PSG GROUP LIMITED

REVIEWED RESULTS

FOR THE YEAR ENDED 29 FEBRUARY 2020

HIGHLIGHTS

- **Recurring earnings ↑ 18% to R12,81 per share**
- **Sum-of-the-parts value of R211,18 per share as at 17 April 2020**
- **Final dividend of R0,75 per share**

OVERVIEW

PSG Group Ltd ("PSG Group" or "PSG" or "the company" or "the group") is an investment holding company consisting of underlying investments that operate across a diverse range of industries, which include banking, financial services, education and food and related business, as well as early-stage investments in select growth sectors. PSG's market capitalisation (net of treasury shares) was approximately R31bn as at 21 April 2020.

PERFORMANCE

The two key benchmarks used by PSG to measure performance are *sum-of-the-parts ("SOTP") value* and *recurring earnings* per share, as long-term growth in PSG's *SOTP value* and *share price* should depend on, inter alia, sustained growth in the *recurring earnings* per share of our underlying investments.

SOTP

The calculation of PSG's *SOTP value* is simple and requires limited subjectivity as more than 95% of the value is calculated using JSE-listed share prices, while other investments are included at internal valuations. At 29 February 2020, the *SOTP value* per PSG share was R276,43 (28 February 2019: R311,45), whilst at 17 April 2020 it was R211,18 per share. The five-year compound annual growth rate ("CAGR") of PSG's *SOTP value* per share and *share price* at 29 February 2020 was 11% and 6%, respectively, whereas the *JSE All Share Index* was down 1% over the same period.

Asset/(liability)	28 Feb 2018 Rm	28 Feb 2019 Rm	**29 Feb 2020 Rm**	**17 Apr 2020 Rm**	*Share of total*	*Five-year CAGR^^*
Capitec*	29 540	46 351	**46 130**	**32 282**	*67%*	*26%*
PSG Konsult*	7 048	8 700	**6 399**	**6 237**	*13%*	*2%*
PSG Alpha	5 201	4 712	**3 618**	**3 520**	*7%*	*12%*
Stadio*	2 379	1 253	**649**	**420**		
Other investments**	2 822	3 459	**2 969**	**3 100**		
Zeder*	4 823	3 166	**3 173**	**3 158**	*7%*	*(11%)*
Curro*	7 987	5 714	**2 604**	**2 205**	*5%*	*(19%)*
Dipeo**	535					*n/a*
Other assets	2 603	1 702	**879**	**773**	*1%*	
Cash^	1 000	323	**187**	**184**		
Pref investments and loans receivable^	1 558	1 297	**542**	**509**		
Other^	45	82	**150**	**80**		
Total assets	57 737	70 345	**62 803**	**48 175**	*100%*	
Perpetual pref funding*	(1 278)	(1 367)	**(1 463)**	**(1 062)**		
Other debt^	(949)	(1 020)	**(1 020)**	**(1 031)**		
Total SOTP value	55 510	67 958	**60 320**	**46 082**		
Shares in issue *(net of treasury shares)* (m)	217,5	218,2	**218,2**	**218,2**		
SOTP value per share (R)	255,17	311,45	**276,43**	**211,18**		*11%*
Share price (R)	217,50	259,78	**186,60**	**140,84**		*6%*

** Listed on the JSE Ltd   ** SOTP value*
^ Carrying value   ^^ Based on share price/SOTP value per share as at 29 Feb 2020
Note: PSG's live SOTP containing further information is available at www.psggroup.co.za

Capitec remains PSG's largest investment comprising 67% of its total *SOTP* assets as at 17 April 2020 (29 February 2020: 73%; 28 February 2019: 66%), and the major contributor to PSG's *recurring earnings*.

Considering the extent of the discount at which PSG's share price has been trading to its *SOTP value* per share over the last year, it is our intention to unlock the discount as far as reasonably possible when opportune.

RECURRING EARNINGS

PSG's *recurring earnings* per share increased by 18% to R12,81 (2019: R10,86) following commendable performance from Capitec, PSG Konsult, PSG Alpha and Zeder, offset by Curro.

	28 Feb 2018 Rm	28 Feb 2019 Rm	*Change %*	**29 Feb 2020 Rm**
Capitec	1 369	1 625		**1 927**
PSG Konsult	348	361		**389**
PSG Alpha	172	216		**270**
Zeder	205	207		**246**
Curro	110	137		**117**
Dipeo	(56)	(29)		**(36)**
PSG Corporate	(7)	(45)		**(29)**
Other *(mainly pref div income)*	136	84		**126**
Recurring earnings before funding	2 277	2 556	*18*	**3 010**
Funding *(net of interest income)*	(135)	(199)		**(216)**
Recurring earnings	2 142	2 357	*19*	**2 794**
Non-recurring items	(186)	(163)		**(211)**
Headline earnings	1 956	2 194	*18*	**2 583**
Non-headline items	(42)	(268)		**(121)**
Attributable earnings	1 914	1 926	*28*	**2 462**
Non-recurring items comprise:				
– Fair value losses on Dipeo's investment portfolio	(131)	(246)		**(1)**
– Fair value gains on Evergreen investment property added back (being *non-headline* for accounting purposes)	(12)	(50)		**(100)**
– Fair value gain on Zeder's investment in Joy Wing Mau prior to its disposal		171		
– Other (incl. stock and loan impairments i.r.o. businesses discontinued)	(43)	(38)		**(110)**
	(186)	(163)		**(211)**
Weighted average number of shares in issue *(net of treasury shares)* (m)	215,5	217,0	*1*	**218,1**
Earnings per share (R)				
– Recurring	9,94	10,86	*18*	**12,81**
– Headline	9,08	10,11	*17*	**11,84**
– Attributable	8,88	8,88	*27*	**11,29**
Dividend per share (R)	4,15	4,56	*(48)*	**2,39**

Attributable earnings per share increased by a higher margin than *recurring earnings* and *headline earnings* per share mainly due to Zeder's *non-headline* reversal of an impairment loss recognised in respect of its investment in Pioneer Foods at 28 February 2019.

