

# **INTERIM RESULTS**

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

# BUSINESS REVIEW AND OUTLOOK

## Business review and outlook

Trustco Group Holdings Ltd, a diversified investment entity headquartered in Windhoek, Namibia, continues to deliver strong investment performance, driven by its long-term approach and ability to navigate short-term challenges. With a well-balanced portfolio spanning the insurance, real estate, commercial banking, micro-finance, education and mining sectors, Trustco has consistently generated above average returns.

Trustco's investment portfolio has maintained an average weighting of 38% in US Dollar-based assets, while the remaining 62% is invested in Namibian Dollar-based assets, providing a stable foundation for growth. Trustco's success is further bolstered by the support of a diverse range of coinvestors, including individuals and institutional entities from Namibia and abroad.

Namibia, with its rich natural resources, strategic infrastructure, and stable business environment, provides an attractive backdrop for Trustco's investments. The country's recent discoveries of oil and gas reserves, lithium deposits, and rare earth minerals, combined with its green hydrogen projects, position it for significant economic growth. The Namibian government's commitment to prudent fiscal policies, social progress and sustainable development further enhances the country's investment appeal.

The country's economy has demonstrated resilience, expanding by 4.2% in 2023 and projected growth of 3.7% in 2024, following a strong recovery from the COVID-19 pandemic. Trustco is well-positioned to capitalise on these opportunities, driving long-term growth and returns for its investors.

During the period under review, Trustco has seen an increase in its Net Asset Value by 9.5%, moving from NAD 1.15 billion to NAD 1.26 billion. The net asset value per share was 128.2c, compared to 117.1c at the prior year-end. The Group's profit for the period was NAD 110 million, compared to losses of NAD 250 million in the previous corresponding period. This resulted in basic and headline earnings per share of 11.17c, compared to a basic and headline loss per share of 25.38c in the previous corresponding period. NAD 130 million of the current period earnings are due to a debt restructuring concluded with a selection of Trustco's international funders during the reporting period.

## Portfolio review

As of February 2024, Trustco's portfolio valuations showed mixed performances across various sectors. The micro-finance portfolio experienced a decline of NAD 90.7 million, while the commercial banking and education portfolios also decreased by NAD 1.3 million and NAD 20.7 million, respectively, as higher interest rates are expected to continue for an extended period. The insurance portfolio recorded a decline of NAD 50.9 million, primarily due to market volatility in addition to the higher interest rates.

On the other hand, the real estate portfolio showed an increase of NAD 70.7 million, driven by the growing demand for prime real estate in Namibia. The mining portfolio also saw a rise of NAD 154.5 million, attributed to the sector's resilience and growth prospects as its mining operations increased commercial production volumes for the foreseeable future, as well as a weaker exchange rate.

Adjustments were made to the discount rates across various sectors, reflecting changes in market conditions and sector-specific factors. The micro-finance portfolio saw a slight increase in discount rate to 21.04%, while commercial banking and mining experienced decreases to 26.18% and 28.68%, respectively. The education, insurance, and real estate portfolios saw modest increases in discount rates to 18.82%, 20.31%, and 18.03%, respectively.

## ONGOING LITIGATION

Trustco understands the significance of contributing to the development of legal principles in Namibia and South Africa, both of which are young democracies. The group's legal actions aim to further strengthen and refine the legal systems in both countries. By actively participating in legal proceedings, Trustco seeks to safeguard the constitutional rights of individuals and companies, ensuring that justice is served for all members of society, irrespective of their status. The group actively promotes an environment where citizens in Namibia and South Africa feel empowered to seek justice through the courts, fostering a culture of accountability and upholding the principles of fairness and equality before the law. Through this commitment, Trustco contributes to shaping strong jurisprudence frameworks that support these nations' continued growth and

# BUSINESS REVIEW AND OUTLOOK (CONTINUED)

progress. The group's approach demonstrates its dedication to upholding the rule of law and promoting access to justice across the region.

No new significant litigation emanated during the reporting period. For historic litigation, please refer to note 40.2 of the Integrated Report of August 2023.

## SUBSEQUENT EVENTS

Trustco has entered into an agreement with Riskowitz Value Fund (RVF), a US-based fund and long-term shareholder, to access up to USD 100 million in hybrid capital. This proposed transaction aligns with Trustco's vision and enables Trustco to seize strategic investment opportunities across its current investment entities as well as new prospects.

