

## **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**”)



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### **FIRM INTENTION ANNOUNCEMENT REGARDING THE VALUE-UNLOCK INITIATIVE OF PSG GROUP, COMPRISING –**

- **THE UNBUNDLING OF PSG GROUP’S SHAREHOLDING IN LISTED ENTITIES BEING PSG KONSULT, CURRO, KAAP AGRI, CA&S AND 25.1% OF THE ISSUED SHARES IN STADIO TO PSG GROUP SHAREHOLDERS;**
- **THE REPURCHASE OF PSG GROUP SHARES FROM EXITING SHAREHOLDERS; AND**
- **THE DELISTING OF PSG GROUP FROM THE JSE.**

### **WITHDRAWAL OF CAUTIONARY ANNOUNCEMENTS**

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Unless otherwise defined, capitalised terms shall have the meaning ascribed to them in the *Definitions* section at the end of this Firm Intention Announcement.

## **1. INTRODUCTION**

- 1.1 PSG Group Shareholders are referred to the detailed cautionary announcement published by the Company on SENS on 1 March 2022 (“**Detailed Cautionary Announcement**”) in terms whereof, *inter alia*, PSG Group Shareholders were advised that the PSG Group Board had, in principle, resolved to investigate the unlocking of value for the benefit of PSG Group Shareholders, through the steps detailed in that announcement.
- 1.2 PSG Group Shareholders are advised that, following the above investigation, the PSG Group Board (excluding any directors who have, or are deemed to have, a personal financial interest in terms of section 75 of the Companies Act) has resolved to proceed with the PSG Group Restructuring, as set out in this Firm Intention Announcement.
- 1.3 PSG Group Shareholders are advised to peruse the PSG Group Restructuring Conditions to which the PSG Group Restructuring is subject.
- 1.4 The Company has overall received positive feedback regarding the PSG Group Restructuring from its shareholders.

## 2. PSG GROUP RESTRUCTURING

2.1 PSG Group Shareholders are hereby advised that, subject to the fulfilment (or where permissible, waiver) of the PSG Group Restructuring Conditions, PSG Group will as one indivisible arrangement:

2.1.1 implement the PSG Group Unbundling by unbundling –

2.1.1.1 the PSG Konsult Unbundled Shares, comprising approximately 60.8 percent of the total issued share capital of PSG Konsult, to PSG Group Shareholders by way of a *pro rata* distribution *in specie*, in the ratio of 3.86921 PSG Konsult Shares for every PSG Group Share held on the PSG Group Unbundling record date;

2.1.1.2 the Curro Unbundled Shares, comprising approximately 63.6 percent of the total issued share capital of Curro, to PSG Group Shareholders by way of a *pro rata* distribution *in specie*, in the ratio of 1.81597 Curro Shares for every PSG Group Share held on the PSG Group Unbundling record date;

2.1.1.3 the Kaap Agri Unbundled Shares, expected to comprise approximately 34.9 percent of the total issued share capital of Kaap Agri, to PSG Group Shareholders by way of a *pro rata* distribution *in specie*, in the ratio of 0.12364 Kaap Agri Shares for every PSG Group Share held on the PSG Group Unbundling record date;

2.1.1.4 the CA&S Unbundled Shares, comprising approximately 47 percent of the total issued share capital of CA&S, to PSG Group Shareholders by way of a *pro rata* distribution *in specie*, in the ratio of 1.03650 CA&S Shares for every PSG Group Share held on the PSG Group Unbundling record date;

2.1.1.5 the Stadio Unbundled Shares, being a portion of PSG Group's shareholding in that company, comprising approximately 25.1 percent of the total issued share capital of Stadio, to PSG Group Shareholders by way of a *pro rata* distribution *in specie*, in the ratio of 1.02216 Stadio Shares for every PSG Group Share held on the PSG Group Unbundling record date,

in terms of section 46 of the Companies Act and section 46 of the Income Tax Act, and amounting to a disposal of the greater part of PSG Group's assets or undertaking in terms of section 112 of the Companies Act;

2.1.2 implement a number of internal restructuring steps to be undertaken by PSG Group to facilitate the PSG Group Unbundling;

2.1.3 propose that, inter-conditionally with the PSG Group Unbundling, Exiting Shareholders dispose of their shareholding in PSG Group to PSG Group by way of a scheme of arrangement under section 114 of the Companies Act, in terms of the PSG Group Scheme, for a cash scheme consideration of R23.00 per PSG

Group Share, following which the Remaining Shareholders of PSG Group will be the only shareholders of PSG Group; and

2.1.4 be delisted from the JSE following implementation of the PSG Group Unbundling and the PSG Group Scheme.

2.2 The purpose of this Firm Intention Announcement is to provide PSG Group Shareholders with detailed information regarding the terms and conditions of the PSG Group Restructuring and to advise PSG Group Shareholders that PSG Group is ready, able and willing to proceed with the PSG Group Restructuring.

### **3. RATIONALE FOR THE PSG GROUP RESTRUCTURING**

3.1 PSG Group is an investment holding company consisting of underlying investments that operate across a diverse range of industries, which include financial services (PSG Konsult), education (Curro and Stadio), food and related businesses (Zeder and Kaap Agri), route-to-market services for fast-moving consumer goods in southern Africa (CA&S), as well as early-stage unlisted investments in select growth sectors.

3.2 As a JSE-listed investment holding company, the main objective of PSG Group remains to create wealth for PSG Group Shareholders on a per share basis. However, the share price of PSG Group has unfortunately been trading at a significant discount of approximately 30% to the value of its underlying investments (or the so-called sum-of-the-parts value) in recent years, despite significant value-unlock initiatives undertaken, such as the Company's unbundling of nearly its entire shareholding in Capitec during the financial year ended 28 February 2021, in terms of which approximately R21bn was unlocked for PSG Group Shareholders, based on Capitec's closing share price on 21 April 2022.

3.3 Given the significant discount at which PSG Group has been trading to its sum-of-the-parts value in recent times, the PSG Group Board has investigated and decided on a value-unlock initiative by way of the PSG Group Restructuring.

