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# SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

These summary consolidated financial statements comprise a summary of the audited consolidated annual financial statements of PSG Group Ltd for the year ended 28 February 2022.

The consolidated annual financial statements, including these summary consolidated financial statements, were compiled under the supervision of the group CFO, Mr WL Greeff, CA(SA), and were audited by PSG Group Ltd's external auditor, Deloitte & Touche.

The consolidated annual financial statements, including the unmodified audit opinion, are available on PSG Group Ltd's website at [www.psggroup.co.za](http://www.psggroup.co.za) or may be requested and obtained in person, at no charge, at the registered office of PSG Group Ltd during office hours.

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# REPORT OF THE AUDIT AND RISK COMMITTEE

for the year ended 28 February 2022

The PSG Group Audit and Risk Committee (“the Committee”) is an independent statutory committee appointed by the board of directors in terms of section 94 of the Companies Act of South Africa. The Committee also acts as the statutory audit committee of public company wholly-owned subsidiaries that are legally required to have such a committee.

The Committee comprises four independent non-executive directors, namely Mr PE Burton (chairman), Ms AM Hlobo, Ms B Mathews and Mr CA Otto, who have served as members of the Committee for 15, three, five and 10 years, respectively. The Committee met twice during the past financial year on 16 April 2021 and 12 October 2021, as well as after financial year-end under review on 19 April 2022, with all members being present.

The Committee operates in terms of a board-approved charter. It conducted its affairs in compliance with, and discharged its responsibilities in terms of, such charter for the year ended 28 February 2022.

The Committee performed the following duties in respect of the year under review:

- Satisfied itself that the external auditor is independent of PSG Group, as set out in section 94(8) of the Companies Act of South Africa, and suitable for appointment for the year under review by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Listings Requirements;
- Ensured that the appointment of the external auditor complied with the Companies Act of South Africa;
- In consultation with management, agreed to the audit engagement letter terms, audit plan and budgeted audit fees for the 2022 financial year;
- Approved the nature and extent of non-audit services of the external auditor;
- Nominated Deloitte & Touche for election at the 2021 annual general meeting as the external audit firm for the 2022 financial year;
- In terms of paragraph 3.84(g)(ii) of the JSE Listings Requirements, satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the external auditor, that the system of internal financial control is effective and forms a basis for the preparation of reliable financial statements;
- Satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the external auditor, that PSG Group be regarded as a going concern;
- Reviewed the formal policy and rationale for PSG Group not declaring an ordinary dividend for the year under review;
- Reviewed the accounting policies, including the ongoing classification of PSG Group as an *investment entity*, and annual financial statements for the year ended 28 February 2022 and, based on the information provided to the Committee, considers that the company and group comply, in all material respects, with the JSE Listings Requirements; International Financial Reporting Standards (“IFRS”); the IFRIC interpretations; the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; and the manner required by the Companies Act of South Africa; and
- Satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements that the group chief financial officer, as well as the group finance function, have the appropriate expertise and experience.



**PE Burton**

Audit and Risk Committee Chairman

Stellenbosch  
21 June 2022

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## COMPANY SECRETARY DECLARATION

*for the year ended 28 February 2022*

We declare that, to the best of our knowledge, the company has filed all such returns and notices as are required of a public company in terms of the Companies Act of South Africa, and that all such returns and notices are true, correct and up to date.



**PSG Corporate Services (Pty) Ltd**

**Per A Rossouw**

Company Secretary

Stellenbosch  
21 June 2022

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# APPROVAL OF SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

*for the year ended 28 February 2022*

The directors are responsible for the maintenance of adequate accounting records and to prepare annual financial statements that fairly represent the state of affairs and the results of the company and group. The external auditor is responsible for independently auditing and reporting on the fair presentation of the annual financial statements. Management fulfils this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal accounting controls. Such controls provide assurance that the group's assets are safeguarded, that transactions are executed in accordance with management's authorisations and that the financial records are reliable. The annual financial statements are prepared in accordance with the JSE Listings Requirements; International Financial Reporting Standards ("IFRS"); the IFRIC interpretations; the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; and the manner required by the Companies Act of South Africa.

These summary consolidated financial statements were derived from the consolidated annual financial statements and do not contain all the disclosures required by IFRS and the requirements of the Companies Act of South Africa. Reading these summary consolidated financial statements, therefore, is not a substitute for reading the consolidated annual financial statements of PSG Group Ltd.

The audit and risk committee of the company meets regularly with the external auditor, as well as senior management, to evaluate matters concerning accounting policies, internal control, auditing and financial reporting. The external auditor has unrestricted access to all records, assets and personnel as well as to the audit and risk committee.

The annual financial statements are prepared on the going concern basis, since the directors have every reason to believe that the company and group have adequate resources to continue for the foreseeable future.

The annual financial statements, including these summary consolidated financial statements set out on pages 61 to 62 and 64 to 75, were approved by the board of directors of PSG Group Ltd and are signed on its behalf by:



**PJ Mouton**  
CEO



**WL Greeff**  
CFO

Stellenbosch  
21 June 2022

# DIRECTORS' REPORT

for the year ended 28 February 2022

## Nature of business

PSG Group Ltd ("PSG Group" or "the company" or "the group") is an investment holding company consisting of underlying investments that operate across a diverse range of industries, which include financial services, education and food and related business, as well as early-stage investments in select growth sectors.

## Operating results

The operating results and state of affairs of the group are set out in the attached summary consolidated income statement and summary consolidated statements of financial position, changes in equity and cash flows, as well as the notes thereto. For the year under review, the group's *headline earnings* and earnings attributable to owners of the parent amounted to R7 409m (2021: R1 038m) and R7 409m (2021: R29 994m), respectively, while the group's total profit (gross of non-controlling interests) amounted to R7 409m (2021: R30 101m).

## Stated capital

Movements in the number of ordinary shares in issue during the year under review were as follows:

	Number of shares	
	2022	2021
Shares in issue at beginning of the year, gross of treasury shares	<b>223 778 107</b>	232 163 254
<u>Less: Treasury shares</u>		
Held by a subsidiary (PSG Financial Services Ltd)	<b>(13 908 770)</b>	(13 908 770)
Held by a subsidiary (PSG Group Ltd Supplementary Share Incentive Trust)	<b>(45 000)</b>	(45 000)
Held by related parties of management and acquired by way of loan funding advanced		(100 000)
Shares in issue at beginning of the year, net of treasury shares	<b>209 824 337</b>	218 109 484
Movement in treasury shares		
Shares acquired by the PSG Group Ltd Supplementary Share Incentive Trust	<b>(75 000)</b>	
Shares released in terms of the PSG Group Ltd Supplementary Share Incentive Trust to participants	<b>116 351</b>	
Shares released following full settlement of loan funding previously advanced to related parties of management		100 000
Shares repurchased using cash at an average price of R74,78 (2021: R54,73) per share (including costs)	<b>(509 644)</b>	(8 385 147)
Shares in issue at end of the year, net of treasury shares	<b>209 356 044</b>	209 824 337

## Dividends

Details of dividends appear in the summary consolidated statement of changes in equity and note 2 to these summary consolidated financial statements.

## Directors

Details of the company's directors at the date of this report appear on pages 4 and 5.

## DIRECTORS' REPORT *(continued)*

for the year ended 28 February 2022

### Directors' emoluments

Details of directors' emoluments appear in the *Remuneration Report* on pages 49 and 55.

