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 2021.

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, PricewaterhouseCoopers Inc.

The consolidated annual financial statements, including the unmodified audit opinion, are available on PSG Group Ltd's website at *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.

REPORT OF THE AUDIT AND RISK COMMITTEE

for the year ended 28 February 2021

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 audit and risk committee for 14, two, four and nine years, respectively. The Committee met three times during the past financial year on 21 April 2020, 13 October 2020 and 21 January 2021, as well as after financial year-end on 19 April 2021, 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, its charter for the year ended 28 February 2021.

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 reappointment 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 2021 financial year;
- Approved the nature and extent of non-audit services of the external auditor;
- Nominated for re-election at the 2020 annual general meeting, PricewaterhouseCoopers Inc. as the external audit firm for the 2021 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's ordinary dividend proposed at interim and recommended it to the board of directors for approval;
- Reviewed the accounting policies, including the changes thereto pursuant to the change in PSG Group's status to that of an *investment entity*, and financial statements for the year ended 28 February 2021 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;
- 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; and
- Undertook a tender process pursuant to the early-adoption of mandatory audit firm rotation, the result of which was the nomination of Deloitte & Touche as the external audit firm for the 2022 financial year for election at the upcoming annual general meeting.

PE Burton
Audit and Risk Committee Chairman

Stellenbosch
28 May 2021

COMPANY SECRETARY DECLARATION

for the year ended 28 February 2021

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
28 May 2021

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2021

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 Ltd 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 75 to 76 and 78 to 97, 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
28 May 2021

DIRECTORS' REPORT

for the year ended 28 February 2021

Nature of business

PSG Group Ltd, being an investment holding company, offers a broad range of goods and services through its various investees. These goods and services mainly comprise financial services (wealth management, stockbroking, asset management, insurance, investment services and banking), logistical services, food and related goods and services, advisory and private education services.

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, comprehensive income, changes in equity and cash flows, as well as the notes thereto. The group's status changed to that of an *investment entity* with effect from 1 March 2020 as detailed on page 78 and accordingly the prior year comparatives are not comparable to the current year figures. For the year under review, the group's *headline earnings* and earnings attributable to owners of the parent amounted to R1 038m (2020: R2 583m) and R29 994m (2020: R2 462m), respectively. The group's total profit (gross of non-controlling interests) for the year amounted to R30 101m (2020: R3 358m).

Stated capital

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

	Number of shares	
	2021	2020
Shares in issue at beginning of the year, gross of treasury shares	**232 163 254**	232 108 050
Less: Treasury shares		
Held by a subsidiary (PSG Financial Services Ltd)	**(13 908 770)**	(13 908 770)
Held by a subsidiary (PSG Group Ltd Supplementary Share Incentive Trust)	**(45 000)**	
Held by related parties of management and acquired by way of loan funding advanced	**(100 000)**	(100 000)
Shares in issue at beginning of the year, net of treasury shares	**218 109 484**	218 099 280
Movement in treasury shares		
Shares issued in terms of the PSG Group Ltd Supplementary Share Incentive Trust to participants		55 204
Shares acquired by the PSG Group Ltd Supplementary Share Incentive Trust		(45 000)
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 R54,73 per share (including costs)	**(8 385 147)**	
Shares in issue at end of the year, net of treasury shares	**209 824 337**	218 109 484

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' emoluments

Details of directors' emoluments appear in the *Remuneration Report* on pages 62 and 69.

Prescribed officers

The members of the PSG Group Ltd Executive Committee ("Exco") are regarded as being the prescribed officers of the company. The Exco comprises the PSG Group Ltd 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 44). The duties and responsibilities of the Exco are set out in the *Environmental, Social and Governance Report* (page 30).

Shareholding of directors

The shareholding of directors in the issued share capital of PSG Group Ltd as at 28 February 2021 was as follows:

	Beneficial		Non-beneficial	**Total shareholding 2021[5]**		Total shareholding 2020	
Audited	Direct	Indirect	Indirect	**Number**	**%**	Number	%
PE Burton		300 000		**300 000**	**0,1**	297 500	0,1
ZL Combi[1]	354 000			**354 000**	**0,2**	354 000	0,2
WL Greeff	8 124	1 047 497		**1 055 621**	**0,5**	1 055 621	0,5
AM Hlobo		1 500		**1 500**	**–**	300	–
JA Holtzhausen[2]	611 226	500 000	3 804	**1 115 030**	**0,5**	1 111 226	0,5
JJ Mouton[2,3]	200 000	1 583 667	498 600	**2 282 267**	**1,1**	1 989 850	0,9
PJ Mouton[2,3]	54 148	5 378 831	519 470	**5 952 449**	**2,8**	5 937 612	2,7
CA Otto[4]	200			**200**	**–**	3 324 667	1,5
Total	1 227 698	8 811 495	1 021 874	**11 061 067**	**5,2**	14 070 776	6,4

1 *At the previous reporting date, Mr ZL Combi's shareholding included 276 000 shares which were subject to a European scrip-settled collar as hedging instrument due to expire on 31 August 2020. On 10 July 2020, such hedging instrument was increased to 354 000 shares due to expire in equal portions on 5 July 2022 and 12 July 2022.*

2 *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.*

3 *Messrs JJ Mouton and PJ Mouton are also trustees and discretionary beneficiaries of the JF Mouton Familietrust with an effective holding of 42 269 481 PSG Group ordinary shares, representing approximately 20,1% of PSG Group's issued share capital (net of treasury shares).*

4 *During the year under review, Mr CA Otto resigned as trustee and/or director of all entities holding the non-beneficial indirect shareholding previously reported. Accordingly, such entities' shareholding is no longer disclosed.*

5 *The shareholding of directors did not change between year-end and the date of approval of these annual financial statements, apart from Messrs JJ Mouton and PJ Mouton having acquired a further non-beneficial indirect interest in 9 600 and 11 605 shares, respectively. Furthermore, Messrs JJ Mouton and PJ Mouton have also acquired a further beneficial indirect interest in 4 000 and 38 717 shares, respectively, subsequent to year-end.*

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 78 to 94 and 96 to 97 of the PSG Group Ltd Annual Report 2021, which comprise the summary consolidated statement of financial position as at 28 February 2021, the summary consolidated income statement, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of PSG Group Ltd for the year ended 28 February 2021.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Ltd's ("JSE") requirements for summary financial statements, as 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 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 financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 28 May 2021. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

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 JSE's 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.

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 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*.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: B Deegan
Registered Auditor

Stellenbosch
28 May 2021

INTRODUCTION TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 28 February 2021

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 requirements of 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; however, the accounting policies applied are materially different from those previously applied as detailed below.

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.

Application of the investment entity exception in terms of IFRS 10 Consolidated Financial Statements

Change in investment entity status

An *investment entity* is typically an entity that i) obtains funds from one or more investors for the purpose of providing such investor(s) with investment management services, ii) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and iii) measures and evaluates the performance of substantially all of its investments on a fair value basis.

IFRS 10 lists typical characteristics of an *investment entity* as i) it has more than one investment, ii) it has more than one investor, iii) it has investors that are not related parties of the entity, and iv) it has ownership interests in the form of equity or similar interests. PSG Group Ltd ("PSG Group") strongly exhibits all of these characteristics.