3.4 The PSG Group Restructuring will entail the unbundling by PSG Group of its JSE-listed investments in PSG Konsult, Curro, Kaap Agri, CA&S and 25.1% of the total issued shares in Stadio to PSG Group Shareholders and thereafter the repurchase for cash of all the PSG Group Shares held by Exiting Shareholders by way of a scheme of arrangement in terms of section 114 of the Companies Act. The Remaining Shareholders will then hold 100 percent of PSG Group, with its remaining assets comprising mainly its investments in Zeder and PSG Alpha (the latter which holds predominantly early-stage investments and a remaining shareholding in Stadio).

3.5 The relevant steps to give effect to the PSG Group Restructuring as described in this Firm Intention Announcement are indivisible. Ultimately, it will result in the delisting of PSG Group from the JSE, allowing the Remaining Shareholders to focus on the remaining investments, most notably the early-stage investments that require further capital, management oversight and strategic input. The PSG Group Restructuring will accordingly ease the Company's administrative and regulatory compliance

obligations, whilst at the same time unlocking significant value for Exiting Shareholders.

- 3.6 The PSG Group investments forming part of the PSG Group Unbundling are mainly established businesses with strong balance sheets and no immediate requirement for additional capital and which no longer require an anchor shareholder. Furthermore, they have exceptional management teams and experienced boards. This allows the PSG Group Board to propose the PSG Group Restructuring. The reason why the entire indirect shareholding of PSG Group in Stadio will not be unbundled, is that PSG Group is of the view that it can still add value and support the business operations of Stadio, even though Stadio has substantially grown and consolidated over the last few years. This will be to the benefit of Stadio and will therefore also benefit Exiting Shareholders. In order to achieve this goal, PSG Group needs to retain a significant enough shareholding in Stadio following the PSG Group Restructuring.

#### 4. SALIENT TERMS AND MECHANICS OF THE PSG GROUP RESTRUCTURING

##### 4.1 Implementation of the PSG Group Restructuring

- 4.1.1 PSG Group will, subject to the fulfilment (or, where permissible, waiver) of the PSG Group Restructuring Conditions, unbundle the Unbundled Shares to PSG Group Shareholders, by way of a *pro rata* distribution *in specie* in terms of section 46 of the Companies Act and section 46 of the Income Tax Act.
- 4.1.2 The PSG Group Unbundling will be implemented in the distribution ratios set out in paragraph 2.1.1 above, based on the number of PSG Group Shares held by PSG Group Shareholders on the PSG Group Unbundling record date.
- 4.1.3 Inter-conditionally, but following the PSG Group Unbundling, the PSG Group Scheme will be implemented.
- 4.1.4 Thereafter, following the implementation of both the PSG Group Unbundling and the PSG Group Scheme, PSG Group is to be delisted from the JSE.

##### 4.2 Anticipated Value Unlock

- 4.2.1 The table below illustrates the anticipated value to be unlocked by way of the PSG Group Restructuring for Exiting Shareholders, calculated as at the close of business on Monday, 28 February 2022 (prior to publication of the Detailed Cautionary Announcement on 1 March 2022) and on Thursday, 21 April 2022 –

|               | Unbundling ratio for every Share held | Closing share price as at 28 February 2022<br>R | Indicative value per Share as at 28 February 2022<br>R | Closing share price as at 21 April 2022<br>R | Indicative value per Share as at 21 April 2022<br>R |
|---------------|---------------------------------------|---|--|--|---|
| PSG Konsult * | 3.86921                               | 13.74   | 53.16  | 13.75  | 53.20   |

|  |         |       |               |       |               |
|--|---------|-------|---------------|-------|---------------|
| Curro *  | 1.81597 | 13.45 | 24.42         | 10.50 | 19.07         |
| Kaap Agri *  | 0.12364 | 51.20 | 6.33          | 44.50 | 5.50          |
| CA&S **  | 1.03650 | 4.79  | 4.96          | 4.70  | 4.87          |
| Stadio *   | 1.02216 | 3.64  | 3.72          | 4.00  | 4.09          |
|  |         |       |               |       |               |
| <b>Value of Unbundled Shares received pursuant to the PSG Group Unbundling</b> |         |       | <b>92.59</b>  |       | <b>86.73</b>  |
| Cash consideration received pursuant to the PSG Group Scheme                   |         |       | 23.00         |       | 23.00         |
| <b>Total anticipated value</b>   |         |       | <b>115.59</b> |       | <b>109.73</b> |
|  |         |       |               |       |               |
| <b>PSG Group closing share price</b>   |         |       | <b>81.83</b>  |       | <b>98.05</b>  |
|  |         |       |               |       |               |
| <b>Premium to PSG Group closing share price</b>                                |         |       | <b>41.3%</b>  |       |               |

\* Listed on the JSE.

\*\* Currently listed on both the Botswana Stock Exchange and the Cape Town Stock Exchange (“CTSE”). The CTSE listing will be replaced by a listing on the JSE prior to the PSG Group Unbundling, subject to the necessary JSE approval. The closing share prices presented in the table above are the closing share prices on the Botswana Stock Exchange on 28 February 2022 and 21 April 2022, respectively, converted from Botswana pula into South African rand at the ruling exchange rate on those dates.

#### 4.3 Classification

- 4.3.1 As all the Unbundled Shares will be listed on the JSE on the implementation of the PSG Group Unbundling, the PSG Group Unbundling will not require the approval of PSG Group Shareholders in terms of paragraph 5.85 of the JSE Listings Requirements. However, the PSG Group Unbundling is deemed to constitute a disposal of the greater part of the assets or undertaking of PSG Group in terms of section 112 of the Companies Act and therefore requires the approval of the TRP and the approval of PSG Group Shareholders by way of a special resolution, in terms of the provisions of section 115 of the Companies Act.
- 4.3.2 As the PSG Group Unbundling constitutes a disposal in terms of section 112 of the Companies Act, it qualifies as an “affected transaction” as defined in section 117(1)(c)(i) of the Companies Act.

- 4.3.3 The PSG Group Scheme will involve the repurchase of PSG Group Shares from the Exiting Shareholders by way of a scheme of arrangement requiring shareholder approval in terms of sections 114 and 115 of the Companies Act and the Companies Regulations.
- 4.3.4 As the PSG Group Scheme constitutes a scheme of arrangement in terms of section 114, it also qualifies as an “*affected transaction*” as defined in section 117(1)(c)(iii) of the Companies Act.
- 4.3.5 Consequently, both the PSG Group Unbundling and the PSG Group Scheme are regulated by the Companies Act and the Companies Regulations and require the approval of the TRP.