### Prescribed officers

The members of the PSG Group Executive Committee ("Exco") are regarded as being the prescribed officers of the company. The Exco comprises the PSG Group executive directors, being Messrs PJ Mouton (chief executive officer), WL Greeff (chief financial officer) and JA Holtzhausen (executive). Their remuneration is detailed in the *Remuneration Report* (page 36). The duties and responsibilities of the Exco are set out in the *Environmental, Social and Governance Report* (page 22).

### Shareholding of directors

The shareholding of directors in the issued share capital of PSG Group as at 28 February 2022 was as follows:

Audited	Beneficial		Non-beneficial Indirect	Total shareholding 2022 <sup>4</sup>		Total shareholding 2021	
	Direct	Indirect		Number	%	Number	%
PE Burton		300 000		<b>300 000</b>	<b>0,1</b>	300 000	0,1
ZL Combi <sup>1</sup>	354 000			<b>354 000</b>	<b>0,2</b>	354 000	0,2
WL Greeff	8 124	1 069 887		<b>1 078 011</b>	<b>0,5</b>	1 055 621	0,5
AM Hlobo		1 500		<b>1 500</b>	–	1 500	–
JA Holtzhausen <sup>2</sup>	633 453	500 000	3 804	<b>1 137 257</b>	<b>0,5</b>	1 115 030	0,5
JJ Mouton <sup>2,3</sup>	200 000	1 587 667	508 200	<b>2 295 867</b>	<b>1,1</b>	2 282 267	1,1
PJ Mouton <sup>2,3</sup>	90 825	5 417 547	531 075	<b>6 039 447</b>	<b>2,9</b>	5 952 449	2,8
CA Otto	200			<b>200</b>	–	200	–
<b>Total</b>	<b>1 286 602</b>	<b>8 876 601</b>	<b>1 043 079</b>	<b>11 206 282</b>	<b>5,3</b>	<b>11 061 067</b>	<b>5,2</b>

<sup>1</sup> Mr ZL Combi's shareholding is fully hedged by way of a European scrip-settled collar due to expire in equal portions on 5 July 2022 and 12 July 2022.

<sup>2</sup> The shareholding of the immediate family members of Messrs JA Holtzhausen, JJ Mouton and PJ Mouton (i.e. wives and minor children held in own name or via trusts) have been included as non-beneficial indirect shareholding.

<sup>3</sup> Messrs JJ Mouton and PJ Mouton are also trustees and discretionary beneficiaries of the JF Mouton Familietrust with an effective holding of 42 304 198 PSG Group ordinary shares, representing approximately 20,2% of PSG Group's issued share capital (net of treasury shares).

<sup>4</sup> The shareholding of directors did not change between year-end and the date of approval of these summary consolidated financial statements.

# INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of PSG Group Ltd

## Opinion

The summary consolidated financial statements of PSG Group Ltd, set out on pages 61 to 62, 64 to 72 and 74 to 75, which comprise the summary consolidated statement of financial position as at 28 February 2022, the summary consolidated income statement, the summary consolidated statements of changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated annual financial statements of PSG Group Ltd for the year ended 28 February 2022.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated annual financial statements of PSG Group Ltd, in accordance with the requirements of the JSE Listings Requirements for summary financial statements, set out in the introduction to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

## Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated annual financial statements of PSG Group Ltd and the auditor's report thereon. The summary consolidated financial statements and the audited consolidated annual financial statements do not reflect the effect of events that occurred subsequent to the date of our report on the audited consolidated annual financial statements.

## The Audited Consolidated Annual Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated annual financial statements in our report dated 25 May 2022. That report also includes:

- The communication of other key audit matters as reported in the auditor's report of the audited consolidated annual financial statements.
- A "Report on Other Legal and Regulatory Requirements" paragraph: In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of PSG Group Ltd for one year.

## Directors' Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Listings Requirements for summary financial statements, set out in the introduction to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

The JSE Listings Requirements require summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

## Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated annual financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised) *Engagements to Report on Summary Financial Statements*.



## Deloitte & Touche

Registered Auditor

Per: JHW de Kock

Partner

21 June 2022

The Ridge Building, 6 Marina Road, Victoria & Alfred Waterfront, Cape Town, 8000

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# INTRODUCTION TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

*for the year ended 28 February 2022*

## **Basis of presentation and accounting policies**

These summary consolidated financial statements are prepared in accordance with the requirements of the Companies Act of South Africa and the JSE Listings Requirements. The JSE Listings Requirements require reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The accounting policies applied in the preparation of these summary consolidated financial statements are in terms of IFRS and consistent with those previously applied.

In preparing these summary consolidated financial statements, the significant judgements made by management in applying the group's accounting policies related mainly to the fair value of unlisted investments as detailed in Annexure A.



# SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 28 February 2022

	Notes	2022 Rm	2021 Rm
<b>Assets</b>			
Investments at fair value through profit or loss ("FVTPL")	1.1	23 136	18 885
Property, plant and equipment ("PPE")		54	55
Right-of-use assets		1	1
Loans and advances		22	54
Debt securities	1.2	895	715
Deferred income tax assets			12
Trade and other receivables		50	70
Cash and cash equivalents		2 635	1 646
<b>Total assets</b>		<b>26 793</b>	<b>21 438</b>
<b>Equity</b>			
Ordinary shareholders' equity		26 690	19 254
Non-controlling interests <sup>1</sup>			1 556
<b>Total equity</b>		<b>26 690</b>	<b>20 810</b>
<b>Liabilities</b>			
Deferred income tax liabilities		13	488
Lease liabilities		1	1
Derivative financial liabilities			42
Employee benefit liabilities		34	25
Trade and other payables		22	36
Loans payable <sup>2</sup>		33	36
<b>Total liabilities</b>		<b>103</b>	<b>628</b>
<b>Total equity and liabilities</b>		<b>26 793</b>	<b>21 438</b>
SOTP value per share (R) <sup>3</sup>		127,88	94,24
Net asset value per share (R) <sup>3</sup>		127,49	91,76
Net tangible asset value per share (R)		127,49	91,76

<sup>1</sup> Prior year balance related to the PSG Financial Services Ltd ("PSG Financial Services") perpetual preference shares repurchased in full during the year.

<sup>2</sup> Balance comprises a loan payable to PSG Alpha Investments (Pty)Ltd ("PSG Alpha") (2021: mainly PSG Alpha and head office-administered Black-Economic Empowerment Trusts) not being consolidated.

<sup>3</sup> The difference between the SOTP value per share and net asset value per share relates to PPE (2021: PPE and PSG Financial Services perpetual preference shares) carried at fair value in the SOTP value, while at historical cost (net of depreciation in the case of PPE) in the net asset value. PSG Group previously adopted net asset value per share as its trading statement measure for purposes of the JSE Listings Requirements.

