

# TRUSTCO GROUP ANNOUNCES NAD 4.4 BILLION (USD 235 MILLION) TRANSACTION WITH FOUNDING FAMILY

WINDHOEK, KHOMAS, NAMIBIA, June 11, 2024

/EINPresswire.com/ -- [Trustco Group Holdings Limited](#)

(TTO.SJ) today announced a landmark agreement to convert NAD 4.4 billion (USD 235 million) of debt into equity, paving the way for a planned USD 100 million capital raise in the US markets. The agreement is expected to increase Trustco's net asset value by approximately NAD 1.5 billion (USD 79 million).

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*Quinton Z. van Rooyen,  
Deputy CEO of Trustco Group*

"This recapitalization is a crucial step towards achieving our growth ambitions as well as complementing our current round of fundraising in the US markets," said Quinton Z. van Rooyen, Deputy CEO of Trustco Group.

"Trustco will be well-positioned to attract further strategic investors and create long-term value for our investors after freeing up its balance sheet."

The conversion is also a significant statement of support from the founding family, demonstrating confidence in

Trustco's growth plans and strategy. In terms of the conversion agreement, the debt owed to Next Capital and Dr Quinton van Rooyen will be exchanged for new ordinary Trustco shares at a price of NAD 1.17 (USD 0.06) per share, a 350% premium over Trustco's 90-Day Volume Weighted Average Price. This pricing aligns with the Company's audited net asset value per share as of August 31, 2023, and is contingent on obtaining shareholder and regulatory clearances which will include an independent fairness opinion to ensure the transaction's execution aligns with best governance practices.

This transaction is the latest development in Trustco's ongoing efforts aimed at strengthening its overall market presence. The previously announced agreement with Riskowitz Value Fund, forming part of a planned USD 100 million capital raise in the US markets, reinforces Trustco's growth trajectory and investment strategy. This influx of capital from two long-standing shareholders, including the founding family, underscores the confidence in the company's approach.

Trustco is also increasing its stake in the insurance and real estate portfolios in Namibia. The planned acquisition of an additional 11.35% stake in Legal Shield Holdings will increase Trustco's ownership to 91.35%, with a NAD 468 million (USD 25 million) equity transaction.

Concurrently, Trustco's mining investment in West Africa has revealed promising diamond resource estimates prepared by an independent Competent Person. With an estimated in-situ value of USD 763 million, the Meya River Kimberlite Dyke represents less than 5% of the total combined strike lengths of the kimberlite domains within Meya Mining's licensed Area.

With a deleveraged balance sheet, Trustco can accelerate its diversification strategy to create value across its multi-sector investment portfolio. Backed by the support of the long-time anchor investors, including the founding family, Trustco has revealed a robust foundation for continued success going forward.

#### About Trustco:

Trustco Group Holdings Ltd is an investment entity headquartered in Windhoek, Namibia, which 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 CAGR of 68.97% since 1992, with a well-balanced asset mix, with a current average weighting of 34% in US Dollar based assets, while the remaining 66% is invested in Namibia Dollar (1 NAD = 1 ZAR) 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 3 million and a GDP per capita of USD 5 031 in 2022. The country's economy expanded by 4.2% in 2023 and is projected to expand by 3.7% in 2024, following a recovery of 5.3% in 2022 from the COVID-19 pandemic. With its wealth of natural resources, pro-business environment and increasingly skilled workforce, Namibia offers attractive investment prospects across all sectors.

Neville Basson



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