CAPITEC (30,7%)

Capitec is a South African retail bank focused on delivering simplified and affordable banking solutions.

It reported a 19% increase in *headline earnings* per share for the year under review.

Capitec is listed on the JSE and its comprehensive results are available at *www.capitecbank.co.za*.

PSG KONSULT (60,5%)

PSG Konsult is a financial services company focused on providing wealth management, asset management and insurance solutions to clients.

It reported an 8% increase in *recurring headline earnings* per share for the year under review.

PSG Konsult has its primary listing on the JSE, with secondary listings on the Namibian Stock Exchange and Mauritian Stock Exchange, and its comprehensive results are available at *www.psg.co.za*.

PSG ALPHA (98,1%)

PSG Alpha serves as incubator to identify and help build the businesses of tomorrow. Given its nature, this portfolio is likely to yield volatile earnings, while providing optionality. Its major investments include shareholdings in Stadio (private higher education: 44%), CA Sales (FMCG distribution: 47,7%), Evergreen (developer and operator of retirement lifestyle villages: 50%) and Energy Partners (manufacturer, owner and operator of energy assets: 54,1%).

PSG Alpha reported a 20% increase in *recurring earnings* per share for the year under review following satisfactory performance from most of its core investments with due consideration given to the challenging economic environment.

ZEDER (43,8%)

Zeder is an investor in the broad agribusiness and related industries, with a historical focus on the food and beverage sectors.

The much-publicised disposal of Zeder's largest investment comprising a 28,6% interest in Pioneer Foods to PepsiCo for R6,4bn cash, as part of a scheme of arrangement by Pioneer Foods, was concluded on 23 March 2020. Pursuant to such disposal, Zeder declared a R2,30 per share special dividend payable to shareholders on 28 April 2020 – PSG will consequently receive R1,7bn cash. This transaction also allowed Zeder to settle its R1,5bn term debt in full and to retain R1bn cash for liquidity purposes.

Zeder reported an 18% increase in *recurring headline earnings* per share for the year under review.

Zeder is listed on the JSE and its comprehensive results are available at *www.zeder.co.za*.

CURRO (55,4%)

Curro is the largest provider of private school education in Southern Africa.

It reported a 15% decline in *recurring headline earnings* per share for its financial year ended 31 December 2019, mainly as a result of increased finance costs associated with greenfield developments, increased bad debts with the consumer under pressure and higher than anticipated property rates and taxes.

Curro is listed on the JSE and its comprehensive results are available at *www.curro.co.za*.

DIPEO (49%)

Dipeo, a BEE investment holding company, is 51%-owned by the Dipeo BEE Education Trust of which all beneficiaries are black individuals. The trust will use its share of any value created in Dipeo to fund black students' education.

Dipeo's most significant investments include shareholdings in Curro (5,2%), Stadio (3,4%), Kaap Agri (20%) and Energy Partners (15,7%). The investment in Energy Partners remains subject to a BEE lock-in period.

During the prior year following a decline in the value of its listed investments, Dipeo's *SOTP value* declined to the extent that for purposes of PSG Group's *SOTP value* its equity investment in Dipeo was valued at zero and its pref investment in Dipeo impaired to the extent required.

COVID-19 PANDEMIC AND PROSPECTS

Subsequent to PSG's financial year-end, the socio-economic landscape has shifted dramatically due to the global COVID-19 pandemic. To help contain the spread of the virus, SA was placed into an extended period of lockdown. In line with these regulations and for the wellbeing of our staff, PSG's head office employees have been working remotely since implementation.

The COVID-19 pandemic is having a devastating impact all around the world and across all industries. It is virtually impossible at this stage to quantify the impact of the aforementioned on our economy, businesses and our people – but it will be dire and correlated to the duration of the lockdown.

It is in times like these when increased liquidity and conservative gearing are of paramount importance to help keep businesses afloat when profitability and cashflow generation come under pressure. Being an investment holding company with a long-term focus, PSG has always had a conservative gearing policy. It currently has R1bn in debt comprising redeemable prefs repayable over the next three years (with none of its investees' debt having recourse to PSG). In addition, PSG has JSE-listed perpetual (i.e. non-redeemable) prefs in issue with a market value of approximately R1.1bn at present. Following receipt of the Zeder special dividend, PSG will be in a healthy liquidity position with approximately R2bn surplus cash (or R1bn net of the redeemable pref debt).

Although most of PSG's investments are either i) essential services/foods businesses (Capitec – banking, PSG Konsult – financial services, Zeder – food & agri) that have been allowed to keep trading during the lockdown or ii) able to continue remotely with some of its operations (Curro – basic education continued through online platforms), the reality is that they are all dependent on the degree of economic activity as dictated by consumer liquidity. Considering the significant decline in trading activity with the consumer constrained, the profitability of PSG's investees will be adversely impacted. However, our businesses are all adequately capitalised with acceptable levels of gearing to weather the storm.

All of PSG's investees have assessed the immediate impact of COVID-19 on their respective businesses and put contingency and remedial plans in place where possible.

In the meantime, PSG and its investees are doing its best to minimise the financial impact of COVID-19 on its clients and employees. In an attempt to provide some much needed relief to the people of SA, the group has to date committed in excess of R35m to the Solidarity Fund, Gift of the Givers, feeding schemes and various other initiatives.

Cautionary announcement

PSG shareholders are further advised to take note of the cautionary announcement released on SENS on Thursday, 23 April 2020.

DIVIDENDS

PSG's dividend policy

PSG's policy remains to pay up to 100% of available free cash flow as an ordinary dividend, of which approximately one third is payable as an interim and the balance as a final dividend at year-end.

