction will enable Trustco to increase its stake in Legal Shield Holdings Ltd (LSH). Subject to the fulfilment of the conditions precedent ("CPs") of the Proposed Transaction as set out in the Sale and Conversion Agreement ("SCA"), Trustco will acquire 1,135 ordinary shares in LSH, which will result in Trustco holding 11.35% of LSH's issued share capital ("the Sale Shares"). According to the SCA, the consideration



payable by Trustco to Riskowitz Value Fund LP ("the Seller") is the issuance of 400,000,000 new Trustco shares at a price of 117 South African cents per share ("the Consideration").

The key terms of the transaction are as follows:

- Trustco will issue 400,000,000 new shares to the Seller as Consideration.
- The Sale Shares constitute 11.35% of LSH's issued share capital.
- The Consideration is to be paid in two tranches: the first 200 million shares within seven days of the Effective Date and the remaining 200 million shares within twelve months thereafter, unless earlier issuance is advised by the Company Secretary as agreed by the parties to contract.
- The Sale Shares will be transferred to Trustco upon the issuance and registration of the new Trustco shares (first tranche).

Trustco's rights and economic interest in LSH pursuant to the Proposed Transaction are summarised as follows:

- Trustco will hold 11.35% of the shares issued by LSH.
- Trustco will issue 400,000,000 shares to the Seller as Consideration.
- The ownership, risk, and benefit in respect of the Sale Shares will transfer from the Seller to Trustco upon the effective issuance and registration of the Consideration shares. This will be after the first tranche.

The transaction aims to strengthen Trustco's strategic position in the market by consolidating its ownership in LSH, providing greater control and influence over the business operations of LSH.

### **3. Definition of Fairness and Reasonableness**

#### *Definition of fairness*

The JSE requires an opinion on fairness which, in the case of the proposed transaction where the issuer is the purchaser, would be considered fair should the market value of the interest in LSH be greater than or equal to the consideration paid by TGH.

Since TGH shares are not actively traded on the JSE, a Discounted Cash Flow (DCF) valuation technique was used to determine a fair value for Trustco Group Holdings (TGH). This approach is especially relevant given the limited trading activity, which means that the share price may not reflect TGH's true market value. Consequently, market-based valuation methods, such as trading multiples or recent share prices, may be unreliable. The JSE requires this fairness opinion to specifically assess whether the transaction is fair to TGH shareholders by evaluating whether TGH is acquiring the interest in LSH at a reasonable price.

In this case, TGH is acquiring an 11.35% interest in LSH, and the fairness opinion must verify that the market value of this interest is at least equal to or greater than the purchase price. If so, the transaction would be considered fair from a financial perspective, as TGH would acquire the interest at a reasonable value, safeguarding shareholder interests. The DCF valuation plays a critical role by providing an objective assessment of LSH's intrinsic value, ensuring that TGH is not overpaying, particularly given the lack of reliable market prices due to low trading volumes. This approach aligns with JSE requirements and supports a conclusion on fairness rooted in TGH's commitment to long-term value creation and financial prudence.

As the transaction involves the exchange of two equity instruments—400,000,000 TGH shares for an 11.35% interest in LSH—our assessment required an evaluation of the fair values of both TGH and LSH. To determine the fairness of the proposed transaction, we estimated the fair value (as defined below) of the 11.35% interest in LSH and incorporated it into the calculation of the dilution effect on TGH shares. The diluted price per TGH share was calculated by dividing the combined fair value of TGH and the 11.35% interest in LSH by the total number of outstanding TGH shares, plus the 400,000,000 new shares to be issued to the seller. Our valuation analysis was conducted as at 30 September 2024.

Fair value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

Given this, it is important to question whether a true market exists for TGH shares, considering the limited trading activity and inconsistent price movements. The infrequency of trades and potential for significant price volatility suggest that the market price of TGH shares may not provide a reliable indication of fair value, as it does not reflect an efficient market where value is consistently determined by informed buyers and sellers. In such circumstances, the lack of active trading volume highlights the need for alternative valuation methods, such as a Discounted Cash Flow (DCF) approach, to achieve a more accurate and fair assessment of value.

This fairness opinion does not purport to cater for individual shareholders' positions but rather the general body of shareholders. Should a shareholder be in doubt, they should consult an independent adviser as to the merits of the proposed transaction.

#### *Definition of reasonableness*

The JSE only requires that the expert opine on the fairness of a transaction although it would allow the expert to opine on the reasonableness, provided detailed disclosure is made in this regard. Fairness is based on quantitative issues and reasonableness on qualitative issues. For illustrative purposes, in the case of a disposal to a related party, the transaction may be said to be fair if the consideration payable by the related party is equal to or greater than the value of the business that is the subject of the transaction. In other instances, even though the consideration may be lower than the value of the business, the transaction may be said to be reasonable in certain circumstances, after considering other significant qualitative factors. Examples of these factors include:

1. **Enhanced Return on Investment (ROI):** For an investment entity, increasing its ownership in a profitable subsidiary amplifies the potential for returns on invested capital. The Transaction may boost the subsidiary's contribution to the overall portfolio, increasing income from dividends, cash flows, or earnings, which enhances the investment entity's portfolio performance and supports its objectives of maximising shareholder value.
2. **Improved Valuation and Liquidity Potential:** An increased ownership stake can potentially improve the subsidiary's valuation over time, as the investment entity's commitment may enhance investor confidence in the subsidiary's growth. Additionally, in the event of a future sale, a larger stake could make the entity more attractive to potential buyers, improving liquidity options and maximising exit potential.
3. **Flexibility for Future Strategic Actions:** Increasing the stake now may offer flexibility for future strategic actions, such as a full buyout, potential listing, or partial divestment. By securing a larger ownership position, the investment entity positions itself to capitalise on such options when market conditions are favourable, thereby managing risk and optimising value.
4. **Enhanced Cash Flow Stability:** For investment entities, a key goal is generating steady, reliable cash flows. By increasing its economic interest in the subsidiary, the investment entity secures a larger share of dividends or profit distributions, thereby enhancing portfolio cash flow stability and helping to meet investor expectations for consistent returns.

These qualitative factors illustrate how, even with existing control, an investment entity can justify acquiring additional shares to strengthen portfolio returns, improve asset management flexibility, and align with its long-term investment strategy. This added value makes the transaction reasonable from a strategic perspective, supporting the investment entity's mandate to create value for its investors.

#### 4. Sources of Information

In the course of our valuation analysis, we relied upon financial and other information, including prospective financial information, obtained from TGH and LSH management ("Management"), and from various public, financial, and industry sources. Our conclusion is dependent on such information being complete and accurate in all material respects.

As the appointed expert, I have undertaken reasonable steps to ensure that the information relied upon in this valuation is appropriate and reliable:

1. **Management Discussions and Validation:** I engaged in detailed discussions with the management teams of TGH to obtain a clear understanding of the financial and operational information, as well as the underlying assumptions supporting the prospective financial data provided. Management has confirmed that all material information presented is accurate and complete.
2. **Cross-Verification with Independent Sources:** To corroborate the data provided, I cross-referenced key financial and industry-specific information with reputable public sources and relevant industry benchmarks. This process was undertaken to ensure alignment with current market trends and independently sourced data, providing an additional layer of verification.
3. **Historical Accuracy Assessment:** I reviewed historical financial data, assessing the accuracy of past forecasts relative to actual outcomes. This analysis provided an indicator of management's track record in forecasting, lending credibility to the current projections used in the valuation.
4. **Independent Analysis of Assumptions:** Key assumptions—such as growth rates, discount rates, and sector-specific drivers—were independently assessed for reasonableness. Sensitivity analyses were also conducted on critical assumptions to understand the range of potential outcomes, ensuring robustness in the valuation conclusions.
5. **Reliance Statement:** My opinion and conclusions are explicitly contingent on the assumption that the information provided by management is accurate and complete in all material respects. Any material inaccuracies, omissions, or misstatements in the information provided would directly impact the valuation outcome.

