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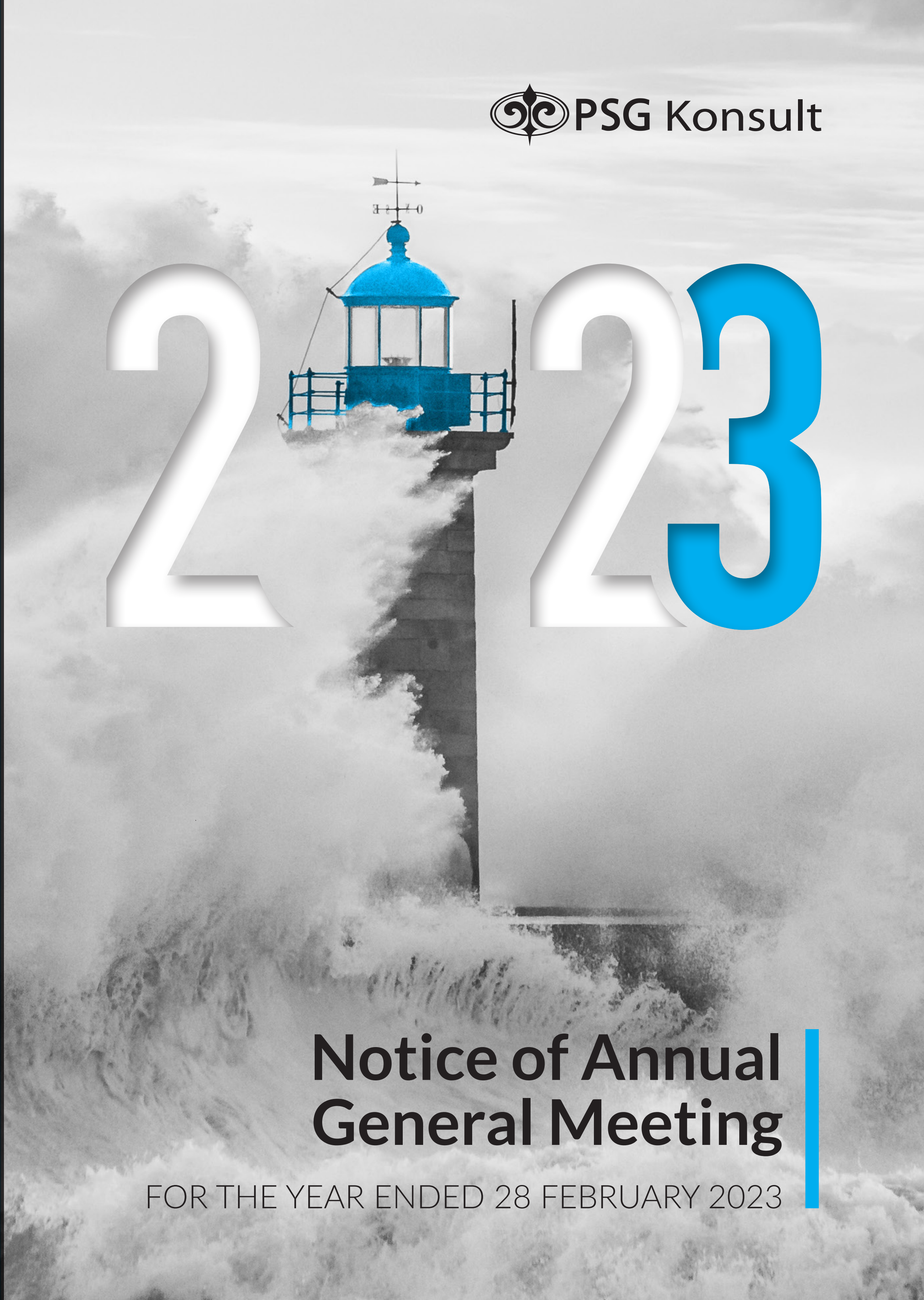
PSG Konsult

NOTICE OF ANNUAL GENERAL MEETING 2023

PSG Konsult



2023

Notice of Annual General Meeting

FOR THE YEAR ENDED 28 FEBRUARY 2023

Salient features

RECURRING HEADLINE EARNINGS PER SHARE

↑ 5%	2023	2022	2021
	72.9 cents	69.7 cents	52.7 cents

RECURRING HEADLINE EARNINGS PER SHARE (EXCLUDING INTANGIBLE ASSET AMORTISATION COST)