Capitec dividend

Capitec's ordinary dividend policy is to pay 40% of *headline earnings*. However, the SA Reserve Bank published Guidance Note 4/2020 on 6 April 2020 directing banks to act prudently in preserving capital in the absence of appropriate factual information to determine the full impact of the COVID-19 pandemic on the SA economy. The Guidance Note communicated a clear expectation that banks should not declare ordinary dividends for the time being. Although Capitec's capital base and liquidity ratios remain strong, the Capitec board in support of the SA Reserve Bank's guidance decided against the declaration of a final ordinary dividend for the financial year ended 29 February 2020. This preserved in excess of R1,5bn capital for Capitec.

PSG dividend

In the absence of aforementioned Capitec dividend, PSG's available free cash flow to pay as an ordinary dividend for the financial year under review is much lower than originally anticipated.

The directors have consequently resolved to declare a final gross dividend of 75 cents (2019: 304 cents) per share from income reserves for a total gross dividend of 239 cents (2019: 456 cents) per share in respect of the year ended 29 February 2020.

The final dividend amount, net of South African dividend tax of 20%, is 60 cents per share for those shareholders that are not exempt from dividend tax or are not entitled to a reduced rate in terms of the applicable double-tax agreement. The number of ordinary shares in issue at the declaration date is 232 163 254, and the income tax number of the company is 9950080714.

The salient dates for this dividend distribution are:

Last day to trade cum dividend	Tuesday, 12 May 2020
Trading ex-dividend commences	Wednesday, 13 May 2020
Record date	Friday, 15 May 2020
Payment date	Monday, 18 May 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 13 May 2020, and Friday, 15 May 2020, both days inclusive.

On behalf of the board

KK Combi
Chairman

Piet Mouton
Chief Executive Officer

Wynand Greeff
Chief Financial Officer

Stellenbosch
22 April 2020

PSG GROUP LTD: Registration number: 1970/008484/06; JSE Ltd 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, 1st 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; PO Box 61051, Marshalltown, 2107

SPONSOR: PSG Capital

AUDITOR: PricewaterhouseCoopers Inc

DATE OF ANNOUNCEMENT: 23 April 2020

INTRODUCTION TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 29 February 2020

Basis of presentation and accounting policies

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

The accounting policies applied in the preparation of these summary consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements, as amended for the adoption of the various revisions to IFRS which are effective for the year ended 29 February 2020. Apart from the adoption of IFRS 16 *Leases*, these revisions have not resulted in material changes to the group's reported results and disclosures in these summary consolidated financial statements.

IFRS 16, adopted by the group effective 1 March 2019, is a new standard which replaced IAS 17 *Leases*. The standard specifies how to recognise, measure and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise right-of-use assets and lease liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Amounts payable in terms of leases where the lease term is 12 months or less or the underlying asset has a low value, are expensed monthly on a straight-line basis. Lessors continue to classify leases as either operating or finance leases, with IFRS 16's approach to lessor accounting substantially unchanged from IAS 17.

The group elected to adopt IFRS 16 using the simplified approach whereby comparative figures were not restated but instead ordinary shareholders' equity and non-controlling interests as at 1 March 2019 were adjusted accordingly. As a result of adopting IFRS 16, the group recognised the following amounts in respect of leases previously classified as operating leases:

	Rm
Right-of-use assets	987
Lease liabilities	(1 283)
Deferred income tax assets/liabilities	58
Other assets and liabilities	2
Charge to total equity	(236)
Ordinary shareholders' equity	(103)
Non-controlling interests	(133)
The lease liabilities recognised upon transition can be reconciled as follow:	
Operating lease commitments reported as at 28 February 2019	2 010
Add: adjustments as a result of different treatment of extension and termination options	40 955
Operating lease commitments as at 1 March 2019	42 965
Less: short-term lease commitments	(18)
Less: low-value lease commitments	(38)
	42 909
Less: discounting effect using the incremental borrowing rate	(41 626)
Lease liabilities recognised as at 1 March 2019	1 283

In preparing these summary consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were materially the same as those that applied to the group's annual financial statements for the year ended 28 February 2019.

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

for the year ended 29 February 2020

Preparation

These summary consolidated preliminary financial statements were compiled under the supervision of the group chief financial officer, Mr WL Greeff, CA (SA), and were reviewed by PSG Group's external auditor, PricewaterhouseCoopers Inc, with a copy of their unmodified review conclusion attached hereto. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the company's auditor.

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

Client-related balances result in assets and liabilities of equal value being recognised in the summary consolidated statement of financial position, although not directly related to PSG Group shareholders. These balances mainly stem from:

- PSG Life (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") is directly linked to the fair value of the supporting assets. The group is thus not exposed to the financial risks associated with these assets and liabilities.
- The group consolidates mutual funds deemed to be controlled in terms of IFRS 10 *Consolidated Financial Statements*, with the group's own investments in these mutual funds having been derecognised and all the funds' underlying assets having been recognised. Third parties' funds invested in the respective mutual funds are recognised as a payable and included under "third-party liabilities arising on consolidation of mutual funds" and the group is thus not exposed to the financial risks associated with these assets and liabilities.

For transparency sake and to assist users in gaining a better understanding of the impact of client-related balances on the reported amounts, the summary consolidated statement of financial position, summary consolidated income statement and summary consolidated statement of cash flows continue to differentiate between assets, liabilities, income, expenses and cash flows attributable to i) own balances (i.e. those attributable to the ordinary shareholders of PSG Group and its subsidiaries) and ii) client-related balances.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 29 February 2020