Through these procedures, I have taken all reasonable steps to satisfy myself that the information used is reliable and suitable for an objective and fair valuation analysis.

The principal sources of information being used in performing our valuation include:

- The Sale and Conversion Agreement ("SCA")
- Addendum to the SCA
- Income forecasts for LSH:
  - Trustco Life up to 31 July 2034
  - Trustco Insurance up to 31 March 2034
  - LSH properties up to 30 September 2034
  - Real Estate Rentals & Services up to 31 March 2034
- Board presentations and other presentations relating to the transaction and forecast assumptions obtained from management
- Audited annual financial statements for TGH from the year ended 31 March 2019 up to 31 August 2023 and interim financial statements as at 29 February 2024.
- Income forecasts for TGH subsidiaries up to 2034
- Discussions with management
- Macroeconomic research from sources such as the International Monetary Fund, South African Reserve Bank, and various financial institutions
- 

Where practicable, we have corroborated the reasonableness of the information provided to us for the purpose of supporting our opinion, whether in writing or obtained through discussions with management.

## 5. Procedures

The procedures we are performing comprise the following:

- Analysis of the terms and conditions of the proposed transaction as contained in the CSA
- Consideration of conditions in, and the economic outlook for, the industry in which LSH and TGH operate
- Consideration of general market data including economic, governmental, and environmental forces that may affect the value of LSH and TGH
- Discussions concerning the historical and future operations of LSH and TGH with management
- Discussions with LSH's and TGH's management to obtain an explanation and clarification of data provided
- Consideration of the operating and financial results of LSH and TGH
- Analysis of financial and operating projections
- Estimation of appropriate valuation discounts or premiums to apply to the results of our valuation analysis
- Analysis of the historical equity contributions in respect of LSH and TGH
- Analysis of other facts and data considered pertinent to this valuation to arrive at a conclusion of value

## 6. Assumptions

Our opinion is based on the following key assumptions:

- Current economic, regulatory, and market conditions in South Africa and Namibia will not change materially
- LSH and TGH are not involved in any other material legal proceedings other than those conducted in the ordinary course of business
- LSH and TGH have no material outstanding disputes with the South African Revenue Service or the Namibia Revenue Agency
- There are no undisclosed contingencies that could affect the value of LSH and TGH
- The proposed transaction will not give rise to any undisclosed tax liabilities that LSH and TGH will be required to settle
- For the purposes of this engagement, we assumed LSH's and TGH's existing businesses to be ongoing under current business plans and management
- Representations made by management during the course of forming this opinion

## 7. Valuation

We have assessed the trading activity of TGH shares and concluded that they are not actively trading.

We reviewed trading data for the past two years from 26 September 2022 to 23 September 2024, and it revealed that the shares exhibit characteristics of low liquidity and minimal market activity. During this period the shares were suspended however even in the period leading up to the valuation date the shares remaining thinly traded.

### Key Observations

Metric	Data Observed
VWAP (Volume Weighted Average Price)	R 0,2655
1Yr Average trading volume	110 170
2yr Average trading volume	83 399

<b>Price Range</b>	R0.05 (low) to R1.50 (high)
<b>Trading Days with Limited or No Trades</b>	Multiple days had only 1 or no trades recorded
<b>Bid-Ask Spread</b>	Significant difference between bid (3.62 million shares) and ask (2.78 million shares)
<b>Total Volume Traded</b>	6 518 386 shares traded over the period whereas Trustco has 941 238 443 outstanding shares

The key findings indicate that TGH shares are not actively traded. The total number of trades during the period 07 August 2024 to 30 September 2024 was only 215, averaging approximately 4 trades per day. In addition, there were numerous days with minimal or no trading activity, with certain days recording as few as 1 or no trades at all. This irregular trading pattern is a strong indication of limited market activity in these shares.

A notable observation is the wide bid-ask spread, which reflects low liquidity. The spread between the bid volume (3.62 million shares) and the ask volume (2.78 million shares) points to a market where buyers and sellers struggle to transact at agreeable prices, further evidencing the lack of active trading.

The price range observed during the period was also unusually broad, with prices fluctuating between R0.05 and R1.50. This level of volatility is characteristic of thinly traded stocks, where limited transactions can cause disproportionate price movements.

Given these factors—low number of trades, days with no activity, a wide bid-ask spread, significant price volatility, and inconsistent trading volumes—we concluded that TGH shares do not meet the criteria for active trading and should be regarded as illiquid for the purposes of this fairness opinion.

Accordingly, the fair value of TGH was determined using an appropriate valuation technique. In this process, TGH’s listed shares have been fair-valued alongside LSH using a Discounted Cash Flow (DCF) valuation technique as part of a fairness opinion for Trustco Group Holdings (TGH) is appropriate, especially given the limited trading activity of its shares on the JSE. Since TGH’s share price may not accurately reflect its true value due to low trading volumes, DCF provides a more reliable measure by focusing on the company’s intrinsic value, derived from projected future cash flows. By estimating these cash flows and discounting them to present value, DCF captures TGH’s operational performance and growth potential, offering a fair and objective assessment of its worth. This approach aligns with the objectives of a fairness opinion, ensuring stakeholders receive an accurate representation of TGH’s value, independent of market volatility or illiquidity

For the purposes of our valuation, we used the Income Approach (discounted cash flow valuation) as our primary approach to value LSH and TGH. Given that TGH is not actively trading and is diverse, and the challenges of identifying perfectly comparable companies, our view is that the market approach is the least applicable valuation method on the basis of a lack of actively traded shares and the lack of recent transactions for comparable entities.

As TGH is an investment entity, most of its underlying asset and liabilities are measured at fair value, thus the net asset value (NAV) approximates the fair value. As such, the NAV from the latest TGH interim results, as fair valued by management was used merely as a sense check of our own valuation.

We have calculated the fair value of LSH as at 30 September 2024 using the Income Approach to be:

<b>N\$M</b>
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	<b>Fair Value</b>	Lower range of discount rate	Upper range of the discount rate
<b>Fair value of 100% interest in LSH</b>	<b>774</b>	1 127	506
<b>11.35% thereof</b>	<b>88</b>	128	57
<b>Less minority discount – 16.9%</b>	<b>(15)</b>	(22)	(10)
<b>Fair value of 11.35% in LSH</b>	<b>73</b>	106	48

*The fair value of the 11.35% interest was determined from a market participant holding only 11.35% hence the minority discount of 16.9% was applied.*

The fair value of LSH was derived as follows:

<b>Enterprise Values (EV)</b>	<b>N\$M</b>
<b>LSH Properties</b>	1 561
<b>Trustco Life</b>	296
<b>Trustco Insurance</b>	14
<b>Real Estate Rentals &amp; Services</b>	79
<b>Total EV</b>	<b>1 949</b>
<b>External debt</b>	(1 175)
<b>Total equity</b>	<b>774</b>

*The EV of the above entities are included in the EV of TGH. However, they are limited to 80% of the above values as TGH owns 80% of LSH.*

The fair value of TGH as at 30 September 2024 has been determined to be:

	<b>N\$M</b>		
	<b>Fair Value</b>	Lower range of discount rate	Upper range of the discount rate
<b>Fair Value of TGH</b>	<b>880</b>	1 252	589
<b>Price per share (undiluted - 992 174 000 shares)</b>	0.89	1,26	0,59
<b>Diluted price per share (880 473 041+ 72 998 436)/ (1 322 174 000 shares – 992 174 000+ 400 000 000)</b>	0.68	0.98	0.46

