



PSG GROUP LIMITED

UNAUDITED
RESULTS
FOR THE SIX MONTHS ENDED
31 AUGUST 2021

HIGHLIGHTS

- **Sum-of-the-parts 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 2020 Rm	28 Feb 2021 Rm	31 Aug 2021 Rm	8 Oct 2021 Rm	Share of total
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	
Less: Minority shareholding held by PSG Alpha management	(71)	(65)	(74)	(74)	
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.

PSG KONSULT (61,4%)

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

It reported a 23% increase in *recurring headline earnings* per share for the period under review following strong performance from the Asset Management and Insure divisions in particular.

During the period under review, PSG accounted for a fair value gain of R1 847m following an increase in PSG Konsult's listed share price since 28 February 2021, and earned dividend income of R134m in respect of this investment.

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.

CURRO (60,0%)

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

It reported a 51% decrease in *recurring headline earnings* per share for the six months ended 30 June 2021. During the period under review, PSG accounted for a fair value gain of R542m following an increase in Curro's listed share price since 28 February 2021.

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

ZEDER (48,6%)

Zeder is an investor in the broad agribusiness industry.

During the period under review, PSG accounted for a fair value gain of R374m following an increase in Zeder's listed share price since 28 February 2021, and earned dividend income of R150m in respect of this investment.

Zeder is listed on the JSE and its comprehensive results are available at www.zeder.co.za. Shareholders are again advised to take note of the most recent cautionary announcement released by Zeder on SENS on 30 September 2021 regarding its strategic review.

PSG ALPHA (98,3%)

PSG Alpha serves as incubator to identify and help build the businesses of tomorrow. Its major investments as at 31 August 2021 included shareholdings in Stadio (private higher education – 42,9%), CA&S (FMCG distribution – 48,3%), Evergreen (developer and operator of retirement lifestyle villages – 50%), Optimi (innovative and accessible education solutions to schools, tutors, parents and learners – 96,0%) and Energy Partners (manufacturer, owner and operator of energy assets – 56,7%).

During the period under review, PSG accounted for a fair value gain of R345m in respect of its investment in PSG Alpha following an increase in its *SOTP value* since 28 February 2021.

More detail on the valuations of PSG Alpha's investments is available at www.psggroup.co.za/sotp.

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 investments as at 31 August 2021 included shareholdings in Curro (3,6%), Stadio (3,3%), Kaap Agri (20%) and Energy Partners (16,4%).

During the financial year ended 28 February 2019, Dipeo's *SOTP value* turned negative (i.e. liabilities exceeded assets) following a decline in the value of its investment portfolio, which had a negative impact on PSG's *SOTP value* through reducing its investment in Dipeo to zero and impairing PSG's pref investment in Dipeo to the extent required. During the period under review, PSG recognised an impairment reversal of R113m following an increase in the value of Dipeo's investment portfolio. The accumulated impairment of PSG's pref investment in Dipeo amounted to R702m as at 31 August 2021.

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.

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

DATE OF ANNOUNCEMENT: 14 October 2021

INTRODUCTION TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Basis of presentation and accounting policies

These PSG Group Ltd ("the company", together with its subsidiaries referred to as "group" or "PSG Group" or "PSG") condensed interim consolidated financial statements are prepared in accordance with the requirements of the Companies Act of South Africa and the JSE Listings Requirements for interim reports. The JSE Listings Requirements require interim 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 condensed interim consolidated financial statements are in terms of IFRS and consistent with those previously applied in the group's consolidated annual financial statements for the year ended 28 February 2021.

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the group's accounting policies are similar to those detailed in the group's consolidated annual financial statements for the year ended 28 February 2021.

