



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" or "the Company")

Trading Statement for the 18 Month Period from 1 April 2019 to 30 September 2020

Trustco is a diversified triple listed majority family owned and operated business, 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 invests in high quality, world class assets in the Financial Services and Resources industries.

Trustco shareholders ("**Shareholders**") are advised that the Group is finalising its Reviewed Provisional Financial Results for the 18-month period ended 30 September 2020 ("**Provisional Results**").

Comparisons for purposes of this trading statement are made against Trustco's audited results for the financial period ended 31 March 2019 ("**Audited Results**").

Trustco expects to report:

- A decrease in revenue by between 67% and 47%, being revenue of between NAD 473 million and NAD 763 million, compared to the revenue of the Audited Results of NAD 1,450 billion.
- A decrease in headline earnings by between 156% and 136% resulting in a headline loss of between NAD 309 million and NAD 199 million compared to the headline earnings of the Audited Results of NAD 550 million.

- Headline earnings per share (“**HEPS**”) decreased by between 140% and 120% resulting in a headline loss of between 25.48 cents and 12.64 cents compared to the positive HEPS of the Audited Results of 64.21 cents.
- A decrease in basic earnings by between 158% and 138% being a loss of between NAD 322 million and NAD 210 million compared to the earnings of the Audited Results of NAD 559 million.
- Basic earnings per share (“**EPS**”) decreased by between 141% and 121%, resulting in a basic loss per share of between negative 26.47 cents and 13.43 cents compared to the positive EPS of the Audited Results of 65.21 cents.

Additionally, comparisons are made between normalized results for the 18-month period ended 30 September 2020 (“**Normalised Results**”), being the 18 month Results divided by 18 (eighteen) and multiplied by 12 (twelve), compared to the Audited Results as follows:

- In terms of the Normalised Results, revenue decreased by between 82% and 62%, being revenue of between NAD 267 million and NAD 556 million, compared to the revenue of the Audited Results of NAD 1,450 billion.
- Normalised headline earnings decreased by between 141% and 121% resulting in a headline loss of between NAD 225 million and NAD 114 million compared to the headline earnings of the Audited Results of NAD 550 million.
- HEPS in terms of the Normalised Results decreased by between 130% and 110% resulting in a headline loss per share of between negative 19.13 cents and 6.29 cents compared to the positive HEPS of the Audited Results of 64.21 cents.
- A decrease in basic earnings in terms of the Normalised Results by between 142% and 122% being a loss of between NAD 233 million and NAD 122 million compared to the earnings of the Audited Results of NAD 559 million.
- EPS in terms of the Normalised Results decreased by between 130% and 110%, resulting in a basic loss per share of between negative 19.82 cents and 6.78 cents compared to the positive EPS of the Audited Results of 65.21 cents.

The following key factors impacted the 2020 Provisional Results:

- The Namibian economy continued to operate in a recessionary environment with a second sub-10% quarterly GDP contraction for the year recorded in the third quarter (-10.5%), as the effect of the Covid-19 pandemic became evident in the country's economic decline. The negative Namibian economic growth for 2020 is expected to be 7.3% before recovering to positive growth of 2.6% and 3.2% in 2021 and 2022 respectively (according to the Bank of Namibia Economic Outlook issued in December 2020).
- Due to the recessionary environment, exacerbated by the Covid-19 pandemic and delayed development plans, a downward valuation adjustment on the investment property portfolio (including property held for sale) of close to NAD 300 million was made. The portfolio consist of 4 053 hectares of real estate assets which the Group considers to be of a very high quality with substantial long-term value to be unlocked.
- 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 500 million as part of its IFRS 9 Credit Loss Allowance in its lending businesses.
- More than NAD 200 million in foreign exchange gains were recorded in other income as a result of the USD / NAD exchange rate adjustments by the reporting date.

The Group expects to publish unmodified Reviewed Results during the course of the day, including more details regarding the financial performance of the Group.

The audited group results for the 18 months period ended 30 September 2020 along with the Integrated Annual Report is expected to be published by 28 February 2021.

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

Windhoek, Namibia,

29 January 2021

Komada Holdings (Pty) Ltd

Company Secretary and Investor Relations Services to Trustco Group Holdings Limited

JSE Sponsor

Vunani Sponsors – Johannesburg

NSX Sponsor

Simonis Storm Securities Proprietary Limited – Windhoek

OTCQX Sponsor

J.P Galda & Co – New York