Additionally, Trustco has announced the acquisition of an additional 11.35% interest in Legal Shield Holdings Limited (Legal Shield), increasing its holding to 91.35%. This transaction will strengthen Trustco's investment footprint in Namibia's insurance and real estate sectors, both poised for significant growth post-pandemic. Trustco believes that property valuations are set to increase in the near future, as evidenced by the trends observed during this reporting period.

The Trustco board is also finalising the contract for the debt-to-equity conversion with Next Capital, as previously announced. This transaction aims to convert NAD 4.4 billion debt and equity liabilities from the statement of financial position, into equity.

Full details will be shared with shareholders once the terms are finalised, and all these transactions will follow the required full circular process.

## DIVIDENDS

The board of directors has decided to defer the declaration of any 2024 interim dividend. The board is optimistic that once the short-term and to-be-announced transactions are implemented, the board will be in a position to reconsider its dividend payment policy.

## FUTURE OUTLOOK

The board of directors reports that Trustco's future outlook remains positive, driven by its diversified portfolio and Namibia's economic growth prospects. Trustco is positioned to capitalise on investment opportunities and overcome short-term challenges. Its agreement with RVF and acquisition of an additional interest in Legal Shield demonstrate its commitment to creating long-term value for investors.

The board remains committed to a prudent and disciplined approach to investment management, creatively navigating evolving market dynamics. The board will continue to leverage its expertise, partnerships, and market insights to manage challenges and capitalise on opportunities, driving success and value creation for all investors.



**ADV RAYMOND HEATHCOTE SC**  
CHAIRMAN OF THE BOARD  
WINDHOEK  
2 December 2024



**DR QUINTON VAN ROOYEN**  
GROUP MANAGING DIRECTOR AND CEO  
WINDHOEK

2 December 2024

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT

FIGURES IN NAMIBIA DOLLAR MILLION	NOTES	2024 29 FEBRUARY REVIEWED	2023 31 AUGUST AUDITED
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS		17	11
TRADE AND OTHER RECEIVABLES		28	44
AMOUNTS DUE BY INVESTEE ENTITIES	1	697	681
CURRENT TAX ASSETS		1	1
PROPERTY, PLANT AND EQUIPMENT		6	9
INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	2	3 140	3 078
DEFERRED TAX ASSETS		4	4
<b>TOTAL ASSETS</b>		<b>3 893</b>	<b>3 828</b>
<b>EQUITY AND LIABILITIES</b>			
<b>LIABILITIES</b>			
BORROWINGS	3	770	889
TRADE AND OTHER PAYABLES		216	223
AMOUNTS DUE TO RELATED PARTIES	4	1 642	1 551
LEASE LIABILITIES		2	3
DEFERRED TAX LIABILITIES		-	9
<b>TOTAL LIABILITIES</b>		<b>2 630</b>	<b>2 675</b>
<b>CAPITAL AND RESERVES</b>			
SHARE CAPITAL		227	227
SHARE PREMIUM		954	954
TREASURY SHARES	5	(14)	(14)
OTHER RESERVES		2 300	2 300
ACCUMULATED LOSSES		(2 204)	(2 314)
<b>TOTAL CAPITAL AND RESERVES</b>		<b>1 263</b>	<b>1 153</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3 893</b>	<b>3 828</b>

NET ASSET VALUE PER SHARE (CENTS)	128.22	117.06
NET TANGIBLE ASSET VALUE PER SHARE (CENTS)	128.22	117.06

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FIGURES IN NAMIBIA DOLLAR MILLION	NOTES	6 MONTHS ENDED 29 FEBRUARY 2024 REVIEWED	6 MONTHS ENDED 28 FEBRUARY 2023 UNAUDITED
INTEREST REVENUE	5	17	28
FAIR VALUE GAIN/(LOSS) ON INVESTMENTS		78	(142)
<b>TOTAL INVESTMENT INCOME/(LOSS)</b>		<b>95</b>	<b>(114)</b>
OTHER INCOME	5	130	12
<b>INVESTMENT INCOME/(LOSS)</b>		<b>225</b>	<b>(102)</b>
OPERATING EXPENSES	6	(24)	(73)
FINANCE COSTS		(100)	(75)
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>101</b>	<b>(250)</b>
INCOME TAX BENEFIT		9	-
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>110</b>	<b>(250)</b>
OTHER COMPREHENSIVE INCOME		-	-
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		<b>110</b>	<b>(250)</b>
<b>EARNINGS/(LOSS) PER SHARE</b>			
BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)	7	11.17	(25.38)
<b>HEADLINE EARNINGS/(LOSS) PER SHARE</b>			
BASIC AND DILUTED HEADLINE EARNINGS/(LOSS) PER SHARE (CENTS)	7	11.17	(25.38)