Preparation

These condensed interim consolidated financial statements were compiled under the supervision of the group chief financial officer, Mr WL Greeff, CA (SA), and were not reviewed or audited by PSG Group's external auditor, Deloitte & Touche. Any reference to future financial performance included in this announcement, has also not been reviewed or reported on by the company's external auditor.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited		Audited
		Aug 21 Rm	Aug 20 Rm	Feb 21 Rm
Assets				
Investments at fair value through profit or loss ("FVTPL")	1.1	19 803	15 635	18 885
Property, plant and equipment		54	56	55
Right-of-use assets		2	1	1
Debt securities	1.2	855	478	715
Deferred income tax assets			15	12
Loans and advances		54	86	54
Trade and other receivables		12	86	70
Current income tax assets		7		
Cash and cash equivalents		2 644	1 915	1 646
Total assets		23 431	18 272	21 438
Equity				
Ordinary shareholders' equity		23 049	15 826	19 254
Non-controlling interests			1 563	1 556
Total equity		23 049	17 389	20 810
Liabilities				
Deferred income tax liabilities		13	563	488
Lease liabilities		2	2	1
Derivative financial liabilities			53	42
Employee benefit liabilities		23	27	25
Trade and other payables		15	29	36
Loans payable ¹⁾		58	116	36
Current income tax liabilities		271	93	
Total liabilities		382	883	628
Total equity and liabilities		23 431	18 272	21 438
SOTP value per share (R)		110,50	75,86	94,24
Net asset value per share (R)		110,09	73,27	91,76
Net tangible asset value per share (R)		110,09	73,27	91,76

¹⁾ Balance comprises loans payable to subsidiaries and head office-administered Black-Economic Empowerment Trusts not consolidated.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Unaudited 6 months		Audited 12 months
		Aug 21 Rm	Aug 20 Rm	Feb 21 Rm
CONTINUING OPERATIONS				
Fair value gains/(losses) on investments at FVTPL	1.1	3 401	(5 191)	(962)
Investment income	1.1	395	1 930	2 054
Revenue earned from corporate finance and other activities ¹⁾		15	35	80
Other income		42	3 927	3 939
Gain upon deemed disposal and reacquisition of subsidiaries at fair value			3 945	3 945
Fair value gains/(losses)		42	(18)	(6)
Expenses		65	(160)	(35)
Reversal of previously recognised impairment loss/(impairment loss recognised) on debt securities	1.2	113	(93)	126
Reversal of previously recognised impairment loss/(impairment loss recognised) on loans and advances		2		(33)
Operating expenses ¹⁾		(50)	(67)	(128)
Profit on sale of interest in associate (Capitec)			5 158	5 158
Profit before finance costs and taxation		3 918	5 699	10 234
Finance costs		(58)	(128)	(138)
Profit before taxation		3 860	5 571	10 096
Taxation ²⁾		(79)	(730)	(1 083)
Profit for the period from continuing operations		3 781	4 841	9 013
DISCONTINUED OPERATIONS				
Profit for the period from discontinued operations		–	21 088	21 088
Gain upon unbundling of Capitec interest at fair value			21 099	21 099
Capitec unbundling transaction costs			(11)	(11)
Profit for the period ³⁾		3 781	25 929	30 101
Attributable to:				
Owners of the parent		3 781	25 872	29 994
Continuing operations		3 781	4 784	8 906
Discontinued operations			21 088	21 088
Non-controlling interests			57	107
		3 781	25 929	30 101

¹⁾ Fee income and operating costs pertaining to the wholly-owned head office subsidiaries providing investment-related services to PSG Group, as well as corporate finance advisory services.

²⁾ Includes the capital gains tax provided for in respect of the Capitec shareholding retained as part of the unbundling during the prior year.