During the year under review, PSG Group undertook the following major corporate actions, which significantly impacted the group's composition and focus areas:

- PSG Group, through Zeder Investments Ltd ("Zeder"), a subsidiary in terms of IFRS 10, disposed of its entire investment in Pioneer Food Group Ltd ("Pioneer Foods"), being the second largest associate of the group, for R6,4bn cash ("Pioneer Foods Disposal");
- PSG Group unbundled an effective 30,5m shares (or 26,4% of the 30,7% interest held) in Capitec Bank Holdings Ltd ("Capitec") ("Capitec Unbundling"), thereby retaining a 4,3% shareholding for liquidity purposes and to bolster PSG Group's balance sheet. Such unbundling unlocked significant value for PSG Group ordinary shareholders.
- PSG Group disposed of 3,3m Capitec shares (or 2,9% of the 4,3% Capitec interest retained) for R3,5bn cash.

PSG Group's investment in Capitec represented more than 65% of its total asset portfolio prior to aforementioned unbundling, whereas the investments in Pioneer Foods and Capitec contributed approximately 75% to PSG Group's consolidated *recurring earnings* (as explained in note 7) for the year ended 29 February 2020. Whilst PSG Group's focus on value creation for its shareholders has not changed, the aforementioned disposals and unbundling have necessitated PSG Group to reassess its *investment entity* status in terms of IFRS 10. The performance of its remaining investment portfolio is accordingly measured with reference to the fair value of such investments (i.e. *sum-of-the-parts ("SOTP") value*) rather than the consolidated profitability of PSG Group (i.e. *recurring earnings*) with effect from 1 March 2020 in PSG Group's strive to meet its objective of value creation through capital appreciation, investment income or both. Fair value (i.e. *SOTP value*) is ultimately dependent on a range of factors such as the investee's market rating, growth prospects, operational performance, profitability and marketability.

Accounting treatment for an investment entity
IFRS 10 contains special accounting requirements for an *investment entity*. Where an entity meets the definition of an *investment entity*, it does not consolidate its subsidiaries, but rather measures subsidiaries at fair value through profit or loss ("FVTPL"). However, an *investment entity* is still required to consolidate subsidiaries that provide services related to the *investment entity*'s investment activities (i.e. those wholly-owned subsidiaries comprising PSG Group's head office operations).

IFRS 10 requires a parent that becomes an *investment entity* to account for the change in its status prospectively from the date at which the change in status occurred. Having considered various factors, including the timelines and decision-making processes leading up to aforementioned disposals and unbundling, PSG Group's application of the *investment entity* exception is effective from 1 March 2020. Accordingly, on such date the group's existing subsidiaries (other than aforementioned wholly-owned head office subsidiaries providing investment-related services to PSG Group) were deemed to be disposed of and re-acquired at fair value, with the resultant *non-headline* gain or loss being recognised in the income statement. Such investments were subsequently measured at FVTPL for the entire year under review.

<u>*Discontinued operations*</u>

Pioneer Foods Disposal
As at 29 February 2020, PSG Group, through Zeder, a subsidiary in terms of IFRS10, classified its investment in Pioneer Foods, an associate, as a non-current asset held for sale and discontinued operation in its consolidated financial statements for the year ended 29 February 2020.

Capitec Unbundling
With effect from 1 March 2020, PSG Group classified the portion of its associate interest in Capitec being subject to unbundling as a non-current asset held for sale and discontinued operation. PSG Group simultaneously transferred its retained equity security interest in Capitec that would not be unbundled to investments at FVTPL and continued to measure it at FVTPL throughout the year under review. Profit or losses resulting from PSG Group's shareholding in Capitec forming part of the Capitec Unbundling were disclosed as a discontinued operation in PSG Group's consolidated income statement for both years presented, irrespective of such investment being equity accounted during the prior year.

Linked investment contracts, consolidated mutual funds and other client-related balances ("client-related balances")

The differentiation between own and client-related balances is with effect from 1 March 2020 no longer relevant as a result of the aforementioned change in status to that of an *investment entity*, with PSG Konsult Ltd ("PSG Konsult") having been deconsolidated and PSG Group's interest therein being accounted for since at FVTPL.

Prior to applying the *investment entity* exception, client-related balances resulted in assets and liabilities of equal value being recognised in the consolidated statement of financial position, although not directly related to PSG Group shareholders. These balances mainly stemmed from:

- PSG Life Ltd (an existing subsidiary of PSG Konsult) issuing linked investment contracts to clients in terms of which the value of policy benefits payable (included under "investment contract liabilities") was directly linked to the fair value of the supporting assets, with the group not being exposed to the financial risks associated with such assets and liabilities.
- The group consolidating mutual funds deemed to be controlled in terms of IFRS 10, with the group's own investments in such mutual funds having been derecognised and all the funds' underlying assets having been recognised. Third parties' funds invested in the respective mutual funds were recognised as a payable and included under "third-party liabilities arising on consolidation of mutual funds", with the group thus not being exposed to the financial risks associated with the assets and liabilities attributable to third parties.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 28 February 2021

	2021 Rm	2020 Own balances Rm	2020 Client-related balances Rm	2020 Total Rm
Assets				
Investments at FVTPL (note 1.1)	**18 885**			–
Property, plant and equipment	**55**	12 117		12 117
Right-of-use assets	**1**	1 107		1 107
Intangible assets		4 483		4 483
Investment in ordinary shares of associates		10 672		10 672
Investment in preference shares of/loans granted to associates		42		42
Investment in ordinary shares of joint ventures		986		986
Loans granted to joint ventures		35		35
Employee benefit assets		42		42
Unit-linked investments		682	49 722	50 404
Equity securities		411	2 209	2 620
Debt securities (note 1.3)	**715**	1 847	4 365	6 212
Deferred income tax assets	**12**	469		469
Biological assets		585		585
Investment in investment contracts			16	16
Loans and advances	**54**	330		330
Trade and other receivables	**70**	4 261	1 740	6 001
Derivative financial assets		1	23	24
Inventory		2 038		2 038
Current income tax assets		39		39
Reinsurance assets		134		134
Cash and cash equivalents	**1 646**	1 723	254	1 977
Assets held for sale		5 520		5 520
Total assets	**21 438**	47 524	58 329	105 853
Equity				
Ordinary shareholders' equity	**19 254**	19 083		19 083
Non-controlling interests	**1 556**	11 843		11 843
Total equity	**20 810**	30 926	–	30 926
Liabilities				
Insurance contracts		554		554
Investment contract liabilities			26 694	26 694
Third-party liabilities arising on consolidation of mutual funds			29 999	29 999
Deferred income tax liabilities	**488**	975		975
Borrowings		9 094		9 094
Lease liabilities	**1**	1 453		1 453
Derivative financial liabilities	**42**	87	30	117
Employee benefit liabilities	**25**	598		598
Trade and other payables	**36**	3 679	1 606	5 285
Loans payable[1]	**36**			–
Reinsurance liabilities		7		7
Current income tax liabilities		135		135
Liabilities held for sale		16		16
Total liabilities	**628**	16 598	58 329	74 927
Total equity and liabilities	**21 438**	47 524	58 329	105 853
SOTP value per share (R)[2]	**94,24**	276,43		
Net asset value per share (R)[2]	**91,76**	87,49		
Net tangible asset value per share (R)	**91,76**	66,94		