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FIGURES IN NAMIBIA DOLLAR MILLION	SHARE CAPITAL	SHARE PREMIUM	OTHER RESERVES	TREASURY SHARES	ACCUMULATED LOSSES	TOTAL EQUITY
<b>BALANCE AT 1 SEPTEMBER 2023 REVIEWED</b>	<b>227</b>	<b>954</b>	<b>2 300</b>	<b>(14)</b>	<b>(2 314)</b>	<b>1 153</b>
PROFIT FOR THE PERIOD	-	-	-	-	110	110
OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110</b>	<b>110</b>
<b>BALANCE AT 29 FEBRUARY 2024</b>	<b>227</b>	<b>954</b>	<b>2 300</b>	<b>(14)</b>	<b>(2 204)</b>	<b>1 263</b>
<b>BALANCE AT 1 SEPTEMBER 2022 AUDITED</b>	<b>227</b>	<b>954</b>	<b>2 300</b>	<b>(14)</b>	<b>(1 633)</b>	<b>1 834</b>
LOSS FOR THE PERIOD	-	-	-	-	(250)	(250)
OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(250)</b>	<b>(250)</b>
<b>BALANCE AT 29 FEBRUARY 2023</b>	<b>227</b>	<b>954</b>	<b>2 300</b>	<b>(14)</b>	<b>(1 883)</b>	<b>1 584</b>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FIGURES IN NAMIBIA DOLLAR MILLION

	6 MONTHS ENDED 29 FEBRUARY 2024 REVIEWED	6 MONTHS ENDED 28 FEBRUARY 2023 UNAUDITED
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
CASH UTILISED IN OPERATIONS	(5)	(34)
FINANCE COSTS	-	(2)
<b>NET CASH UTILISED IN OPERATING ACTIVITIES</b>	<b>(5)</b>	<b>(36)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	-	1
REPAYMENTS OF ADVANCES TO INVESTEE ENTITIES	36	70
ADVANCES TO INVESTEE ENTITIES	(22)	(36)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>14</b>	<b>35</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
REPAYMENT OF BORROWINGS	(2)	(1)
REPAYMENT OF LEASE LIABILITIES	(1)	(2)
<b>NET CASH UTILISED IN FINANCING ACTIVITIES</b>	<b>(3)</b>	<b>(3)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>6</b>	<b>(4)</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	11	8
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>17</b>	<b>4</b>
<b>CASH AND CASH EQUIVALENTS COMPRISES:</b>		
BANK AND CASH	17	4
	<b>17</b>	<b>4</b>

# CONDENSED PORTFOLIO ANALYSIS

FIGURES IN NAMIBIA DOLLAR MILLION

AS AT 29 FEBRUARY 2024 REVIEWED

	EQUITY VALUE	DEBT VALUE	29 FEBRUARY 2024
TBN HOLDINGS LTD	-	136	136
TRUSTCO BANK NAMIBIA LTD	3	-	3
LEGAL SHIELD HOLDINGS LTD	701	957	1 658
TRUSTCO MOBILE MAURITIUS	4	-	4
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	18	18
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	-	1 321	1 321
<b>TOTAL PORTFOLIO ASSETS</b>	<b>708</b>	<b>2 432</b>	<b>3 140</b>

6 MONTHS ENDED 29 FEBRUARY 2024 REVIEWED

The following table represents the earnings from the group's equity and debt investments:

	INVESTMENT REVENUE	FAIR VALUE GAIN/(LOSS)	29 FEBRUARY 2024
TBN HOLDINGS LTD	-	(89)	(89)
TRUSTCO BANK NAMIBIA LTD	-	(1)	(1)
LEGAL SHIELD HOLDINGS LTD	-	29	29
TRUSTCO MOBILE MAURITIUS	-	-	-
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	-	-
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	17	139	130
<b>TOTAL INVESTMENT INCOME</b>	<b>17</b>	<b>78</b>	<b>95</b>
OTHER INCOME			130
OPERATING EXPENDITURE			(24)
FINANCE COSTS			(100)
<b>PROFIT BEFORE TAX</b>			<b>101</b>