³⁾ The group had no other comprehensive income during the periods under review.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited 6 months		Audited 12 months
	Aug 21 Rm	Aug 20 Rm	Feb 21 Rm
Ordinary shareholders' equity at beginning of the period	19 254	19 083	19 083
Profit for the period	3 781	25 872	29 994
Share buy-back ¹⁾	(38)	(100)	(459)
Share-based payment costs – employees	12	17	33
Treasury shares released	11	7	7
Other movements	29	(5)	(4)
Dividends paid		(164)	(516)
Capitec unbundling		(28 884)	(28 884)
Ordinary shareholders' equity at end of the period	23 049	15 826	19 254
Non-controlling interests at beginning of the period	1 556	11 843	11 843
Profit for the period		57	107
Subsidiaries deconsolidated upon change in status to that of an investment entity		(10 265)	(10 265)
Repurchase by PSG Financial Services of its JSE-listed perpetual preference shares	(1 506)		
Dividends paid	(50)	(72)	(129)
Non-controlling interests at end of the period	–	1 563	1 556
Total equity	23 049	17 389	20 810

¹⁾ During the period under review, PSG Group repurchased 509 644 shares at an average price of R74.78 per share (including costs).

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Unaudited 6 months		Audited 12 months
		Aug 21 Rm	Aug 20 Rm	Feb 21 Rm
Net cash flow from operating activities		58	1 694	1 264
Cash generated from operations	3	29	10	12
Interest received		59	38	59
Dividends received	1.1 & 1.2	306	1 887	1 959
Finance costs paid		(57)	(148)	(157)
Taxation paid		(279)	(93)	(609)
Net cash flow from investing activities		2 487	956	1 868
Cash and cash equivalents deconsolidated upon change in status to that of an investment entity			(409)	(409)
Additions to investments at FVTPL			(76)	(1 139)
Disposals of investments at FVTPL	1.1	2 483	1 460	3 502
Other investing activities		4	(19)	(86)
Net cash flow from financing activities		(1 547)	(1 330)	(2 081)
Dividends paid to:				
PSG Group shareholders			(164)	(516)
PSG Financial Services perpetual preference shareholders		(50)	(72)	(129)
Repurchase by PSG Financial Services of its JSE-listed preference shares		(1 460)		
Borrowings repaid			(1 000)	(1 000)
Other financing activities ¹⁾		(37)	(94)	(436)
Net increase in cash and cash equivalents		998	1 320	1 051
Cash and cash equivalents at beginning of the period		1 646	595	595
Cash and cash equivalents at end of the period		2 644	1 915	1 646

¹⁾ Cash outflow related mainly to PSG Group share repurchases as detailed in the condensed consolidated statement of changes in equity.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Audited Fair value ¹⁾ Feb 21 Rm	Unaudited			Investment (dividend) income from investments at FVTPL Rm
		Reconciliation for the period			
		Fair value gains Rm	Disposals ²⁾ Rm	Fair value ¹⁾ Aug 21 Rm	
1. Investments					
1.1 Investments at FVTPL					
PSG Konsult	7 282	1 847		9 129	134
Curro	3 588	542		4 130	
Capitec	2 190	293	(2 483)	–	14
Zeder	1 983	374		2 357	150
PSG Alpha	3 842	345		4 187	
Total	18 885	3 401	(2 483)	19 803	298
Interest income on cash and cash equivalents and loans and advances, as well as preference share dividends accrued on debt securities					97
Total investment income					395

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

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

1.2 Debt securities

Debt securities relate to PSG Group's investment in Dipeo cumulative, redeemable preference shares. Below is a reconciliation of movement in such debt securities balance for the period under review:

	Unaudited Aug 21 Rm
Opening balance	715
Cash collected	(8)
Preference share dividends accrued ¹⁾	35
Reversal of previously recognised impairment loss ²⁾	113
Closing balance ³⁾	855

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⁾ Pursuant to an increase in the fair value of Dipeo's underlying assets since year-end.