*The fair value of TGH was determined using a build-up approach in which all its subsidiaries were fair valued separately using the income approach, with additional holding adjustments applied. This method involved individually valuing each investment of TGH, and then aggregating these values to determine the overall fair value of TGH.*

The TGH fair value was derived as follows:

<b>Enterprise Values (EV)</b>	<b>N\$M</b>
<b>Meya Resources</b>	1 623
<b>LSH Properties</b>	1 249
<b>TGISA</b>	275
<b>Trustco Life</b>	236
<b>Institute for Open Learning</b>	164

Trustco Finance	121
Real Estate Rentals & Services	75
Trustco Capital	29
Trustco Insurance	11
<b>Total EV</b>	<b>3 784</b>
External debt	(2 683)
Equity value of TGH	1 101
Holding company discount – 20%	(220)
<b>Equity Fair Value of TGH</b>	<b>880</b>

The key value drivers were as follows:

Entity	Enterprise Value (EV) (N\$M)	Key Valuation Drivers
<b>Meya Resources</b>	1,623	Value primarily driven by diamond reserves quality and production forecasts. Global diamond prices and operating costs are key determinants. Valuation shows sensitivity to price movements, operating cost variations, and production volume changes. Mining recovery rates and resource grade variations significantly impact performance.
<b>LSH Properties</b>	1,249	Value primarily driven by land development pipeline and servicing capabilities. Key value determinants are servicing costs (water, electricity, roads), and developed land sales prices. Shows sensitivity to development costs, sales price variations, and infrastructure cost fluctuations. Time to market significantly impact project returns. Development margins heavily influenced by efficiency in bulk infrastructure installation and market absorption rates for serviced stands.
<b>TGISA</b>	275	Valuation includes revenue from consulting services and growth potential in new contracts. Sensitive to client acquisition and retention.
<b>Trustco Life</b>	236	Value driven by premium income and mortality experience. Sensitive to premium growth, claims ratio changes, and investment return variations. Policy retention and cost-to-income ratio affect profitability. Reflects stable cash flows with moderate growth in the policyholder base.
<b>Institute for Open Learning</b>	164	Enrolment growth and tuition revenue are primary value drivers. Shows sensitivity to enrolment changes, tuition fee variations, and operating cost fluctuations.
<b>Trustco Finance</b>	121	Loan book growth and interest spreads drive valuation. Key sensitivities include loan growth variations, interest spread changes, and default rate fluctuations. Funding costs impact margins.
<b>Real Estate Rentals &amp; Services</b>	75	Stable rental yields and property management fees drive value. Sensitive to rental income changes, and management fee fluctuations.
<b>Trustco Capital</b>	29	Value based on internal service fees and cost recovery. Shows sensitivity to service fee changes and cost recovery variations. Stable, low-risk cash flows.
<b>Trustco Insurance</b>	11	Premium growth and combined ratio drive value. Sensitive to premium changes and claims ratio variations.

Total Enterprise Value (EV) for Trustco Group Holdings (THG): N\$3,784 million

**Expanded Sensitivity and Scenario Analysis for Major Entities**  
**Meya Mine - Detailed Sensitivity and Scenario Analysis**

Variable	Base Assumption	+5% Change	-5% Change
<b>Diamond Prices</b>	Current market rate – USD 382 per carat	N\$1 762M	N\$1 484M
<b>Production Costs</b>	USD 155 per carat	N\$1 563M	N\$1 683M
<b>Production Levels</b>	Assumed Output -16%	N\$1 763M	N\$1 483M

Increased diamond prices by 5% lead to a valuation increase of approximately N\$139M, while increased production costs by 5% reduce the valuation by N\$69M. This reflects Meya Mine’s sensitivity to price and cost changes, underscoring the importance of commodity price forecasts in the valuation.

**LSH Properties - Occupancy and Appreciation Rate Sensitivity**

Variable	Base Assumption	+5% Change	-5% Change
<b>Sales prices (per square meter NAD)</b>	Residential erven – 400 to 5 460 General residential – 420 to 2 200 Business erven – 450 to 2 200 Office – 1 950 Institutional – 350 Private open space – 150	N\$1 398M	N\$1 100M
<b>Development costs (per square meter)</b>	From 25 to 2 690	N\$1 152M	N\$1 344M

The valuation shows sensitivity to development costs, sales price variations, and infrastructure cost fluctuations. Time to market significantly impact project returns. Development margins heavily influenced by efficiency in bulk infrastructure installation and market absorption rates for serviced stands.

*We compared our valuation of the property businesses to the property valuations recorded in the LSH financial statements as of 31 August 2024 and noted no material differences.*

**Fair value reasonableness check**

The TGH fair value was compared to NAV from interim financial statements for TGH as at 29 February 2024.

	N\$M
<b>NAV of TGH</b>	<b>1 263</b>
<b>Holding company discount (20%)</b>	(253)
<b>Adjusted NAV</b>	<b>1 010</b>
<b>Price per share (undiluted - 992 174 000 shares)</b>	1.02
<b>Diluted price per share (1 010 400 000+ 72 998 436)/(1 322 174 000 shares – 992 174 000+ 400 000 000)</b>	0.82

The decrease in fair value from February 2024 to September 2024 was primarily driven by a revision in forecasted cash flows, pushing them further into the forecasted period and an increase in discount rates. Management revised the cash flow projections based on their best estimates, considering their in-depth knowledge of the business and its future prospects.

**Key inputs**



The fair value for entities within the financial services sector was determined by discounting free cash flows to equity holders by the cost of equity:

Input	Capital	Finance	Insurance	Life
Risk-free Rate ( $R_f$ )	9,77%	9,77%	9,77%	9,77%
Equity Beta (bE)	0,65	0,65	0,45	0,98
Equity Risk Premium (ERP)	5,95%	5,95%	5,95%	5,95%
Cost of Equity ( $K_E$ )	13,63%	13,63%	12,45%	15,58%
Small Stock Premium	5,20%	5,20%	5,20%	5,20%
Specific Risk premium	3,20%	2,80%	0,00%	0,00%
Adjusted Cost of Equity ( $K_E$ )	22,03%	21,63%	17,65%	20,78%
Growth rate	5%	6%	6%	5%
Marketability discount	6,30%	6,30%	7,70%	7,70%

For other entities, the free cash flows for the enterprise were discounted using the weighted average cost of capital (WACC):

Input	IOL	TGISA	Meya mining	Real Estate Rentals & Services
Risk-free Rate ( $R_f$ )	9,77%	9,77%	4,28%	9,77%
Equity Beta (bE)	0,87	0,98	1,22	1,04
Equity Risk Premium (ERP)	5,95%	5,95%	15,12%	5,95%
Cost of Equity ( $K_E$ )	14,96%	15,58%	27,90%	15,94%
Small Stock Premium	5,20%	5,20%	5,25%	5,20%
Specific Risk premium	3,20%	3,20%	4,30%	3,20%
Adjusted Cost of Equity ( $K_E$ )	23,36%	23,98%	32,20%	24,34%
Tax Rate	32,00%	32,00%	30,00%	32,00%
Cost of Debt ( $K_D$ )	17,81%	18,16%	24,88%	16,27%
Debt / Value Ratio (D/V)	43,24%	21,97%	17,41%	41,43%
Equity / Value Ratio (E/V)	56,76%	78,03%	82,59%	58,57%
WACC	18,50%	21,42%	29,63%	18,84%
Growth rate	6,00%	6,00%	6,30%	6,00%
Marketability discount	6,30%	6,30%	15,30%	6,30%