↑ 5%	2023	2022	2021
	78.2 cents	74.8 cents	57.5 cents

RECURRING HEADLINE EARNINGS PER SHARE (EXCLUDING PERFORMANCE FEES)

↑ 9%	2023	2022	2021
	68.2 cents	62.4 cents	52.4 cents

DIVIDEND PER SHARE

↑ 13%	2023	2022	2021
	36.0 cents	32.0 cents	24.5 cents

GROSS WRITTEN PREMIUM[1]

↑ 9%	2023	2022	2021
	R6.19 bn	R5.69 bn	R5.51 bn

NUMBER OF ADVISERS

↓ 1%	2023	2022	2021
	947	952	932

TOTAL ASSETS UNDER MANAGEMENT

↑ 13%	2023	2022	2021
	R354 bn	R315 bn	R268 bn

TOTAL ASSETS UNDER ADMINISTRATION

↑ 3%	2023	2022	2021
	R481 bn	R468 bn	R392 bn

[1] *Includes gross written premiums on policies administered by the Insure distribution advisers, which are placed with third-party insurers. The group earns commission income and administration fees on this. It excludes the short-term administration platform gross written premium.*

CONTENTS

PSG Konsult

Incorporated in the Republic of South Africa
Registration number: 1993/003941/06
JSE Share Code: KST
NSX Share Code: KFS
SEM Share Code: PSGK.N0000
ISIN Code: ZAE000191417
LEI Code: 378900ECF3D86FD28194
(PSG Konsult or the company)

Letter to shareholders

Notice is hereby given in terms of sections 61 and 62 of the South African Companies Act, No. 71 of 2008, as amended (the Companies Act), of the annual general meeting of shareholders of PSG Konsult (the AGM) to be held at the Vineyard Hotel, Colinton Road, Newlands, Cape Town on Thursday, 13 July 2023 at 14:30 p.m.

Notice is also given in terms of section 31(1) of the Companies Act to every person who holds, or has a beneficial interest in, any securities issued by the company (a holder) of the publication of the annual financial statements of the company and its subsidiaries (the group) for the financial year ended 28 February 2023.

Included with this notice of AGM are the summary financial statements of the group for the financial year ended 28 February 2023, which is consistent with the complete audited annual financial statements (annual financial statements).

A copy of the annual financial statements and the summary financial statements of the group for the financial year ended 28 February 2023 may be obtained by a holder, without charge, as follows:

1. by downloading a copy of the annual financial statements or summary financial statements from the company's website at www.psg.co.za; or
2. by requesting a copy of the annual financial statements or summary financial statements by any of the following means:
   a. email to company.secretary@psg.co.za; or
   b. may be requested and obtained in person at the company's registered office during office hours.

S Hamit
(On behalf of the company secretary, PSG Management Services Proprietary Limited)

6 June 2023

4th Floor, The Edge, 3 Howick Close, Tyger Waterfront, Tyger Valley, Bellville, Cape Town 7530
Tel: +27(21) 918 7800 | company.secretary@psg.co.za | www.psg.co.za

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Notice of annual general meeting

Notice is hereby given of the AGM of shareholders of PSG Konsult to be held at the Vineyard Hotel, Colinton Road, Newlands, Cape Town, on Thursday, 13 July 2023 at 14:30 p.m.

Purpose

The purpose of the AGM is to transact the business set out in the agenda below.

Agenda

- Presentation of the audited annual financial statements of the group, including the reports of the directors and the audit committee for the year ended 28 February 2023. The complete audited annual financial statements, including the unmodified audit opinion, are available on the company's website at www.psg.co.za and may be requested and obtained, at no charge, from the company at company.secretary@psg.co.za or may be requested and obtained in person, at the company's registered office during office hours.
- To consider and, if deemed fit, approve, with or without modification, the ordinary and special resolutions set out below.