# CONDENSED PORTFOLIO ANALYSIS (CONTINUED)

FIGURES IN NAMIBIA DOLLAR MILLION

AS AT 31 AUGUST 2023 AUDITED

	EQUITY VALUE	DEBT VALUE	31 AUGUST 2023
TBN HOLDINGS LTD	62	164	226
TRUSTCO BANK NAMIBIA LTD	4	-	4
LEGAL SHIELD HOLDINGS LTD	672	967	1 639
TRUSTCO MOBILE MAURITIUS	4	-	4
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	18	18
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	-	1 187	1 187
<b>TOTAL PORTFOLIO ASSETS</b>	<b>742</b>	<b>2 336</b>	<b>3 078</b>

6 MONTHS ENDED 28 FEBRUARY 2023 REVIEWED

The following table represents the earnings from the group's equity and debt investments:

	INVESTMENT REVENUE	FAIR VALUE GAIN/(LOSS)	28 FEBRUARY 2023
TBN HOLDINGS LTD	-	103	103
TRUSTCO BANK NAMIBIA LTD	-	4	4
LEGAL SHIELD HOLDINGS LTD	-	(83)	(83)
TRUSTCO MOBILE MAURITIUS	-	6	6
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	-	9	9
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	28	(181)	(153)
<b>TOTAL INVESTMENT INCOME/(LOSS)</b>	<b>28</b>	<b>(142)</b>	<b>(114)</b>
OTHER INCOME			12
OPERATING EXPENDITURE			(73)
FINANCE COSTS			(75)
<b>LOSS BEFORE TAX</b>			<b>(250)</b>

## KEY VARIABLES

	2024				2023			
	Discount rate	Inflation	Growth	Exchange rate (USD)	Discount rate	Inflation	Growth	Exchange rate (USD)
TBN HOLDINGS LTD	21.26%	4.90%	6.00%	-	21.13%	4.90%	6.00%	-
TRUSTCO BANK NAMIBIA LTD	26.18%	4.90%	6.00%	-	25.87%	4.90%	6.00%	-
LEGAL SHIELD HOLDINGS LTD	18.10%	4.90%	6.00%	-	18.45%	4.90%	6.00%	-
TRUSTCO MOBILE MAURITIUS	18.80%	4.90%	6.00%	19.21	18.85%	4.90%	6.00%	18.78
TRUSTCO GROUP INTERNATIONAL (PTY) LTD	17.14%	4.90%	6.00%	-	17.12%	4.90%	6.00%	-
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	27.81%	3.50%	6.00%	19.21	27.14%	3.50%	6.00%	18.78

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED INTERIM HISTORIC FINANCIAL INFORMATION

1. AMOUNTS DUE BY INVESTEE ENTITIES

FIGURES IN NAMIBIA DOLLAR MILLION	29 FEBRUARY 2024 REVIEWED	31 AUGUST 2023 AUDITED
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	697	681
	<b>697</b>	<b>618</b>
CURRENT ASSETS	697	618
NON-CURRENT ASSETS	-	-
	<b>697</b>	<b>618</b>

The amounts due by the investee entities bear interest at market related interest rates and have no fixed repayment terms. The maximum exposure to credit risk at the reporting date is the carrying value of the amount due, which approximates its fair value. The group does not hold any direct collateral as security.

As the amounts due by investee entities are not in default there is no increased credit risks associated with these financial assets, therefore the amounts due by investee entities are classified as fully performing and not credit impaired.

2. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

FIGURES IN NAMIBIA DOLLAR MILLION	29 FEBRUARY 2024 REVIEWED	31 AUGUST 2023 AUDITED
EQUITY INVESTMENTS	708	742
DEBT INVESTMENTS	2 432	2 336
	<b>3 140</b>	<b>3 078</b>
OPENING BALANCE	3 078	3 632
FAIR VALUE GAIN/(LOSS)	78	(507)
DEBT INVESTMENT ADVANCE TO INVESTEE ENTITIES	22	64
DEBT INVESTMENT REPAYMENT	(36)	(121)
OTHER NON-CASH MOVEMENTS	(2)	10
<b>CLOSING BALANCE</b>	<b>3 140</b>	<b>3 078</b>

Investments held at fair value through profit or loss are classified in level 3 of fair value hierarchy.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED INTERIM HISTORIC FINANCIAL INFORMATION (CONTINUED)

3. **BORROWINGS**

FIGURES IN NAMIBIA DOLLAR MILLION	29 FEBRUARY 2024 REVIEWED	31 AUGUST 2023 AUDITED
TERM LOANS	765	882
CORPORATE BONDS	5	7
<b>CARRYING AMOUNT</b>	<b>770</b>	<b>889</b>

Refer to note 16 for information relating to the balance of NAD 551 (2023: NAD 476) million due to Helios Ltd.