	Note	Reviewed 2020 Own balances Rm	Reviewed 2020 Client-related balances Rm	Reviewed 2020 Total Rm	Audited 2019 Own balances Rm	Audited 2019 Client-related balances Rm	Audited 2019 Total Rm
Assets							
Property, plant and equipment		**12 117**		**12 117**	11 149		11 149
Intangible assets		**4 483**		**4 483**	4 541		4 541
Right-of-use assets		**1 107**		**1 107**			–
Investment in ordinary shares of associates		**10 672**		**10 672**	14 578		14 578
Investment in preference shares of/loans granted to associates		**42**		**42**	178		178
Investment in ordinary shares of joint ventures		**986**		**986**	855		855
Loans granted to joint ventures		**35**		**35**	5		5
Employee benefit assets		**42**		**42**	43		43
Unit-linked investments		**682**	**49 722**	**50 404**	776	45 719	46 495
Equity securities		**411**	**2 209**	**2 620**	659	2 337	2 996
Debt securities		**1 847**	**4 365**	**6 212**	1 873	4 390	6 263
Deferred income tax assets		**469**		**469**	303		303
Biological assets		**585**		**585**	593		593
Investment in investment contracts			**16**	**16**		16	16
Loans and advances		**330**		**330**	443		443
Trade and other receivables		**4 261**	**1 740**	**6 001**	3 268	1 321	4 589
Derivative financial assets		**1**	**23**	**24**	22	11	33
Inventory		**2 038**		**2 038**	1 696		1 696
Current income tax assets		**39**		**39**	102		102
Reinsurance assets		**134**		**134**	109		109
Cash and cash equivalents		**1 723**	**254**	**1 977**	1 552	280	1 832
Assets held for sale	5	**5 520**		**5 520**			–
Total assets		**47 524**	**58 329**	**105 853**	42 745	54 074	96 819
Equity							
Ordinary shareholders' equity		**19 083**		**19 083**	18 115		18 115
Non-controlling interests		**11 843**		**11 843**	11 776		11 776
Total equity		**30 926**	**–**	**30 926**	29 891	–	29 891
Liabilities							
Insurance contracts		**554**		**554**	543		543
Investment contract liabilities			**26 694**	**26 694**		25 932	25 932
Third-party liabilities arising on consolidation of mutual funds			**29 999**	**29 999**		26 715	26 715
Deferred income tax liabilities		**975**		**975**	963		963
Borrowings		**9 094**		**9 094**	7 666	111	7 777
Lease liabilities		**1 453**		**1 453**			–
Derivative financial liabilities		**87**	**30**	**117**	64	14	78
Employee benefit liabilities		**598**		**598**	528		528
Trade and other payables		**3 679**	**1 606**	**5 285**	3 046	1 302	4 348
Reinsurance liabilities		**7**		**7**	5		5
Current income tax liabilities		**135**		**135**	39		39
Liabilities held for sale		**16**		**16**			–
Total liabilities		**16 598**	**58 329**	**74 927**	12 854	54 074	66 928
Total equity and liabilities		**47 524**	**58 329**	**105 853**	42 745	54 074	96 819
Net asset value per share (R)		**87,49**			83,06		
Net tangible asset value per share (R)		**66,94**			62,24		

SUMMARY CONSOLIDATED INCOME STATEMENT

for the year ended 29 February 2020

	Note	Reviewed 2020 Own balances Rm	Reviewed 2020 Client-related balances Rm	Reviewed 2020 Total Rm	Audited* 2019 Own balances Rm	Audited* 2019 Client-related balances Rm	Audited* 2019 Total Rm
CONTINUING OPERATIONS							
Revenue from sale of goods		**13 502**		**13 502**	13 041		13 041
Cost of goods sold		**(11 339)**		**(11 339)**	(11 460)		(11 460)
Gross profit from sale of goods		**2 163**	**–**	**2 163**	1 581	–	1 581
Revenue earned from commission, school, net insurance and other fee income**	6	**10 936**	**(75)**	**10 861**	9 329	(90)	9 239
Fair value adjustments and other income							
Changes in fair value of biological assets		**225**		**225**	194		194
Investment income		**427**	**1 964**	**2 391**	492	1 810	2 302
Fair value gains/(losses)		**3**	**(125)**	**(122)**	(268)	644	376
Fair value adjustment to investment contract liabilities			**(507)**	**(507)**		(1 073)	(1 073)
Fair value adjustment to third-party liabilities arising on consolidation of mutual funds			**(1 270)**	**(1 270)**		(1 336)	(1 336)
Other operating income		**314**		**314**	216		216
		969	**62**	**1 031**	634	45	679
Expenses							
Insurance claims and loss adjustments, net of recoveries		**(663)**		**(663)**	(582)		(582)
Marketing, administration, impairment losses and other expenses		**(11 576)**	**47**	**(11 529)**	(9 185)	57	(9 128)
		(12 239)	**47**	**(12 192)**	(9 767)	57	(9 710)
Net income from associates and joint ventures							
Share of profits of associates and joint ventures		**2 307**		**2 307**	2 042		2 042
Loss or impairment of associates		**(323)**		**(323)**	(59)		(59)
Net profit on sale/dilution of interest in associates		**130**		**130**	6		6
		2 114	**–**	**2 114**	1 989	–	1 989
Profit before finance costs and taxation		**3 943**	**34**	**3 977**	3 766	12	3 778
Finance costs		**(889)**		**(889)**	(676)		(676)
Profit before taxation		**3 054**	**34**	**3 088**	3 090	12	3 102
Taxation		**(491)**	**(34)**	**(525)**	(464)	(12)	(476)
Profit for the year from continuing operations		**2 563**	**–**	**2 563**	2 626	–	2 626

SUMMARY CONSOLIDATED INCOME STATEMENT *(continued)*

for the year ended 29 February 2020

	Reviewed 2020 Own balances Rm	Reviewed 2020 Client-related balances Rm	Reviewed 2020 Total Rm	Audited* 2019 Own balances Rm	Audited* 2019 Client-related balances Rm	Audited* 2019 Total Rm
DISCONTINUED OPERATIONS						
Profit/(loss) for the year from discontinued operations	**795**	**–**	**795**	(285)	–	(285)
Share of profit of associate	**264**		**264**	318		318
Reversal of/(loss on) impairment of associate	**617**		**617**	(617)		(617)
(Loss)/profit on dilution of interest in associate	**(86)**		**(86)**	14		14
Profit for the year	**3 358**	**–**	**3 358**	2 341	–	2 341
Attributable to:						
Owners of the parent	**2 462**			1 926		
Continuing operations	**2 112**			2 051		
Discontinued operations	**350**			(125)		
Non-controlling interests	**896**			415		
	3 358			2 341		