Note:
For ordinary resolutions numbers 1 to 10 (inclusive), 12 and 13 to be adopted, more than 50% of the voting rights exercised on the applicable ordinary resolution must be exercised in favour thereof. For ordinary resolution number 11 and special resolutions numbers 1 to 5 (inclusive) to be adopted, at least 75% of the voting rights exercised on the applicable resolution must be exercised in favour thereof.

Important dates in respect of the proposed name change of the company (Change of name)

	2023
Declaration date of the Change of name	Tuesday, 6 June
Expected release on the Stock Exchange News Service (SENS) of the finalisation announcement in respect of the Change of name[1]	Thursday, 27 July
Expected last date to trade prior to the Change of name[2]	Monday, 7 August
Expected termination date for trading under the name of "PSG Konsult Limited" and commencement of trading under the new company name, being "PSG Financial Services Limited"	Tuesday, 8 August
Expected record date for the Change of name	Friday, 11 August
Expected date that the accounts of dematerialised shareholders with their Central Securities depository participants or brokers will be updated with the new name	Monday, 14 August
Expected date that new share certificates will be issued to certificated shareholders, posted by registered post, at their risk	Monday, 14 August

1 *The Change of name is subject to: approval by shareholders in accordance with special resolution number 5 below; (ii) approval by the Companies and Intellectual Property Commission (CIPC); and (iii) approval by the Prudential Authority of the South African Reserve Bank (Prudential Authority).*

2 *Shareholders may not dematerialise or rematerialise their PSG Konsult shares after the last day to trade in the company.*

Notice of annual general meeting

Details of the proposed name change

The Board has resolved to change the name of the company from "PSG Konsult Limited" to "PSG Financial Services Limited", which name has been reserved by the CIPC.

The Change of name will be implemented with the following details:

- The short name is PSG Fin;
- The long name is PSG Financial Services;
- The JSE share code remains "KST";
- The ISIN will remain ZAE000191417
- The sector of the company will remain unchanged; and
- The company will retain its shareholder register and trading history.

Rationale

The rationale for the Change of name is that the board believes it to be more descriptive of the scope of services which are offered by the company and will present a clear indication to potential customers of the nature of the business of the company.

The proposed change is aligned to the firm's growth aspirations. In the 25 years since being established, PSG Konsult has evolved as a business and now provides a comprehensive financial service offering.

Controlling shareholders and operating segments

As required in terms of the JSE Listings Requirements, the company hereby confirms that:

- The trading segments of the company have remained constant over a number of years. For further details of the contributions made to the group by the various operating segments, please refer to pages 40 to 50 of the notice of AGM.
- The current largest shareholders are set out in the share analysis on page 60 of the notice of AGM. Prior to September 2022, PSG Group Limited was the major shareholder of the company for 24 years.

Resolution

Accordingly, it is proposed that Special Resolution Number 5 on page 12 be approved by shareholders.

1. Confirmation of the appointment of directors

1.1 Ordinary resolution number 1

"Resolved that the appointment of Ms B Mathews by the board as an independent non-executive director of the company, be and is hereby confirmed, subject to approval from the Prudential Authority."

A summary curriculum vitae of Ms Bridgitte Mathews (Bridgitte)

Bridgitte is a chartered accountant with a postgraduate certificate in advanced taxation from the University of South Africa. She served on various boards, including PSG Group Limited and Redefine Properties Limited. Bridgitte currently serves on the board of Metair Investments Limited and the board of trustees of WAT Trust.

1.2 Ordinary resolution number 2

"Resolved that the appointment of Ms AM Hlobo by the board as an independent non-executive director of the company, be and is hereby confirmed, subject to approval from the Prudential Authority."

A summary curriculum vitae of Ms Anna Modi Hlobo (Modi)

Modi is a chartered accountant with PhD (Accounting). Modi has private equity and investment banking experience. She is a senior lecturer in financial management at the University of Johannesburg. Her previous employment included positions at the Development Bank of South Africa and ABSA Group Limited. Modi also served on numerous boards, including the board of PSG Group Limited.

The reason for ordinary resolution numbers 1 and 2 is that the memorandum of incorporation of the company and the Listings Requirements of the JSE Limited (JSE Listings Requirements) require that any director appointed by the board of the company be confirmed by shareholders at the next AGM of the company.