[1] *Balance as at 28 February 2021 includes loans payable to subsidiaries and head office-administered Black-Economic Empowerment Trusts not consolidated.*

[2] *Following the change in investment entity status, PSG Group's net asset value per share is now similar to its SOTP value per share, apart from, mainly, the difference in treatment of PSG Financial Services Ltd's ("PSGFS") JSE-listed cumulative, non-redeemable, non-participating preference shares.*

SUMMARY CONSOLIDATED INCOME STATEMENT

for the year ended 28 February 2021

	2021 Rm	2020[1] Own balances Rm	2020[1] Client-related balances Rm	2020[1] Total Rm
CONTINUING OPERATIONS				
Fair value losses on investments at FVTPL (note 1.1)	**(962)**			–
Investment income (note 1.1)	**2 054**	427	1 964	2 391
Revenue from sale of goods		13 502		13 502
Cost of goods sold		(11 339)		(11 339)
Gross profit from sale of goods	**–**	2 163	–	2 163
Revenue earned from commission, school, net insurance and other fee income[2]	**80**	10 936	(75)	10 861
Other income				
Gain upon deemed disposal and reacquisition of subsidiaries at fair value (note 1.1)	**3 945**			–
Changes in fair value of biological assets		225		225
Fair value (losses)/gains	**(6)**	3	(365)	(362)
Fair value adjustment to investment contract liabilities			(507)	(507)
Fair value adjustment to third-party liabilities arising on consolidation of mutual funds			(1 030)	(1 030)
Other operating income		314		314
	3 939	542	(1 902)	(1 360)
Expenses				
Insurance claims and loss adjustments, net of recoveries		(663)		(663)
Reversal of previously recognised impairment loss on debt securities (note 1.3)	**126**			–
Impairment loss on loans and advances	**(33)**			–
Marketing, administration, impairment losses and other expenses[2]	**(128)**	(11 576)	47	(11 529)
	(35)	(12 239)	47	(12 192)
Net income from associates and joint ventures				
Share of profits of associates and joint ventures		648		648
Loss on impairment of associates		(323)		(323)
Profit on sale/dilution of interest in associates (note 1.2)	**5 158**	130		130
	5 158	455	–	455
Profit before finance costs and taxation	**10 234**	2 284	34	2 318
Finance costs	**(138)**	(889)		(889)
Profit before taxation	**10 096**	1 395	34	1 429
Taxation[3]	**(1 083)**	(491)	(34)	(525)
Profit for the year from continuing operations	**9 013**	904	–	904

SUMMARY CONSOLIDATED INCOME STATEMENT *(continued)*

for the year ended 28 February 2021

	2021 Rm	2020[1] Own balances Rm	2020[1] Client-related balances Rm	2020[1] Total Rm
DISCONTINUED OPERATIONS				
Profit for the year from discontinued operations	**21 088**	2 454	–	2 454
Gain upon unbundling of Capitec interest at fair value (note 1.2)	**21 099**			–
Capitec Unbundling transaction costs	**(11)**			–
Share of profit of associate		1 923		1 923
Reversal of impairment of associate		617		617
Loss on dilution of interest in associate		(86)		(86)
Profit for the year	**30 101**	3 358	–	3 358
Attributable to:				
Owners of the parent	**29 994**	2 462		
Continuing operations	**8 906**	453		
Discontinued operations	**21 088**	2 009		
Non-controlling interests	**107**	896		
	30 101	3 358		

1 *Re-presented for the discontinued operations as detailed in the introduction to these summary consolidated financial statements, as well as the reclassification detailed in note 8.*

2 *Fee income and operating costs pertaining to the wholly-owned head office subsidiaries providing investment-related services to PSG Group.*

3 *Comprises mainly the capital gains tax paid or provided for in respect of i) the aforementioned 2,9% Capitec interest sold and ii) the remaining 1,4% Capitec interest.*

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 28 February 2021

	2021 Rm	2020[1] Rm
Profit for the year	**30 101**	3 358
Other comprehensive loss for the year, net of taxation	**–**	(432)
Items that may be subsequently reclassified to profit or loss		
Currency translation adjustments		(181)
Cash flow hedges		(13)
Share of other comprehensive losses and equity movements of associates		(238)
Total comprehensive income for the year	**30 101**	2 926
Attributable to:		
Owners of the parent	**29 994**	2 263
Continuing operations	**8 906**	752
Discontinued operations	**21 088**	1 511
Non-controlling interests	**107**	663
	30 101	2 926

[1] *Re-presented for the discontinued operations as detailed in the introduction to these summary consolidated financial statements.*

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2021

	2021 Rm	2020 Rm
Ordinary shareholders' equity at beginning of the year	**19 083**	18 012
Total comprehensive income	**29 994**	2 263
(Share buy-back)/issue of shares[1]	**(459)**	15
Share-based payment costs – employees	**33**	80
Treasury shares released/(acquired)	**7**	(11)
Transactions with non-controlling interests and other movements	**(4)**	(255)
Dividends paid	**(516)**	(1 021)
Capitec Unbundling (note 1.2)	**(28 884)**	
Ordinary shareholders' equity at end of the year	**19 254**	19 083
Non-controlling interests at beginning of the year	**11 843**	11 643
Total comprehensive income	**107**	663
Subsidiaries deconsolidated upon change in status to that of an investment entity	**(10 265)**	
Issue of shares		20
Share-based payment costs – employees		48
Subsidiaries acquired		66
Subsidiaries sold		(2)
Transactions with non-controlling interests		(142)
Dividends paid	**(129)**	(453)
Non-controlling interests at end of the year[2]	**1 556**	11 843
Total equity	**20 810**	30 926

1 *During the year under review, PSG Group repurchased 8 385 147 shares at an average price of R54,73 per share (including costs).*

2 *The non-controlling interests as at 28 February 2021 comprised the JSE-listed cumulative, non-redeemable, non-participating preference shares in issue by PSGFS, through which PSG Group undertakes all its investment activities.*

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 28 February 2021

	2021 Rm	2020[1] Own balances Rm	2020[1] Client-related balances Rm	2020[1] Total Rm
Net cash flow from operating activities	**1 264**	2 198	74	2 272
Cash generated from/(utilised by) operations (note 3)	**12**	2 184	(1 922)	262
Interest received	**59**	352	1 360	1 712
Dividends received (notes 1.1 and 1.3)				
Continuing operations	**1 959**	223	643	866
Discontinued operations		762		762
Finance costs paid	**(157)**	(840)		(840)
Taxation paid	**(609)**	(483)	(7)	(490)
Net cash flow from investing activities	**1 868**	(1 461)	–	(1 461)
Cash and cash equivalents deconsolidated upon change in status to that of an investment entity	**(409)**			–
Additions to investments at FVTPL (note 1.1)	**(1 139)**			–
Disposals of investments at FVTPL (note 1.1)	**3 502**			–
Cash flow from subsidiaries acquired		(235)		(235)
Cash flow from subsidiaries sold		54		54
Acquisition of ordinary shares in associates and joint ventures		(515)		(515)
Acquisition of property, plant and equipment	**(1)**	(1 672)		(1 672)
Other investing activities	**(85)**	907		907
Net cash flow from financing activities	**(2 081)**	(800)	(100)	(900)
Dividends paid to:				
PSG Group shareholders	**(516)**	(1 021)		(1 021)
PSGFS perpetual preference shareholders and non-controlling interests	**(129)**	(453)		(453)
Borrowings drawn		3 165		3 165
Borrowings repaid	**(1 000)**	(2 057)	(100)	(2 157)
Other financing activities[2]	**(436)**	(434)		(434)
Net increase/(decrease) in cash and cash equivalents	**1 051**	(63)	(26)	(89)
Exchange losses on cash and cash equivalents		(21)		(21)
Cash and cash equivalents at beginning of the year	**595**	425	280	705
Cash and cash equivalents at end of the year	**1 646**	341	254	595