# SUMMARY CONSOLIDATED INCOME STATEMENT

for the year ended 28 February 2022

	Notes	2022 Rm	2021 Rm
<b>CONTINUING OPERATIONS</b>			
Fair value gains/(losses) on investments at FVTPL	1.1	6 734	(962)
Investment income	1.1	570	2 054
Revenue earned from corporate finance and other activities <sup>1</sup>		107	80
Other income		42	3 939
Gain upon deemed disposal and reacquisition of subsidiaries at fair value			3 945
Fair value gains/(losses)		42	(6)
<b>Expenses</b>		<b>103</b>	<b>(35)</b>
Reversal of previously recognised impairment loss on debt securities	1.2	221	126
Reversal of previously recognised impairment loss/(impairment loss recognised) on loans and advances		9	(33)
Operating expenses <sup>1</sup>		(127)	(128)
<b>Profit on deemed disposal and reacquisition of interest in associate (Capitec shares retained and subsequently sold)</b>			5 158
<b>Profit before finance costs and taxation</b>		<b>7 556</b>	10 234
Finance costs		(59)	(138)
<b>Profit before taxation</b>		<b>7 497</b>	10 096
Taxation <sup>2</sup>		(88)	(1 083)
<b>Profit for the year from continuing operations</b>		<b>7 409</b>	9 013
<b>DISCONTINUED OPERATIONS</b>			
<b>Profit for the year from discontinued operations</b>		-	21 088
Gain upon unbundling of Capitec interest at fair value			21 099
Capitec unbundling transaction costs			(11)
<b>Profit for the year<sup>3</sup></b>		<b>7 409</b>	30 101
<b>Attributable to:</b>			
Owners of the parent		7 409	29 994
Continuing operations		7 409	8 906
Discontinued operations			21 088
Non-controlling interests			107
		7 409	30 101
<b>Earnings per share (R)</b>			
Attributable		35,37	139,08
Continuing operations		35,37	41,30
Discontinued operations			97,78
Diluted attributable		34,30	138,26
Continuing operations		34,30	40,89
Discontinued operations			97,37

<sup>1</sup> Fee income and operating costs pertain to the wholly-owned head office subsidiaries providing investment-related services to PSG Group, as well as corporate finance advisory services.

<sup>2</sup> Includes the capital gains tax provided for in respect of the Capitec Bank Holding Ltd ("Capitec") shareholding retained and subsequently sold.

<sup>3</sup> The group had no other comprehensive income during the years under review.

## SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2022

	2022 Rm	2021 Rm
Ordinary shareholders' equity at beginning of the year	19 254	19 083
Profit for the year	7 409	29 994
Share buy-back <sup>1</sup>	(38)	(459)
Share-based payment costs – employees	25	33
Treasury shares released	11	7
Other movements	29	(4)
Dividends paid		(516)
Capitec unbundling		(28 884)
<b>Ordinary shareholders' equity at end of the year</b>	<b>26 690</b>	<b>19 254</b>
Non-controlling interests at beginning of the year	1 556	11 843
Profit for the year		107
Subsidiaries deconsolidated upon change in status to that of an investment entity		(10 265)
Repurchase by PSG Financial Services of its perpetual preference shares	(1 506)	
Dividends paid	(50)	(129)
<b>Non-controlling interests at end of the year</b>	<b>–</b>	<b>1 556</b>
<b>Total equity</b>	<b>26 690</b>	<b>20 810</b>

<sup>1</sup> During the year, PSG Group repurchased 509 644 (2021: 8 385 147) shares at an average price of R74,78 (2021: R54,73) per share (including costs).

## SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 28 February 2022

	Notes	2022 Rm	2021 Rm
<b>Net cash flow from operating activities</b>		<b>34</b>	<b>1 264</b>
Cash generated from operations	3	35	12
Interest received		113	59
Dividends received	1.1 & 1.2	495	1 959
Finance costs paid		(57)	(157)
Taxation paid		(552)	(609)
<b>Net cash flow from investing activities</b>		<b>2 527</b>	<b>1 868</b>
Cash and cash equivalents deconsolidated upon change in status to that of an investment entity			(409)
Additions to investments at FVTPL			(1 139)
Disposals of investments at FVTPL	1.1	2 483	3 502
Other investing activities		44	(86)
<b>Net cash flow from financing activities</b>		<b>(1 572)</b>	<b>(2 081)</b>
Dividends paid to:			
PSG Group shareholders			(516)
PSG Financial Services perpetual preference shareholders		(50)	(129)
Repurchase by PSG Financial Services of its perpetual preference shares		(1 460)	
Borrowings repaid			(1 000)
Other financing activities <sup>1</sup>		(62)	(436)
<b>Net increase in cash and cash equivalents</b>		<b>989</b>	<b>1 051</b>
Cash and cash equivalents at beginning of the year		1 646	595
<b>Cash and cash equivalents at end of the year</b>		<b>2 635</b>	<b>1 646</b>

<sup>1</sup> Cash outflow related mainly to PSG Group share repurchases as detailed in the summary consolidated statement of changes in equity.

# NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 28 February 2022

	Fair value <sup>1</sup> 28 Feb 21 Rm	Reconciliation for the year			Investment income Rm
		Fair value gains Rm	Disposals <sup>2</sup> Rm	Fair value <sup>1</sup> 28 Feb 22 Rm	
<b>1. Investments</b>					
<b>1.1 Investments at FVTPL</b>					
PSG Konsult	7 282	<b>3 848</b>		<b>11 130</b>	<b>215</b>
Curro	3 588	<b>1 238</b>		<b>4 826</b>	
Capitec	2 190	<b>293</b>	<b>(2 483)</b>	<b>–</b>	<b>14</b>
Zeder	1 983	<b>689</b>		<b>2 672</b>	<b>150</b>
PSG Alpha	3 842	<b>666</b>		<b>4 508</b>	
Total	18 885	<b>6 734</b>	<b>(2 483)</b>	<b>23 136</b>	<b>379</b>
Interest income on cash and cash equivalents and loans and advances, as well as preference share dividends accrued on debt securities					<b>191</b>
Total investment income					<b>570</b>

<sup>1</sup> The investments in PSG Konsult Ltd ("PSG Konsult"), Curro Holdings Ltd ("Curro"), Capitec and Zeder Investments Ltd ("Zeder") are valued with reference to their JSE-listed closing share prices, while PSG Alpha's fair value is derived from the valuation of its underlying portfolio of listed and unlisted investments as detailed in Annexure A.

<sup>2</sup> The disposal of the group's remaining approximately 1,6m Capitec shares during the year under review raised R2 483m in cash (pre-tax).

## 1.2 Debt securities

Debt securities relate to PSG Group's investment in Dipeo Capital (RF) (Pty) Ltd ("Dipeo") cumulative, redeemable, convertible preference shares. Below is a reconciliation of movement in such debt securities balance for the year under review:

	2022 Rm
Opening balance	<b>715</b>
Cash collected	<b>(116)</b>
Preference share dividends accrued <sup>1</sup>	<b>75</b>
Reversal of previously recognised impairment loss <sup>2</sup>	<b>221</b>
Closing balance <sup>3</sup>	<b>895</b>

<sup>1</sup> Preference share dividends are accounted for at the contractual rate of Prime plus 2% on the balance net of impairment losses (i.e. stage 2 under-performing financial asset).

<sup>2</sup> Pursuant to an increase in the fair value of Dipeo's underlying assets since the previous reporting date.

<sup>3</sup> At the reporting date, the carrying value of the debt securities is supported by Dipeo's investments in JSE-listed Curro (3,6%), Stadio Holdings Ltd ("Stadio") (3,3%) and Kaap Agri Ltd ("Kaap Agri") (20%), and accordingly the remaining carrying value is deemed fully recoverable (i.e. lifetime expected credit losses have been provided for).