2. Retirement and re-election of directors

2.1 Ordinary resolution number 3

"Resolved that Mr PE Burton, who retires by rotation in terms of the memorandum of incorporation of the company, being eligible and offering himself for re-election, be and is hereby re-elected as a director."

A summary curriculum vitae of Mr PE Burton (Patrick)

Patrick served at Moores Rowland Chartered Accountants for eight years, where he completed his training contract. He emigrated to Canada in 1982 and worked for Laventhol and Horwath (chartered accountants) from 1982 to 1984. His experience includes executive and non-executive positions in fishing, financial services, food and allied services.

Appointed to the PSG Konsult Limited board on 2 March 2014.

2.2 Ordinary resolution number 4

"Resolved that Mr AH Sangqu, who retires by rotation in terms of the memorandum of incorporation of the company, being eligible and offering himself for re-election, be and is hereby re-elected as a director."

A summary curriculum vitae of Mr AH Sangqu (Andile)

Andile has spent over 20 years in management positions at several major South African corporations and has served on several JSE-listed company boards. Andile was the executive head of Anglo American South Africa until 31 December 2019. His expertise and practical exposure span general management, finance, accounting, and tax administration. He is experienced in industries as diverse as broadcasting, insurance, mining, food and financial services. Andile serves as an independent non-executive director of Growthpoint Limited, and is executive in residence at the Gordon Institute of Business Science in Johannesburg.

Appointed to the PSG Konsult Limited board on 1 January 2020.

2.3 Retirement of Mr ZL Combi ("KK")

In addition to the above, having served on the board for 9 years, KK has decided to retire and resign from the board on conclusion of the AGM, in accordance with the company's board succession plan.

The board wishes to thank KK for his significant and positive contribution to the company and wish him well in his retirement.

The reason for ordinary resolutions numbers 3 and 4 is that the memorandum of incorporation of the company, the JSE Listings Requirements and, to the extent applicable, the Companies Act, require that a component of the non-executive directors rotate at every annual general meeting of the company and, being eligible, may offer themselves for re-election.

Notice of annual general meeting

3. Appointment and reappointment of the members of the audit committee

3.1 Ordinary resolution number 5

"Resolved that Mr PE Burton, subject to the approval of ordinary resolution number 3, being eligible, be and is hereby reappointed as a member of the audit committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

A summary curriculum vitae of Mr PE Burton is set out in paragraph 2.1 on the previous page.

3.2 Ordinary resolution number 6

"Resolved that Ms ZRP Matsau, being eligible, be and is hereby reappointed as a member of the audit committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

A summary curriculum vitae of Ms ZRP Matsau (Zodwa)

Zodwa holds MPhil Economics and BA Economics qualifications from the University of Glasgow and the National University of Lesotho, respectively. She started her career as an economist at the Central Bank of Lesotho and was ultimately promoted to Head of Money and Capital Markets: Central Bank of Lesotho. Her career experience thereafter included 18 years at the South African Reserve Bank in various key roles, including company secretary, and finally serving as senior deputy general markets: financial markets. Zodwa also serves as a director on the board of Bidvest Bank Limited.

3.3 Ordinary resolution number 7

"Resolved that Mr AH Sangqu, subject to the approval of ordinary resolution number 4, being eligible, be and is hereby reappointed as a member of the audit committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

A summary curriculum vitae of Mr AH Sangqu is set out in paragraph 2.2 on the previous page.

3.4 Ordinary resolution number 8

"Resolved that Ms B Mathews, subject to the approval of ordinary resolution number 1, being eligible, be and is hereby appointed as a member of the audit committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

A summary curriculum vitae of Ms B Mathews is set out in paragraph 1.1 on page 4.

3.5 Ordinary resolution number 9

"Resolved that Ms AM Hlobo, subject to the approval of ordinary resolution number 2, being eligible, be and is hereby appointed as a member of the audit committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

A summary curriculum vitae of Ms AM Hlobo is set out in paragraph 1.2 on page 4.

The reason for ordinary resolutions numbers 5 to 9 (inclusive) is that the company, being a public company listed on the JSE, must appoint an audit committee. The Companies Act requires that the audit committee members be appointed, or reappointed, as the case may be, at each annual general meeting of the company.

