



## **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**

16 January 2024

### **TRUSTCO TO RAISE NAD 2.4 BILLION FROM SHAREHOLDERS TO TAP INTO NAMIBIA'S ECONOMIC POTENTIAL**

Trustco Group Holdings Limited is concluding pivotal transactions with key shareholders that underscore confidence in Namibia's bright economic prospects and Trustco's time tested capabilities to channel investment into high-growth areas.

First, Trustco and United States fund Riskowitz Value Fund LP (RVF) will enter into an option to make a cash investment of up to NAD 950 million into Trustco, entrenching RVF as a key anchor foreign investor. The capital will provide Trustco unparalleled financial muscle to capitalise on new opportunities and strengthen existing investments in a Namibian economy that is poised for rapid growth.

Additionally, Next Capital (Pty) Ltd and entities affiliated with Trustco's founder, Dr Quinton van Rooyen, made an offer to convert debt in the amount of NAD 1.48 billion into new ordinary shares in Trustco. This transformation of debt into equity is a proactive approach to debt management that unlocks free cash flows for future investment, frees up capital for dividends in the medium term, and more than doubles Trustco's net asset value. The conversion option will optimise Trustco's capital structure and align the interests of founder shareholders with minority holders and key

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debtholders.

"With our country's wealth of natural resources, stable governance and strategic location, Namibia's economic future is filled with promise," said Deputy CEO, Quinton Z van Rooyen. "These shareholder actions allow Trustco to convert national potential into investment opportunities, shareholder returns, and reinforces our progressive trajectory and diversification strategy. These moves emphasise Trustco's dedication to creating sustainable value for our shareholders and solidifying our position in the market. We will channel this investment into innovations that empower more coinvestors to secure their financial futures and reward shareholders and Namibians in general."

"These transactions represent an opportunity to align our interests and leverage Trustco's expansion. They signify shareholder confidence in Trustco's vision, high value assets and potential for sustained growth across its diverse investment portfolio. RVF is committed to supporting dynamic enterprises in emerging markets and leveraging opportunities that drive mutual success," said RVF's Sean Riskowitz.

The transactions emphasise the vibrancy of the Namibian investment landscape. Trustco stands energized to deliver sustained value creation to its loyal shareholders by channelling capital into areas that will reshape the national economic landscape for the future. Most importantly, these actions translate into direct value for investors. The capital injection fortifies Trustco's balance sheet and enables expansion that will drive portfolio growth, share buybacks and dividends over time.

Finally, Trustco is in the process of concluding the acquisition of additional 11.35% stake in Legal Shield Holdings Ltd to expand its investments in Namibia's insurance and real estate sectors. Trustco currently holds 80% in this entity and will increase its stake to 91.35%. The transaction provides Trustco greater exposure to the strong growth potential in these key industries as Namibia's economy expands and increases Trustco's net asset value.

For the past 31 years, Trustco has invested in a diversified portfolio uniquely positioned to benefit from Namibia's rise across multiple industries. The new capital and investments expand capacity to enable Trustco to accelerate value creation and move more quickly toward paying dividends and

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engaging in value creating share buybacks. The Board hence views these actions as solidifying Trustco's investment platform for the future.

### **About Trustco:**

Trustco Group Holdings Ltd is an investment entity headquartered in Windhoek, Namibia, that manages a diverse portfolio of investments spanning the insurance, real estate, commercial banking, micro-finance, education and mining sectors. Decisions are biased towards long-term investment performance and short-term hurdles are viewed as catalysts for future growth.

Historically, Trustco's investment portfolio has delivered exceptional returns, with a well-balanced asset mix, which has maintained an average weighting of 34% in US Dollar based assets, while the remaining 66% is invested in Namibian Dollar based assets. Trustco enjoys the backing of a wide range of coinvestors, including 3 610 from Namibia, 1 443 from abroad, and 94 from institutional entities.

### **About Namibia:**

Namibia is a Southern African country with a population of approximately 2.5 million and a GDP per capita of USD 4 511 in 2023. The country is endowed with rich natural resources, such as diamonds, uranium, copper, gold, fish, as well as recent major discoveries of oil and gas reserves, lithium deposits and rare earth minerals that are vital for technology demand globally, with exciting developments also underway in its green hydrogen projects. The Namibian government has heralded these discoveries as a transformative period, holding the potential to double the nation's GDP by 2040.

Furthermore, Namibia's world-class infrastructure such as deep-water harbours and modern airports position it as a strategic gateway into landlocked central and southern African markets. It also serves as an ideal logistics hub for trade routes to the United States and Europe. Backed by a stable government, consistent rule of law, regular multiparty elections and prudent fiscal policies, Namibia provides a peaceful and well-regulated climate for business and foreign investment. As a respected member of international bodies such as the Southern African Customs Union (SACU), African Union (AU) and United Nations (UN), Namibia has invested extensively in health, education and its people to drive sustainable inclusive development. With preferential access to regional

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markets, abundant natural resources and social progress, Namibia is primed for robust economic growth in the years ahead.

The country's economy is projected to expand by 3.9% in 2023 and 3.4% in 2024, following a recovery of 7.6% in 2022 from the COVID-19 pandemic. According to the World Bank, Namibia's projected growth rate is higher than the average for Sub-Saharan Africa (3.3%), upper-middle-income countries (2.9%), and the world (3.0%) and positions Namibia as one of the fastest growing countries in the region. With its wealth of natural resources, pro-business environment and increasingly skilled workforce, Namibia offers attractive investment prospects across all sectors.

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