	<b>2022</b>		2021	
	<b>Continuing operations</b>	Continuing operations	Discontinued operations	Total
	<b>Rm</b>	Rm	Rm	Rm
<b>2. Headline earnings and earnings/dividend per share</b>				
Profit for the year attributable to owners of the parent	<b>7 409</b>	8 906	21 088	29 994
Non-headline items	–	(7 868)	(21 088)	(28 956)
Gross amounts	–	(9 103)	(21 088)	(30 191)
Gain upon deemed disposal and reacquisition of subsidiaries at fair value		(3 945)		(3 945)
Profit on deemed disposal and reacquisition of interest in associate (Capitec shares retained and subsequently sold)		(5 158)		(5 158)
Gain upon unbundling of Capitec interest at fair value			(21 099)	(21 099)
Capitec unbundling transaction costs			11	11
Taxation		1 235		1 235
<b>Headline earnings</b>	<b>7 409</b>	1 038	–	1 038

	<b>2022</b>	2021
<b>Earnings per share (R)</b>		
Headline (continuing operations)	<b>35,37</b>	4,81
Attributable	<b>35,37</b>	139,08
Continuing operations	<b>35,37</b>	41,30
Discontinued operations		97,78
Diluted headline (continuing operations)	<b>34,30</b>	4,56
Diluted attributable	<b>34,30</b>	138,26
Continuing operations	<b>34,30</b>	40,89
Discontinued operations		97,37
<b>Dividend per share (R)</b>	–	1,64
Interim		1,64
Final		
<b>Number of shares (m)</b>		
In issue	<b>223,3</b>	223,8
In issue (net of treasury shares)	<b>209,4</b>	209,8
Weighted average	<b>209,4</b>	215,7
Diluted weighted average	<b>210,5</b>	216,6

# NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

for the year ended 28 February 2022

	2022 Rm	2021 Rm
<b>3. Cash generated from operations</b>		
Profit before taxation	7 497	10 096
Depreciation and amortisation	3	3
Investment income	(570)	(2 054)
Finance costs	59	138
Working capital changes and other non-cash items <sup>1)</sup>	(220)	(30)
Fair value (gains)/losses on investments at FVTPL (note 1.1)	(6 734)	962
Gain upon deemed disposal and reacquisition of subsidiaries at fair value		(3 945)
Profit on deemed disposal and reacquisition of interest in associate (Capitec shares retained and subsequently sold)		(5 158)
Cash generated from operations	<b>35</b>	12

<sup>1)</sup> Relates mainly to the reversal of previously recognised impairment losses on debt securities.

## 4. Capital commitments and contingencies

PSG Group, as an *investment entity*, and its wholly-owned subsidiaries that provide investment-related services to PSG Group have no material capital commitments or contingencies as at the reporting date.

## 5. Events subsequent to the reporting date

No material event has occurred between the reporting date and the date of approval of this annual report other than those detailed in the *Review of Operations*, as well as the receipt of an ordinary cash dividend of R178m from PSG Konsult.

## 6. Financial instruments

### 6.1 Financial risk factors

PSG Group's activities as an *investment entity* expose it mainly to i) price risk in respect of its investments at FVTPL and ii) credit risk in respect of its debt securities, loans and advances and cash and cash equivalents.

Risk management continues to be carried out by each investee of PSG Group under policies approved by the respective boards of directors.

### 6.2 Price risk

The information below analyses financial assets and liabilities, which are carried at fair value, by level of hierarchy as required by IFRS 13 *Fair Value Measurement*. The different levels in the hierarchy are defined below:

Level 1: quoted prices (unadjusted) in active markets.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

## 6.2 Price risk (continued)

The carrying value of financial assets carried at amortised cost approximates their fair value, while those measured at fair value can be summarised as follows:

<b>28 February 2022</b>	<b>Level 1 Rm</b>	<b>Level 2 Rm</b>	<b>Level 3 Rm</b>	<b>Total Rm</b>
Investments at FVTPL	<b>20 968</b>		<b>2 168</b>	<b>23 136</b>
Opening balance			<b>1 883</b>	
Unrealised fair value gains included in fair value gains on investments at FVTPL as per the summary consolidated income statement			<b>285</b>	

Valuation techniques and main inputs used to determine fair value for assets are detailed in Annexure A.

## 6.3 Credit risk

### *Debt securities*

Debt securities relate to PSG Group's investment in Dipeo cumulative, redeemable, convertible preference shares, as detailed in note 1.2. Dipeo has no external borrowings or funding obligations apart from the preference shares held by PSG Group (also being a 49% ordinary shareholder in Dipeo) and the Dipeo BEE Education Trust (being the remaining 51% ordinary shareholder in Dipeo). However, PSG Group holds approximately 94% of Dipeo's total preference share exposure.

As noted in note 1.2, the carrying value of the debt securities at the reporting date is fully supported by underlying JSE-listed investments at their respective fair values (i.e. level 1 fair value measurement).

### *Loans and advances*

The carrying value of PSG Group's loans and advances at the reporting date is fully supported by underlying JSE-listed investments at their respective fair values (i.e. level 1 fair value measurement).

### *Cash and cash equivalents*

PSG Group's cash and cash equivalents are held in current/call accounts and term deposits (with a maturity of seven days or less) spread across two South African banks (both rated by Fitch as having national short-term and long-term ratings of F1+(zaf) and AA+(zaf), respectively).

## 7. Segment report

The group has seven reportable segments, namely PSG Konsult, Curro, Capitec (until the disposal of the group's remaining interest therein during the year under review), Zeder, PSG Alpha, Dipeo and PSG Corporate. Apart from PSG Corporate, these segments represent the major investments of the group. The products and services offered by the respective remaining segments are detailed in the *Review of Operations*. All segments operate predominantly in South Africa. However, the group has exposure to operations outside of South Africa through, inter alia, PSG Konsult, Curro, PSG Alpha's investment in CA&S and through Zeder's investments in The Logistics Group (disposed of subsequent to year-end), Capespan, Zaad and Agrivision Africa.

The *SOTP value* remains a key tool used to measure PSG Group's performance pursuant to its objective of shareholder value creation through, inter alia, capital appreciation. In determining the *SOTP value*, listed assets are valued using quoted market prices, whereas unlisted assets are valued internally using appropriate valuation methods.

# NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

for the year ended 28 February 2022

## 7. Segment report *(continued)*

The segments' performance can be analysed as set out below and also in Annexure A:

Year ended 28 February 2022	Fair value gains on investments at FVTPL Rm	Dividend income Rm	Other income, expenses and taxation <sup>1</sup> Rm	Headline earnings Rm	SOTP value Rm
PSG Konsult	3 848	215		4 063	11 130
Curro	1 238			1 238	4 826
Capitec	293	14	(59)	248	
Zeder	689	150		839	2 672
PSG Alpha	666			666	4 508
Dipeo				–	
PSG Corporate			(20)	(20)	
Funding and other			375	375	3 636
Cash and cash equivalents					2 635
Preference share investments and net loans receivable					884
Other					117
<b>Total</b>	<b>6 734</b>	<b>379</b>	<b>296</b>	<b>7 409</b>	<b>26 772</b>
Taxation				88	
<b>Profit before taxation (continuing operations)</b>				<b>7 497</b>	

<sup>1</sup> Comprise all other line items in the summary consolidated income statement, including fee income, expenses, reversal of previously recognised impairment losses, finance costs and taxation.