### LSH Properties

Some of the key inputs used to fair value the property businesses were as follows:

Input	Elisenheim Lifestyle Estate	Elisenheim Nature Estate	Elisenheim Key360	Lafrenz Ext 2	Nubuamis No	Herboths	Herboths Plots	Herboths Portion 3	Ondangwa Development
Risk-free Rate ( $R_f$ )	9,77%	9,77%	9,77%	9,77%	9,77%	9,77%	9,77%	9,77%	9,77%
Equity Beta (bE)	1,01	1,01	1,01	1,01	1,01	1,01	1,01	1,01	1,01
Equity Risk Premium (ERP)	5,95%	5,95%	5,95%	5,95%	5,95%	5,95%	5,95%	5,95%	5,95%
Cost of Equity ( $K_E$ )	15,75%	15,75%	15,75%	15,75%	15,75%	15,75%	15,75%	15,75%	15,75%
Small Stock Premium	3,40%	5,20%	5,20%	5,20%	5,20%	5,20%	5,20%	5,20%	5,20%
Specific Risk premium	3,40%	3,80%	8,80%	3,20%	3,20%	3,80%	3,20%	3,20%	3,40%
Adjusted Cost of Equity ( $K_E$ )	22,55%	22,55%	22,55%	22,55%	22,55%	22,55%	22,55%	22,55%	22,55%
Tax Rate	32,00%	32,00%	32,00%	32,00%	32,00%	32,00%	32,00%	32,00%	32,00%
Cost of Debt ( $K_D$ )	13,21%	13,21%	13,21%	13,21%	13,21%	13,21%	13,21%	13,21%	13,21%
Debt / Value Ratio (D/V)	44,47%	44,47%	44,47%	44,47%	44,47%	44,47%	44,47%	44,47%	44,47%
Equity / Value Ratio (E/V)	55,53%	55,53%	55,53%	55,53%	55,53%	55,53%	55,53%	55,53%	55,53%
WACC	16,52%	17,74%	21,96%	18,85%	18,85%	19,18%	18,85%	18,85%	18,96%
Marketability discount	7,70%	7,70%	7,70%	7,70%	7,70%	7,70%	7,70%	7,70%	7,70%

The key valuation assumptions considered in our Income Approach analysis included forecast assumptions in respect of revenue growth, cost growth, profit margins, taxation, capital expenditure, working capital requirements, the terminal growth rate, and a risk-adjusted discount rate calculated for LSH and TGH. The discounted cash flow valuation was performed taking cognisance of risk and other market and industry factors affecting LSH's and TGH's operations. In doing so we took note of the

material uncertainty regarding the going concern in the auditors' opinion (refer Annexure 7), primarily in the consideration of discount rates applied to the cash flows applied in our valuation.

## 8. Fairness Opinion

Our assessment is based on the current economic, market, regulatory, and other conditions, and the information made available to us by management up to 30 September 2024. Accordingly, subsequent developments may affect this assessment, which we are under no obligation to update, revise, or re-affirm.

### *Fairness*

The fairness of the transaction was evaluated by comparing the fair value of 992 174 000 shares (existing shares) before the transaction to their fair value after dilution. The post-dilution fair value accounts for the 11.35% stake acquired from the sellers.

The impact on existing shareholders is as follows:

	N\$M		
	Fair Value	Lower range of discount rate	Upper range of the discount rate
<b>Fair value of 992 174 000 TGH shares (at N\$0.89)</b>	<b>880</b>	1 252	589
<b>Fair value of 992 174 000 TGH shares after the transaction (N\$0.68)</b>	<b>(680)*</b>	(968)	(454)
<b>Difference</b>	<b>200</b>	284	135

\* The fair value of 992 174 000 TGH shares after the transaction is derived by adding the fair value of TGH before the transaction and the fair value of LSH portion acquired and then dividing by the new number of shares after issuing 400 million shares. The new price per share is then used to derive the fair value of N\$680 M for the 992 174 000 shares.

The transaction will result in shares before the transaction losing N\$200 million in valuation due to the dilution effect. The reason for the dilution effect is due to the value of the LSH shares acquired being below the value of the TGH shares to be transferred in the transaction.

As of the valuation date, 30 September 2024, it is our opinion that the transaction is not fair due to the material dilution effect.

As of the report date, 4 December 2024, while the business cash flows remain fundamentally unchanged, the discount rates are likely to have adjusted due to changes in benchmark rates and other inputs. Although these changes may be significant, they are expected to fall within the range of lower and upper discount rates considered in our analysis. Therefore, our conclusion that the transaction is not fair remains unchanged.

## 9. Reasonableness opinion

### *Background*

Trustco Group Holdings (TGH), an investment entity, is proposing to increase its stake in LSH, a company involved in the insurance and real estate sectors, by acquiring an additional 11.35% stake. TGH currently holds 80% of the LSH shares. Trustco already holds a controlling stake in LSH and intends to simplify its ownership structure by reducing the number of outside shareholders. The transaction is

structured as a share-for-share exchange, meaning that the exiting LSH shareholders will receive shares in Trustco, thereby remaining indirectly exposed to LSH's future performance.

The Transaction is at a significant premium to the current fair value of LSH (hence our opinion on fairness as expressed above), however we took note of the expectations of Trustco's directors regarding significant future growth in the value of LSH driven by:

- The undervaluation of LSH's undeveloped land holdings.
- Strong future cash flows from ongoing property developments.
- Expected macroeconomic growth in Namibia, particularly from the oil and green energy sectors.
- A reduction in borrowing costs as Namibia's REPO rates are projected to decline.

Our mandate is to assess whether this transaction can be considered reasonable given the factors outlined by Trustco's directors and the nature of the transaction.

### *Key Considerations in Assessing Reasonableness*

#### **1. Share-for-Share Structure**

The share-for-share nature of the transaction has important implications for its reasonableness. Since no cash is changing hands, there are no immediate liquidity impacts for Trustco. This mitigates concerns around paying a premium, as Trustco does not need to raise or deploy cash resources for the Transaction.

Additionally, the exiting LSH shareholders are not completely removed from the future performance of LSH, as they will receive shares in Trustco, which continues to hold a significant stake in LSH. As Trustco's success is partly tied to LSH's future value, the exiting shareholders maintain indirect exposure to LSH's performance through their Trustco shares.

#### **2. Simplification of Ownership**

We have specifically assessed the strategic objective of simplifying the ownership structure by reducing the number of external shareholders in LSH and find it to be reasonable. By increasing its stake, Trustco aims to streamline governance processes and reduce the administrative complexity associated with managing a diverse shareholder base. This aspect of the transaction aligns with Trustco's long-term strategy for LSH, enabling it to operate more efficiently and respond more effectively to market opportunities without the added challenges posed by a fragmented ownership structure.

#### **3. Timing of the Investment**

The transaction represents a strategic early-entry decision, a common approach for investment entities aiming to generate alpha by positioning ahead of anticipated value-enhancing developments. While the price includes a premium relative to the current valuation of LSH, this is supported by expectations of future growth beyond current projections

Key drivers of this expected growth include macroeconomic expansion spurred by oil discoveries and green energy projects in Namibia, reductions in borrowing costs due to declining REPO rates, and land appreciation driven by rising demand for real estate. These factors cannot be included in the current valuation, as they are based on future events that lack sufficient certainty or measurable impact. However, they provide a rational basis for the premium, reflecting the potential for outsized returns should these developments materialise.

#### **4. Strategic Value of Undeveloped Land**

LSH's significant land holdings, especially those near strategic infrastructure projects and economic zones, are expected to appreciate as Namibia's economy grows. The current DCF valuation may not fully

capture this potential due to conservative near-term assumptions, but the long-term appreciation of these assets is a key driver of Trustco's willingness to pay a premium.