#### 4.4 **Independent Board and Independent Expert’s Report**

PSG Group has constituted the Independent Board for purposes of the PSG Group Unbundling and the PSG Group Scheme. The Independent Board is in the process of appointing an Independent Expert in order to, *inter alia*, prepare a fair and reasonable opinion for PSG Group Shareholders. The Independent Expert’s fair and reasonable opinion, as well as the Independent Board’s recommendation to PSG Group Shareholders in relation to the PSG Group Unbundling and the PSG Group Scheme, will be set out in the Circular as required in terms of the Companies Act and the Companies Regulations.

#### 4.5 **PSG Group Restructuring Conditions**

The PSG Group Restructuring is to take place on a composite and indivisible basis and all of the conditions pertaining to each step need to be fulfilled (or where applicable, waived), otherwise the PSG Group Restructuring will not go ahead. This relates specifically to the PSG Group Unbundling, the PSG Group Scheme and the Delisting.

- 4.5.1 The PSG Group Restructuring will be subject to the fulfilment (or where applicable, waiver) of the following PSG Group Restructuring Conditions –
- 4.5.1.1 by no later than Friday, 29 July 2022, the requisite majority of PSG Group Shareholders passing all resolutions pertaining to the PSG Group Restructuring, including, *inter alia*, the PSG Group Unbundling (“**Unbundling Resolution**”) and the PSG Group Scheme (“**Scheme Resolution**”) in terms of the Companies Act, Companies Regulations and, if applicable, JSE Listings Requirements;
- 4.5.1.2 by no later than Wednesday, 31 August 2022, to the extent that the provisions of section 115(2)(c) read together with section 115(3) of the Companies Act become applicable –
- 4.5.1.2.1 the special resolution/s to approve the PSG Group Unbundling and/or the PSG Group Scheme, as the case may be, being approved by the court

unconditionally or, if subject to conditions, PSG Group confirms in writing that the conditions are acceptable to it;

- 4.5.1.2.2 the special resolution/s to approve the PSG Group Unbundling and/or the PSG Group Scheme not being set aside by the court; or
- 4.5.1.2.3 PSG Group not treating the aforesaid special resolution/s to approve the PSG Group Unbundling and/or the PSG Group Scheme as a nullity in terms of section 115(5)(b) of the Companies Act;
- 4.5.1.3 within the period prescribed by section 164(7) of the Companies Act, no valid demands (relating to appraisal rights) have been received by PSG Group from any PSG Group Shareholder in terms of that section read together with section 115(8) of the Companies Act, in relation to the PSG Group Unbundling or the PSG Group Scheme, or, if such a demand has been duly delivered, PSG Group has waived this condition on or before the relevant date set out in the Circular;
- 4.5.1.4 by no later than the first business day following fulfilment (or, where applicable, waiver) of the last outstanding PSG Group Restructuring Condition (other than the condition contained in this paragraph 4.5.1.4), the TRP issues a compliance certificate in accordance with section 119(4)(b) of the Companies Act in respect of the PSG Group Unbundling and the PSG Group Scheme;
- 4.5.1.5 by no later than Wednesday, 31 August 2022, to the extent required, the approvals, consents and/or rulings necessary to implement the PSG Group Restructuring be obtained from JSE, the Financial Surveillance Department of the South African Reserve Bank, the Competition Authorities and any other relevant regulatory authority, either unconditionally or on terms acceptable to PSG Group;
- 4.5.1.6 by no later than the date of the General Meeting, a binding ruling is obtained from the South African Revenue Service dealing with the PSG Group Unbundling on terms and conditions acceptable to PSG Group;
- 4.5.1.7 to the extent applicable, by no later than Wednesday, 31 August 2022, the Remaining Shareholders in writing waive the requirement for a mandatory offer in terms of section 123(4) of the Companies Act, pursuant to the PSG Group Scheme;
- 4.5.1.8 by no later than the General Meeting date, *disqualified person* shareholders do not hold more than an additional 10% (in other words, not more than 22.9% in aggregate) of PSG Group Shares in issue (with PSG Group's *disqualified person* shareholding referred to in paragraph 4.12.2.1 currently being approximately 12.9%, comprising the Government Employees Pension Fund);
- 4.5.1.9 by no later than Wednesday, 31 August 2022, the PSG Group internal restructure steps have become unconditional and are implemented in accordance with their terms; and

4.5.1.10 by no later than Friday, 29 July 2022, the shares of CA&S (which are currently listed on the CTSE) be listed instead on the JSE.

4.5.2 The PSG Group Restructuring Conditions in –

4.5.2.1 paragraphs 4.5.1.3 and 4.5.1.8 have been inserted for the benefit of PSG Group, which will be entitled, in its sole discretion, to waive fulfilment of such conditions precedent, in whole or in part; and

4.5.2.2 the remainder of the PSG Group Restructuring Conditions cannot be waived.

4.5.3 PSG Group may, at any time, extend the date for fulfilment of the PSG Group Restructuring Conditions.

#### 4.6 **Fractional Entitlements in respect of the PSG Group Unbundling**

4.6.1 Where a PSG Group Shareholder's entitlement to the Unbundled Shares in terms of the PSG Group Unbundling, calculated in accordance with the respective distribution ratios, gives rise to a fraction of any Unbundled Shares, such fraction will be rounded down to the nearest whole number, resulting in allocations of whole Unbundled Shares and a cash payment in respect of the fraction to such PSG Group Shareholders. The remaining fractions of Unbundled Shares will be bundled and sold on the market for the benefit of the relevant PSG Group Shareholders to fund the cash payment referred to above.

4.6.2 In accordance with the JSE Listings Requirements, the weighted average traded price for the Unbundled Shares on the last day to trade, plus one business day, less 10%, will be used to calculate the cash value for the respective fractions of the Unbundled Shares to be paid to the applicable PSG Group Shareholders.

4.6.3 Certificated Shareholders whose bank account details are not held by the Transfer Secretaries, are requested to provide such details to the Transfer Secretaries to enable payment of the cash amount due for the aforementioned fractions of the Unbundled Shares. Should no details be on record, the funds will be held by the Company in trust until such time as the details have been provided and the cash fraction will thereafter be paid to the PSG Group Shareholder upon its request without interest, subject to the applicable laws of prescription.