[1] *Re-presented for the discontinued operations as detailed in the introduction to these summary consolidated financial statements.*

[2] *Cash outflow during the year related mainly to PSG Group share repurchases as detailed in the summary consolidated statement of changes in equity.*

1. **Investments**

1.1 Investments at FVTPL

	Carrying value 29 Feb 2020 Rm	Gain/(loss) upon deemed disposal and reacquisition of subsidiaries at fair value on 1 Mar 2020 Rm	Reconciliation of investments at FVTPL from 1 Mar 2020 to 28 Feb 2021					
			Fair value[1] 1 Mar 2020 Rm	Transfer from investment in associate Rm	Fair value gains/(losses) Rm	Additions/(disposals)[2] Rm	Fair value[1] 28 Feb 2021 Rm	Investment (dividend) income[3] Rm
PSG Konsult	1 964	4 435	**6 399**		883		**7 282**	**186**
Curro	3 034	(430)	**2 604**		(69)	1 053	**3 588**	**23**
Capitec			**–**	6 416	(724)	(3 502)	**2 190**	
Zeder	3 517	(344)	**3 173**		(1 190)		**1 983**	**1 721**
PSG Alpha	3 111	507	**3 618**		138	86	**3 842**	
Other	223	(223)	**–**				**–**	
Total		3 945	**15 794**	6 416	(962)	(2 363)	**18 885**	**1 930**

Interest income on cash and cash equivalents and loans and advances, as well as preference share dividends accrued on debt securities	**124**
Total investment income	**2 054**

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

2 *The disposal of approximately 3,3m Capitec shares during the year raised R3 502m in cash, while a further R1 053m and R86m cash was invested in Curro and PSG Alpha, respectively.*

3 *The dividends received from PSG Konsult and Curro were paid in the normal course of business, while the dividend received from Zeder was a special dividend paid pursuant to the Pioneer Foods Disposal.*

	Reconciliation of associate from 29 Feb 2020 to 28 Feb 2021					
	Carrying value 29 Feb 2020 Rm	Gain upon remeasuring retained Capitec interest to fair value[1] Rm	Gain upon unbundling of Capitec interest at fair value Rm	Transfer to investments at FVTPL[1] Rm	Capitec unbundling at fair value[2] Rm	Carrying value 28 Feb 2021 Rm
1.2 Investment in associate (Capitec)						
Retained Capitec interest (continuing operations)	**1 258**	5 158		(6 416)		**–**
Unbundled Capitec interest (discontinued operations)	**7 785**		21 099		(28 884)	**–**
Total	**9 043**	5 158	21 099	(6 416)	(28 884)	**–**

[1] *This portion of the investment in associate representing the retained 4,9m Capitec shares not forming part of the Capitec Unbundling, and over which significant influence was lost, was transferred to investments at FVTPL at the ruling market price on 1 March 2020, being the date on which the unbundled Capitec interest was reclassified as a non-current asset held for sale.*

[2] *Representing 30,5m Capitec shares worth R28 884m at the ruling share price as at 30 July 2020, being the date on which PSG Group shareholder approval for the Capitec Unbundling was obtained, with the required approval of the Prudential Authority having been obtained prior to such date.*

1.3 Debt securities

Debt securities as at 28 February 2021 relate to PSG Group's investment in Dipeo Capital (RF) (Pty) Ltd ("Dipeo") cumulative, redeemable preference shares. Previously, such investment was eliminated upon consolidation of Dipeo (a subsidiary in terms of IFRS 10), with PSG Group accordingly sharing in the underlying assets of Dipeo. However, following the aforementioned change in status to that of an *investment entity*, Dipeo is no longer consolidated and PSG Group had to accordingly reinstate such debt securities and account therefore at amortised cost. Below is a reconciliation of movement in such debt securities balance for the year under review:

	2021 Rm
Reinstatement following change in status to that of an investment entity (i.e. opening balance net of previously recognised impairment loss)	**567**
Cash collected	**(29)**
Preference share dividends accrued[1]	**51**
Reversal of previously recognised impairment loss	**126**
Closing balance[2]	**715**

[1] *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).*

[2] *The carrying value of the debt securities is supported by Dipeo's investment in JSE-listed Curro (3,6%), Stadio Holdings Ltd ("Stadio") (3,3%) and Kaap Agri Ltd ("Kaap Agri") (20%), as well as in unlisted Energy Partners Holdings (Pty) Ltd ("Energy Partners") (16,6%), and accordingly the remaining carrying value is deemed fully recoverable (i.e. lifetime expected credit losses have been provided for).*

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

for the year ended 28 February 2021

	2021			2020[1]		
	Continuing operations Rm	**Discon-tinued operations Rm**	**Total Rm**	Continuing operations Rm	Discon-tinued operations Rm	Total Rm
2. Headline earnings and dividend per share						
Profit for the year attributable to owners of the parent	**8 906**	**21 088**	**29 994**	453	2 009	2 462
Non-headline items	**(7 868)**	**(21 088)**	**(28 956)**	338	(217)	121
Gross amounts	**(9 103)**	**(21 088)**	**(30 191)**	598	(503)	95
Gain upon deemed disposal and reacquisition of subsidiaries at fair value (note 1.1)	**(3 945)**		**(3 945)**			–
Net (profit)/loss on sale/dilution of interest in associates (note 1.2)	**(5 158)**		**(5 158)**	(130)	86	(44)
Loss on/(reversal of) impairment of associates			**–**	323	(617)	(294)
Gain upon unbundling of Capitec interest at fair value (note 1.2)		**(21 099)**	**(21 099)**			–
Capitec Unbundling transaction costs		**11**	**11**			–
Profit from subsidiaries sold			**–**	(58)		(58)
Fair value gain on step-up from associate to subsidiary			**–**	(4)		(4)
Net loss on sale/impairment of intangible assets (including goodwill)			**–**	294		294
Net loss on sale/impairment of property, plant and equipment			**–**	209		209
Loss on impairment of biological assets			**–**	2		2
Non-headline items of associates and joint ventures			**–**	(84)	28	(56)
Impairment of assets held for sale			**–**	46		46
Non-controlling interests			**–**	(309)	286	(23)
Taxation	**1 235**		**1 235**	49		49
Headline earnings	**1 038**	**–**	**1 038**	791	1 792	2 583