4. **AMOUNTS DUE TO RELATED PARTIES**

FIGURES IN NAMIBIA DOLLAR MILLION	29 FEBRUARY 2024 REVIEWED	31 AUGUST 2023 AUDITED
NEXT CAPITAL (PTY) LTD	1 629	1 538
TRUSTCO STAFF SHARE INCENTIVE SCHEME TRUST	13	13
	<b>1 642</b>	<b>1 551</b>
CURRENT LIABILITIES	1 642	1 551
NON-CURRENT LIABILITIES	-	-
	<b>1 642</b>	<b>1 551</b>

The amount due to Next Capital (Pty) Ltd (Next) bears interest at market related interest rates and is conditionally subordinated for a period of 12 months subsequent to period end. This subordination will facilitate conclusion of the restructuring negotiations of Trustco, its investees and their respective international funders. Next entered into debt to equity conversion negotiations with Trustco. The terms will be communicated to the shareholders once concluded and shareholder approval will be required.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED INTERIM HISTORIC FINANCIAL INFORMATION (CONTINUED)

FIGURES IN NAMIBIA DOLLAR MILLION	6 MONTHS ENDED 29 FEBRUARY 2024 REVIEWED	6 MONTHS ENDED 28 FEBRUARY 2023 UNAUDITED
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**5. REVENUE AND OTHER INCOME**

**EXTERNAL REVENUE BY PRODUCT LINES**

*INVESTMENT REVENUE*

INTEREST REVENUE CALCULATED USING EFFECTIVE INTEREST METHOD	17	28
	<b>17</b>	<b>28</b>

All revenue is recognised over time and is generated in Namibia.

**OTHER INCOME**

SURETY FEES	-	12
GAIN ON DEBT SETTLEMENT	130	-
	<b>130</b>	<b>12</b>

FIGURES IN NAMIBIA DOLLAR MILLION	6 MONTHS ENDED 29 FEBRUARY 2024 REVIEWED	6 MONTHS ENDED 28 FEBRUARY 2023 UNAUDITED
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**6. PROFIT BEFORE TAXATION**

THIS IS ARRIVED AT AFTER TAKING THE FOLLOWING INTO ACCOUNT:

LOSS ON FOREX DIFFERENCES	6	50
SALARIES AND DIRECTORS' REMUNERATION	17	18
AMORTISATION AND DEPRECIATION	2	3
AUDITORS' REMUNERATION - AUDIT FEES	4	5

FIGURES IN NAMIBIA DOLLAR MILLION	6 MONTHS ENDED 29 FEBRUARY 2024 REVIEWED	6 MONTHS ENDED 28 FEBRUARY 2023 UNAUDITED
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**7. BASIC PROFIT/(LOSS) AND HEADLINE PROFIT/(LOSS)**

PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	110	(250)
<b>HEADLINE PROFIT/(LOSS)</b>	<b>110</b>	<b>(250)</b>

**SHARES**

THE WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED FOR BASIC EARNINGS PER SHARE MILLION	985	985
<i>ADJUSTED FOR:</i>		
CONTINGENTLY ISSUABLE SHARES AS A RESULT OF BUSINESS COMBINATIONS	-	-

<b>WEIGHTED NUMBER OF ORDINARY SHARES FOR THE PURPOSES OF DILUTED EARNINGS PER SHARE MILLION</b>	<b>985</b>	<b>985</b>
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**EARNINGS/(LOSS) PER SHARE**

BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)	11.17	(25.38)
HEADLINE AND DILUTED HEADLINE EARNINGS/(LOSS) PER SHARE (CENTS)	11.17	(25.38)

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED INTERIM HISTORIC FINANCIAL INFORMATION (CONTINUED)

FIGURES IN NAMIBIA DOLLAR MILLION	6 MONTHS ENDED 29 FEBRUARY 2024 REVIEWED	6 MONTHS ENDED 28 FEBRUARY 2023 UNAUDITED
<b>8. TRANSACTIONS WITH RELATED PARTIES</b>		
<b>NEXT CAPITAL (PTY) LTD*</b>		
SURETY FEES ACCRUED TO RELATED PARTY	5	5
INTEREST ACCRUED TO RELATED PARTY	93	6

\*Common shareholder: Dr Q van Rooyen.