## 8. Ordinary shareholder analysis

Unaudited	Shareholders		Shares held	
	Number	%	Number	%
<b>Range of shareholding</b>				
1 – 1 000	16 627	78,2	4 147 103	1,9
1 001 – 10 000	3 683	17,3	10 644 684	4,8
10 001 – 100 000	749	3,5	22 091 741	9,9
100 001 – 1 000 000	181	0,9	48 540 858	21,7
Over 1 000 000	27	0,1	123 931 658	55,5
	<b>21 267</b>		<b>209 356 044</b>	
<b>Treasury shares</b>				
Shares held by PSG Financial Services (a wholly-owned subsidiary)	1		13 908 770	6,2
Shares held by employee share scheme	1		3 649	
<b>Total</b>	<b>21 269</b>	<b>100,0</b>	<b>223 268 463</b>	<b>100,0</b>
Non-public	45	0,2	76 249 663	34,2
Public	21 224	99,8	147 018 800	65,8
<b>Individual shareholders holding 5% or more of total shares in issue as at 28 February 2022</b>				
JF Mouton Familietrust and its subsidiaries (including effective interest held through a joint venture)			42 304 198	18,9
Government Employees Pension Fund			26 972 362	12,1
			<b>69 276 560</b>	<b>31,0</b>

Refer to the directors' report for details of directors' shareholdings.

## ANNEXURE A: SOTP VALUE

as at 28 February 2022

Audited	2022		Industry	Listed/ unlisted
	Share- holding	Nr of shares held m		
PSG Konsult	61,5%	810,1	Financial services	JSE-listed <sup>1</sup>
Curro	60,0%	358,8	Private education	JSE-listed
Capitec			Banking	JSE-listed
Disposals (note 1.1)				
Fair value gain				
Zeder	48,6%	748,4	Investment holding (food and related business)	JSE-listed
PSG Alpha	98,3%		Investment holding (early-stage investments)	Unlisted
Stadio	42,9%		Private higher education	JSE-listed
CA&S	47,9%		Route-to-market services for fast-moving consumer goods in Sub-Saharan Africa	BSE-listed <sup>2</sup>
Evergreen	50,0%		Retirement lifestyle villages	Unlisted
Optimi	96,0%		Innovative and accessible education solutions to schools, tutors, parents and learners	Unlisted
Energy Partners	56,7%		Private energy utility	Unlisted
Other			Various	Unlisted
Sub-total				
<u>Less:</u> Minority shareholding held by PSG Alpha management <sup>3</sup>				
Fair value gain				
Dipeo	49,0%		BEE investment holding	Unlisted
<b>Sub-total</b>				
Other net assets				
Cash and cash equivalents				
Preference share investments and net loans receivable/payable				
Other <sup>4</sup>				
<b>Total before funding</b>				
PSG Financial Services perpetual preference share funding <sup>5</sup>				
<b>Total SOTP value</b>				
<b>SOTP value per share (R)</b>				
<b>Fair value gains from investments at FVTPL (note 1.1)</b>				
Fair value gain from derivative financial instruments				
<b>Total fair value gains included in the income statement</b>				

<sup>1</sup> Secondary listings on the Namibian Stock Exchange ("NSE") and Mauritian Stock Exchange ("MSE").

<sup>2</sup> Also listed on the Cape Town Stock Exchange (in process of transferring such listing to the JSE).

IFRS classification at 28 Feb 2022	SOTP value			Portion of SOTP value	Valuation method	IFRS 13 fair value	
	28 Feb 2021 Rm	Movement Rm	28 Feb 2022 Rm			Categorisation	R/share
Subsidiary	7 282	<b>3 848</b>	<b>11 130</b>	42%	Closing JSE-listed share price	Level 1	13,74
Subsidiary	3 588	<b>1 238</b>	<b>4 826</b>	18%	Closing JSE-listed share price	Level 1	13,45
	2 190	(2 190)	-				
		2 483					
		<b>293</b>					
Subsidiary	1 983	<b>689</b>	<b>2 672</b>	10%	Closing JSE-listed share price	Level 1	3,57
Subsidiary	3 842		<b>4 508</b>	17%			
	865	459	<b>1 324</b>	5%	Closing JSE-listed share price	Level 1	3,64
	1 126	(69)	<b>1 057</b>	4%	Closing BSE-listed share price converted from Botswana pula to South African rand at the ruling spot exchange rate	Level 1	4,79
	869	119	<b>988</b>	4%	Net asset value, underpinned by investment property subject to external valuation annually	Level 3	
	296	206	<b>502</b>	2%	17,1x (2021: 13,7x) price-earnings multiple	Level 3	
	305	74	<b>379</b>	1%	6x and 10x multiples applied to annualised recurring EBITDA for the operations and investment businesses, respectively, plus cash and work-in-progress, less all debt	Level 3	
	446	(109)	<b>337</b>	1%	Various	Level 3	
	3 907	(65)	<b>4 587</b>				
		(14)	<b>(79)</b>				
		<b>666</b>					
	18 885		<b>23 136</b>				
	2 020		<b>3 636</b>	13%	SOTP value; however, liabilities exceed assets		
	1 646		<b>2 635</b>				
	733		<b>884</b>				
	(359)		<b>117</b>				
	<b>20 905</b>		<b>26 772</b>				
	(1 132)						
	<b>19 773</b>		<b>26 772</b>	<b>100%</b>			
	<b>94,24</b>		<b>127,88</b>				
		<b>6 734</b>					
		42					
		<b>6 776</b>					

<sup>3</sup> PSG Alpha management holds ±1,7% in PSG Alpha.

<sup>4</sup> The balance as at the prior reporting date included, inter alia, a capital gains tax provision in respect of the Capitec shares held.

<sup>5</sup> Repurchased in full during the year under review.



# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of the annual general meeting of shareholders of PSG Group Ltd ("PSG Group" or "the Company") to be held at 10:00 on Friday, 7 October 2022 ("AGM"), in the event that PSG Group is still listed on the JSE on that date pursuant to the PSG Group Restructuring as detailed in the *Letter to Shareholders*.

The AGM will be conducted entirely by electronic communication as contemplated in section 63(2)(a) of the Companies Act, 2008 (Act No. 71 of 2008) ("Companies Act").

The date on which shareholders must be recorded as such in the share register maintained by the transfer secretary of the Company ("Share Register") for purposes of being entitled to receive this notice is Friday, 17 June 2022.

The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at the AGM is Friday, 30 September 2022, with the last day to trade being Tuesday, 27 September 2022.