[1] *Re-presented for the discontinued operations as detailed in the introduction to these summary consolidated financial statements.*

2. Headline earnings and dividend per share *(continued)*

	2021	2020[1]
Earnings per share (R)		
Recurring	**N/a**	12,81
Headline	**4,81**	11,84
Continuing operations	**4,81**	3,66
Discontinued operations		8,18
Attributable	**139,08**	11,29
Continuing operations	**41,30**	2,13
Discontinued operations	**97,78**	9,16
Diluted headline	**4,56**	11,81
Continuing operations	**4,56**	3,65
Discontinued operations		8,16
Diluted attributable	**138,26**	11,26
Continuing operations	**40,89**	2,11
Discontinued operations	**97,37**	9,15
Dividend per share (R)	**1,64**	2,39
Interim	**1,64**	1,64
Final		0,75
Number of shares (m)		
In issue	**223,8**	232,2
In issue (net of treasury shares)	**209,8**	218,1
Weighted average	**215,7**	218,1
Diluted weighted average	**216,6**	218,2

[1] *Re-presented for the discontinued operations as detailed in the introduction to these summary consolidated financial statements.*

	2021 Rm	2020[1] Own balances Rm	2020[1] Client-related balances Rm	2020[1] Total Rm
3. Cash generated from/(utilised by) operations				
Profit before taxation	**10 096**	1 395	34	1 429
Share of profits of associates and joint ventures		(648)		(648)
Depreciation and amortisation	**3**	836		836
Investment income	**(2 054)**	(427)	(1 964)	(2 391)
Finance costs	**138**	889		889
Working capital changes and other non-cash items	**(30)**	269	8	277
Fair value losses on investments at FVTPL (note 1.1)	**962**			–
Gain upon deemed disposal and reacquisition of investments at fair value (note 1.1)	**(3 945)**			–
Profit on sale/dilution of interest in associates (note 1.2)	**(5 158)**	(130)		(130)
Cash generated from/(utilised by) operations	**12**	2 184	(1 922)	262

[1] *Re-presented for the discontinued operations as detailed in the introduction to these summary consolidated financial statements.*

4. Capital commitments and contingencies

PSG Group, as an *investment entity*, has no material capital commitments or contingencies.

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, except for the following:

- The group disposed of all of its remaining Capitec shares for R1 942m cash proceeds (net of costs and capital gains tax payable in due course).
- The board of PSGFS resolved to make an offer to repurchase and delist all the JSE-listed cumulative, non-redeemable, non-participating preference shares in issue by way of a scheme of arrangement for an aggregate cash consideration of R81 per share plus an amount equal to the preference dividend that would have been calculated on the preference share up to the scheme record date, equating to a total cash consideration of approximately R1,5bn. Subject to the required approvals being obtained, it is envisaged that the repurchase will be implemented during August 2021.

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 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. In light of the change in status to that of an *investment entity*, PSG Group's comparative financial risk disclosures have not been provided as it does not provide any information relevant to an understanding of PSG Group's financial risks during the year under review or as at the reporting date.

6. **Financial instruments** *(continued)*

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. The different levels in the hierarchy are defined below:

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

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

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

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

28 February 2021	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Assets				
Investments at FVTPL	**17 002**		**1 883**	**18 885**
Liabilities				
Derivative financial liabilities		**42**		**42**

The following table presents changes in level 3 assets during the year under review:

	2021 Rm
Opening balance	**346**
Financial assets deconsolidated upon change in status to that of an investment entity	**(346)**
Financial assets recognised upon change in status to that of an investment entity	**1 860**
Additions	**86**
Unrealised fair value losses included in fair value losses on investments at FVTPL as per the summary consolidated income statement	**(63)**
Closing balance	**1 883**

Valuation techniques and main inputs used to determine fair value for assets are detailed in Annexure A. The fair value of derivative financial liabilities (being fixed-for-variable interest rate swaps) has been determined by discounting the future contractual cash flows using observable market-related interest rates.

6.3 Credit risk

Debt securities

Debt securities as at 28 February 2021 relate to PSG Group's investment in Dipeo preference shares, as detailed in note 1.3. 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% shareholder in Dipeo). However, PSG Group holds approximately 94% of Dipeo's total preference share exposure.

As noted in note 1.3, the carrying value of the debt securities is mostly supported by JSE-listed investments at their respective fair values. Such JSE-listed investments (i.e. level 1 fair value measurement) supports approximately 88,1% of the carrying value of the debt securities, with the remainder being supported by unlisted investments.

Cash and cash equivalents

PSG Group's cash and cash equivalents comprise current/call accounts and term deposits (with a maturity of 7 days or less) spread across two South African banks (both rated by Moody's as having short-term and long-term counterparty risk ratings of P-3 and Baa3, respectively).

7. Segment report

The group has seven reportable segments, namely PSG Konsult, Curro, Capitec, 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 segments are detailed in the *Review of Operations* on page 16. All segments operate predominantly in South Africa. However, the group has exposure to operations outside of South Africa through, inter alia, Curro, PSG Alpha's investment in CA&S and through Zeder's investments in The Logistics Group, Capespan, Zaad and Agrivision Africa.

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 *SOTP value*, listed assets and liabilities are valued using quoted market prices, whereas unlisted assets and liabilities are valued internally using appropriate valuation methods. These values in the prior year will not necessarily correspond with the values per the summary consolidated statement of financial position since the latter were measured using the relevant accounting standards which included historical cost and the equity method of accounting.

Previously, to provide context to its consolidated income statement, the group presented consolidated *recurring earnings* which was calculated on a proportional basis, and included the proportional earnings of underlying investments, excluding marked-to-market adjustments and once-off items. The result was that investments in which PSG Group held less than 20% and which were generally not equity accountable in terms of accounting standards, were equity accounted for the purpose of calculating the consolidated *recurring earnings*. *Non-recurring earnings* included, inter alia, once-off gains and losses and marked-to-market fluctuations, as well as the resulting taxation charge on these items. However, following PSG Group's change in status to that of an *investment entity*, consolidated *recurring earnings* is no longer presented to or evaluated by the chief operating decision-maker (the PSG Group Executive Committee) and therefore it is no longer presented as part of PSG Group's segment report.