³⁾ The carrying value of the debt securities is supported by Dipeo's investment in JSE-listed Curro (3,6%), Stadio (3,3%) and Kaap Agri (20%), as well as in unlisted Energy Partners (16,4%), and accordingly the remaining carrying value is deemed fully recoverable (i.e. lifetime expected credit losses have been provided for).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

	Aug 21 Continuing operations Rm	Unaudited 6 months			Audited 12 months		
		Continuing operations Rm	Aug 20 Discontinued operations Rm	Total Rm	Continuing operations Rm	Feb 21 Discontinued operations Rm	Total Rm
2. Headline earnings/ (loss) and dividend per share							
Profit for the period attributable to owners of the parent	3 781	4 784	21 088	25 872	8 906	21 088	29 994
Non-headline items	–	(7 868)	(21 088)	(28 956)	(7 868)	(21 088)	(28 956)
Gross amounts	–	(9 103)	(21 088)	(30 191)	(9 103)	(21 088)	(30 191)
Gain upon deemed disposal and reacquisition of subsidiaries at fair value		(3 945)		(3 945)	(3 945)		(3 945)
Profit on sale of interest in associate (Capitec)		(5 158)		(5 158)	(5 158)		(5 158)
Gain upon unbundling of Capitec interest at fair value			(21 099)	(21 099)		(21 099)	(21 099)
Capitec unbundling transaction costs			11	11		11	11
Taxation		1 235		1 235	1 235		1 235
Headline earnings/ (loss)	3 781	(3 084)	–	(3 084)	1 038	–	1 038

	Unaudited 6 months		Audited 12 months
	Aug 21	Aug 20	Feb 21
Earnings/(loss) per share (R)			
Headline (continuing operations)	18,04	(14,14)	4,81
Attributable	18,04	118,62	139,08
Continuing operations	18,04	21,93	41,30
Discontinued operations		96,69	97,78
Diluted headline (continuing operations)	17,65	(14,17)	4,56
Diluted attributable	17,65	118,60	138,26
Continuing operations	17,65	21,91	40,89
Discontinued operations		96,69	97,37
Dividend per share (R)	–	1,64	1,64
Interim		1,64	1,64
Final			
Number of shares (m)			
In issue	223,3	232,2	223,8
In issue (net of treasury shares)	209,4	216,0	209,8
Weighted average	209,5	218,1	215,7
Diluted weighted average	210,5	218,1	216,6

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

	Unaudited 6 months		Audited 12 months
	Aug 21 Rm	Aug 20 Rm	Feb 21 Rm
3. Cash generated from operations			
Profit before taxation	3 860	5 571	10 096
Depreciation and amortisation	1	1	3
Investment income	(395)	(1 930)	(2 054)
Finance costs	58	128	138
Working capital changes and other non-cash items	(94)	152	(30)
Fair value (gain)/loss on investments at FVTPL (note 1.1)	(3 401)	5 191	962
Gain upon deemed disposal and reacquisition of investments at fair value		(3 945)	(3 945)
Profit on sale of interest in associate (Capitec)		(5 158)	(5 158)
Cash generated from operations	29	10	12

4. Capital commitments and contingencies

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

5. Events subsequent to the reporting date

No material event has occurred between the reporting date and the date of approval of these condensed interim consolidated financial statements.

6. Financial instruments

6.1 Financial risk factors

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

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

6.2 Price risk

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

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

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

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

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

31 August 2021 (unaudited)	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Investments at FVTPL	17 732		2 071	19 803
Opening balance			1 883	
Unrealised fair value gains included in fair value gains on investments at FVTPL as per the condensed consolidated income statement			188	

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

6.3 Credit risk

Debt securities

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

As noted in note 1.2, the carrying value of the debt securities is mostly supported by JSE-listed investments at their respective fair values. Such JSE-listed investments (i.e. level 1 fair value measurement) support approximately 90% of the carrying value of the debt securities, with the remainder being supported by unlisted assets.

Loans and advances

The carrying values of PSG Group's loans and advances are mostly supported by underlying listed and unlisted investments.