4. Reappointment of auditor

Ordinary resolution number 10

"Resolved that Deloitte & Touche (Deloitte) be and is hereby reappointed as auditor of the company for the ensuing financial year or until the next annual general meeting of the company, whichever is later, with the designated individual auditor being Ms Nina le Riche, a registered auditor and partner in the firm, on the recommendation of the audit committee of the company."

The reason for ordinary resolution number 10 is that the company, being a public company listed on the JSE, must have its financial results audited. The auditor must be appointed or reappointed, as the case may be, each year at the annual general meeting of the company as required by the Companies Act and the JSE Listings Requirements.

5. General authority to issue ordinary shares for cash

Ordinary resolution number 11

"Resolved that the board of the company be and is hereby authorised, by way of a general authority, to allot and issue any of the company's unissued shares for cash as they, in their discretion, may deem fit, without restriction, subject to the provisions of the company's memorandum of incorporation, the Companies Act, the JSE Listings Requirements and the requirements of any other stock exchange on which the shares of the company may be quoted or listed, including, *inter alia*, provided that:

- the approval shall be valid until the date of the next annual general meeting of the company, provided it shall not extend beyond 15 months from the date of this resolution;
- the general issues of shares for cash under this authority may not exceed, in the aggregate, 5% of the company's issued share capital (number of securities) of that class as at the date of this notice of AGM, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders or shares issued in connection with the PSG Konsult Group Share Incentive Trust (the Trust) or options granted by the Trust according to the JSE Listings Requirements shall not diminish the number of ordinary shares that comprise the 5% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this notice of AGM, 5% of the company's issued ordinary share capital (excluding treasury shares) amounts to 63 858 066 ordinary shares;
- in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities. The JSE will be consulted for a ruling if the securities have not been traded in such a 30-business-day period;
- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements and not to related parties, save, therefore, that related parties may participate in a general issue for cash through a bookbuild process provided that (i) related parties may only participate with a maximum bid price at which they are prepared to take-up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price, the relevant related party will be "out of the book" and not be allocated shares; and (ii) equity securities must be allocated equitably "in the book" through the bookbuild process, and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild;
- any such issue will only comprise securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue; and
- if the securities issued represent, on a cumulative basis, 5% or more of the number of securities in issue prior to that issue, an announcement containing the full details of such issue shall be published on the Stock Exchange News Service of the JSE."

Notice of annual general meeting

For listed entities wishing to issue shares for cash (other than issues by way of rights offers and/or in connection with duly approved share incentive schemes), it is necessary for the board of the company to obtain the prior authority of the shareholders according to the JSE Listings Requirements and the memorandum of incorporation of the company.

Accordingly, the reason for ordinary resolution number 11 is to obtain general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the memorandum of incorporation of the company.

For this resolution to be adopted, at least 75% of the voting rights exercised, whether in person or by proxy, must be exercised in favour of this resolution.

6. Non-binding advisory vote on PSG Konsult's remuneration policy

Ordinary resolution number 12

"Resolved that the company's remuneration policy, as set out on pages 16 to 22 of this notice of AGM, be and is hereby endorsed by way of a non-binding advisory vote."

The reason for ordinary resolution number 12 is that the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)[1] recommends, and the JSE Listings Requirements require, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each annual general meeting of such company. This enables shareholders to express their views on the remuneration policy adopted. If passed, the effect of ordinary resolution number 12 will be to endorse the company's remuneration policy. Ordinary resolution number 12 is of an advisory nature only, and failure to pass this resolution will not have any legal consequences relating to existing remuneration agreements. However, the board will consider the outcome of the vote when considering amendments to the company's remuneration policy.

7. Non-binding advisory vote on PSG Konsult's implementation report on the remuneration policy

Ordinary resolution number 13

"Resolved that the company's implementation report in respect of its remuneration policy, as set out on pages 23 to 28 of this notice of AGM, be and is hereby endorsed by way of a non-binding advisory vote."

The reason for ordinary resolution number 13 is that King IV recommends, and the JSE Listings Requirements require, that the implementation report on a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each AGM of such company. This enables shareholders to express their views on the implementation of a company's remuneration policy. If passed, the effect of ordinary resolution number 13 will be to endorse the company's implementation report relating to its remuneration policy. Ordinary resolution number 13 is of an advisory nature only, and failure to pass this resolution will not have any legal consequences relating to existing remuneration agreements. However, the board will consider the outcome of the vote when considering amendments to the implementation of the company's remuneration policy.

