

# TI TRUST

TRUE INTEGRITY FIDUCIARY SERVICES

Dear Shareholder:

Please find below our unaudited financial results for the year ending December 31, 2022:

- Total Revenues increased to \$13.2 million, up \$0.35 million from the prior year, driven by a \$0.21 million increase in recurring fees and a \$0.14 million increase in one-time transactions fees.
- Net Income after tax was \$2.5 million, down \$1.3 million from the prior year. The 2021 results included \$1.3 million in federal government COVID-19 assistance, recorded as other income.
- Total Assets are \$17.5 million, up \$0.7 million from 12/31/2021, driven largely by an accounting recognition of intangible assets for leased properties. Cash on hand was \$1.8 million as of 12/31/2022, down \$1.0 million after using \$1.4 million of available cash for the October special dividend.
- Total Client Assets under Management or Administration are \$16.8 billion, up \$1.9 billion from 12/31/2021.

We are underway in establishing the stock price for the Company as of 12/31/2022, which will be announced later this year. After the conclusion of the financial statement audit, the Board will consider the Annual Dividend. Below is the historical stock price per share of the common stock and the dividends paid:

As of:	7/1/2019	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Common Stock Value, per share	\$3.12	\$4.95 Annual 58.6% increase	\$6.10 Annual 23.2% increase	\$6.58 Annual 7.8% increase	<i>To Be Determined</i>
Annual Dividend, per share	\$0.00	\$0.03 paid May 2020	\$0.06 paid May 2021	\$0.10 paid May 2022	<i>To Be Determined</i>
Special Dividend, per share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.50 paid Oct 2022

During 2022, we undertook a number of initiatives that will have long lasting and meaningful impacts on the Company:

- In September, the Board and Management conducted three days of strategic planning which resulted in updating our Mission and Vision statements and identifying future key initiatives. From those initiatives, the management team developed multiple plans of action.

- In October, the Board announced the one-time special dividend of \$0.50 per share to all shareholders.
- At the end of this year, the Board completed a comprehensive study of compensation and benefits conducted by an independent third party. The results reviewed our approach to compensation given the current employment market conditions. Our benefits package includes a number of traditional employee benefits such as health, dental and vision insurances along with a standard 401k and profit sharing retirement plan. From our own further study, our health care plan coverage and contributions by both our employees and the Company was considered at the median.

For the retirement plan, Company contributions were considered less than market average. The Board considered alternative approaches to remedy, and today, I am pleased to announce that the Board approved a new employee stock ownership plan (ESOP) for the TI-TRUST employees as part of their retirement benefits. Using shares from Treasury, for the plan year 2022, the Board contributed 14,000 shares (out of the total Treasury share balance of 249,984) which will be allocated amongst our 64 current employees. Based upon our projections of future contributions, we have sufficient shares in Treasury to make contributions to the ESOP for more than a decade.

TI-TRUST is a premier provider of ESOP Trustee services in the country. By establishing this plan, not only have we fulfilled an employment benefit need, we have also strategically positioned the Company as the only institutional trustee in the country which has an ESOP. We believe that having the ESOP will loudly endorse our commitment to the ESOP market, giving us a strategic advantage to maintain the hundreds of ESOPs we currently serve as well as reaching new, prospective ESOP clients.

The Board recognized the ESOP's position as a shareholder amongst the other 319 current shareholders. As such the Board is proposing that the ESOP's ownership be limited to a maximum of 10% of our outstanding shares. That proposal will be included in the proxy information you will receive later this year.

We will announce later this year our annual meeting date and deliver to you our audited financial statement and proxy information.

Thank you for your continued support of TI-TRUST!



Brian Ippensen  
President