* *Re-presented for the discontinued operation detailed in note 5.*

** *Line item wording amended and re-presented higher up on the summary consolidated income statement being representative of the group's revenue-producing activities, with no change to previously reported amounts.*

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 29 February 2020

	Reviewed 2020 Rm	Audited 2019 Rm
Profit for the year	**3 358**	2 341
Other comprehensive loss for the year, net of taxation	**(432)**	(50)
Items that may be subsequently reclassified to profit or loss		
Currency translation adjustments	**(181)**	(19)
Cash flow hedges	**(13)**	7
Share of other comprehensive losses and equity movements of associates	**(238)**	(36)
Items that may not be subsequently reclassified to profit or loss		
Losses from changes in financial and demographic assumptions of post-employment benefit obligations		(2)
Total comprehensive income for the year	**2 926**	2 291
Attributable to:		
Owners of the parent	**2 263**	1 912
Continuing operations	**2 368**	1 919
Discontinued operations	**(105)**	(7)
Non-controlling interests	**663**	379
	2 926	2 291

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2020

	Note	**Reviewed 2020 Rm**	Audited 2019 Rm
Ordinary shareholders' equity at beginning of the year		**18 012**	16 912
Previously reported		**18 115**	17 143
Adjustment due to the initial application of IFRS 16 (2019: IFRS 9)		**(103)**	(231)
Total comprehensive income		**2 263**	1 912
Issue of shares		**15**	157
Share-based payment costs – employees		**80**	73
Treasury shares (acquired)/released		**(11)**	111
Transactions with non-controlling interests		**(255)**	(121)
Dividends paid		**(1 021)**	(929)
Ordinary shareholders' equity at end of the year		**19 083**	18 115
Non-controlling interests at beginning of the year		**11 643**	11 697
Previously reported		**11 776**	11 729
Adjustment due to the initial application of IFRS 16 (2019: IFRS 9)		**(133)**	(32)
Total comprehensive income		**663**	379
Issue of shares		**20**	433
Share-based payment costs – employees		**48**	39
Subsidiaries acquired	3	**66**	25
Subsidiaries deconsolidated/sold		**(2)**	(106)
Transactions with non-controlling interests		**(142)**	(191)
Dividends paid		**(453)**	(500)
Non-controlling interests at end of the year		**11 843**	11 776
Total equity		**30 926**	29 891

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 29 February 2020

		Reviewed 2020			Audited* 2019		
	Notes	Own balances Rm	Client-related balances Rm	Total Rm	Own balances Rm	Client-related balances Rm	Total Rm
Net cash flow from operating activities							
Cash generated from/(utilised by) operations	2	**2 184**	**(1 922)**	**262**	1 726	(1 863)	(137)
Interest income		**352**	**1 360**	**1 712**	439	1 335	1 774
Dividend income		**985**	**643**	**1 628**	922	476	1 398
Continuing operations		**796**	**643**	**1 439**	709	476	1 185
Discontinued operations		**189**		**189**	213		213
Finance costs		**(840)**		**(840)**	(668)		(668)
Taxation paid		**(483)**	**(7)**	**(490)**	(693)		(693)
Net cash flow from operating activities		**2 198**	**74**	**2 272**	1 726	(52)	1 674
Net cash flow from investing activities		**(1 461)**	**–**	**(1 461)**	(963)	(23)	(986)
Cash flow from subsidiaries/businesses acquired	3	**(235)**		**(235)**	(852)		(852)
Cash flow from subsidiaries deconsolidated/sold		**54**		**54**	(59)		(59)
Cash flow from first-time consolidation of mutual fund				**–**		10	10
Cash flow from deconsolidation of mutual funds				**–**		(33)	(33)
Acquisition of ordinary shares in associates and joint ventures		**(515)**		**(515)**	(402)		(402)
Acquisition of property, plant and equipment		**(1 672)**		**(1 672)**	(1 451)		(1 451)
Other investing activities		**907**		**907**	1 801		1 801
Net cash flow from financing activities		**(800)**	**(100)**	**(900)**	(983)	–	(983)
Dividends paid to:							
PSG Group shareholders		**(1 021)**		**(1 021)**	(929)		(929)
Non-controlling interests		**(453)**		**(453)**	(500)		(500)
Borrowings drawn		**3 165**		**3 165**	1 508		1 508
Borrowings repaid		**(2 057)**	**(100)**	**(2 157)**	(1 274)		(1 274)
Other financing activities		**(434)**		**(434)**	212		212
Net decrease in cash and cash equivalents		**(63)**	**(26)**	**(89)**	(220)	(75)	(295)
Exchange (losses)/gains on cash and cash equivalents		**(21)**		**(21)**	7		7
Cash and cash equivalents at beginning of the year		**425**	**280**	**705**	638	355	993
Cash and cash equivalents at end of the year		**341**	**254**	**595**	425	280	705

* *Re-presented for the discontinued operation detailed in note 5.*

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

for the year ended 29 February 2020

It is important to note that the treasury functions of PSG Group and each of its subsidiaries operate on a decentralised basis and thus independent from one another. All available cash held at a PSG Group-level is invested in the PSG Money Market Fund, while some of the available cash held at a subsidiary-level is also invested in the PSG Money Market Fund. Available cash held at a PSG Group-level and invested in the PSG Money Market Fund amounted to R186m (2019: R323m) at the reporting date.

As a result of the group's consolidation of the PSG Money Market Fund, the cash invested therein is derecognised and all of the fund's underlying highly-liquid debt securities are recognised on the summary consolidated statement of financial position. Third parties' cash invested in the PSG Money Market Fund is recognised as a payable and included under "third-party liabilities arising on consolidation of mutual funds".