#### 4.7 **Implementation of the PSG Group Unbundling**

4.7.1 Under the PSG Group Unbundling, PSG Group Shareholders will receive the Unbundled Shares in Dematerialised form only.

4.7.2 Accordingly, all Certificated Shareholders wishing to receive their Unbundled Shares must appoint a CSDP under the terms of the Financial Markets Act, directly or through a Broker, to receive the Unbundled Shares on their behalf.



- 4.7.3 Should a Certificated Shareholder not appoint a CSDP under the terms of the Financial Markets Act, directly or through a Broker, to receive the Unbundled Shares on its behalf, such PSG Group Shareholder will be issued with a statement of allocation, reflecting its Unbundled Shares, by the Transfer Secretaries. Such PSG Group Shareholders can thereafter instruct the Transfer Secretaries to transfer their Unbundled Shares, represented by the statement of allocation, to their appointed CSDP or can instruct the Transfer Secretaries to issue them, at their own risk, with a share certificate(s) at any time following the PSG Group Unbundling.
- 4.7.4 If a PSG Group Shareholder is in any doubt as to what action to take in respect of the PSG Group Unbundling, such PSG Group Shareholder should consult its Broker, CSDP, banker, attorney or other professional advisor.
- 4.7.5 The PSG Group Unbundling is subject to the PSG Group Restructuring Conditions set out above.

#### 4.8 **Implementation of the PSG Group Scheme**

- 4.8.1 The PSG Group Scheme will be proposed by the PSG Group Board between PSG Group and the Exiting Shareholders.
- 4.8.2 The Exiting Shareholders shall receive the cash scheme consideration of R23.00 per PSG Group Share repurchased from the relevant PSG Group Shareholder by PSG Group, subject to a potential adjustment in terms of paragraph 4.14 below.
- 4.8.3 The PSG Group Scheme is subject to the PSG Group Restructuring Conditions set out above.

#### 4.9 **Cash Confirmation**

In accordance with Regulation 111(4) and Regulation 111(5) of the Companies Regulations, PSG Group has provided an irrevocable bank guarantee to the TRP which confirms that PSG Group will have sufficient cash resources in terms of Regulation 111 to satisfy payment of the maximum possible consideration in respect of the PSG Group Scheme.

#### 4.10 **Concert Parties**

- 4.10.1 The Remaining Shareholders may be deemed to be concert parties with PSG Group for purposes of the PSG Group Restructuring, as each of the Remaining Shareholders has in principle agreed to remain PSG Group Shareholders following the implementation of the PSG Group Restructuring.
- 4.10.2 The Remaining Shareholders hold, in aggregate, 34.6% of the total number of issued PSG Group Shares (net of treasury shares).

#### 4.11 **Delisting of the PSG Group Shares**

Should the PSG Group Unbundling and the PSG Group Scheme be implemented, the listing of the PSG Group Shares on the Main Board of the JSE will be terminated immediately thereafter.

#### 4.12 **Tax considerations in relation to the PSG Group Restructuring and Foreign Shareholders**

4.12.1 PSG Group Shareholders are advised to consult their own tax advisors regarding the tax consequences of the PSG Group Restructuring.

4.12.2 Insofar as the PSG Group Unbundling is concerned –

4.12.2.1 it is expected that the PSG Group Unbundling will qualify as an unbundling transaction for purposes of section 46 of the Income Tax Act and will result in rollover relief being provided to PSG Group and the PSG Group Shareholders. However, PSG Group will incur capital gains tax (and also dividend withholding tax in the case of *disqualified person* PSG Group Shareholders, if any) in respect of the PSG Group Unbundling to *disqualified person* PSG Group Shareholders, as defined in the Income Tax Act. Generally, a *disqualified person* in relation to an unbundling is any person who will not be subject to tax on a subsequent disposal of the Unbundled Shares (such as, for example, Foreign Shareholders, retirement funds, government and public benefit organisations) and who hold 5% or more of the shares in the unbundling company, in this case PSG Group. The tax consequences for Foreign Shareholders should be confirmed by such Foreign Shareholders with their advisors;

4.12.2.2 the receipt of the Unbundled Shares in terms of the PSG Group Unbundling by PSG Group Shareholders resident in South Africa should qualify for tax rollover relief;

4.12.2.3 any PSG Group Shareholder holding PSG Group Shares as trading stock or on capital account, as the case may be, will be deemed to acquire the Unbundled Shares as trading stock or as capital assets on the same basis. Subject to confirmation from SARS, the PSG Group Shareholders must allocate a portion of the expenditure or base cost in respect of the PSG Group Shares to the Unbundled Shares and reduce the expenditure or base cost in respect of the PSG Group Shares accordingly. The PSG Group Shareholders will be deemed to have incurred the expenditure or base cost allocated to the Unbundled Shares on the same date that it was incurred in respect of the PSG Group Shares;

4.12.2.4 subject to confirmation from SARS, the expenditure or base cost, as the case may be, to be allocated to the Unbundled Shares on a proportionate basis will be determined by applying the ratio that the market value of Unbundled Shares, as at the last day to trade PSG Group Shares in order to be recorded in the

Register to participate in the PSG Group Unbundling, plus one business day, bears to the sum of the market value, at the end of that day, of the Unbundled Shares and the PSG Group Shares;