## Participation process

	<b>Certificated shareholders &amp; own-name dematerialised shareholders</b>	<b>Dematerialised shareholders (excluding own-name dematerialised shareholders)</b>
Shareholders who wish to vote at, but not attend the AGM	<ul style="list-style-type: none"><li>Complete the form of proxy attached to this notice of the AGM and email same, together with proof of identification (i.e. valid South African ("SA") identity document, SA driver's license or passport) and authority to do so (where acting in a representative capacity), to the transfer secretary, Computershare Investor Services (Pty) Ltd ("transfer secretary"), at <a href="mailto:proxy@computershare.co.za">proxy@computershare.co.za</a> so as to be received by the transfer secretary by no later than 10:00 on Wednesday, 5 October 2022, provided that any form of proxy not delivered to the transfer secretary by this time and date may be emailed to the transfer secretary at any time before the appointed proxy exercises any shareholder rights at the AGM, subject to the transfer secretary verifying and registering the form of proxy and proof of identification before any shareholder rights are exercised.</li></ul>	<ul style="list-style-type: none"><li>Provide your central securities depository participant ("CSDP") or broker with your voting instructions in terms of the custody agreement entered into between you and your CSDP or broker.</li><li>You should contact your CSDP or broker regarding the cut-off time for submitting your voting instructions to them.</li><li>If your CSDP or broker does not receive voting instructions from you, it will be obliged to vote in accordance with the instructions in the custody agreement.</li></ul>

## NOTICE OF ANNUAL GENERAL MEETING *(continued)*

	<b>Certificated shareholders &amp; own-name dematerialised shareholders</b>	<b>Dematerialised shareholders (excluding own-name dematerialised shareholders)</b>
Shareholders who wish to attend and vote at the AGM	<ul style="list-style-type: none"> <li>Register online at <a href="https://meetnow.global/za">https://meetnow.global/za</a> (refer page 86) by no later than 10:00 on Wednesday, 5 October 2022. Shareholders may still register online to participate in and/or vote electronically at the AGM after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the AGM, they must be verified and registered before the commencement of the AGM.</li> <li>As part of the registration process you will be requested to upload proof of identification (i.e. valid SA identity document, SA driver's license or passport) and authority to do so (where acting in a representative capacity), as well as to provide details, such as your name, surname, email address and contact number.</li> <li>Following successful registration, the transfer secretary will provide you with details in order to connect electronically to the AGM.</li> <li>Participate in the AGM by following the steps set out in the Electronic Participation Meeting Guide.</li> </ul>	<ul style="list-style-type: none"> <li>Request your CSDP or broker to provide you or your proxy with the necessary authority (i.e. letter of representation) in terms of the custody agreement entered into between you and your CSDP or broker.</li> <li>Register online at <a href="https://meetnow.global/za">https://meetnow.global/za</a> (refer page 86) by no later than 10:00 on Wednesday, 5 October 2022. Shareholders may still register online to participate in and/or vote electronically at the AGM after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the AGM, they must be verified and registered before the commencement of the AGM.</li> <li>As part of the registration process you will be requested to upload your letter of representation and proof of identification (e.g. valid SA identity document, SA driver's license or passport), as well as to provide details, such as your name, surname, email address and contact number.</li> <li>Following successful registration, the transfer secretary will provide you with details in order to connect electronically to the AGM.</li> <li>Participate in the AGM by following the steps set out in the Electronic Participation Meeting Guide.</li> </ul>

- Each PSG Group shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the Company) to participate, speak and vote in their stead at the AGM.
- Voting will take place by way of a poll and accordingly each shareholder will have one vote in respect of each share held.
- The cost (e.g. mobile data consumption or internet connectivity) of electronic participation in the AGM will be carried by the participant.
- The participant acknowledges that the electronic communication services are provided by third parties and indemnifies the Company and its directors/employees/company secretary/transfer secretary/service providers/advisors against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the Company or its directors/employees/company secretary/transfer secretary/service providers/advisors, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the participant via the electronic services to the AGM.

## **Purpose of the AGM**

The purpose of the AGM is to transact the business set out in the agenda below.

## **Agenda of the AGM**

- Presentation of the audited annual financial statements of the Company, including the remuneration report and the reports of the directors and the audit and risk committee for the year ended 28 February 2022. The annual report, of which this notice forms part, contains the summary consolidated financial statements and the aforementioned reports. The audited annual financial statements, including the unmodified audit opinion, are available on PSG Group's website at [www.psggroup.co.za](http://www.psggroup.co.za), and electronic copies may be requested and obtained, at no charge, from the company secretary at [cosec@psggroup.co.za](mailto:cosec@psggroup.co.za).
- To consider and, if deemed fit, approve, with or without modification, the following ordinary resolutions:

Note:

*For ordinary resolutions numbers 1 to 8 (inclusive) to be adopted, more than 50% of the voting rights exercised on the applicable ordinary resolution must be exercised in favour thereof. Should 25% or more of the votes exercised in respect of ordinary resolutions numbers 9 or 10 be against either resolution, or both resolutions, the Company will issue an invitation to those shareholders who voted against the applicable resolution to engage with the Company.*

### **1. Retirement and re-election of directors**

#### **1.1 Ordinary resolution number 1**

"Resolved that Mr PE Burton, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as director."

#### **Summary curriculum vitae of Mr PE (Patrick) Burton**

Patrick graduated with a BCom (Hons) Financial Management degree and postgraduate Diploma in Tax Law. He is a founding director of Siphumelele Investments, a black economic empowerment company, and currently serves on the boards of various companies as a non-executive director.

#### **1.2 Ordinary resolution number 2**

"Resolved that Mr ZL Combi, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as director."

#### **Summary curriculum vitae of Mr ZL (KK) Combi**

KK holds a diploma in public relations and was awarded the Ernst & Young South African Entrepreneur of the Year award in 2000, as well as the World Entrepreneur of the Year in Managing Change award in 2001. He is a member of the Institute of Directors and currently serves on the boards of various companies as a non-executive director.

#### **1.3 Ordinary resolution number 3**

"Resolved that Ms B Mathews, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers herself for re-election, be and is hereby re-elected as director."

#### **Summary curriculum vitae of Ms B (Bridgitte) Mathews**

Bridgitte is a Chartered Accountant (SA) and currently serves on the boards of various companies as a non-executive director. She has been a member of the African Women Chartered Accountants since 2007 and a member of the Institute of Directors since 2011.

The reason for ordinary resolutions numbers 1 to 3 (inclusive) is that the memorandum of incorporation of the Company, the JSE Ltd ("JSE") Listings Requirements and, to the extent applicable, the Companies Act, require that a component of the non-executive directors rotates at every annual general meeting of the Company and, being eligible, may offer themselves for re-election as directors.

## NOTICE OF ANNUAL GENERAL MEETING *(continued)*

### 2. Re-appointment of the members of the audit and risk committee of the Company

Note:

*For avoidance of doubt, all references to the audit and risk committee of the Company refer to the audit committee as contemplated in the Companies Act.*

#### 2.1 Ordinary resolution number 4

"Resolved that Mr PE Burton, subject to the approval of ordinary resolution number 1, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

While Patrick has served on PSG Group's board for the past 21 years, the board is satisfied that he remains independent.

A summary of his curriculum vitae has been included in paragraph 1.1 above

#### 2.2 Ordinary resolution number 5

"Resolved that Ms AM Hlobo, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

##### **Summary curriculum vitae of Ms AM (Modi) Hlobo**

Modi is a Chartered Accountant (SA) and holds an MCom (Finance) degree. Modi has served as a director and audit and risk committee member of numerous public-sector and listed companies. She is currently a senior lecturer at the University of Johannesburg's School of Accounting.

#### 2.3 Ordinary resolution number 6

"Resolved that Ms B Mathews, subject to the approval of ordinary resolution number 3, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

A summary of Bridgitte's curriculum vitae has been included in paragraph 1.3 above

#### 2.4 Ordinary resolution number 7

"Resolved that Mr CA Otto, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

While he has served on PSG Group's board for the past 26 years, the board is satisfied that he remains independent.

##### **Summary curriculum vitae of Mr CA (Chris) Otto**

Chris graduated BCom LLB from Stellenbosch University and is a founding director of PSG Group, Capitec Bank Holdings Ltd and Zeder Investments Ltd. He also serves on the boards of various other listed companies. Since his appointment as PSG Group director in 1995, he has attended all board meetings without fail.