The land banking strategy employed by LSH positions it to benefit from increasing demand for real estate in the future, which is aligned with Trustco's investment approach of holding assets with long-term growth potential.

### **Conclusion**

In our opinion, while the transaction is not fair based on the current DCF valuation of LSH, it is reasonable when considering Trustco's long-term strategy and factors that support potential value appreciation. The share-for-share structure mitigates immediate liquidity risks, and exiting LSH shareholders retain indirect exposure to LSH's performance through their Trustco shares. Additionally, the transaction's strategic objective of consolidating ownership and control over LSH aligns with Trustco's goal to streamline operations and strengthen its influence over the asset.

The acquisition of an additional 11.35% interest, while not fundamentally changing Trustco's control (as it already holds majority ownership), does enhance Trustco's strategic influence and economic stake in meaningful ways. By increasing its share, Trustco will be entitled to a larger portion of LSH's earnings, directly benefiting its shareholders.. Simplifying ownership further aligns with Trustco's goal to streamline governance and reduce administrative complexities associated with minority shareholders.

Although this additional interest does not materially alter Trustco's legal control, it amplifies its economic and strategic influence, promoting operational alignment and potentially boosting long-term value creation. These factors enhance the reasonableness of the transaction, as they align with Trustco's objective to maximize efficiency and economic benefits within the group.

The timing of this investment, though potentially ahead of certain anticipated positive developments, reflects a typical investment strategy aimed at capturing upside by investing early in undervalued assets. The premium paid reflects Trustco's confidence in LSH's future potential and its capacity to manage short-term risks while seeking long-term returns.

Considering the lack of immediate liquidity concerns, the strategic advantages of simplified ownership, and Trustco's long-term investment horizon, we conclude that the transaction is reasonable despite uncertainties around the timing of expected positive outcomes. This approach aligns with Trustco's role as an investment entity focused on capital appreciation and is consistent with its strategic objectives for LSH.

### **10. Independence**

We confirm that W. Consulting holds no shares in TGH or LSH, directly or indirectly. We have no interest, direct or indirect, beneficial or non-beneficial, in TGH or in the outcome of the proposed transaction. Furthermore, we confirm that our professional fees, payable in cash, are not contingent on the outcome of the proposed transaction. We also confirm that we have the necessary qualifications and competence to provide the fairness opinion.

### **11. Material Interests of Directors and Trustees**

In accordance with sections 114(3)(e) and (f) of the Companies Act, we confirm that directors' have no interests in TGL and LSH.

### **12. Limiting Conditions**

This letter and opinion have been prepared solely for the Board in connection with, and for the purposes of, the transaction in terms of Section 10. Therefore, it shall not be relied upon for any other purpose. We

assume no responsibility to anyone if this letter and opinion are used for anything other than their intended purpose.

While our work has involved an analysis of financial information and the preparation of financial models, our engagement does not include an audit in accordance with International Standards on Auditing of the business records and financial data of LSH or TGH. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

The valuation of companies and businesses is not a precise science, and conclusions arrived at in many cases will necessarily be subjective and dependent on the exercise of individual judgment. Further, whilst we consider our opinion to be defensible based on the information available to us, others may have a different view and arrive at a different conclusion.

Budgets/projections/forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to those projected/forecast by the management of LSH and TGH.

### **13. Consent**

We hereby consent to the inclusion of our independent expert's report in any required regulatory announcement or documentation.

Your Sincerely

Rodgers Mavhiki  
**Director**  
W. Consulting

**ANNEXURE 4**

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**FINANCIAL INFORMATION OF LEGAL SHIELD HOLDINGS LIMITED FOR THE YEARS  
ENDED 31 AUGUST 2023, 31 AUGUST 2022 AND 31 AUGUST 2021**

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Information available on: <https://www.tgh.na/investors/circulars>

## ANNEXURE 5

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### INDEPENDENT REPORTING ACCOUNTANTS ASSURANCE REPORT ON THE HISTORIC FINANCIAL INFORMATION OF LEGAL SHIELD HOLDINGS LIMITED FOR THE FINANCIAL YEARS ENDED 31 AUGUST 2023, 31 AUGUST 2022 AND 31 AUGUST 2021

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The Directors  
**Trustco Group Holdings Limited**  
Trustco House  
2 Keller Street  
Windhoek  
Namibia

Dear Sir(s)/Madam(s)

#### **Introduction**

At your request, and for the purpose of the Circular to be dated on or about 4 December 2024 (“**the Circular**”), we have audited the consolidated historical financial information of Legal Shield Holdings and its subsidiaries (the “Group”) in respect of the years ended 31 August 2023, 31 August 2022 and 31 August 2021 as presented in **Annexure 4** of the Circular.

The historical financial information includes the consolidated statement of financial position as at 31 August 2023, 31 August 2022 and 31 August 2021 and the related consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the years then ended, and the notes, comprising a summary of material accounting policies which is prepared in accordance with the IFRS® Accounting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”), Basis of preparation paragraph included in the historical financial information and the JSE Listings Requirements.

The directors of Trustco Group Holdings Limited are responsible for the compilation, contents and preparation of the Circular which includes the historical financial information for the years ended 31 August 2023, 31 August 2022 and 31 August 2021, in accordance with the IFRS® Accounting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”), statement of compliance and basis of preparation paragraph included in the historical financial information and the JSE Listings Requirements.

This report is required for the purposes of complying with Section 8.4 of the Listings Requirements of the JSE Listings Requirements and is given for the purpose of complying with those requirements and for no other purpose.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the JSE Listings Requirements and consenting to its inclusion in the Circular.

## Opinion

We have audited the historical financial information of Legal Shield Holdings Limited set out on **Annexure 4** to the Circular, which comprise the consolidated statement of financial position as at 31 August 2023, 31 August 2022 and 31 August 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the years then ended, and notes to the historical financial information, including a summary of material accounting policies.

In our opinion, the historical financial information present fairly, in all material respects, the consolidated financial position of Legal Shield Holdings Limited as at 31 August 2023, 31 August 2022 and 31 August 2021, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”), statement of compliance and basis of preparation paragraph included in the historical financial information and the JSE Listings Requirements.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Historical Financial Information* section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors’ *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty related to the Going Concern

We draw attention to note 32 of the historic financial information, which indicates that the group’s current liabilities exceeded its current assets by NAD 803 million, with total liabilities exceeding total assets by NAD 73 million and cash and cash equivalents as at 31 August 2023, amounting to NAD 10 million. As stated in note 32 of the historic financial information, these events or conditions, along with other matters as set forth in note 32 of the historic financial information, indicate that a material uncertainty exists that may cast significant doubt on the group’s ability to continue as a going concern. We have considered the adequacy of the disclosures made in note 32 of the historic financial information concerning the group’s ability to continue as a going concern and we assessed the solvency and liquidity of existing assets.

Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the historical financial information of the current period. These matters were addressed in the



context of our audit of the historical financial information as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<b>Fair value adjustment on investment property</b>	
<p>As at 31 August 2023, 31 August 2022 and 31 August 2021, the group recognised investment property carried at fair value of NAD 878 million, NAD 918 million and NAD 1,638 million respectively.</p> <p>Investment property makes up a significant portion of the total assets of the group.</p> <p>Furthermore, the fair value adjustment on the investment property included in investment and other income, is considered to be significant.</p> <p>The valuations of the properties are based on a combination of both observable and unobservable inputs as disclosed in note 6.</p> <p>These judgments and assumptions significantly impact the valuations as can be seen by the sensitivity analysis disclosures in note 6.</p> <p>Valuation of investment property was considered a matter of most significance in our audit due to the degree of judgements applied and assumptions made by management during the valuation of investment property.</p>	<p>We evaluated the key assumptions made by the directors in the determining the fair value of the investment property.</p> <p>Our procedures included amongst others:</p> <ol style="list-style-type: none"> <li>i. We engaged with management to obtain a detailed understanding of their property valuation systems and processes;</li> <li>ii. We assessed whether the valuation techniques and methodologies applied by management are consistent with generally accepted property valuation techniques in the real estate market;</li> <li>iii. We have tested the assumptions and data used by management, to derive at the fair values of the investment properties, by independently verifying the reasonability of these assumptions and data to third parties and other market data;</li> <li>iv. We evaluated the competence and experience of management's staff with reference to their qualifications and industry experience;</li> <li>v. We held discussions with management to establish if the valuations complied with the requirements of IFRS 13 Fair Value Measurement; and</li> <li>vi. We critically assessed the measurement basis and disclosures for the valuation in accordance with International Financial Reporting Standards.</li> </ol> <p>We found the methods, assumptions and data used by the directors to be appropriate based on historical performance, future outlook and current prevailing circumstances.</p> <p>We considered the fair value disclosures to be appropriate.</p>

### Responsibilities of the Directors for the Historical Financial Information

The directors are responsible for the preparation and fair presentation of the historical financial information in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”), statement of compliance and basis of preparation paragraph included in the historical financial information and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of historical financial information

that are free from material misstatement, whether due to fraud or error.

In preparing the historical financial information, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Independent Reporting Auditor's Responsibilities for the Audit of the Historical Financial Information**

Our objectives are to obtain reasonable assurance about whether the historical financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the historical financial information.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the historical financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the historical financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the historical financial information, including the disclosures, and whether the historical financial information represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the historical financial information. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the historical financial information of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Consent**

We consent to the inclusion of this report in the Circular in the form and context in which it appears.

Yours faithfully

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### **Nexia SAB&T**

Johandre Engelbrecht

Director

Registered Auditor and Reporting Accountant Specialist

4 December 2024

119 Witch-Hazel Avenue, Highveld Technopark, Centurion, 0046

**ANNEXURE 6**

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**CONDENSED CONSOLIDATED INTERIM HISTORIC FINANCIAL INFORMATION OF LEGAL SHIELD HOLDINGS LIMITED FOR THE SIX MONTHS PERIOD ENDED 29 FEBRUARY 2024**

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Information available on: <https://www.tgh.na/investors/circulars>

## ANNEXURE 7

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### INDEPENDENT REPORTING ACCOUNTANTS LIMITED ASSURANCE REPORT ON THE CONDENSED CONSOLIDATED INTERIM HISTORIC FINANCIAL INFORMATION OF LEGAL SHIELD HOLDINGS LIMITED FOR THE SIX MONTHS ENDED 29 FEBRUARY 2024

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The Directors  
**Trustco Group Holdings Limited**  
Trustco House  
2 Keller Street  
Windhoek  
Namibia

Dear Sir(s)/Madam(s)

#### **Introduction**

At your request, and for the purpose of the Circular to be dated on or about 4 December 2024 (“**the Circular**”), we have reviewed the condensed consolidated interim historic financial information of Legal Shield Holdings and its subsidiaries (the “Group”) in respect of the six months ended 29 February 2024 as presented in **Annexure 6** of the Circular.

The condensed consolidated interim historic financial information includes the consolidated statement of financial position as at 29 February 2024 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six month then ended 29 February 2024, and selected explanatory notes prepared in accordance with the basis of preparation paragraph included in the financial statements and the JSE Listings Requirements.

The directors of Trustco Group Holdings Limited are responsible for the preparation of the condensed consolidated interim historic financial information. The directors are responsible for the compilation, contents and preparation of the Circular which includes the historical financial information for the six months ended 29 February 2024, in accordance with the basis of preparation paragraph included in the interim condensed financial statements and the JSE Listings Requirements.

This report is required for the purposes of complying with Section 8.7 of the Listings Requirements of the JSE Listings Requirements and is given for the purpose of complying with those requirements and for no other purpose.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the JSE Listings Requirements and consenting to its inclusion in the Circular

We have reviewed the condensed consolidated interim historic financial information of Legal Shield Holdings Limited, as set out in **Annexure 6** to the Circular, which comprise the consolidated statement of

financial position as at 29 February 2024 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months then ended, and selected explanatory notes.

### **Directors' Responsibility for the Condensed Consolidated Interim Historic Financial Information**

The directors are responsible for the preparation and presentation of these condensed consolidated interim historic financial information in accordance with the basis of preparation paragraph included in the historical financial information and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Independent Reviews Responsibility**

Our responsibility is to express a conclusion on the condensed consolidated interim historic financial information. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400, Engagement to Review Historical Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim historic financial information are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed consolidated interim historic financial information in accordance with ISRE 2400 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated interim historic financial information.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim historic financial information of Legal Shield Holdings Limited for the period ended 29 February 2024 are not prepared, in all material respects, in accordance with the requirements of the basis of preparation paragraph included in the historical financial information and the Johannesburg Stock Exchange Limited ("JSE") Listings Requirements.

### **Material uncertainty related to the Going Concern**

We draw attention to note 11 of the condensed consolidated interim historic financial information, which indicates that the group's current liabilities exceeded its current assets by NAD 795 million, with total liabilities exceeding total assets by NAD 41 million and cash and cash equivalents as at 29 February 2024, amounting to NAD 9 million. As stated in note 11 of the condensed consolidated interim historic financial information, these events or conditions, along with other matters as set forth in note 11 of the condensed consolidated interim historic financial information, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. We have considered the adequacy of the disclosures made in note 11 of the condensed consolidated interim historic financial information

concerning the group's ability to continue as a going concern and we assessed the solvency and liquidity of existing assets.

Our conclusion is not modified in respect of this matter.

**Other matter**

The condensed consolidated interim historic financial information of Legal Shield Holdings Limited includes comparative financial information for the six months ended 28 February 2023 which have not been reviewed or audited as there was no requirement for this preceding corresponding period to be reviewed or audited.

Our review conclusion is not modified in respect of this matter.

**Consent**

We consent to the inclusion of this report in the Circular in the form and context in which it appears.

Yours faithfully

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**Nexia SAB&T**

Johandre Engelbrecht

Director

Registered Auditor and Reporting Accountant Specialist

4 December 2024

119 Witch-Hazel Avenue, Highveld Technopark, Centurion, 0046

**ANNEXURE 8**

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**CONDENSED CONSOLIDATED INTERIM HISTORIC FINANCIAL INFORMATION OF  
TRUSTCO GROUP HOLDINGS LIMITED FOR THE SIX MONTHS PERIOD ENDED 29  
FEBRUARY 2024**

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Information available on: <https://www.tgh.na/investors/circulars>



## ANNEXURE 9

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### INDEPENDENT REPORTING ACCOUNTANTS LIMITED ASSURANCE REPORT ON THE CONDENSED CONSOLIDATED INTERIM HISTORIC FINANCIAL INFORMATION OF TRUSTCO GROUP HOLDINGS LIMITED FOR THE SIX MONTHS ENDED 29 FEBRUARY 2024

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The Directors  
**Trustco Group Holdings Limited**  
Trustco House  
2 Keller Street  
Windhoek  
Namibia

Dear Sir(s)/Madam(s)

#### **Introduction**

At your request, and for the purpose of the Circular to be dated on or about 4 December 2024 (“**the Circular**”), we have reviewed the condensed consolidated interim historic financial information of Trustco Group Holdings Limited (the “Group”) in respect of the six months ended 29 February 2024 as presented in **Annexure 8** of the Circular.