Refer to note 4 for further information on amounts due to related parties.

FIGURES IN NAMIBIA DOLLAR MILLION	6 MONTHS ENDED 29 FEBRUARY 2024 REVIEWED	6 MONTHS ENDED 28 FEBRUARY 2023 UNAUDITED
<b>9. TRANSACTIONS WITH INVESTEE ENTITIES</b>		
<b>INTEREST RECEIVED FROM INVESTEE ENTITIES</b>		
TRUSTCO BUSINESS DEVELOPMENTS (PTY) LTD	17	28
<b>SURETY FEE RECEIVED FROM INVESTEE ENTITY</b>		
TRUSTCO FINANCE (PTY) LTD	-	12

Refer to note 1 for further information on amount due by investee entity.

**10. FAIR VALUE**

The fair values of financial assets and liabilities are not materially different from their carrying amounts as the interest rate charges is market related, or the instruments are short term in nature.

**11. DIRECTORS**

There have been no changes to the directorate for the period under review.

**12. GOING CONCERN**

The financial results have been prepared on the going concern basis which considers the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business. The board of directors, as part of their responsibilities, annually assesses the going concern of the group. As part of their assessment, the board of directors considered working capital requirements, availability of resources and reserves either from existing investing activities or further borrowings, available information about the future, financial impact of ongoing litigation, the possible outcomes of planned events and the responses to such events and conditions that would be available to the board.

The board of directors has, *inter alia*, considered the following specific factors in determining whether the company and group is a going concern for the foreseeable future:

- Cash utilised from operating activities by the group for the ended 29 February 2024 amounting to NAD 5 million;

## NOTES TO THE REVIEWED CONDENSED CONSOLIDATED INTERIM HISTORIC FINANCIAL INFORMATION (CONTINUED)

- Current liabilities of the group exceed current assets as at 29 February 2024 by NAD 1 671 million, while total assets exceed total liabilities by NAD 1 263 million;
- Whether the group has sufficient cash resources from investing activities which is readily available, in order to settle its creditors and maturing liabilities as and when they fall due in the foreseeable future, whilst continuing to maintain its operating abilities for the foreseeable financial period;
- Whether there is any significant pending litigation that will threaten the going concern status of the group;
- Assessment of the existing economic conditions related to the various investees and whether the possibility exists to sufficiently scale said operations in the foreseeable future to provide additional cash resources; and
- Assessment of the solvency and liquidity position of the company in accordance with the Companies Act.
- Following the above assessment, the board of directors believe that the above factors, coupled with prevailing economic conditions and forecast economic outlook presents some challenges for the foreseeable future. In response to the above factors, to address future cash flow requirements, detailed liquidity improvement initiatives have been developed and are being pursued, with the implementation thereof regularly monitored.

These conditions are considered to indicate that a material uncertainty exists which may cast significant doubt on the ability of the group to continue as a going concern in the foreseeable future. This is largely attributable to the short-term liquidity position of the group. Therefore, the ability of the group to continue as a going concern is dependent on the successful implementation or conclusion of the below noted matters in order to address the liquidity risk the group faces on an ongoing basis:

- achieving of various technical, geological and financial milestones by the mining portfolio related to the mining operations in Sierra Leone;
- raising the final USD 25 million in borrowings required to bring the mining operations of Meya Mining into steady state commercial production within the next 12-18 months;
- the mining operations in Sierra Leone to adequately scale production of its flagship asset, which will enable the group to recover its net debt and equity investment in the mining investee in the foreseeable future;
- recovery of USD 45 million in interest bearing debt from its mining investee, once Meya Mining achieves the above stated production targets, which will assist with the liquidity requirements of the group and assist with repayment of borrowings;
- continued conditional subordination of debt owing to related party investors of the group for the foreseeable future;
- successful negotiations with international lenders in order to agree revised repayments terms associated with borrowings due and payable in the foreseeable future;
- successful resolution of various ongoing legal matters in order to mitigate the potential liquidity impact thereof;
- successful conclusion of planned equity investments to increase liquidity and realise growth opportunities across the group and its investees; and
- successful conversion of related party debt into equity.