- 4.12.2.5 PSG Group will advise PSG Group Shareholders of the specified ratio at which the expenditure or base cost, as the case may be, must be allocated between the PSG Group Shares and the Unbundled Shares by way of an announcement expected to be published on SENS on the business day immediately preceding the record date for the PSG Group Unbundling. The allocated expenditure or base cost, as the case may be, must be used in the determination of any profits or losses or capital gains or losses, as the case may be, derived on any future disposals of the PSG Group Shares and/or the Unbundled Shares;
- 4.12.2.6 in terms of sections 46(5) and 46(5A) of the Income Tax Act, the distribution of the Unbundled Shares must be disregarded for dividends tax purposes and must also not be treated as a return of capital for purposes of paragraph 76B of the Eighth Schedule to the Income Tax Act;
- 4.12.2.7 the distribution of the Unbundled Shares to PSG Group Shareholders will be exempt from the payment of any securities transfer tax.
- 4.12.3 Insofar as the PSG Group Scheme is concerned, it is anticipated that the specific repurchase will not be funded by PSG Group from contributed tax capital, resulting in it being treated as a dividend. In this context, a dividend will be subject to dividend withholding tax unless there is a specific exemption that applies to, *inter alia*, resident companies of South Africa. Securities transfer tax will be payable in respect of the PSG Group Scheme, which will be funded by the Company.
- 4.13 PSG Group Shareholders who are non-resident for tax purposes in South Africa are advised to consult their own professional tax advisors regarding the tax treatment of the PSG Group Unbundling and the PSG Group Scheme in their respective jurisdictions, having regard to the tax laws in their jurisdiction and any applicable tax treaties between South Africa and their country of residence.
- 4.14 **Potential adjustment to cash scheme consideration**
  - 4.14.1 Please note that the cash scheme consideration of R23 per Share may be reduced as per the table below. In terms of the relevant tax legislation dealing with unbundlings, and particularly insofar it pertains to unbundling distributions made to *disqualified person* shareholders, an unbundling company such as PSG Group has no certainty regarding its potential tax exposure unless there is a mechanism in place to regulate same and to provide certainty regarding the cash requirements to implement a proposed transaction such as the PSG Group Restructuring. Following below is the mechanism to be utilised to regulate such exposure, of which more detail will be included in the Circular.
  - 4.14.2 At the time of this Firm Intention Announcement, the Government Employees Pension Fund (“**GEPF**”), being a *disqualified person* shareholder, holds

approximately 12.9% in the net issued share capital of PSG Group, with the capital gains tax (“CGT”) payable pursuant thereto having been taken into consideration to derive at the cash scheme consideration of R23 per Share. The calculation of the CGT liability of PSG Group is thus based on a percentage equal to 12.9%. PSG Group’s tax liability in respect of this transaction, and therefore the PSG Group Scheme’s cash consideration, have been based on the aforesaid.

4.14.3 The final tax liability will only be determinable on or about the applicable last date to trade prior to implementation of the PSG Group Unbundling, once certainty regarding the extent of the *disqualified person* shareholding in PSG Group at such time and the related underlying tax consequences are obtained. If there is no change, for example, in the *disqualified person* shareholding in PSG Group and the percentage holding thereof, the cash consideration for the PSG Group Scheme will remain unchanged at R23 per Share. However, PSG Group has no control over, *inter alia*, the extent of such *disqualified person* shareholding. Accordingly, should PSG Group’s tax liability increase due to changes as per the above on or before the applicable last date to trade prior to implementation of the PSG Group Unbundling, the cash consideration of the PSG Group Scheme will potentially be adjusted as set out below for illustrative purposes (this will only occur if the tax circumstances change):

| <i>Increased disqualified persons shareholding</i> | Adjustment to PSG Group Scheme cash consideration per Share |              | PSG Group Scheme cash consideration per Share |              |
|--|---|--------------|---|--------------|
|  | only CGT  | CGT and DWT* | only CGT                                      | CGT and DWT* |
|  | Rand  | Rand         | Rand  | Rand         |
| No additional                                      | -   | -            | 23.00   | 23.00        |
| 5% additional                                      | (0.63)  | (1.32)       | 22.37   | 21.68        |
| 10% additional                                     | (1.30)  | (2.69)       | 21.70   | 20.31        |

\* Assuming a reduced DWT rate of 15% in respect of disqualified person PSG Group Shareholders.

A detailed schedule of scenarios will be included in the Circular, and factored in the independent expert’s report. Please note that, in the unlikely event of an adjustment to the PSG Group scheme cash consideration occurring, such reduction will not result in the cash consideration reducing to below R20.31 per Share and that this value is therefore the minimum amount that Exiting Shareholders will receive in terms of the PSG Group Scheme, upon it becoming unconditional and being implemented. PSG Group Shareholders will be updated on the state of affairs prior to the General Meeting.

## 5. FOREIGN SHAREHOLDERS

- 5.1 No action has been taken by PSG Group to obtain any approval, authorisation or exemption to permit the distribution of the Unbundled Shares and/or the PSG Group Scheme or the possession or distribution of this Firm Intention Announcement (or any other publicity material relating to the Unbundled Shares) in any jurisdictions other than South Africa.
- 5.2 The PSG Group Unbundling and the PSG Group Scheme are being conducted under the procedural requirements and disclosure standards of South Africa which may be different from those applicable in other jurisdictions. The legal implications of the PSG Group Unbundling and the PSG Group Scheme on persons resident or located in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction. Such persons should consult their professional advisors and inform themselves about any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such persons participating in the PSG Group Unbundling and the PSG Group Scheme to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith.
- 5.3 Foreign Shareholders should refer to and take into account the disclaimers set out at the end of this Firm Intention Announcement and to be contained in the Circular in relation to those jurisdictions.

## 6. EXCHANGE CONTROL

- 6.1 The Company will apply for the requisite exchange control approval from the Financial Surveillance Department of the South African Reserve Bank for the PSG Group Unbundling and the PSG Group Scheme.
- 6.2 The Exchange Control Regulations provide for restrictions on the exportation of capital from the Common Monetary Area. The Common Monetary Area consists of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini. Transactions between residents of the countries comprising the Common Monetary Area and foreigners are subject to Exchange Control Regulations provisions, which are administered by the South African Reserve Bank (“**SARB**”).
- 6.3 Various reforms have been made to the Exchange Control Regulations with a view to relax the rules pertaining to foreign investments. A considerable degree of flexibility is built into the system and the SARB has substantial discretionary powers in approving or rejecting a specific application that has been submitted through an authorised dealer in foreign exchange appointed by the SARB (“**Authorised Dealer**”). The relaxations of the provisions of the Exchange Control Regulations are contained in the Currency and Exchanges Manual for Authorised Dealers (“**AD Manual**”). As provided for in the Exchange Control Regulations, the SARB has also delegated to Authorised Dealers the power to approve certain transactions, without the SARB’s prior approval.
- 6.4 It was announced in the 2020 South African Budget that the Exchange Control Regulations will be replaced by a new capital flow management framework and

regulations. Previously a distinction was made between residents, non-residents and emigrants. The concept of “*emigration*” as recognised by SARB is being phased out with effect from 1 March 2021. Exchange Control Circular 6/2021 dated 26 February 2021 and 8/2021 dated 21 May 2021 set out the changes in relation to emigrants with effect from 1 March 2021. From this date, natural person residents and natural person emigrants are treated identically. The process of blocking an emigrant’s remaining assets fell away and is treated as normal fund transfers in line with any other foreign capital allowance transfer. Authorised Dealers can now allow the transfer of assets of an emigrant abroad provided the natural person has ceased to be a resident of South Africa, has obtained a tax compliance status confirmation from SARS and is tax compliant upon verification of such confirmation. To ensure a smooth transition from the previous framework to the new framework, natural persons that applied to emigrate under the previous framework by obtaining an MP336(b) form that was attested to by an Authorised Dealer on or before 28 February 2021, will be dealt with under the previous framework should their emigration applications have been approved on or before 28 February 2021. PSG Group Shareholders should consult their relevant Authorised Dealer should they be unsure of their status or the way in which they need to deal with the Unbundled Shares or the proceeds from the PSG Group Scheme.

