



TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia

(Registration number 2003/058)

Registered as an external company in South Africa

(External registration number 2009/002634/10)

NSX share code: TUC

JSE share code: TTO

OTCQX share code: TSCHY

ISIN Number: NA000A0RF067

("Trustco" or "the Group")

TRADING STATEMENT FOR THE 12 MONTHS ENDED 31 MARCH 2020

Trustco shareholders ("**Shareholders**") are advised that the Group is finalising its audited Interim Financial Statements for the 12 months period ended 31 March 2020 ("**Audited Interim Results**"). The Group announced that its financial year end changed from 31 March to 30 September in the SENS announcement issued on 31 March 2020.

In terms of the Listings Requirements of JSE Limited, companies are required to publish a trading statement as soon as they become reasonably certain that the financial results for the period to be reported on will differ by more than 20% from that of the previous corresponding period.

In this regard, comparisons for purposes of this trading statement are made against Trustco's audited results for the year ended 31 March 2019 ("**Audited Results**") due to the corresponding timeframe when compared to the Audited Interim Results.

Accordingly, a review by management of the financial results for the 12 months ended 31 March 2020 has indicated that Trustco expects to report:

- A decrease in headline earnings per share (**HEPS**) of between 9% and 29% being between 49.84 cents and 63.84 cents compared to the HEPS of the Audited Results of 69.99 cents; and
- A decrease in basic earnings per share (**EPS**) of between 11% and 31%, being between 48.90 cents and 63.10 cents compared to the EPS of the Audited Results of 70.99 cents; and
- A decrease in revenue by between 59% and 79%, being revenue of between NAD 307 million and NAD 603 million, compared to the revenue of the Audited Results of NAD 1,479 billion.

Despite the decrease in HEPS, EPS and revenue, Trustco expects to report the following in respect of basic earnings and headline earnings:

- An increase in headline earnings by between 3% and 23% being between NAD 619 million and NAD 739 million compared to the headline earnings of the Audited Results of NAD 600 million; and
- An increase in basic earnings by between 1% and 20% being between NAD 614 million and NAD 730 million compared to the earnings of the Audited Results of NAD 608 million.

The following key factors impacted the Audited Interim Results:

- The Namibian economy continued to operate in a recessionary environment with GDP at the end of Q2 2020 being level with the GDP at the end of Q4 2015, with the Covid-19 pandemic having exacerbated the economic decline. The negative Namibian economic growth for 2020 is expected to be 7.8% before recovering to positive growth of 2.1% and 2.7% in 2021 and 2022 respectively (according to the Bank of Namibia Economic Outlook issued in August 2020).
- Due to the Covid-19 pandemic and its uncertain impact on earnings and loan recoveries as experienced globally, the group has provided more than NAD 200 million additionally as part of its IFRS 9 Credit Loss Allowance.
- The resources segment did not contribute significantly to the group's overall performance as it was focused on its capital raising initiatives and planning for underground development of its mine in Sierra Leone during the reporting period. Once the capital raising initiatives are concluded, the mine will transition from exploration to commercial production.

- More than NAD 300 million in foreign exchange gains were recorded in other income as a result of the USD / NAD exchange rate decline by the reporting date.

The Audited Results and the unaudited interim results for the six months ended 30 September 2019 (“**September Interim Results**”) have been subject to a proactive monitoring process of the JSE and certain restatements were identified. Having assessed the identified restatements, management has made certain adjustments to the Audited Results and the September Interim Results which are to be included in the announcement in respect of the Audited Interim Results.

Certain requested restatements have not been incorporated into the September Interim Results or the Audited Results, as they are subject to an ongoing administrative appeal process as both the JSE accredited IFRS advisors and auditors have provided their sign-off on the IFRS compliance of the Audited Results based on the changes made by management.

Further details will be provided in the Audited Interim Results, which will be released on or about 30 October 2020.

The audited group results for the 18 months ended 30 September 2020 along with the Integrated Annual Report is expected to be published before 31 December 2020.

The financial information on which this trading statement is based has not been reviewed or reported on by Trustco’s auditors.

Windhoek, Namibia,

29 October 2020

Komada Holdings (Pty) Ltd

Company Secretary and Investor Relations Services to Trustco Group Holdings Limited

JSE Sponsor

Vunani Corporate Finance - Johannesburg

NSX Sponsor

Simonis Storm Securities Proprietary Limited – Windhoek

OTCQX Sponsor

J.P Galda & Co – New York