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

28 February 2021	Fair value gains/ (losses) on investments at FVTPL Rm	Investment (dividend) income Rm	Other income and expenses[1] Rm	Headline earnings[2] Rm	SOTP value Rm
PSG Konsult	883	186		1 069	7 282
Curro	(69)	23		(46)	3 588
Capitec	(724)		162	(562)	2 190
Zeder	(1 190)	1 721		531	1 983
PSG Alpha	138			138	3 842
Dipeo				–	
PSG Corporate			(48)	(48)	
Funding and other			(44)	(44)	888
Cash and cash equivalents					1 646
Preference share investments and net loans receivable					733
Other[3]					(359)
PSG Financial Services perpetual preference shares					(1 132)
Total	(962)	1 930	70	1 038	19 773
Non-headline items (note 2)				28 956	
Earnings attributable to non-controlling interests				107	
Taxation				1 083	
Profit before taxation				31 184	
Profit before taxation from continuing operations				10 096	
Profit for the year from discontinued operations				21 088	

[1] *Comprises all other line items in the summary consolidated income statement, including fee income, expenses, impairment losses, finance costs and taxation.*

[2] *As detailed in the introduction to the summary consolidated financial statements, pursuant to the change in status to that of an investment entity with effect from 1 March 2020, the accounting policies applied in the preparation of the summary consolidated financial statements are materially different from those previously applied. Accordingly, PSG Group's headline earnings for the year ended 28 February 2021 reflects its subsidiaries (other than those providing services related to PSG Group's investment activities) being accounted for at FVTPL, while in the prior year such subsidiaries were consolidated.*

[3] *Includes a capital gains tax provision on the retained Capitec interest.*

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

for the year ended 28 February 2021

7. Segment report *(continued)*

29 February 2020	Revenue (own balances) Rm	Recurring earnings (segment profit)[1] Rm	Non-recurring earnings[1] Rm	Headline earnings[1] Rm	SOTP value Rm
PSG Konsult	4 954	389		389	6 399
Curro	2 980	117	23	140	2 604
Capitec		1 927		1 927	46 130
Zeder	7 543	246	(65)	181	3 173
PSG Alpha	9 245	270	(164)	106	3 618
Dipeo	18	(36)	(1)	(37)	
PSG Corporate	93	(29)		(29)	
Funding and other	32	(90)	(4)	(94)	(1 604)
Total	24 865	2 794	(211)	2 583	60 320
Revenue from contracts with customers					
Revenue from sale of goods	13 502				
Revenue earned from commission, school, net insurance and other fee income	10 936				
Investment income	427				
Non-headline items (note 2)				(121)	
Earnings attributable to non-controlling interests				896	
Taxation				525	
Profit before taxation				3 883	
Profit before taxation from continuing operations[2]				1 429	
Profit for the year from discontinued operations[2]				2 454	

[1] *Reported net of non-controlling interests.*

[2] *Re-presented for the discontinued operations as detailed in the introduction to these summary consolidated financial statements.*

8. Reclassification of prior year reported amounts

PSG Konsult reported a reclassification of prior year amounts owing to client-related balances to correct an error in terms of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Such correction had no impact on previously reported profitability, cash flows, assets, liabilities or equity; however, it had the following impact on the summary consolidated income statement for the year ended 29 February 2020:

	Own balances Rm	Client-related balances Rm	Total Rm
Previously reported			
Fair value (losses)/gains	3	(125)	(122)
Fair value adjustment to third-party liabilities arising on consolidation of mutual funds		(1 270)	(1 270)
	3	(1 395)	(1 392)
Now reported			
Fair value (losses)/gains	3	(365)	(362)
Fair value adjustment to third-party liabilities arising on consolidation of mutual funds		(1 030)	(1 030)
	3	(1 395)	(1 392)
Change			
Fair value (losses)/gains		(240)	(240)
Fair value adjustment to third-party liabilities arising on consolidation of mutual funds		240	240
	–	–	–

9. Ordinary shareholder analysis

Unaudited	Shareholders Number	%	Shares held Number	%
Range of shareholding				
1 – 500	**15 450**	**67,9**	**2 395 444**	**1,1**
501 – 1 000	**2 736**	**12,0**	**2 066 928**	**1,0**
1 001 – 5 000	**3 130**	**13,8**	**7 011 017**	**3,3**
5 001 – 10 000	**519**	**2,3**	**3 769 708**	**1,8**
10 001 – 50 000	**624**	**2,7**	**13 377 584**	**6,4**
50 001 – 100 000	**113**	**0,5**	**7 848 503**	**3,7**
100 001 – 500 000	**131**	**0,6**	**28 494 909**	**13,6**
500 001 – 1 000 000	**27**	**0,1**	**18 090 820**	**8,6**
Over 1 000 000	**29**	**0,1**	**126 769 424**	**60,5**
	22 759	**100,0**	**209 824 337**	**100,0**
Treasury shares				
Shares held by employee share scheme	**1**		**45 000**	
Shares held by PSG Financial Services (a wholly-owned subsidiary)	**1**		**13 908 770**	
	22 761		**223 778 107**	
Non-public and public shareholding				
Non-public (directors)[1]	**8**		**11 061 067**	**5,2**
Public	**22 751**	**100,0**	**198 763 270**	**94,8**
	22 759	**100,0**	**209 824 337**	**100,0**
Individual shareholders (excluding directors) holding 5% or more of shares in issue (net of treasury shares) as at 28 February 2021				
JF Mouton Familietrust and its subsidiaries (including effective interest held through a joint venture)			**42 269 481**	**20,1**
Public Investment Corporation (including Government Employees Pension Fund)			**25 032 667**	**11,9**
			67 302 148	**32,0**

[1] *Refer to the directors' report for further details of directors' holdings.*

ANNEXURE A: *SOTP VALUE*

as at 28 February 2021

Investment	2021 Share-holding	2021 Nr of shares held m	Industry	Listed/ unlisted	Classification at 28 Feb 2021	*SOTP value* 29 Feb 2020 Rm	*SOTP value* Movement Rm	*SOTP value* 28 Feb 2021 Rm	Portion	Valuation method	IFRS 13 fair value Categorisation	IFRS 13 fair value R/share
PSG Konsult	61,2%	810,1	Financial services	JSE-listed[1]	Subsidiary	6 399	**883**	**7 282**	35%	Closing JSE-listed share price	Level 1	8,99
Curro	60,0%	358,8	Private education	JSE-listed	Subsidiary	2 604	984	**3 588**	17%	Closing JSE-listed share price	Level 1	10,00
Additions (note 1.1)							(1 053)					
Fair value loss							**(69)**					
Capitec	1,4%	1,6	Banking	JSE-listed	Equity securities	46 130	(43 940)	**2 190**	10%	Closing JSE-listed share price	Level 1	1 338,75
Unbundled interest at fair value on 1 Mar 2020							39 714					
Disposals (note 1.1)							3 502					
Fair value loss on retained interest							**(724)**					
Zeder	48,6%	748,4	Investment holding (food and related business)	JSE-listed	Subsidiary	3 173	**(1 190)**	**1 983**	9%	Closing JSE-listed share price	Level 1	2,65
PSG Alpha	98,3%		Investment holding (early-stage investments)	Unlisted	Subsidiary	3 618		**3 842**	18%			
CA&S	48,8%		Route-to-market services for fast-moving consumer goods in Sub-Saharan Africa	Botswana Stock Exchange ("BSE")-listed[2]		1 130	(4)	**1 126**	6%	Closing BSE-listed share price converted from Botswana pula to South African rand at the spot exchange rate	Level 1	5,10
Evergreen	50,0%		Retirement lifestyle villages	Unlisted		975	(106)	**869**	4%	Net asset value, underpinned by investment property subjected to external valuation annually	Level 3	
Stadio	43,2%		Private higher education	JSE-listed		662	203	**865**	4%	Closing JSE-listed share price	Level 1	2,38
Energy Partners	57,2%		Private energy utility	Unlisted		118	187	**305**	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	
Optimi	92,3%		Innovative and accessible education solutions to schools, tutors, parents and learners	Unlisted		305	(9)	**296**	1%	13,7x price-earnings multiple	Level 3	
Other			Various	Unlisted		499	(53)	**446**	2%	Various	Level 3	
Sub-total						3 689		**3 907**				
Less: minority shareholding held by PSG Alpha management[3]						(71)	6	**(65)**				
Additions (note 1.1)							(86)					
Fair value gain							**138**					
Dipeo	49,0%											
Sub-total						61 924		**18 885**				
Other net assets						879		**2 020**	11%			
Cash and cash equivalents						187		**1 646**				
Preference share investments and net loans receivable						542		**733**				
Other[4]						150		**(359)**				
Total assets						**62 803**		**20 905**	100%			
Funding						(2 483)		**(1 132)**				
PSG Financial Services perpetual preference shares		17,4				(1 463)		**(1 132)**		Closing JSE-listed share price	Level 1	65,00
Redeemable preference shares[5]						(1 020)						
Total SOTP value						**60 320**		**19 773**				
SOTP value per share (R)						**276,43**		**94,24**				
Fair value losses on investments at FVTPL (note 1.1)							**(962)**					
Fair value loss from derivative financial instruments							(6)					
Net fair value losses reported in the income statement							**(968)**					