- 6.5 Securities control with regard to natural persons will continue to apply until discussions with various stakeholders have been finalised. There are no restrictions on the part of residents to receive their Unbundled Shares. With reference to non-residents, generally in the case of Dematerialised shares, the Unbundled Shares will be credited directly to the share account of the relevant CSDP or Broker controlling their portfolios and an appropriate electronic entry will be made in the relevant register reflecting a “*non-resident*” endorsement. A similar process applies to Unbundled Shares held by emigrants as these shares will be credited to the emigrant’s share account of the relevant CSDP or Broker controlling their remaining portfolios and a similar electronic entry will be made in the relevant register reflecting a “*non-resident*” endorsement (which may be held to the order of the Authorised Dealer concerned under whose auspices the person’s remaining assets are held, should it be relevant in the case of emigrants).
- 6.6 In the case of Certificated Shares held by non-residents, the Unbundled Shares will be endorsed “*non-resident*”. In the case of emigrants, the share certificates will equally be endorsed “*non-resident*” (to be deposited with the Authorised Dealer under whose auspices the remaining assets are held in appropriate cases in the case of an emigrant or where the PSG Group Shares have been restrictively endorsed, it being noted that it would be up to the relevant PSG Group Shareholder to notify the Authorised Dealer).
- 6.7 Generally, the CSDP or the Broker will ensure that all requirements of the Exchange Control Regulations will be adhered to in respect of their clients, whether the shares are held in dematerialised or certificated format.
- 6.8 Payment of the proceeds of the PSG Group Scheme will be made into the account of the relevant CSDP or Broker as the case may be.

- 6.9 PSG Group Shareholders who are not resident in, or whose registered addresses are outside the Common Monetary Area, will need to comply with the Exchange Control Regulations as set out at the end of this Firm Intention Announcement in relation to those jurisdictions.
- 6.10 If PSG Group Shareholders are in any doubt as to what action to take, they should consult their professional advisors.

## **7. BUSINESS, STRATEGY AND PROSPECTS OF PSG GROUP AFTER THE PSG GROUP RESTRUCTURING**

Following the PSG Group Restructuring, PSG Group will continue to operate, albeit as an unlisted investment holding company, focusing on its remaining assets comprising mainly its investments in Zeder and PSG Alpha (the latter which holds predominantly early-stage investments and a remaining shareholding in Stadio), as well as making further investments as and when opportune, always with the objective of creating wealth on a per share basis for Remaining Shareholders.

## **8. SALIENT DATES AND TIMES**

The salient dates and times of the PSG Group Restructuring will be announced on SENS when the Circular is distributed.

## **9. CIRCULAR AND IMPLEMENTATION**

- 9.1 The information contained in this Firm Intention Announcement should be read in conjunction with the terms of, and subject to, the disclaimers to be contained in the Circular. The Circular will contain full details of the PSG Group Restructuring and will incorporate a notice convening the General Meeting of PSG Group Shareholders in order to consider and, if deemed fit, to pass, with or without modification, the resolutions set out therein.
- 9.2 The Circular is anticipated to be distributed to PSG Group Shareholders on or about Thursday, 23 June 2022. A copy of the Circular will also be available on SENS and on PSG Group's website (<http://www.psggroup.co.za>) from the date of distribution.
- 9.3 A detailed timetable will be contained in the Circular and be announced on SENS, which will detail the last dates to trade, record dates and other dates relevant to the General Meeting and implementation of the PSG Group Restructuring, including the date from which trading in PSG Group Shares will be suspended.
- 9.4 The implementation date of the PSG Group Restructuring is anticipated to be on or about the end of August 2022.

## **10. RESPONSIBILITY STATEMENT**

The Independent Board individually and collectively accepts full responsibility for the accuracy of the information contained in this Firm Intention Announcement. In addition, the Independent Board certifies that to the best of its knowledge and belief, the

information contained in this Firm Intention Announcement solely pertaining to the Company is true and, where appropriate, does not omit anything that is likely to affect the importance of the information contained herein, and that all reasonable enquiries to ascertain such information have been made.

The PSG Group Board (excluding the members of the Independent Board) ("**Board**") individually and collectively accepts full responsibility for the accuracy of the information contained in this Firm Intention Announcement. In addition, the Board certifies that to the best of its knowledge and belief, the information contained in this Firm Intention Announcement solely pertaining to the Company is true and, where appropriate, does not omit anything that is likely to affect the importance of the information contained herein, and that all reasonable enquiries to ascertain such information have been made.

## 11. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENTS

PSG Group Shareholders are advised that, as a result of the publication of this Firm Intention Announcement, the Detailed Cautionary Announcement and its renewal released on SENS on 1 March 2022 and 13 April 2022, respectively, are hereby withdrawn.