The reason for ordinary resolutions numbers 4 to 7 (inclusive) is that the Company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of such company.



### **3. Re-appointment of auditor**

#### **Ordinary resolution number 8**

"Resolved that Deloitte & Touche be and is hereby re-appointed as auditor of the Company for the ensuing financial year or until the next annual general meeting of the Company, whichever is the later, with the designated auditor being Mr JHW de Kock, as registered auditor and partner in the firm, on the recommendation of the audit and risk committee of the Company."

The reason for ordinary resolution number 8 is that the Company, being a public listed company, must have its annual financial results audited and such auditor must be appointed or re-appointed, as the case may be, at each annual general meeting of the Company, as required by the Companies Act and the JSE Listings Requirements.

### **4. Non-binding advisory vote on PSG Group's remuneration policy**

#### **Ordinary resolution number 9**

"Resolved that the Company's remuneration policy, as set out on pages 39 to 45 of the annual report to which this notice of AGM is annexed, be and is hereby endorsed by way of a non-binding advisory vote."

The reason for ordinary resolution number 9 is that the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™") recommends, and the JSE Listings Requirements require, that the remuneration policy of a listed company be tabled for a non-binding advisory vote thereon by shareholders at each annual general meeting of such company. This enables shareholders to express their views on the remuneration policy adopted. The effect of ordinary resolution number 9, if passed, will be to endorse the Company's remuneration policy. Ordinary resolution number 9 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements.

### **5. Non-binding advisory vote on PSG Group's implementation report on its remuneration policy**

#### **Ordinary resolution number 10**

"Resolved that the Company's implementation report on its remuneration policy, as set out on pages 46 to 56 of the annual report to which this notice of AGM is annexed, be and is hereby endorsed by way of a non-binding advisory vote."

The reason for ordinary resolution number 10 is that King IV™ recommends, and the JSE Listings Requirements require, that the implementation report on a listed company's remuneration policy be tabled for a non-binding advisory vote thereon by shareholders at each annual general meeting of such company. This enables shareholders to express their views on the implementation of a company's remuneration policy. The effect of ordinary resolution number 10, if passed, will be to endorse the Company's implementation report on its remuneration policy. Ordinary resolution number 10 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements.

Should 25% or more of the votes exercised in respect of ordinary resolution number 9 or ordinary resolution number 10 be against either resolution, or both resolutions, the Company will issue an invitation to those shareholders who voted against the applicable resolution to engage with the Company.

## NOTICE OF ANNUAL GENERAL MEETING *(continued)*

- To consider and, if deemed fit, pass, with or without modification, the following special resolutions:

Note:

For special resolutions numbers 1 to 4 (inclusive) to be adopted, at least 75% of the voting rights exercised on the applicable special resolution must be exercised in favour thereof.

### 6. Remuneration of non-executive directors

#### Special resolution number 1

"Resolved, in terms of section 66(9) of the Companies Act, that the Company be and is hereby authorised to remunerate its non-executive directors for their services as directors, which include serving on various sub-committees, and to make payment of the amounts set out below (plus any value-added tax, to the extent applicable), provided that this authority will be valid until the next annual general meeting of the Company:"

	Annual fee (excluding value-added tax) Feb 2023 R
PSG Group Board	
Chairman	716 560
Member	293 510
PSG Group Audit and Risk Committee	
Chairman	205 460
Member	176 110
PSG Group Remuneration Committee	
Chairman	88 050
Member	58 700
PSG Group Social and Ethics Committee	
Chairman	35 220
Member	23 480

The reason for special resolution number 1 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of section 66(9) of the Companies Act.

The effect of special resolution number 1, if passed, is that the Company will be able to pay its non-executive directors for the services they render to the Company as directors in respect of the financial year ending 28 February 2023 without requiring further shareholder approval until the next annual general meeting of the Company.

### 7. Inter-company financial assistance

#### 7.1 Special resolution number 2: Inter-company financial assistance

"Resolved, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the board of the Company may deem fit to any company or corporation that is related or inter-related ("related" and "inter-related" will herein have the meanings attributed to such terms in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company."

The reason for and effect, if passed, of special resolution number 2 is to grant the directors of the Company the authority, until the next annual general meeting of the Company, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

## **7.2 Special resolution number 3: Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company**

“Resolved, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (“financial assistance” will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the board of the Company may deem fit to any person, including any company or corporation that is related or inter-related to the Company (“related” and “inter-related” will herein have the meanings attributed to such terms in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or in any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the board of the Company may determine for the purpose of, or in connection with the, subscription for any option, or any shares or other securities, issued or to be issued by the Company or by a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or of a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company.”

The reason for and effect, if passed, of special resolution number 3 is to grant the directors the authority, until the next annual general meeting of the Company, to provide financial assistance to any person, including any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation. This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a wholly-owned subsidiary raises funds by issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its wholly-owned subsidiary to such third-party funder arising from the issue of the preference shares. As mentioned on page 44, loan funding is no longer provided to participants of the SIT.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the Company confirm that the board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolutions numbers 2 and 3 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company); and
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months.

In addition, the board will only approve the provision of any financial assistance contemplated in special resolutions numbers 2 and 3 above, where:

- the board is satisfied that the terms under which any financial assistance is proposed to be provided, are fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company’s memorandum of incorporation have been met.

## NOTICE OF ANNUAL GENERAL MEETING *(continued)*

### 8. **Special resolution number 4: Share repurchases by PSG Group and its subsidiaries**

"Resolved, as a special resolution, that the Company and its subsidiaries be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the Company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the Company and the JSE Listings Requirements, including, inter alia, that:

- the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the Company, provided that it shall not extend beyond 15 months from the date of this resolution;
- an announcement must be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue on the date that this authority is granted, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares in issue acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;
- a resolution has been passed by the board of directors approving the repurchase, that the Company and its wholly-owned subsidiaries ("the Group") have satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Group;
- the general repurchase is authorised by the Company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the volume weighted average of the market price of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five-business-day period;
- the Company may at any point in time only appoint one agent to effect any repurchase(s) on the Company's behalf; and
- the Company may not effect a repurchase during any prohibited period, as defined in terms of the JSE Listings Requirements, unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third-party, as contemplated in terms of paragraph 5.72(h) of the JSE Listings Requirements."

The reason for and effect, if passed, of special resolution number 4 is to grant the directors a general authority in terms of the Company's memorandum of incorporation and the JSE Listings Requirements for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in special resolution number 4. This authority will provide the board with the necessary flexibility to repurchase shares in the market, should the board believe that it is in the best interest of the Company to do so.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of any class of a company. For the avoidance of doubt, (i) a pro rata repurchase by the Company from all its shareholders; and (ii) intra-group repurchases by the Company of its shares from wholly-owned subsidiaries, share incentive schemes pursuant to Schedule 14 of the JSE Listings Requirements and/or non-dilutive share incentive schemes controlled by the Company, where such repurchased shares are to be cancelled, will not require shareholder approval, save to the extent as may be required by the Companies Act.

