



PSG Group unbundling: 1 March 2022

FAQ relating to PSG Konsult

- **Does the proposed unbundling impact clients whose money is invested with PSG Konsult in any way?**

The proposed change in the shareholding structure of PSG Konsult as a consequence of the proposed unbundling will not impact the firm's business model, operations or capital and solvency position and the management team remain committed to delivering on PSG Konsult's strategy and growth potential. Therefore, the change in shareholding has no bearing on clients' funds invested via PSG advisers or in PSG-managed products.

- **Will the proposed unbundling have any tax implications for PSG Konsult shareholders?**

No, the proposed transaction will not result in any tax implications for current direct PSG Konsult shareholders. Tax consequences may, however, arise for shareholders of PSG Group. More clarity will emerge as the transactions take place (subject to regulatory approval) and we encourage PSG Group shareholders to seek appropriate tax advice closer to the time.

- **Will there be any benefit for PSG Konsult from the proposed transaction?**

PSG Group CEO Piet Mouton highlighted in his investor presentation (on 1 March 2022) that the current group holding structure penalises the investee companies as their trading liquidity is impaired because of the small free float, leading to them being penalised when it comes to inclusion in JSE indices. This narrows the pool of investors and can potentially have a negative impact on share prices. Currently, PSG Konsult only has 7.0% liquidity but a current market capitalisation in excess of R18 billion, ranking the firm in the Top 100 on the JSE.

- **Will PSG Konsult lose any benefits as a result of the proposed transaction that could impact negatively on the outlook of the company?**

PSG Group has been a long term, supportive and value-adding shareholder of PSG Konsult. In this context, PSG Konsult is appreciative of the value added by PSG Group and acknowledges the strategic rationale behind this restructure to unlock shareholder value. PSG Group intends to remain a committed and supportive strategic shareholder of PSG Konsult until the implementation of the proposed unbundling. PSG Konsult is not dependent on PSG Group for any funding, capital requirements or management support, and operates independently.

- **Will PSG Konsult change its strategy as a result of the proposed transaction?**

PSG Konsult and its management team remains committed to the strategy that has seen the firm achieve a number of successes over the past few years. The firm has secured continued growth and delivering robust results despite the disruption caused by the Covid-19 pandemic over the past two years. Therefore, we remain committed to servicing our clients to the same high standards as we always have, and offering our shareholders the value and investment return they have come to expect from the firm.