Stellenbosch  
25 April 2022

Transaction Advisor and Sponsor – PSG Capital

Independent Joint Sponsor – Tamela Holdings Proprietary Limited

Legal Advisor as to South African law – Cliffe Dekker Hofmeyr Incorporated

Legal Advisor as to US and UK law – Goodwin Procter LLP

## DEFINITIONS

In this Firm Intention Announcement, unless the context indicates the contrary, the following expressions have the meanings given to them below:

- i. "**Broker**" means any person registered as a "broking member (equities)" in accordance with the provisions of the Financial Markets Act;
- ii. "**Capitec**" means Capitec Bank Holdings Limited (registration number 1999/025903/06), a public company incorporated under the laws of South Africa, the ordinary shares of which are listed on the JSE;
- iii. "**CA&S**" means CA Sales Holdings Limited (registration number 2011/143100/06), a public company incorporated under the laws of South Africa, the ordinary shares of which are to be listed on the JSE;



- iv. “**CA&S Shares**” means ordinary shares with no par value in the issued share capital of CA&S;
- v. “**CA&S Unbundled Shares**” means 217,002,911 CA&S Shares, comprising approximately 47 percent of the total issued share capital of CA&S, that will be distributed by PSG Group to PSG Group Shareholders in terms of the PSG Group Unbundling;
- vi. “**Certificated Shares**” means Shares which are not Dematerialised, title to which is represented by a share certificate or other Document of Title;
- vii. “**Certificated Shareholders**” means registered holders of Certificated Shares;
- viii. “**Circular**” means the circular expected to be posted to PSG Group Shareholders detailing, *inter alia*, the terms and mechanics of the PSG Group Restructuring;
- ix. “**Companies Act**” means the Companies Act, 2008 (Act No. 71 of 2008), as amended from time to time;
- x. “**Companies Regulations**” means the Companies Regulations, 2011, promulgated under the Companies Act, as amended from time to time;
- xi. “**Competition Act**” means the Competition Act, 1998 (Act No. 89 of 1998), as amended from time to time;
- xii. “**Competition Authorities**” means the commission established pursuant to Chapter 4, Part A of the Competition Act or the tribunal established pursuant to Chapter 4, Part B of the Competition Act or the appeal court established pursuant to Chapter 4, Part C of the Competition Act or the Constitutional Court, as the case may be, and any competition authority in any other jurisdiction (outside of South Africa) whose approval or consent may be required for the implementation of the PSG Group Restructuring or any portion thereof;
- xiii. “**CSDP**” means a central securities depository participant registered in terms of the Financial Markets Act with whom a beneficial holder of shares holds a Dematerialised share;
- xiv. “**Curro**” means Curro Holdings Limited (registration number 1998/025801/06), a public company incorporated under the laws of South Africa, the ordinary shares of which are listed on the JSE;
- xv. “**Curro Shares**” means ordinary shares with no par value in the issued share capital of Curro;
- xvi. “**Curro Unbundled Shares**” means 380,191,455 Curro Shares, comprising approximately 63.6 percent of the total issued share capital of Curro, that will be distributed by PSG Group to PSG Group Shareholders in terms of the PSG Group Unbundling;
- xvii. “**Delisting**” means the delisting of the ordinary shares in PSG Group from the JSE;

- xviii. “**Dematerialisation**” means the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded as such in a sub-register of security holders maintained by a CSDP, and “**Dematerialised**” shall bear the corresponding meaning;
- xix. “**Dematerialised Shareholders**” means PSG Group Shareholders who hold Dematerialised Shares;
- xx. “**Documents of Title**” means the share certificates, certified transfer deed, balance receipts or any other documents of title to Certificated Shares acceptable to PSG Group;
- xxi. “**Exchange Control Regulations**” means the South African Exchange Control Regulations, promulgated in terms of the South African Currency and Exchanges Act, 1933 (Act No. 9 of 1933), as amended from time to time;
- xxii. “**Exiting Shareholders**” means those PSG Group Shareholders that will dispose of their PSG Group Shares pursuant to the PSG Group Scheme, being all PSG Group Shareholders other than the Remaining Shareholders;
- xxiii. “**Financial Markets Act**” means the Financial Markets Act, 2012 (Act No. 19 of 2012), as amended from time to time;
- xxiv. “**Firm Intention Announcement**” means this firm intention announcement published on SENS by PSG Group;
- xxv. “**Foreign Shareholders**” means PSG Group Shareholders that are registered in a jurisdiction outside of South Africa, or who are resident, domiciled or located in, or who are citizens of a jurisdiction other than South Africa;
- xxvi. “**General Meeting**” means the general meeting of PSG Group Shareholders to be convened in order for PSG Group Shareholders to consider and, if deemed fit, to pass, with or without modification, the resolutions required to give effect to the PSG Group Restructuring;
- xxvii. “**Income Tax Act**” means the Income Tax Act, 1962 (Act No. 58 of 1962), as amended from time to time;
- xxviii. “**Independent Board**” means those independent non-executive directors of PSG Group who have been appointed as the independent board of the Company in respect of the PSG Group Restructuring, for purpose of the Companies Act and the Companies Regulations, and comprising Mr PE Burton, Ms AM Hlobo and Ms B Mathews;
- xxix. “**Independent Expert**” means the independent expert to be appointed by the Independent Board as the independent expert in respect of the PSG Group Restructuring, for purposes of the Companies Act and the Companies Regulations;

- xxx. “**JSE**” means JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa, and which is licensed as an exchange in terms of the Financial Markets Act;
- xxxi. “**JSE Listings Requirements**” means the Listings Requirements of the JSE;
- xxxii. “**Kaap Agri**” means Kaap Agri Limited (registration number 2011/113185/06), a public company incorporated under the laws of South Africa, the ordinary shares of which are listed on the JSE;
- xxxiii. “**Kaap Agri Shares**” means ordinary shares with no par value in the issued share capital of Kaap Agri;
- xxxiv. “**Kaap Agri Unbundled Shares**” means, subject to PSG Group obtaining the required additional shares in Kaap Agri, 25,885,426 Kaap Agri Shares, comprising approximately 34.9 percent of the total issued share capital of Kaap Agri, that will be distributed by PSG Group to PSG Group Shareholders in terms of the PSG Group Unbundling;
- xxxv. “**PSG Alpha**” means PSG Alpha Investments Proprietary Limited (registration number 2009/022552/07), a private company incorporated under the laws of South Africa and a 98.3%-held subsidiary of PSG Group;
- xxxvi. “**PSG Group Board**” means the board of directors of PSG Group from time to time;
- xxxvii. “**PSG Group Restructuring**” means, collectively, the internal restructuring steps of PSG Group, the PSG Group Unbundling, the PSG Group Scheme and the Delisting;
- xxxviii. “**PSG Group Restructuring Conditions**” means the conditions precedent to which the PSG Group Restructuring is subject, as set out in paragraph 4.5 of this Firm Intention Announcement;
- xxxix. “**PSG Group Scheme**” means the repurchase by PSG Group of the ordinary shares held by the Exiting Shareholders comprising approximately 65 percent of the issued ordinary shares (net of treasury shares) in the share capital of PSG Group by way of a scheme of arrangement in terms of section 114 of the Companies Act;
- xl. “**PSG Group Shareholders**” means registered holders of Shares;
- xli. “**PSG Group Unbundling**” means the proposed unbundling and distribution *in specie* by PSG Group of the PSG Konsult Unbundled Shares, Curro Unbundled Shares, Kaap Agri Unbundled Shares, CA&S Unbundled Shares and Stadio Unbundled Shares to PSG Group Shareholders;
- xlii. “**PSG Konsult**” means PSG Konsult Limited (registration number 1993/003941/06), a public company incorporated under the laws of South Africa, the ordinary shares of which are listed on the JSE;