### Information relating to the special resolutions

1. The directors of the Company or its subsidiaries will only utilise the general authority to repurchase shares of the Company as set out in special resolution number 4 to the extent that the directors, after considering the maximum number of shares to be purchased, are of the opinion that the position of the Group would not be compromised as to the following:
  - the Company and the Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this notice of AGM and for a period of 12 months after the repurchase;
  - the consolidated assets of the Company and the Group (fairly valued) will at the time of this notice of AGM and at the time of making such determination, and for a period of 12 months thereafter, be in excess of the consolidated liabilities of the Company and the Group (fairly valued);
  - the ordinary share capital and reserves of the Company and the Group after the repurchase will remain adequate for the purpose of the business of the Group for a period of 12 months after this notice of AGM and after the date of the share repurchase; and
  - the working capital available to the Company and the Group after the repurchase will be sufficient for ordinary business purposes for a period of 12 months after the date of this notice of AGM and for a period of 12 months thereafter and/or after the date of the repurchase.

General information in respect of major shareholders, material changes since the 2022 financial year-end and the share capital of the Company is contained in the annual report of which this notice forms part, as well as the full set of annual financial statements, being available on PSG Group's website at [www.psggroup.co.za](http://www.psggroup.co.za) or which may be requested and obtained, at no charge, from the company secretary at [cosec@psggroup.co.za](mailto:cosec@psggroup.co.za).

2. The directors, whose names appear on pages 4 and 5 of the annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice of AGM contains all information required by law and the JSE Listings Requirements.
3. Special resolutions numbers 1, 2, 3 and 4 are renewals of resolutions taken at the previous annual general meeting held on Friday, 9 July 2021.

### 9. Other business

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the Company.

By order of the board



**PSG Corporate Services (Pty) Ltd**  
**Per A Rossouw**  
Company Secretary

Stellenbosch  
21 June 2022

# NOTICE OF ANNUAL GENERAL MEETING *(continued)*



## HOW TO PARTICIPATE IN VIRTUAL MEETINGS

### Attending the meeting online

Our online meetings provide you with the opportunity to participate online using your smartphone, tablet or computer.

You will be able to view a live webcast of the meeting, ask questions and submit your votes in real time.

**You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.**



Visit <https://meetnow.global/za>



#### Access

Access the online meeting at <https://meetnow.global/za>, select the applicable meeting from the drop down option. Click 'JOIN MEETING NOW'.

#### If you are a shareholder:

Select 'Invitation' on the login screen and enter the applicable information as per your invitation. Accept the Terms and Conditions and click Continue.

#### If you are a guest:

Select 'Guest' on the login screen. As a guest, you will be prompted to complete all the relevant fields, including title, first name, last name and email address.

*Please note, guests will not be able to vote at the meeting. Guests would not need to register and can join the meeting 30 minutes before the start by going to <https://meetnow.global/za>.*

#### If you are a proxy holder:

You will receive an email invitation the day before the meeting to access the online meeting. Click on the link in the invitation to access the meeting.



#### Contact

If you have any issues accessing the website please email [proxy@computershare.co.za](mailto:proxy@computershare.co.za).



#### Navigation



When successfully authenticated, the home screen will be displayed. You can watch the webcast, vote, ask questions, and view meeting materials in the documents folder. The image highlighted blue indicates the page you have active.

The webcast will appear and begin automatically once the meeting has started.



#### Voting

Resolutions will be put forward once voting is declared open by the Chair. Once the voting has opened, the resolution and voting options will appear.

To vote, simply select your voting direction from the options shown on screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the green tick appears. To change your vote, select 'Change Your Vote'.



#### Q&A

Select the Q&A tab and type your question into the box at the bottom of the screen and press 'Send'.

# FORM OF PROXY



## PSG GROUP LIMITED

(Incorporated in the Republic of South Africa)  
(Registration number: 1970/008484/06)  
JSE share code: PSG ISIN code: ZAE000013017  
LEI code: 378900CD0BEE79F35A34  
("PSG Group" or "the Company")

### FORM OF PROXY – FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALIZED SHAREHOLDERS ONLY

For use at the annual general meeting of ordinary shareholders of the Company to be held entirely by electronic means, at 10:00 on Friday, 7 October 2022 ("AGM").

I/We (full name in print) \_\_\_\_\_

of (address) \_\_\_\_\_

being the registered holder of \_\_\_\_\_ ordinary shares hereby appoint:

1. \_\_\_\_\_ or failing him/her,

2. \_\_\_\_\_ or failing him/her,

3. the chairman of the AGM,

as my/our proxy to attend, speak and vote on my/our behalf at the AGM for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions and special resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s) in accordance with the following instructions (see notes):

	Number of shares		
	In favour	Against	Abstain
1.1 Ordinary resolution number 1: To re-elect Mr PE Burton as director			
1.2 Ordinary resolution number 2: To re-elect Mr ZL Combi as director			
1.3 Ordinary resolution number 3: To re-elect Ms B Mathews as director			
2.1 Ordinary resolution number 4: To re-appoint Mr PE Burton as a member of the audit and risk committee			
2.2 Ordinary resolution number 5: To re-appoint Ms AM Hlobo as a member of the audit and risk committee			
2.3 Ordinary resolution number 6: To re-appoint Ms B Mathews as a member of the audit and risk committee			
2.4 Ordinary resolution number 7: To re-appoint Mr CA Otto as a member of the audit and risk committee			
3. Ordinary resolution number 8: To re-appoint Deloitte & Touche as auditor			
4. Ordinary resolution number 9: Non-binding endorsement of PSG Group's remuneration policy			
5. Ordinary resolution number 10: Non-binding endorsement of PSG Group's implementation report on its remuneration policy			
6. Special resolution number 1: Remuneration of non-executive directors			
7.1 Special resolution number 2: Inter-company financial assistance			
7.2 Special resolution number 3: Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company			
8. Special resolution number 4: Share repurchases by PSG Group and its subsidiaries			

Please indicate your voting instruction by inserting the number of shares (or a cross should you wish to vote all of your shares) in the space provided.

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

Signature(s) \_\_\_\_\_

Assisted by (where applicable) (state capacity and full name) \_\_\_\_\_

Each PSG Group shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the Company) to participate, speak and vote in his/her stead at the AGM.

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## FORM OF PROXY *(continued)*

### Notes

1. A PSG Group shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the AGM". The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A PSG Group shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided or by the insertion of a cross if all shares should be voted on behalf of that shareholder. Failure to comply with the above will be deemed to authorise the chairman of the AGM, if he/she is the authorised proxy, to vote in favour of the resolutions at the AGM, or any other proxy to vote or to abstain from voting at the AGM as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.
3. When there are joint registered holders of any shares, any one of such persons may vote at the AGM in respect of such shares as if he/she is solely entitled thereto, but, if more than one of such joint holders be present or represented at the AGM, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased shareholder, in whose name any shares stand, shall be deemed joint holders thereof.
4. Forms of proxy must be completed and emailed, together with proof of identification and authority to do so (where acting in a representative capacity), to the transfer secretary, Computershare Investor Services (Pty) Ltd, at [proxy@computershare.co.za](mailto:proxy@computershare.co.za) so as to be received by the transfer secretary no later than 10:00 on Wednesday, 5 October 2022, provided that any form of proxy not delivered to the transfer secretary by this time and date may be emailed to the transfer secretary at any time before the appointed proxy exercises any shareholder rights at the AGM, subject to the transfer secretary verifying and registering the form of proxy and proof of identification before any shareholder rights are exercised.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretary or waived by the chairman of the AGM.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from connecting electronically to the AGM and speaking and voting by way of electronic means to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.