The condensed consolidated interim historic financial information includes the consolidated statement of financial position as at 29 February 2024 and the interim related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six month then ended 29 February 2024, and selected explanatory notes prepared in accordance with the basis of preparation paragraph included in the financial statements and the Johannesburg Stock Exchange Limited (“**JSE**”) Listings Requirements (“**Historical Financial Information**”).

The directors of Trustco Group Holdings Limited (“**Directors**”) are responsible for the preparation of the condensed consolidated interim historic financial information. The directors are responsible for the compilation, contents and preparation of the Circular which includes the historical financial information for the six months ended 29 February 2024, in accordance with the basis of preparation paragraph included in the interim condensed financial statements and the Johannesburg Stock Exchange Limited (“**JSE**”) Listings Requirements.

This report is required for the purposes of complying with Section 8.7 of the Listings Requirements of the JSE Listings Requirements and is given for the purpose of complying with those requirements and for no other purpose.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the JSE Listings Requirements and consenting to its inclusion in the Circular

We have reviewed the condensed consolidated interim historic financial information of Trustco Group Holdings Limited, as set out in **Annexure 8** to the Circular, which comprise the consolidated statement of financial position as at 29 February 2024 and the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months then ended, and selected explanatory notes.

### **Directors' Responsibility for the Interim Condensed Consolidated Interim Historic Financial Information**

The directors are responsible for the preparation and presentation of these condensed consolidated interim historic financial information in accordance with the basis of preparation paragraph included in the historical financial information and the Johannesburg Stock Exchange Limited ("**JSE**") Listings Requirements and for such internal control as the directors determine is necessary to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Independent Reviewer's Responsibility**

Our responsibility is to express a conclusion on the condensed consolidated interim historic financial information. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, Engagements to Review Historical Financial Statements. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim historic financial information is not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed consolidated interim historic financial information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this condensed consolidated interim historic financial information.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim historic financial information of Trustco Group Holdings Limited for the period ended 29 February 2024 are not prepared, in all material respects, in accordance with the requirements of the basis of preparation paragraph included in the historical financial information and the Johannesburg Stock Exchange Limited ("**JSE**") Listings Requirements.

### **Material uncertainty related to the Going Concern**

We draw attention to note 12 of the condensed consolidated interim historic financial information, which indicates that the group's current liabilities exceeded its current assets by NAD 1,671 million, with total assets exceeding total liabilities by NAD 1,263 million and cash and cash equivalents as at 29 February 2024, amounting to NAD 17 million. As stated in note 12 of the condensed consolidated interim historic

financial information, these events or conditions, along with other matters as set forth in note 12 of the condensed consolidated interim historic financial information, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. We have considered the adequacy of the disclosures made in note 12 of the interim historic financial information concerning the group's ability to continue as a going concern and we assessed the solvency and liquidity of existing assets.

Our conclusion is not modified in respect of this matter.

#### **Other matter**

The condensed consolidated interim historic financial information of Trustco Group Holdings Limited includes comparative financial information for the six months ended 28 February 2023 which have not been reviewed or audited as there was no requirement for this preceding corresponding period to be reviewed or audited.

Our review conclusion is not modified in respect of this matter.

#### **Consent**

We consent to the inclusion of this report in the Circular in the form and context in which it appears.

Yours faithfully

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#### **Nexia SAB&T**

Johandre Engelbrecht

Director

Registered Auditor and Reporting Accountant Specialist

4 December 2024

119 Witch-Hazel Avenue, Highveld Technopark, Centurion, 0046

**Annexure 10****SHARE TRADING HISTORY OF TRUSTCO**

7.C.14

Set out in the table below are the aggregate volumes and values and the highest and lowest prices in Trustco Shares traded on the exchange operated by the JSE in respect of:

- each month over the 12 months prior to the Last Practicable Date; and
- each day over the 30 days preceding the Last Practicable Date.

<b>Monthly</b>	<b>Low (cents)</b>	<b>High (cents)</b>	<b>Volume</b>	<b>Value (R)</b>	<b>VWAP</b>
2023/10/31	11	60	100605	59994,37	59,63358679
2024/01/30	48	48	3955	1898,4	48
2024/02/28	40	40	50000	20000	40
2024/03/26	30	30	823	246,9	30
2024/04/29	20	20	4778	955,6	20
2024/05/31	55	65	95083	52325,65	55,03155138
2024/06/28	39	49	273005	109921,09	40,2633981
2024/07/31	39	40	16000	6360	39,75
2024/08/30	29	30	513307	153666,83	29,93663246
2024/09/26	38	39	2500	966,34	38,6536
2024/10/29	38	38	30681	11658,78	38

<b>Daily</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Volume</b>	<b>Value (R)</b>
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## Trustco Group Holdings Limited

Incorporated in the Republic of Namibia and registered as an external company in South Africa

(Registration number 2003/058)

(External Registration number: 2009/002634/10)

JSE share code: TTO NSX share code: TUC OTC share code: TSCHY

ISIN: NA000A0RF067

("Trustco" or "the Company")

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## NOTICE OF GENERAL MEETING OF TRUSTCO SHAREHOLDERS

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Where appropriate and applicable, the terms defined in this Circular to which this Notice is attached and forms part, bear the same meanings in this Notice, and in particular in the Resolutions set out below.

**NOTICE IS HEREBY GIVEN** that the General Meeting will be held at 12:00 on Tuesday, 7 January 2025 via electronic platform and at the registered office of Trustco, 2 Keller Street, Windhoek, Namibia, to consider, and, if deemed fit, to pass, with or without modification, the Resolutions set out below.

<b>IMPORTANT DATES TO NOTE</b>	
Last Day to Trade Shares in order to be recorded in the Namibian Share Register to vote at the General Meeting	Friday, 20 December 2024
Last Day to Trade Shares in order to be recorded in the South African Share Register to vote at the General Meeting	Friday, 20 December 2024
Record date to be entitled to attend, participate and vote at the General Meeting	Friday, 27 December 2024
Forms of proxy for Shareholders recorded on the Register to be received by the South African Transfer Secretaries by 12:00 (South African time) and by the Namibian Transfer Secretaries by 12:00 (Namibian time) on	Friday, 3 January 2025
General Meeting to be held at 12:00 (Namibian time) on	Tuesday, 7 January 2025
Results of General Meeting published on SENS on	Tuesday, 7 January 2025

## ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE IMPLEMENTATION OF THE TRANSACTION

**"RESOLVED that**, subject to the passing of this Ordinary Resolution number 1 the Sales Agreement for the acquisition of 1 135 shares, representing 11.35% of the issued shares in LSH from RVF, on the terms and conditions contained in the Sales Agreement, a copy of which was available for

inspection, by issuing 400,000,000 (Four Hundred Million) new Trustco shares listed on the JSE, at a share price of N117 cents per share in exchange for the Shares in Legal Shield Holdings, be and is hereby approved as a ordinary resolution in terms of the Listings Requirements.”

#### **Explanatory note**

The adoption of this ordinary resolution number 1 the Transaction, which is considered to be a related party, Category 1 transaction in terms of the Listings Requirements, requires Shareholder approval by the passing of a ordinary resolution in General Meeting. In accordance with paragraph 10.4(e) of the Listings Requirements, RVF and his Associates will be excluded from voting on ordinary resolution Number 1. The Shares owned by RVF and his Associates will, however, be taken into account in determining a quorum at the General Meeting.

#### **Voting requirement**

Ordinary resolution number 1 to be adopted at this General Meeting requires the support of an ordinary majority, which is more than 50% of the voting rights exercised on the ordinary resolution number 1, excluding related parties.