- xl.iii. "**PSG Konsult Shares**" means ordinary shares with no par value in the issued share capital of PSG Konsult;
- xl.iiii. "**PSG Konsult Unbundled Shares**" means 810,058,551 PSG Konsult Shares, comprising approximately 60.8 percent of the total issued share capital of PSG Konsult, that will be distributed by PSG Group to PSG Group Shareholders in terms of the PSG Group Unbundling;
- xl.v. "**Register**" means the securities register of PSG Group;
- xl.vi. "**Remaining Shareholders**" means the holders of the Remaining Shareholding;
- xl.vii. "**Remaining Shareholding**" means the shareholding in PSG Group of predominantly the executive management of PSG Group and PSG Alpha, the founders of PSG Group and their immediate family members;
- xl.viii. "**SENS**" means the Stock Exchange News Service of the JSE;
- xl.ix. "**Shares**" or "**PSG Group Shares**" means ordinary shares with no par value in the issued share capital of the Company;
  - I. "**South Africa**" means the Republic of South Africa;
  - ii. "**Stadio**" means Stadio Holdings Limited (registration number 2016/371398/06), a public company incorporated under the laws of South Africa, the ordinary shares of which are listed on the JSE;
  - iii. "**Stadio Shares**" means ordinary shares with no par value in the issued share capital of Stadio;
  - iiii. "**Stadio Unbundled Shares**" means 212,896,371 Stadio Shares, comprising approximately 25.1 percent of the total issued share capital of Stadio, that will be distributed by PSG Group to PSG Group Shareholders in terms of the PSG Group Unbundling;
  - v. "**Transfer Secretaries**" means Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated under the laws of South Africa, being the transfer secretaries of PSG Group;
  - vi. "**TRP**" means the Takeover Regulation Panel established in terms of section 196 of the Companies Act;
  - vii. "**Unbundled Shares**" means collectively, the CA&S Unbundled Shares, Curro Unbundled Shares, Kaap Agri Unbundled Shares, PSG Konsult Unbundled Shares and the Stadio Unbundled Shares; and

- lvii. “**Zeder**” means Zeder Investments Limited (registration number 2006/019240/06), a public company incorporated under the laws of South Africa, the ordinary shares of which are listed on the JSE.

## **Disclaimers**

The release, publication or distribution of this Firm Intention Announcement in jurisdictions other than South Africa may be restricted by law. The distribution of the Unbundled Shares to Foreign Shareholders in terms of the PSG Group Unbundling or the transfer of PSG Group Shares in terms of the PSG Group Scheme may be affected by the laws of the relevant Foreign Shareholders’ jurisdictions. In this regard, Foreign Shareholders are referred to the further details set out below.

### **Foreign Shareholders: General**

No action has been taken by PSG Group to obtain any approval, authorisation or exemption to permit the distribution of the Unbundled Shares or the PSG Group Scheme or the possession or distribution of this Firm Intention Announcement (or any other publicity material relating to the Unbundled Shares or the PSG Group Shares in terms of the PSG Group Scheme) in any jurisdictions other than South Africa.

The PSG Group Restructuring is being conducted under the procedural requirements and disclosure standards of South Africa which may be different from those applicable in other jurisdictions. The legal implications of the PSG Group Restructuring on persons resident or located in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction. Such persons should consult their professional advisors and inform themselves about any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such persons participating in the PSG Group Restructuring to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith.

Foreign Shareholders should refer to and take into account the disclaimers set out in this Firm Intention Announcement and to be contained in the Circular in relation to those jurisdictions.

Foreign Shareholders should nevertheless consult their own professional advisors and satisfy themselves as to the applicable legal requirements in their jurisdictions.

### **Notice to Foreign Shareholders located in the United States**

This Firm Intention Announcement is not an offer of securities for sale in the United States of America (“**US**”). The Unbundled Shares and the PSG Group Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or with any regulatory authority of any state or other jurisdiction in the US and may not be offered, sold, exercised, transferred or delivered, directly or indirectly, in or into the US at any time except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state and other securities laws of the US.

The Unbundled Shares and the PSG Group Shares have not been and will not be listed on a US securities exchange or quoted on any inter-dealer quotation system in the US. The Company does not intend to take any action to facilitate a market in the Unbundled Shares or the PSG Group Shares in the US. Consequently, it is unlikely that an active trading market in the US will develop for the Unbundled Shares or the PSG Group Shares.

The Unbundled Shares and the PSG Group Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other regulatory authority in the US, nor have any of the foregoing authorities passed comment on, or endorsed the merit of, the PSG Group Restructuring or the accuracy or the adequacy of this Firm Intention Announcement or the information contained herein. Any representation to the contrary is a criminal offence in the US.

**Notice to Foreign Shareholders located in the European Economic Area (“EEA”) and the United Kingdom (“UK”)**

This Firm Intention Announcement is not a prospectus, for the purposes of the Prospectus Regulation (EU) 2017/1129 or Regulation (EU) No 2017/1129 as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended, on the basis that the Unbundled Shares and the PSG Group Shares are not being admitted to trading on a regulated market situated or operating within the EEA or the UK, nor is there an offer to the public in respect of the Unbundled Shares or the PSG Group Shares in any member state of the EEA or in the UK. Accordingly, any person making or intending to make any offer for the Unbundled Shares or the PSG Group Shares should only do so in circumstances in which no obligation arises for PSG Group or the issuers of the Unbundled Shares to produce a prospectus for such offer. The Company has not authorised the making of any offer for the Unbundled Shares or the PSG Group Shares through any financial intermediary.