

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 RESTRUCTURING: UPDATE ANNOUNCEMENT

1. INTRODUCTION

- 1.1 Shareholders are referred to the various announcements released by PSG Group on the JSE’s Stock Exchange News Service (“**SENS**”) and the circular distributed to Shareholders on Friday, 8 July 2022 (“**Circular**”), advising that, subject to the fulfilment (or where applicable, waiver) of the PSG Group Restructuring Conditions, including receipt of the requisite Shareholder approval, PSG Group will, as one indivisible arrangement, implement the PSG Group Restructuring (comprising the PSG Group Unbundling, the PSG Group Scheme and the Delisting) on the terms set out in the Circular.
- 1.2 All capitalised terms used but not defined in this announcement shall bear the meanings ascribed to them in the Circular.

2. UPDATE ON *DISQUALIFIED PERSON* SHAREHOLDERS

- 2.1 As indicated in paragraph 3.14 of the Circular, the Scheme Consideration of R23.00 per Scheme Share may be reduced, should there be an increase in the *disqualified person* shareholding (as defined in Annexure 4 of the Circular) in the Company between the Last Practicable Date (amounting to 12.9% at that date) and the record date of the PSG Group Unbundling.
- 2.2 In addition, the PSG Group Restructuring Conditions include, at paragraph 3.3.2.8 of the Circular, the condition that by the date 10 Business Days following the General Meeting, *disqualified person* Shareholders do not hold more than an additional 10% (in other words, not more than 22.9% in aggregate) of the PSG Group Shares in issue (“**Disqualified Person Condition**”). Should this condition fail and not be waived by PSG Group, the PSG Group Restructuring will not proceed.
- 2.3 The General Meeting is due to be held on Wednesday, 10 August 2022, at which time Shareholders will be requested to consider and, if deemed fit, to approve, with or without modification, the resolutions to be proposed thereat. With this in mind, PSG Group wishes to provide Shareholders with an update regarding the current level of *disqualified person* Shareholders.
- 2.4 Shareholders are advised that based on the most recent Register available to the Company at the date of this announcement, the level of PSG Group’s *disqualified person* shareholding

remains unchanged at approximately 12.9%. Accordingly, based on the current level of *disqualified person* Shareholders, it is not expected that the Scheme Consideration will need to be adjusted, meaning that the Scheme Consideration is expected to remain R23.00 per Scheme Share.

- 2.5 Shareholders should, however, bear in mind that the final value of the Scheme Consideration will depend on the level of *disqualified person* Shareholders at the record date for the PSG Group Unbundling. Should the PSG Group Restructuring Conditions be fulfilled (or where applicable, waived) and the PSG Group Unbundling be implemented in line with the dates appearing in the *Salient Dates and Times* section of the Circular, it is anticipated that the final value of the Scheme Consideration will be announced on SENS on Friday, 16 September 2022.
- 2.6 For further details regarding the potential impact of an increased level in *disqualified person* Shareholders, kindly refer to the Circular.

3. STATUS OF PSG GROUP RESTRUCTURING CONDITIONS

- 3.1 With reference to the PSG Group Restructuring Condition in paragraph 3.3.2.5 of the Circular, the Company is pleased to advise that on Tuesday, 2 August 2022 the Competition Authorities approved the PSG Group Restructuring on terms acceptable to PSG Group.
- 3.2 With reference to the PSG Group Restructuring Condition in paragraph 3.3.2.6 of the Circular, on Tuesday, 2 August 2022, the Company received a binding ruling from SARS regarding the PSG Group Unbundling on terms acceptable to PSG Group.
- 3.3 The PSG Group Restructuring remains subject to the fulfilment (or, where applicable, waiver) of various PSG Group Restructuring Conditions, including, *inter alia*, (i) obtaining the requisite Shareholder approval at the General Meeting, (ii) no valid demands (relating to Appraisal Rights) being received by PSG Group from any Shareholder in terms of section 164(7) read with section 115(8) of the Companies Act, (iii) the Disqualified Person Condition and (iv) the TRP issuing 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. RESPONSIBILITY STATEMENT

The Independent Board individually and collectively accepts full responsibility for the accuracy of the information contained in this announcement. In addition, the Independent Board certifies that to the best of its knowledge and belief, the information contained in this 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 or which would make any statement false or misleading, and that all reasonable enquiries to ascertain such information have been made and the announcement contains all information required by law and the JSE Listings Requirements.

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 announcement. In addition, the Board certifies that, to the best of its knowledge and belief, the information contained in this 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 or which would make any statement false or misleading, and that all reasonable enquiries to ascertain such information have been made and the announcement contains all information required by law and the JSE Listings Requirements.

Stellenbosch
3 August 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

Disclaimers

The release, publication or distribution of this 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 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 announcement and 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 of America (“US”)

This announcement is not an offer of securities for sale in the 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 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 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.