The table below reconciles the cash and cash equivalents reported per the summary consolidated statement of financial position to that reported per the summary consolidated statement of cash flows. It furthermore also reconciles such balances to the liquid cash resources at both a PSG Group- and subsidiary-level.

	Reviewed 2020			Audited 2019		
	Own balances Rm	**Client-related balances Rm**	**Total Rm**	Own balances Rm	Client-related balances Rm	Total Rm
Cash and cash equivalents (per the summary consolidated statement of financial position)	**1 723**	**254**	**1 977**	1 552	280	1 832
Bank overdrafts (included in "borrowings" per the summary consolidated statement of financial position)	**(1 382)**		**(1 382)**	(1 127)		(1 127)
Cash and cash equivalents (per the summary consolidated statement of cash flows)	**341**	**254**	**595**	425	280	705
Debt securities (per the summary consolidated statement of financial position)	**1 847**	**4 365**	**6 212**	1 873	4 390	6 263
Liquid cash resources	**2 188**	**4 619**	**6 807**	2 298	4 670	6 968
PSG Group-level (invested in the PSG Money Market Fund)	**186**			323		
Subsidiary-level cash and cash equivalents	**3 384**			3 102		
Subsidiary-level bank overdrafts	**(1 382)**			(1 127)		

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 29 February 2020

	Reviewed 2020 Contin-uing operations Rm	Reviewed 2020 Discon-tinued operations Rm	Reviewed 2020 Total Rm	Audited 2019 Contin-uing operations Rm	Audited 2019 Discon-tinued operations Rm	Audited 2019 Total Rm
1. Headline earnings						
Profit for the year attributable to owners of the parent	**2 112**	**350**	**2 462**	2 051	(125)	1 926
Non-headline items	**347**	**(226)**	**121**	11	257	268
Gross amounts	**607**	**(512)**	**95**	73	586	659
Loss on/(reversal of) impairment of associate	**323**	**(617)**	**(294)**	59	617	676
Net (profit)/loss on sale/dilution of interest in associates	**(130)**	**86**	**(44)**	(6)	(14)	(20)
Profit from subsidiaries sold/deconsolidated	**(58)**		**(58)**	(8)		(8)
Fair value gain on step-up from associate to subsidiary	**(4)**		**(4)**	(2)		(2)
Net loss on sale/impairment of intangible assets (including goodwill)	**294**		**294**	120		120
Net (loss)/profit on sale/impairment of property, plant and equipment	**209**		**209**	(1)		(1)
Loss on impairment of biological assets	**2**		**2**			–
Non-headline items of associates and joint ventures	**(75)**	**19**	**(56)**	(64)	(17)	(81)
Bargain purchase gain			**–**	(25)		(25)
Impairment of assets held for sale	**46**		**46**			–
Non-controlling interests	**(309)**	**286**	**(23)**	(61)	(329)	(390)
Taxation	**49**		**49**	(1)		(1)
Headline earnings	**2 459**	**124**	**2 583**	2 062	132	2 194

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

for the year ended 29 February 2020

1. Headline earnings *(continued)*

	Change %	Reviewed 2020	Audited 2019
Earnings per share (R)			
Recurring	18	**12,81**	10,86
Headline	17	**11,84**	10,11
Continuing operations	19	**11,27**	9,50
Discontinued operations	(7)	**0,57**	0,61
Attributable	27	**11,29**	8,88
Continuing operations	3	**9,69**	9,45
Discontinued operations	n/a	**1,60**	(0,57)
Diluted headline	18	**11,81**	9,99
Continuing operations	19	**11,24**	9,42
Discontinued operations	–	**0,57**	0,57
Diluted attributable	29	**11,26**	8,76
Continuing operations	3	**9,66**	9,36
Discontinued operations	n/a	**1,60**	(0,60)
Dividend per share (R)	(48)	**2,39**	4,56
Interim	8	**1,64**	1,52
Final	(75)	**0,75**	3,04
Number of shares (m)			
In issue		**232,2**	232,1
In issue (net of treasury shares)		**218,1**	218,1
Weighted average		**218,1**	217,0
Diluted weighted average		**218,2**	217,7

	Reviewed 2020			Audited 2019		
	Own balances Rm	**Client-related balances Rm**	**Total Rm**	Own balances Rm	Client-related balances Rm	Total Rm
2. Cash generated from/ (utilised by) operations						
Profit before taxation	**3 054**	**34**	**3 088**	3 090	12	3 102
Share of profits of associates and joint ventures	**(2 307)**		**(2 307)**	(2 042)		(2 042)
Depreciation and amortisation	**836**		**836**	582		582
Investment income	**(427)**	**(1 964)**	**(2 391)**	(492)	(1 810)	(2 302)
Finance costs	**889**		**889**	676		676
Working capital changes and other non-cash items	**139**	**8**	**147**	(88)	(65)	(153)
Cash generated from/ (utilised by) operations	**2 184**	**(1 922)**	**262**	1 726	(1 863)	(137)

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

for the year ended 29 February 2020

3. Subsidiaries acquired

The group's subsidiaries acquired during the year under review included:

GAP Chemicals (Pty) Ltd ("GAP")

During September 2019, the group, through Zaad, being a subsidiary of Zeder, increased its interest in GAP from 49,7% to 100% for a cash consideration of R110m (of which R35m was deferred and remains outstanding). GAP is involved in the agricultural chemicals sector throughout Africa, offering complementary services to Zaad's existing operations and as a result goodwill of R89m arose in respect of expected synergies.

Farm-Ag International ("Farm-Ag")

During September 2019, the group, through Zaad, being a subsidiary of Zeder, increased its interest in Farm-Ag from 50% to 100% for a cash consideration of R31m (of which R16m was deferred and remains outstanding). Farm-Ag is involved in the agricultural chemicals sector throughout Africa, offering complementary services to Zaad's existing operations and as a result goodwill of R11m arose in respect of expected synergies.