Cash and cash equivalents

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

7. Segment report

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

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

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

	Fair value gains on investments at FVTPL Rm	Investment (dividend) income Rm	Other income and expenses ¹⁾ Rm	Headline earnings Rm	SOTP value Rm
Six months ended 31 August 2021 (unaudited)					
PSG Konsult	1 847	134		1 981	9 129
Curro	542			542	4 130
Capitec	293	14	(66)	241	
Zeder	374	150		524	2 357
PSG Alpha	345			345	4 187
Dipeo				-	
PSG Corporate			(35)	(35)	
Funding and other			183	183	3 330
Cash and cash equivalents					2 644
Preference share investments and net loans receivable					851
Other ²⁾					(165)
Total	3 401	298	82	3 781	23 133
Taxation				79	
Profit before taxation (continuing operations)				3 860	

¹⁾ Comprise all other line items in the condensed consolidated income statement, including fee income, expenses, impairment losses, finance costs and taxation.

²⁾ Includes, inter alia, capital gains tax payable in respect of the group's remaining Capitec interest sold during the period under review.

Investment	Aug 21		Industry	Listed/ unlisted	IFRS classification at Aug 2021	SOTP value			Portion of SOTP value	Valuation method	IFRS 13 fair value	
	Shareholding	Nr of shares held m				Feb 21 Rm	Movement Rm	Aug 21 Rm			Categorisation	R/share
PSG Konsult	61,4%	810,1	Financial services	JSE-listed ¹⁾	Subsidiary	7 282	1 847	9 129	39%	Closing JSE-listed share price	Level 1	11,27
Curro	60,0%	358,8	Private education	JSE-listed	Subsidiary	3 588	542	4 130	18%	Closing JSE-listed share price	Level 1	11,51
Capitec Disposals (note 1.1) Fair value gain			Banking	JSE-listed	Equity securities	2 190	(2 190) 2 483	–				
Zeder	48,6%	748,4	Investment holding (food and related business)	JSE-listed	Subsidiary	1 983	374	2 357	10%	Closing JSE-listed share price	Level 1	3,15
PSG Alpha	98,3%		Investment holding (early-stage investments)	Unlisted	Subsidiary	3 842		4 187	18%			
Stadio	42,9%		Private higher education	JSE-listed		865	248	1 113	5%	Closing JSE-listed share price	Level 1	3,06
CA&S	48,3%		Route-to-market services for fast-moving consumer goods in Sub-Saharan Africa	BSE-listed ²⁾		1 126	(86)	1 040	4%	Closing BSE-listed share price converted from Botswana pula to South African rand at the ruling spot exchange rate	Level 1	4,71
Evergreen	50,0%		Retirement lifestyle villages	Unlisted		869	46	915	4%	Net asset value, underpinned by investment property subject to external valuation annually	Level 3	
Optimi	96,0%		Innovative and accessible education solutions to schools, tutors, parents and learners	Unlisted		296	175	471	2%	16,1x price-earnings multiple	Level 3	
Energy Partners	56,7%		Private energy utility	Unlisted		305	38	343	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	
Other			Various	Unlisted		446	(67)	379	2%	Various	Level 3	
Sub-total <i>Less: minority shareholding held by PSG Alpha management ³⁾</i>						3 907 (65)	(9)	4 261 (74)				
Fair value gain							345					
Dipeo	49,0%									SOTP value		
Sub-total						18 885		19 803				
Other net assets						2 020		3 330	15%			Levels 1 & 3
Cash and cash equivalents						1 646		2 644				
Preference share investments and net loans receivable						733		851				
Other ⁴⁾						(359)		(165)				
Total before funding						20 905		23 133				
PSG Financial Services perpetual preference share funding ⁵⁾						(1 132)						
Total SOTP value						19 773		23 133	100%			
SOTP value per share (R)						94,24		110,50				
Fair value gains from investments at FVTPL (note 1.1)							3 401					
Fair value gain from derivative financial instruments							42					
Total fair value gains included in the income statement							3 443					

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

²⁾ Secondary listing on the Cape Town Stock Exchange.

³⁾ PSG Alpha management holds ±1,7% in PSG Alpha.

⁴⁾ Includes, inter alia, a capital gains tax provision/liability in respect of the Capitec shares held/sold.

⁵⁾ Repurchased in full during the period under review.

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