

PSG GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1970/008484/06)

JSE Limited ("JSE") share code: PSG

ISIN code: ZAE000013017

LEI code: 378900CD0BEE79F35A34

("PSG Group" or "the Company")



PSG GROUP LIMITED

UNAUDITED FINANCIAL RESULTS AND AD HOC DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 31 AUGUST 2020

1. SALIENT FEATURES

- At 31 August 2020, the –
 - Sum-of-the-parts ("SOTP") value per share was R75,86, representing a decrease of 20% when compared to the R94,44 per share as at 29 February 2020 if the unbundled Capitec Bank Holdings Ltd ("Capitec") shares, as contained in PSG Group's SOTP value at its ruling market value as at 29 February 2020, are excluded therefrom at such date for comparative purposes; and
 - Net asset value per share was R73,27, representing a decrease of 14% and 16% when compared to the R85,27 as at 31 August 2019 and R87,49 as at 29 February 2020, respectively.
- At 9 October 2020, the SOTP value per share was R82,80.
- *Ad hoc* interim dividend declared of R1,64 per share.

2. CHANGE IN INVESTMENT ENTITY STATUS AND EARNINGS

International Financial Reporting Standards ("IFRS") require that an entity reassess whether it is an Investment Entity if facts or circumstances indicate changes to one or more of the elements making up the definition of an Investment Entity or the typical characteristics of an Investment Entity.

Whilst PSG Group's focus on value creation for its shareholders has not changed, the major corporate action detailed in the full announcement has necessitated PSG Group to reassess its Investment Entity status in terms of IFRS, whereby it was determined that it became an Investment Entity with effect from 1 March 2020. The performance of its remaining investment portfolio is accordingly measured with reference to the fair value of each investment (i.e. 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.

Where an entity's status change to that of an Investment Entity, it does not consolidate its subsidiaries, but rather measures subsidiaries at fair value through profit or loss. Such change in accounting is applied prospectively, with no adjustment to prior year comparatives. However, an Investment Entity continues 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).

Pursuant to the aforementioned change in Investment Entity status, PSG Group's financial statements prepared in accordance with IFRS are not comparable to prior periods. For the period under review, PSG Group reported earnings per share of R118,62 (2019: R6,39) and a headline loss per share of R14,14 (2019: earnings of R5,68). The headline loss per share is representative of mainly the decrease in the share prices of

PSG Group's listed investments, while the earnings per share included a significant non-headline gain to the extent that the fair value of the unbundled Capitec interest exceeded its accounting carrying value as a non-current asset held for sale on the date of unbundling, being 30 July 2020 when PSG Group shareholder approval was obtained. Continuing operations' profit before finance costs and taxation, as detailed in PSG Group's full announcement, amounted to R5,7bn (2019: R1,1bn).

3. DIVIDEND DECLARATION

Following the aforementioned unbundling of Capitec, PSG Group's policy is to pay *ad hoc* dividends as and when circumstances allow. As part of PSG Group's objective of continued wealth creation, the directors have resolved to declare an *ad hoc* interim gross dividend of 164 cents (2019: 164 cents) per share from income reserves for the six months ended 31 August 2020.

The *ad hoc* interim dividend amount, net of South African dividend tax of 20%, is 131,2 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 229 936 695, and the income tax number of the Company is 9950080714.

The salient dates for this *ad hoc* dividend distribution are:

Last day to trade cum dividend	Tuesday, 3 November 2020
Trading ex-dividend commences	Wednesday, 4 November 2020
Record date	Friday, 6 November 2020
Payment date	Monday, 9 November 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 4 November 2020 and Friday, 6 November 2020, both days inclusive.

4. SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the Company. It contains only a summary of the information in the full announcement and does not contain full or complete details. The full announcement can be found at:

<https://senspdf.jse.co.za/documents/2020/JSE/ISSE/PSG/PSGHY21.pdf>

The full announcement is also available for viewing on the Company's website at <https://www.psggroup.co.za/UnauditedResultsAug2020.pdf> or may be requested and obtained in person, at no charge, at the registered office of the Company or the Company's sponsor during office hours.

Any investment decisions should be based on consideration of the full announcement.

5. RESULTS PRESENTATION

Shareholders are invited to view PSG Group's interim results presentation to be broadcast live on YouTube at 09h00 SAST on Thursday, 15 October 2020.

Presentation details:

- View and listen mode;
- Link: https://youtu.be/Krnz2Gty_6g;
- Presentation slides will be made available on PSG Group's website shortly before the live broadcast of the presentation;
- Questions may be e-mailed prior to and during the presentation to: questions@psggroup.co.za.

Stellenbosch
15 October 2020

Sponsor
PSG Capital (Pty) Ltd



Independent joint sponsor
UBS South Africa (Pty) Ltd