The expected synergies associated with the aforementioned business combinations include, inter alia, broadening the Zaad group's product range, cross selling a wider range of chemical products to existing clients of the Zaad group and vice versa, with both acquirees having a strong footprint in Africa which will allow Zaad to expand into new markets, as well as improved utilisation of the Zaad group's existing distribution network.

The amounts of identifiable net assets of subsidiaries acquired, as well as goodwill and non-controlling interests recognised from business combinations during the year under review, can be summarised as follows:

Reviewed	GAP Rm	Farm-Ag Rm	Other Rm	Total Rm
Identifiable net assets acquired	122	121	22	265
Goodwill recognised	89	11	54	154
Non-controlling interests recognised (indirect)		(66)		(66)
Derecognition of investment in associates	(101)	(35)	(4)	(140)
Total consideration	110	31	72	213
Deferred consideration	(35)	(16)	(5)	(56)
Contingent consideration			(4)	(4)
Cash consideration paid	75	15	63	153
Cash consideration paid	(75)	(15)	(63)	(153)
Cash and cash equivalents acquired	(142)	55	5	(82)
Cash flow from subsidiaries acquired	**(217)**	**40**	**(58)**	**(235)**

Transaction costs relating to the business combinations were immaterial and expensed in the summary consolidated income statement.

The aforementioned business combinations' accounting have been finalised and do not contain any significant contingent consideration or indemnification asset arrangements. Non-controlling interests were measured with reference to their proportionate share of the identifiable net assets acquired.

Had the aforementioned business combinations been accounted for with effect from 1 March 2019, instead of their respective acquisition dates, the summary consolidated income statement would have reflected additional revenue and profit for the year of approximately R698m and Rnil, respectively.

Receivables of R563m are included in the identifiable net assets acquired, which are all considered to be recoverable. The fair value of these receivables consequently approximates its carrying value.

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

for the year ended 29 February 2020

4. Capital commitments

The group's most significant capital commitments relate to Curro's plans to invest approximately R0,8bn in growth and development projects during the 2020 calendar year.

5. Events subsequent to the reporting date and assets held for sale

Apart from the COVID-19 pandemic as detailed in the commentary section to this announcement and the disposal of Pioneer Foods as detailed below, no material event has occurred between the reporting date and the date of approval of these summary consolidated financial statements.

During the year under review, PepsiCo made an offer to the Pioneer Foods ordinary shareholders to acquire all issued ordinary shares in Pioneer Foods for a cash consideration of R110 per share. As at 29 February 2020, Zeder reclassified its investment in Pioneer Foods, an associate with a carrying value of R5,1bn, in accordance with IFRS 5 to an asset held for sale. During March 2020, the Competition Tribunal approved the transaction and all other suspensive conditions were met and Zeder's disposal of its interest in Pioneer Foods was implemented. Upon receipt of the R6,4bn cash proceeds, Zeder declared a special dividend of R2,30 per share. PSG Group will consequently receive a special dividend from Zeder of R1,7bn on 28 April 2020.

With Pioneer Foods being a significant associate of the group, it was classified as a discontinued operation in accordance with IFRS 5 and its contribution to the summary consolidated financial statements was re-presented throughout as a discontinued operation. Comparative figures were re-presented accordingly.

	Reviewed 2020 Rm	Audited 2019 Rm
6. Revenue earned from commission, school, net insurance and other fee income		
Commission, brokerage and advisory	**4 668**	3 917
Management and performance fees	**1 135**	1 143
School, tuition and other education-related fees	**3 961**	3 242
Net insurance premiums	**1 097**	937
	10 861	9 239

7. Financial instruments

7.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

These summary consolidated financial statements do not include all financial risk management information and disclosures set out in the consolidated annual financial statements, and therefore they should be read in conjunction with the consolidated annual financial statements for the year ended 28 February 2019, as well as those for the year ended 29 February 2020 (to be published during May/June 2020). Risk management continues to be carried out by each entity within the group under policies approved by the respective boards of directors.

7.2 Fair value estimation

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).

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

for the year ended 29 February 2020

7. Financial instruments *(continued)*

7.2 Fair value estimation *(continued)*

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:

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
29 February 2020 (reviewed)				
Assets				
Unit-linked investments		50 104	300	50 404
Equity securities	2 572	2	46	2 620
Debt securities	867	5 345		6 212
Investment in investment contracts		16		16
Derivative financial assets		24		24
Assets held for sale	7			7
Closing balance	3 446	55 491	346	59 283
Own balances	379	2 258	64	2 701
Client-related balances	3 067	53 233	282	56 582
Liabilities				
Investment contract liabilities		26 412	282	26 694
Third-party liabilities arising on consolidation of mutual funds		29 999		29 999
Derivative financial liabilities		94	23	117
Trade and other payables			108	108
Closing balance	–	56 505	413	56 918
Own balances		64	131	195
Client-related balances		56 441	282	56 723

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

for the year ended 29 February 2020

7. Financial instruments *(continued)*

7.2 Fair value estimation *(continued)*

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
28 February 2019 (audited)				
Assets				
Unit-linked investments		46 040	455	46 495
Equity securities	2 822	143	31	2 996
Debt securities	876	5 320		6 196
Investment in investment contracts		16		16
Derivative financial assets		33		33
Closing balance	3 698	51 552	486	55 736
Own balances	485	2 719	59	3 263
Client-related balances	3 213	48 833	427	52 473
Liabilities				
Investment contract liabilities		25 439	435	25 874
Third-party liabilities arising on consolidation of mutual funds		26 715		26 715
Derivative financial liabilities		53	25	78
Trade and other payables			159	159
Closing balance	-	52 207	619	52 826
Own balances		39	184	223
Client-related balances		52 168	435	52 603

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

for the year ended 29 February 2020

7. Financial instruments *(continued)*

7.2 Fair value estimation *(continued)*

The following table presents changes in level 3 financial instruments during the respective years:

	Reviewed 2020 Assets Rm	Reviewed 2020 Liabilities Rm	Audited 2019 Assets Rm	Audited 2019 Liabilities Rm
Opening balance	**486**	**619**	1 398	782
Additions	**128**	**157**	230	312
Disposals	**(312)**	**(377)**	(1 700)	(627)
Fair value adjustments	**45**	**15**	504	35
Other movements	**(1)**	**(1)**	54	117
Closing balance	**346**	**413**	486	619

There have been no significant transfers between level 1, 2 or 3 during the year under review, nor were there any significant changes to the valuation techniques and inputs used to determine fair values. Valuation techniques and main inputs used to determine fair value for financial instruments classified as level 2 can be summarised as follows:

Instrument	Valuation technique	Main inputs
Unit-linked investments	Quoted exit price provided by the fund manager	Not applicable – daily prices are publicly available
Equity securities	Valuation model that uses market inputs	Price-earnings multiples
Debt securities	Valuation model that uses market inputs	Bond interest rate curves, issuer credit ratings and liquidity spreads
Investment in investment contracts	Prices are obtained from the insurer of the particular investment contract	Not applicable – prices provided by registered long-term insurers
Derivative financial assets and liabilities	Exit price on recognised over-the-counter platforms	Not applicable
Investment contract liabilities	Current unit price of underlying unitised financial asset that is linked to the liability, multiplied by the number of units held	Not applicable
Third-party liabilities arising on consolidation of mutual funds	Quoted exit price provided by the fund manager	Not applicable – daily prices are publicly available

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

for the year ended 29 February 2020

8. Segment report

The group's classification into seven reportable segments, namely Capitec, PSG Konsult, PSG Alpha, Zeder, Curro, Dipeo and PSG Corporate, remains unchanged and these segments represent the major investments of the group. The products and services offered by the respective segments are detailed in the commentary section to this announcement. All segments operate predominantly in South Africa. However, the group has exposure to operations outside South Africa through, inter alia, PSG Alpha's investments in CA Sales, through Zeder's investments in The Logistics Group, Capespan, Zaad and Agrivision Africa and through Curro.

PSG Group's *recurring earnings* is the sum of its effective interest in that of each of its underlying investments. The result is that investments in which PSG Group holds less than 20% and are generally not equity accountable in terms of accounting standards, are equity accounted for the purpose of calculating consolidated *recurring earnings. Non-recurring earnings* include, inter alia, once-off gains and losses and marked-to-market fluctuations, as well as the resulting taxation charge on these items.

SOTP is a key valuation tool used to measure PSG Group's performance. In determining *SOTP*, listed assets and liabilities are valued using quoted market prices, whereas unlisted assets and liabilities are valued using appropriate valuation methods. These values will not necessarily correspond with the values per the summary consolidated statement of financial position since the latter are measured using the relevant accounting standards which include historical cost and the equity method of accounting.

Approximately 98% of PSG Group's SOTP value is calculated using listed share prices (i.e. level 1, if it was to be classified by level of fair value hierarchy according to IFRS 13), while the remaining 2% unlisted assets and liabilities are valued using appropriate valuation methods including EBITDA-multiples and with reference to external property valuations (for say Evergreen), with cash, loans receivable and unlisted debt being included at their respective IFRS carrying values.

The chief operating decision-maker (the PSG Group Executive Committee) evaluates the following information to assess the segments' performance:

29 February 2020 (reviewed)	**Revenue (own balances) Rm**	**Recurring earnings (segment profit)* Rm**	**Non-recurring earnings* Rm**	**Headline earnings* Rm**	**SOTP value Rm**
Capitec		**1 927**		**1 927**	**46 130**
PSG Konsult	**4 954**	**389**		**389**	**6 399**
PSG Alpha	**9 245**	**270**	**(164)**	**106**	**3 618**
Zeder	**7 543**	**246**	**(65)**	**181**	**3 173**
Curro	**2 980**	**117**	**23**	**140**	**2 604**
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				**(121)**	
Earnings attributable to non-controlling interests				**896**	
Taxation				**525**	
Profit before taxation				**3 883**	
Profit before taxation from continuing operations				**3 088**	
Profit for the year from discontinued operations				**795**	

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

for the year ended 29 February 2020

8. Segment report *(continued)*

28 February 2019 (audited)	Revenue (own balances) Rm	Recurring earnings (segment profit)* Rm	Non-recurring earnings* Rm	Headline earnings* Rm	SOTP value Rm
Capitec		1 625		1 625	46 351
PSG Konsult	4 480	361	8	369	8 700
PSG Alpha	7 958	216	(59)	157	4 712
Zeder	7 731	207	130	337	3 166
Curro	2 549	137		137	5 714
Dipeo	17	(29)	(246)	(275)	
PSG Corporate	71	(45)		(45)	
Funding and other	56	(115)	4	(111)	(685)
Total	22 862	2 357	(163)	2 194	67 958
Revenue from contracts with customers					
Revenue from sale of goods	13 041				
Revenue earned from commission, school, net insurance and other fee income	9 329				
Investment income	492				
Non-headline items				(268)	
Earnings attributable to non-controlling interests				415	
Taxation				476	
Profit before taxation				2 817	
Profit before taxation from continuing operations				3 102	
Profit for the year from discontinued operations				(285)	

** Reported net of non-controlling interests.*

INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of PSG Group Ltd

We have reviewed the condensed consolidated financial statements of PSG Group Ltd, set out on pages 6 to 23 of the preliminary report, which comprise the condensed consolidated statement of financial position as at 29 February 2020 and the related condensed consolidated income statement and condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Ltd Listings Requirements for preliminary reports, as set out in the basis of presentation and accounting policies to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of PSG Group Ltd for the year ended 29 February 2020 are not prepared, in all material respects, in accordance with the requirements of the JSE Ltd Listings Requirements for preliminary reports, as set out in the basis of presentation and accounting policies to the financial statements, and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: D de Jager
Registered Auditor

Stellenbosch
22 April 2020

www.psggroup.co.za