



TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia

(Registration number 2003/058)

NSX Share Code: TUC

JSE Share Code: TTO

OTCQX share code: TSCHY

ISIN Number: NA000A0RF067 ("the Company" or "Trustco")

MEDIA RELEASE

31 January 2022

TRUSTCO ANNOUNCES RESULTS FOR 2021 FINANCIAL YEAR

With the release of Trustco's Integrated Annual Report and Financial Statements for the period ending 31 August 2021, Trustco's Group Managing Director, Dr Quinton van Rooyen, noted that, "Trustco did manage to break a few records this year. This marks the first year that the value of the group's investments outside Namibia are greater than the value of its investments within Namibia's borders, due to the revaluation of our real estate portfolio, and the fluctuations in the exchange rate pertaining to our substantial mining assets. It also marks the fifth year that Trustco had not raised any borrowings locally, with all funding coming from foreign sources. As a result, the group's Namibian borrowings dropped below 6% of total borrowings, the lowest it has been since the group's inception 29 years ago. Still, the group raised USD 20 million in foreign funds to deploy in Namibia via its student lending unit during the reporting period, despite the recession and the impact of the pandemic."

"Another first is that Trustco posted losses in two consecutive financial years, totalling NAD 1.3 billion. Since April 2019, Trustco's staff complement has reduced by two hundred and sixty nine (269) employees due to restructuring within the investee companies, another record. By the end of the reporting period, it had been five years since Trustco last made a major corporate acquisition, an indication of the economic environment surrounding us," he continued.



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Web: www.tgh.na | E-mail: info@tgh.na

Directors: Adv. R. Heathcote (Chairman) (Non Executive), Mr. Q. van Rooyen (Managing Director), Mr. F.J. Abrahams (Financial Director)

Mr. W. Geyser (Non Executive), Mr. R. J. Taljaard (Non Executive), Mr. R. Marney (Non Executive), Ms. J. van den Heever (Non Executive), Komada Holdings (Pty) Ltd (Company Secretary)



For the 2021 financial year, Trustco reported a decrease in revenues of 49% to NAD 312 million, with an increase in basic as well headline losses of 228% and 201% respectively, or losses down to NAD 872 million and NAD 766 million respectively. Losses after tax increased by 190% to a loss of NAD 988 million compared to a loss after tax of NAD 343 million the previous year.

Dr van Rooyen noted, “This has been one of the most challenging years for our investee companies, specifically due to the COVID-19 pandemic, and the associated macroeconomic situation they found themselves in. We say this not in mitigation, but to record this fact into the historical record.”

Chairman of the Board, Adv Raymond Heathcote, added, “The pace of global economic recovery is closely tethered to the speed and efficacy of the vaccination programmes. As Mr Ruchir Agarwal and Ms. Gita Gopinath stated in an IMF report in May 2021, “Pandemic policy is also economic policy as there is no durable end to the economic crisis without an end to the health crisis.” Until all of us are protected, the risk remains that we undo the tremendous gains made in developing and rolling out vaccines for all. “

Adv Heathcote continued, “Although the world has changed, Trustco’s place in it has not. Our vision and value proposition remains relevant, as creating wealth for all stakeholders becomes even more crucial as we as a nation and a world works towards recovering from the pandemic. The operating environment in Namibia has been tough the last few years. With hardly any economic growth, we choose to remain focused on streamlining our investee companies to increase profitability while contributing to the economy and the country. Although Trustco continues to trade at a sizeable discount to its intrinsic value, the board remains focused on creating wealth for stakeholders by growing its underlying investee companies and pursuing value-unlocking initiatives wherever possible. The world is changing, and Trustco must change with it. “

Dr van Rooyen expanded on that, noting, “In the upcoming year, the group will reach even more records. For the first time, the group plans to monetise one of its major foreign investments, maintaining only a minority interest in its mining activities in Sierra Leone. The value of that



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transaction, amounting to USD 150 million, will be more than the group's current market capitalisation – another record!”

“With Trustco's complete combination of motivated staff, exceptional assets, substantial reserves and the experience of its management team to withstand the harshest of economic cycles, a return to growth is not only inevitable – it is expected! With only a little bit of optimism, in both our region and our country, and soon our many investors interest in Trustco and its investee companies will once again reflect its intrinsic value. To our stakeholders and employees – thank you as well! Your pain is our pain! Only with you supporting and vigorously enabling these changes can Trustco remain the beacon for sustainable wealth creation in Africa. The only thing that has ever changed the world, is a small group of thoughtful people taking action,” he concluded.

In the face of international and local lockdowns, Trustco deliberately exploited the adverse economic conditions to recruit human skills with vast international experience. They have distinguished themselves in resource development and in identifying investment opportunities from yet untapped and emerging world markets. Trustco expects a dramatic turn of fortune from its latest visionary approach.

The full Integrated Annual Report and Financial Statements for the period ending 31 August 2021 can be accessed via www.tgh.na

Windhoek, Namibia,
31 January 2022

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