### **ORDINARY RESOLUTION NUMBER 2 – AUTHORITY GRANTED TO DIRECTORS**

“**Resolved that** each director of Trustco be and is hereby individually authorised to sign all such documents and do all such other things as may be necessary for or incidental to the implementation of the Resolutions passed at the General Meeting.”

#### **Explanatory note**

The adoption of this ordinary resolution number 2 will authorise any director of the Company to execute all documents and do all such further acts and things as he may in his discretion consider appropriate to implement and give effect to the Resolutions set out in this Notice.

#### **Voting requirement**

Ordinary resolution number 2 to be adopted at this General Meeting requires the support of a simple majority, which is more than 50% of the voting rights exercised on the ordinary resolution Number 2.

### **VOTING AND IRREVOCABLE PROXIES**

Certificated Shareholders and Dematerialised Own-Name Shareholders who are unable to attend the General Meeting but who wish to be represented there at, are required to complete and return the attached form of proxy, to either the South African Transfer secretaries, Computershare, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132), or the Namibian Transfer Secretaries, Transfer Secretaries Proprietary Limited, 4 Robert Mugabe Avenue (Burg Street entrance opposite Chateau Street) (PO Box 2401, Windhoek, Namibia), by no later than 12:00 on Friday, 3 January 2025.

By order of the Board

## **Komada Holdings**

Windhoek  
Company Secretary

### **Registered office**

2 Keller Street, Windhoek, Namibia

### **Transfer secretaries (South Africa)**

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers,  
15 Biermann Avenue, Rosebank, 2196  
(Private Bag X9000, Saxonwold, 2132)

### **Transfer Secretaries (Namibia)**

Transfer Secretaries Proprietary Limited  
(Registration number 93/713)  
(Burg Street entrance opposite Chateau Street)  
4 Robert Mugabe Avenue  
Windhoek  
(PO Box 2401, Windhoek, Namibia)





## Trustco Group Holdings Limited

Incorporated in the Republic of Namibia and registered as an external company in South Africa

(Registration number 2003/058)

(External Registration number: 2009/002634/10)

JSE share code: TTO NSX share code: TUC

ISIN: NA000AORF067

("Trustco" or "the Company")

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## FORM OF PROXY

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Where appropriate and applicable the terms defined in this Circular to which this form of proxy is attached forms part of and shall bear the same meanings in this form of proxy.

For use by Certificated Shareholders and Dematerialised Own-Name Shareholders, registered as such at the close of business on the Record Date, at the General Meeting to be held 12:00 on Tuesday, 7 January 2025 via electronic platforms and at the registered office of Trustco, 2 Keller Street, Windhoek, Namibia or any postponement or adjournment thereof.

Dematerialised Shareholders who have not selected "own name" registration must not complete this form. They must inform their Broker or CSDP timeously of their intention to attend and vote at the General Meeting or be represented by proxy thereat in order for the Broker or CSDP to issue them with the necessary letter of representation to do so or provide the Broker or CSDP timeously with their voting instructions should they not wish to attend the General Meeting in order for the Broker or CSDP to vote in accordance with their instructions at the General Meeting.

I/We

---

(full name/s in block letters) of (address)

Telephone work ()

Telephone home ()

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Cellphone number

Email address

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being the  holder/custodian of  Shares of the Company, hereby appoint (see note):

or failing him/her,

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2.

or failing him/her,

---

3. the chairman of the General Meeting,

as my/our proxy to attend and act for me/us on my/our behalf at the General Meeting convened for purpose of considering and, if deemed fit, passing, with or without modification, the Resolutions to be proposed thereat and at each postponement or adjournment thereof, and to vote for and/or against such Resolutions, and/or to abstain from voting for and/or against the Resolutions, in respect of the Shares registered in my/our name in accordance with the following instructions:

	Number of shares		
	For	Against	Abstain
<b>Ordinary Resolution Number 1</b> Approval of the Sales Agreement			
<b>Ordinary Resolution Number 2</b> Authority granted to directors			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

A member entitled to attend and vote at the General Meeting may appoint one or more proxies to attend and act in his/her stead. A proxy so appointed need not be a member of the Company..

Signed at \_\_\_\_\_ on \_\_\_\_\_

Signature

Assisted by (where applicable)

Each Shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that Shareholder at the General Meeting.

**Notes to proxy**

**Notes:**

This form of proxy must be used by Certificated Shareholders or Dematerialised Own-Name Shareholders.

Dematerialised Shareholders are reminded that the onus is on them to communicate their voting instructions to their CSDP or Broker.

A Shareholder may insert the name of an irrevocable proxy or the names of two alternative irrevocable proxies (who need not be Shareholders of the Company) of the Shareholder's choice in the space/s provided, with or without deleting "the chairman of the General Meeting". The person whose name appears first on this form of irrevocably proxy and which has not been deleted will be entitled to act as proxy in priority to those whose names follow. This proxy is irrevocable and cannot be withdrawn once given.

A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of ordinary shares "the Committed Shares" to be voted on behalf of that Shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote at the General Meeting as he/she deems fit in respect of the Shareholder's votes exercisable thereat, but where the proxy is the chairman, failure to so comply will be deemed to authorise the proxy to vote in favour of the Resolutions. A

Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy.

Forms of proxy must be lodged at or be posted to the South African Transfer Secretaries, Computershare, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132), or the Namibian Transfer Secretaries, Transfer Secretaries Proprietary Limited, 4 Robert Mugabe Avenue (Burg Street entrance opposite Chateau Street) (PO Box 2401, Windhoek, Namibia), by no later than 12:00 on Friday, 3 January 2024.

A Form of Proxy not lodged with the Transfer Secretary may be handed to the chairman of the General Meeting before the proxy exercises the voting rights of the Shareholder at the General Meeting.

If the General Meeting is adjourned or postponed, a Form of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.

If the General Meeting is adjourned or postponed then Forms of Proxy that have not yet been submitted should be lodged with the Transfer Secretary preferably by no later than 48 hours before the adjourned or postponed General Meeting but may nonetheless be handed to the chairman of the adjourned or postponed General Meeting before the proxy exercises the voting rights of the Shareholder at the adjourned or postponed General Meeting.

The completion and lodging of this form of proxy will not preclude the Shareholder from attending the General Meeting but will preclude the Shareholder from voting in person thereat because it is an irrevocable proxy. It cannot be withdrawn once given and the Committed Shares may not be traded once the proxy has been given until after the General Meeting.

The chairman of the General Meeting may reject or accept any form of proxy not completed and/or received, other than in accordance with these notes, provided that, in respect of the acceptance, the chairman is satisfied as to the manner in which the Shareholder concerned wishes to vote.

An instrument of proxy shall be valid for any adjournment of the General Meeting as well as for the meeting to which it relates, unless the contrary is stated thereon.

The authority (or a certified copy of the authority) of a person signing this form of proxy:

under a power of attorney; or

on behalf of a company,

must be attached to this form of proxy unless the company has already recorded the power of attorney.

Where Shares are held jointly, at least one of the joint Shareholders must sign this form of proxy.

A minor must be assisted by his/her guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company.

**Hand deliveries to:**

Computershare Investor Services Proprietary Limited  
Rosebank Towers,  
15 Biermann Avenue, Rosebank, 2196

**In Namibia**

Transfer Secretaries Proprietary Limited,  
(Burg Street entrance opposite Chateau Street)  
4 Robert Mugabe, Avenue, Windhoek

**Postal deliveries to:**

Computershare Investor Services Proprietary Limited  
Private Bag X9000  
Saxonwold, 2132

**In Namibia**

Transfer Secretaries Proprietary Limited,  
PO Box 2401, Windhoek,  
Namibia