

PSG GROUP LIMITED UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2021

SOTP VALUE of R112,13 per share as at 8 October 2021

OVERVIEW

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

PSG's objective remains to create long-term wealth for its shareholders through capital appreciation, investment income or both, and accordingly the key benchmark used by PSG to measure performance is its *sum-of-the-parts* ("SOTP") value per share.

MAJOR CORPORATE ACTION

During the period under review, the following major corporate action was undertaken:

- PSG disposed of its remaining 1,6m shares (or 1,4%) in Capitec for R2,5bn cash.
- PSG Financial Services Ltd, a wholly-owned subsidiary and the only directly-held asset of PSG, repurchased all its JSE-listed cumulative, non-redeemable, non-participating preference shares in issue for R1,5bn cash. PSG accordingly no longer has any funding obligations.

SOTP

The calculation of PSG's SOTP value requires limited subjectivity as approximately 80% of the value is calculated using exchange-listed share prices, while other investments are included at internal valuations, of which more detail is available at www.psggroup.co.za/sotp. At 31 August 2021, the SOTP value per PSG share was R110,50, representing an increase of 17% when compared to the R94,24 per share as at 28 February 2021. At 8 October 2021, the SOTP value per PSG share was R112,13.

Asset/(liability)	29 Feb	28 Feb	31 Aug	8 Oct	Share of total
	2020	2021	2021	2021	
	Rm	Rm	Rm	Rm	
PSG Konsult*	6 399	7 282	9 129	9 194	39%
Curro*	2 604	3 588	4 130	4 305	18%
Capitec*	46 130	2 190			
Zeder*	3 173	1 983	2 357	2 395	10%
PSG Alpha	3 618	3 842	4 187	4 215	18%
Stadio*	662	865	1 113	1 127	
CA&S**	1 130	1 126	1 040	1 054	
Evergreen^	975	869	915	915	
Optimi^	305	296	471	471	
Energy Partners^	118	305	343	343	
Other investments^	499	446	379	379	
<u>Less: Minority shareholding held by PSG Alpha management</u>	<u>(71)</u>	<u>(65)</u>	<u>(74)</u>	<u>(74)</u>	
Dipeo^					
Other net assets	879	2 020	3 330	3 366	15%
Cash^^	187	1 646	2 644	2 647	
Pref investments and loans receivable^^	542	733	851	887	
Other^^+	150	(359)	(165)	(168)	
Total assets	62 803	20 905	23 133	23 475	100%
Perpetual pref funding*	(1 463)	(1 132)			
Other debt^^	(1 020)				
Total SOTP value	60 320	19 773	23 133	23 475	
Shares in issue (net of treasury shares) (m)	218,2	209,8	209,4	209,4	
SOTP value per share (R)**	276,43	94,24	110,50	112,13	
SOTP value per share excluding unbundled Capitec shares (R)	94,44	94,24	110,50	112,13	
Share price (R)**	186,60	66,51	75,64	80,00	

* Listed on the Johannesburg Stock Exchange ("JSE") ** Listed on the Botswana Stock Exchange ("BSE")

^ Internal valuation ^^ Carrying value

+ The 28 Feb 2021, 31 Aug 2021 and 8 Oct 2021 balances include a capital gains tax provision/liability in respect of the Capitec shares held/sold.

++ Amounts as at 29 Feb 2020 include the Capitec interest that was unbundled during the year ended 28 Feb 2021.

Note: PSG's live SOTP containing further information is available at www.psggroup.co.za/sotp.

At 31 August 2021, the net asset value per share amounted to R110,09, representing an increase of 50% and 20% when compared to the net asset value per share of R73,27 and R91,76 as at 31 August 2020 and 28 February 2021, respectively.

For the six months ended 31 August 2021:

- Headline earnings per share amounted to R18,04 (2020: loss of R14,14) and fair value gains on investments at fair value through profit or loss amounted to R3,4bn (2020: loss of R5,2bn).
- Earnings per share amounted to R18,04 (2020: R118,62), with the comparative period having been impacted by one-off gains pursuant to the Capitec unbundling and PSG's change in status to that of an investment entity in accordance with International Financial Reporting Standards.

PROSPECTS

Despite obvious ongoing challenges, PSG believes its investment portfolio is suitably positioned to capitalise on an improvement in trading conditions. Although PSG continues to trade at a sizeable discount to its SOTP value per share, PSG remains focused on its objective to create wealth for shareholders on a per share basis by growing its underlying investments and pursuing value-unlocking initiatives to the extent possible.

DIVIDEND

PSG's policy is to pay *ad hoc* dividends as and when deemed appropriate. The directors have resolved to not declare an *ad hoc* interim dividend for the six months ended 31 August 2021 (2020: 164 cents per share).

UNAUDITED FINANCIAL RESULTS

This short-form announcement contains only a summary of the information in the full announcement available through the link in the short-form announcement published by PSG on the Stock Exchange News Service ("SENS") on Thursday, 14 October 2021, and is the responsibility of the directors. Please refer to the full announcement for additional information. The full announcement is available for viewing on PSG's website at www.psggroup.co.za or may be requested and obtained in person, at no charge, from the registered office of the Company or the Company's sponsor during office hours. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement published on SENS.

On behalf of the board



KK Combi
Chairman



Piet Mouton
Chief Executive Officer



Wynand Greeff
Chief Financial Officer

Stellenbosch
13 October 2021

PSG GROUP LTD: Registration number: 1970/008484/06;
JSE share code: PSG; ISIN code: ZAE000013017; LEI code: 378900CD0BEE79F35A34

DIRECTORS: ZL Combi (Chairman)^, PE Burton^^, FJ Gouws**, WL Greeff (CFO)*, AM Hlobo^, JA Holtzhausen*, B Mathews^, JJ Mouton**, PJ Mouton (CEO)*, CA Otto^
* Executive ** Non-executive ^ Independent non-executive ^^ Lead independent

COMPANY SECRETARY AND REGISTERED OFFICE: PSG Corporate Services (Pty) Ltd, First Floor Ou Kollege, 35 Kerk Street, Stellenbosch, 7600; PO Box 7403, Stellenbosch, 7599

TRANSFER SECRETARY: Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196; Private Bag X9000, Saxonwold, 2132

SPONSOR: PSG Capital (Pty) Ltd

INDEPENDENT JOINT SPONSOR: UBS South Africa (Pty) Ltd



PSG GROUP LIMITED