1 *Secondary listings on the Namibian Stock Exchange ("NSE") and Mauritian Stock Exchange ("MSE").*

2 *Secondary listing on the 4AX Exchange.*

3 *PSG Alpha management holds ±1,7% (2020: ±1,9%) in PSG Alpha.*

4 *The 28 Feb 2021 balance includes a capital gains tax provision (i.e. deferred income tax liability) in respect of the retained Capitec interest.*

5 *Redeemed 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, 9 July 2021 ("AGM").

As a result of the impact of the Covid-19 pandemic and the restrictions placed on public gatherings, 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, 28 May 2021.

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, 2 July 2021, with the last day to trade being Tuesday, 29 June 2021.

Participation process

	Certificated shareholders & own-name dematerialised shareholders	**Dematerialised shareholders (excluding own-name dematerialised shareholders)**
Shareholders who wish to vote at, but not attend the AGM	• 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 *proxy@computershare.co.za* so as to be received by the transfer secretary by no later than 10:00 on Wednesday, 7 July 2021, 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.	• 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. • You should contact your CSDP or broker regarding the cut-off time for submitting your voting instructions to them. • 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.

	Certificated shareholders & own-name dematerialised shareholders	Dematerialised shareholders (excluding own-name dematerialised shareholders)
Shareholders who wish to attend and vote at the AGM	• Register online at *www.smartagm.co.za* by no later than 10:00 on Wednesday, 7 July 2021. 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. • 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. • Following successful registration, the transfer secretary will provide you with a meeting ID number, username and password in order to connect electronically to the AGM. • Participate in the AGM through the Lumi app or website by following the steps set out at *www.smartagm.co.za*. The Lumi app can be downloaded from the Apple App Store or Google Play Store.	• 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. • Register online at *www.smartagm.co.za* by no later than 10:00 on Wednesday, 7 July 2021. 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. • 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. • Following successful registration, the transfer secretary will provide you with a meeting ID number, username and password in order to connect electronically to the AGM. • Participate in the AGM through the Lumi app or website by following the steps set out at *www.smartagm.co.za*. The Lumi app can be downloaded from the Apple App Store or Google Play Store.

1. 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.
2. Voting will take place by way of a poll and accordingly each shareholder will have one vote in respect of each share held.
3. The cost (e.g. mobile data consumption or internet connectivity) of electronic participation in the AGM will be carried by the participant.
4. 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 2021. 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,* and electronic copies may be requested and obtained, at no charge, from the company secretary at *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. For ordinary resolution number 11 to be adopted, at least 75% of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.

1. Retirement and re-election of directors

1.1 Ordinary resolution number 1

"Resolved that Mr FJ Gouws, 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 FJ (Francois) Gouws

Francois is a Chartered Accountant (SA). He joined Senekal, Mouton & Kitshoff as an investment and bank analyst, later becoming a partner in 1993. In 1995, he moved to UBS Investment Bank where he held various positions, ultimately serving as global co-head of equities and later co-managing the UBS Securities business until the end of 2011. Francois joined PSG Konsult in 2012 and was appointed CEO in July 2013.

1.2 Ordinary resolution number 2

"Resolved that Ms AM Hlobo, 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 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.

1.3 Ordinary resolution number 3

"Resolved that Mr CA Otto, 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 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 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.

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, 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 Mr PE Burton has served on PSG Group's board for the past 20 years, the board is satisfied that he remains independent.

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.

2.2 Ordinary resolution number 5

"Resolved that Ms AM Hlobo, subject to the approval of ordinary resolution number 2, 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 Modi's curriculum vitae has been included in paragraph 1.2 above.

2.3 Ordinary resolution number 6

"Resolved that Ms B Mathews, 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 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 in South Africa since 2011.

2.4 Ordinary resolution number 7

"Resolved that Mr CA Otto, 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."

While Chris has served on PSG Group's board for the past 25 years, the board is satisfied that he remains independent.

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

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. **Appointment of auditor**

Ordinary resolution number 8

"Resolved that Deloitte & Touche be and is hereby appointed as new 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 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 52 to 58 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 59 to 70 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.

6. Amendments to the PSG Group Ltd Supplementary Share Incentive Trust deed

Ordinary resolution number 11

"Resolved that the existing trust deed ("SIT Deed") of the PSG Group Ltd Supplementary Share Incentive Trust ("SIT"), which contains the terms of and governs the Company's share incentive scheme, be amended as set out in Annexure A to this notice of AGM."

The reason for ordinary resolution number 11 is to obtain the approval of shareholders to amend the SIT Deed, such approval being required in terms of paragraph 14.2, read with paragraph 14.1, of Schedule 14 of the JSE Listings Requirements. The amendments are proposed in light of changes made to PSG Group's remuneration policy as a result of, inter alia, the Company's unbundling of an effective interest of 26,4% in Capitec Bank Holdings Ltd's issued share capital to PSG Group shareholders during the past financial year, and following further engagement with shareholders. The new remuneration policy is being presented to shareholders as ordinary resolution number 9 above for approval by way of a non-binding advisory vote and a copy of the policy appears on pages 52 to 58 of the annual report to which this notice of AGM is annexed.

The changes to the SIT Deed include:

- changing the financial performance measures applicable to the vesting of share options to the Company meeting a specified total return index growth hurdle, as well as specified head office costs and gearing hurdles;
- expanding the minimum shareholding requirements, which previously only applied to PSG Group executive directors, to also apply to other scheme participants; and
- incorporating the Company's malus/claw-back provisions in respect of share option awards and vestings.

The effect of ordinary resolution number 11, if passed, will be that the proposed amendments to the SIT Deed, as set out in Annexure A to this notice of AGM, are approved.

For this resolution to be adopted at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution. In determining whether the requisite number of votes has been achieved to adopt this resolution, the votes attaching to any ordinary shares held by the SIT and the votes attaching to ordinary shares acquired in terms of the share incentive scheme and owned or controlled by persons who are existing participants in the share incentive scheme, and who may be impacted by this resolution, will not be taken into account. A copy of the current SIT Deed is available for inspection by shareholders at the Company's registered address.