The board of directors have evaluated the plans noted above to address the material uncertainty related to the going concern assumption of the group and note these plans will alleviate the group's liquidity position should they be executed successfully.

The board of directors have evaluated the group's liquidity requirements to confirm whether the group has access to sufficient resources to continue as a going concern in the foreseeable future, considering the above factors and consequently prepared a cash flow forecast covering a period of 12 months from the date of these financial statements, concluding that the group would be able to continue its operations as a going concern.

## NOTES TO THE REVIEWED CONDENSED CONSOLIDATED INTERIM HISTORIC FINANCIAL INFORMATION (CONTINUED)

The directors are not aware of any other matters that may impact the group. The directors are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group. Following the above assessment, the board of directors continue to adopt the going concern basis of accounting in preparing the financial statements.

### 13. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Trustco has entered into an agreement with Riskowitz Value Fund (RVF), a US-based fund and long-term shareholder, to access up to USD 100 million in hybrid capital. This proposed transaction aligns with Trustco's vision and enables Trustco to seize strategic investment opportunities across its current investment entities as well as new prospects.

Additionally, Trustco has announced the acquisition of an additional 11.35% interest in Legal Shield Holdings Limited (Legal Shield), increasing its holding to 91.35%. This transaction will strengthen Trustco's investment footprint in Namibia's insurance and real estate sectors, both poised for significant growth post-pandemic. Trustco believes that property valuations are set to increase in the near future, as evidenced by the trends observed during this reporting period.

The Trustco board is also finalising the contract for the debt-to-equity conversion with Next Capital, as previously announced. This transaction aims to convert NAD 4.4 billion debt and equity liabilities from the statement of financial position, into equity.

Full details will be shared with shareholders once the terms are finalised, and all these transactions will follow the required full circular process.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 14. CHANGE IN COMPOSITION OF THE GROUP

There were no changes in the composition of the group during the interim period.

### 15. BASIS OF PREPARATION OF INTERIM RESULTS

The reviewed interim results have been prepared in accordance with the framework concepts and measurement and recognition criteria of IFRS and the results are presented in accordance with the requirements of IAS 34 Interim Financial Reporting, the interpretations adopted by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and the Namibian Stock Exchange and in the manner as required by the Companies Act of Namibia and the Companies Act of South Africa, and are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates.

The reviewed interim results of the group are prepared as a going concern on the historical basis except for the measurement of investments in subsidiaries held at fair value through profit or loss. The unaudited interim results are presented in Namibia Dollar, which is the group's functional and presentation currency and amounts are rounded to the nearest million unless otherwise stated.

The preparation of the reviewed interim results has been supervised by the Group Financial Director, Mr Floors Abrahams, BCom (Acc).

These interim results have been reviewed by the group's external auditors.

## PRESENTATION CURRENCY

The unaudited interim results are prepared in millions of Namibia Dollar. The group's functional and presentation currency is Namibia Dollar. At 29 February 2024, NAD 1 was equal to ZAR 1 (South African Rand) and the USD (United States Dollar) was equal to NAD 19.30.

## ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the adoption of the amendments detailed in note 15.1.

The preparation of the reviewed interim results requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of the assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### 15.1 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The following amended standards became applicable for the current reporting period.

Standards which did not have material effect on the group's financial statements

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2;
- Definition of Accounting Estimates – Amendments to IAS 8;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12; and
- International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12.

The group did not change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

### 15.2 IMPACT OF STANDARDS ISSUED BUT NOT YET APPLIED BY THE GROUP

The group has chosen not to early adopt the following standards which has been published and is mandatory for the group's accounting periods beginning on or after 29 February 2024.

- Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2024);
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 (effective for annual periods beginning on or after 1 January 2024);
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7 (effective for annual periods beginning on or after 1 January 2024);
- IFRS 19 — Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027) note 27 of the integrated report;
- IFRS 18 Presentation and disclosure in financial statements (effective for annual periods beginning on or after January 2027);
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures (effective for annual periods beginning on or after 1 January 2024); and
- Lack of Exchangeability – Amendments to IAS 21 (effective for annual periods beginning on or after 1 January 2025).



## NOTES TO THE REVIEWED CONDENSED CONSOLIDATED INTERIM HISTORIC FINANCIAL INFORMATION (CONTINUED)

Management has assessed the impact of these new and revised standards on the group and concluded that they have no material effect on the group.

### 16. ONGOING LITIGATION

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.