- 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.

7. 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 2022 R
PSG Group Board	
Chairman	**676 000**
Member	**276 900**
PSG Group Audit and Risk Committee	
Chairman	**193 830**
Member	**166 140**
PSG Group Remuneration Committee	
Chairman	**83 070**
Member	**55 380**
PSG Group Social and Ethics Committee	
Chairman	**33 230**
Member	**22 150**

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 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 without requiring further shareholder approval until the next annual general meeting of the Company.

8. Inter-company financial assistance

8.1 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 wholly-owned subsidiaries.

8.2 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 68, 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.

9. **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 a favourable opportunity arise and it be 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, a pro rata repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

10. 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.

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 Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of the AGM and for a period of 12 months after the repurchase;
   - the consolidated assets of the Group (fairly valued) will at the time of the 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 Group (fairly valued);
   - the ordinary share capital and reserves of the Group after the repurchase will remain adequate for the purpose of the business of the Group for a period of 12 months after the AGM and after the date of the share repurchase; and
   - the working capital available to the Group after the repurchase will be sufficient for the Group's ordinary business purposes for a period of 12 months after the date of the notice of the AGM and for a period of 12 months after the date of the share repurchase.

   General information in respect of major shareholders, material changes since the 2021 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* or which may be requested and obtained, at no charge, from the company secretary at *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 17 July 2020.

By order of the board

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

Stellenbosch
28 May 2021

It is proposed that the PSG Group Ltd Supplementary Share Incentive Trust deed ("SIT Deed") be amended as follows:

By amending clause 1.1.22 of the SIT Deed to read as follows (new wording underlined and deleted wording struck through):

1.1.22 **"Minimum Shareholding"~~ for Executive Directors"~~** means –

1.1.22.1 in respect of Executive Directors, such minimum number(s) of Shares, if any, required to be held by an Executive Director, for such Director to qualify for –

1.1.22.1.1 any award of Options occurring on or after 28 February 2018; and

1.1.22.1.2 the vesting of any Options awarded on or after 28 February 2018,

as may be determined by the Board in its sole discretion, from time to time; and

1.1.22.2 in respect of Participants other than Executive Directors, the minimum number(s) of Shares, if any, required to be held by such Participant, for such Participant to qualify for –

1.1.22.2.1 any award of Options occurring after 28 February 2021; and

1.1.22.2.2 the vesting of any Options awarded on or after 28 February 2021,

as may be determined by the Board in its sole discretion, from time to time;

By amending clause 1.1.28 of the SIT Deed to read as follows (new wording underlined and deleted wording struck through):

1.1.28 **"Performance Measures"** means such performance measures, if any, as may be determined by the Board in its sole discretion, from time to time, and which need to be met for any Options awarded to a Participant on or after 28 February 2018 to vest and/or for further Options to be awarded, which performance measures may include, but will not be limited to, any one or more of the following –

1.1.28.1 the Participant in question meeting personal key performance objectives;

1.1.28.2 the Company meeting a specified ~~recurring earnings~~ total return per Share ~~growth~~ hurdle; and/or

1.1.28.3 the Company meeting a specified ~~return on equity~~ head office cost, gearing and/or other financial performance hurdle;

By amending clause 18.1 of the SIT Deed to read as follows (new wording underlined and deleted wording struck through):

18.1 The Board may, from time to time, determine and set –

18.1.1 the Performance Measures which will apply to the awarding and/or vesting of Options awarded on or after 28 February 2018; and

18.1.2 the Minimum Shareholding ~~for Executive Directors~~ which will apply to the awarding and vesting of Options to Executive Directors and other Participants, where such Options are awarded (in the case of Executive Directors) on or after 28 February 2018 and (in the case of other Participants) on or after 28 February 2022.

By replacing all references in clause 18.2 of the SIT Deed to "Minimum Shareholding for Executive Directors" with "Minimum Shareholding"

By inserting the following new clause 18.8 in the SIT Deed:

18.8 The award and vesting of Options shall be subject to any malus and/or clawback policies of the Company in existence from time to time, to the extent that such policies apply to any awards or Participants, and the Board shall notify the Trustees of any such policies in writing.

By amending clause 20.1.3 of the SIT Deed to read as follows (deleted wording struck through):

20.1.3 may~~, in respect of Executive Directors,~~ be subject to the retaining of a Minimum Shareholding ~~for Executive Directors~~, as set out in the Resolution and written award referred to in clause 18.2, if applicable;

By amending clause 20.1.10 of the SIT Deed to read as follows (new wording underlined):

20.1.10 shall, pursuant to the exercise of an Option, in the sole discretion of the Board, be settled upon a Beneficiary –

20.1.10.1 by way of the delivery of Shares, subject to clauses 20.3 and 25.1; or

20.1.10.2 on a net equity basis in accordance with clause 25, by the Company making a cash payment to the Beneficiary, in lieu of Shares,

<u>or by way a combination of such delivery of Shares and/or cash payment,</u> it being recorded that, for purposes of International Financial Reporting Standard 2, irrespective of the manner in which the Options are settled, the foregoing shall be an equity-settled share-based payment transaction;

By amending clause 20.5.3 of the SIT Deed to read as follows (new wording underlined and deleted wording struck through):

20.5 An Option shall immediately lapse –

20.5.1 …

20.5.2 …

20.5.3 in relation to Options awarded on or after 28 February 2018 <u>(in the case of Executive Directors) or on or after 28 February 2022 (in the case of other Participants),</u> but subject to clauses 26.1 and 26.2, to the extent that any Executive Director <u>or other Participant, as the case may be,</u> ceases to hold the Minimum Shareholding ~~for Executive Directors~~ applicable to such Option (if any), unless the Board resolves otherwise in its sole discretion;

By inserting the following new clause 21.6 in the SIT Deed:

21.6 The vesting and exercise of Options shall be subject to any malus and/or clawback policies applicable in terms of clause 18.8.

By inserting the following new clause 27.4 in the SIT Deed:

27.4 It is recorded, for the avoidance of doubt, that, should an adjustment in accordance with this clause 27 result in the Strike Price of an Option being reduced to an amount below R0 (nil rand), as confirmed by the Auditors to the JSE in terms of clause 27.1, such negative amount shall be taken into account when the Option, once vested and exercised in terms of this Deed, is settled, in terms of clause 20.1.10, to the Participant through the delivery of Shares or by making a cash payment (on a net equity basis) in lieu of Shares or by a combination thereof.

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 DEMATERIALISED 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, 9 July 2021 ("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 FJ Gouws as director			
1.2	Ordinary resolution number 2: To re-elect Ms AM Hlobo as director			
1.3	Ordinary resolution number 3: To re-elect Mr CA Otto 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 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.	Ordinary resolution number 11: Amendments to the PSG Group Ltd Supplementary Share Incentive Trust deed			
7.	Special resolution number 1: Remuneration of non-executive directors			
8.1	Special resolution number 2: Inter-company financial assistance			
8.2	Special resolution number 3: Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company			
9.	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 ____________________ 2021.

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.

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* so as to be received by the transfer secretary no later than 10:00 on Wednesday, 7 July 2021, 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.