Should 25% or more of the votes exercised in respect of ordinary resolution number 12 and/or ordinary resolution number 13 be against either resolution, the company will invite those shareholders who voted against the applicable resolution to engage with the company.

[1] *Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.*

8. Remuneration of non-executive directors

Special resolution number 1

"Resolved, as a special resolution in terms of section 66(9) of the Companies Act, that the company be and is hereby authorised to remunerate its non-executive directors for their services as directors, which includes serving on various board sub-committees and to make payment of any related fees on the basis set out below (together with value-added tax thereon, to the extent applicable), provided that this authority will be valid until the next AGM of the company."

	Current annual remuneration (excl. VAT)	Proposed[1] annual remuneration (excl. VAT)
PSG Konsult board		
Chairperson	**R1 130 800**	R1 500 000
Lead Independent director	**R276 920**	R480 000
Member	**R276 920**	R368 000
PSG Konsult audit committee		
Chairperson	**R125 600**	R160 000
Member	**R75 400**	R90 000
PSG Konsult risk committee		
Chairperson	**R125 600**	R160 000
Member	**R75 400**	R90 000
PSG Konsult remuneration committee		
Chairperson	**R62 800**	R65 000
Member	**R37 700**	R45 000
PSG Konsult social and ethics committee		
Chairperson	**R62 800**	R80 000
Member	**R37 600**	R50 000
PSG Konsult nominations committee		
Chairperson	**R31 400**	R40 000
Member	**R18 800**	R25 000

[1] *A one-time fee adjustment for committee and board members is proposed, with effect from 1 March 2023. The proposed fee increases are as a result of a comprehensive fee review benchmarking exercise performed against appropriate competitors and other financial service companies with similar regulatory requirements. This exercise indicated that the fees paid by PSG Konsult, designated as an Insurance Group by the Prudential Authority, were significantly below market rates. The ongoing expansion of the business and additional regulatory requirements have increased the complexity of the business and the time that non-executive directors need to commit to serving on entity boards and committees. We anticipate that only inflationary fee adjustments will be proposed for shareholder approval in future years, provided there are no significant changes in the business. We believe the proposed adjustment is in the best interest of PSG Konsult stakeholders.*

The reason for special resolution number 1 is for the company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its non-executive directors according to the requirements of the Companies Act.

If passed, the effect of special resolution number 1 will be that the company will be able to pay its non-executive directors for the services they render to the company as directors without requiring further shareholder approval until the next annual general meeting of the company.

Notice of annual general meeting

9. Financial assistance

9.1 Special resolution number 2: Intercompany financial assistance

"Resolved, as a special resolution in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the board of the company be and is hereby authorised to approve that the company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act), that the board of the company may deem fit, to any company or corporation that is related or interrelated ("related" and "interrelated" will herein have the meanings attributed to those terms in section 2 of the Companies Act) to the company, on the terms and conditions and for amounts that the board of the company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company."

If passed, the reason for and effect of special resolution number 2 is to grant the company's directors the authority, until the next annual general meeting of the company, to provide direct or indirect financial assistance to any company or corporation related or interrelated to the company. This means that the company is, *inter alia*, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

9.2 Special resolution number 3: Financial assistance for the acquisition of shares in the company or a related or interrelated company

"Resolved, as a special resolution in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the board of the company be and is hereby authorised to approve that the company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act), that the board of the company may deem fit, to any person, including any company or corporation that is related or interrelated to the company ("related" and "interrelated" will herein have the meanings attributed to those terms in section 2 of the Companies Act), and/or to any financier who provides funding by subscribing for preference shares or other securities in the company or in any company or corporation related or interrelated to the company, on the terms and conditions and for amounts that the board of the company may determine for the purpose of, or in connection with, the subscription for any option, or any shares or other securities, issued or to be issued by the company or by a related or interrelated company, or for the purchase of any shares or other securities of the company or of a related or interrelated company, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company."

If passed, the reason for and effect of special resolution number 3 is to grant the directors the authority, until the next annual general meeting of the company, to provide financial assistance to any person, including any company or corporation related or interrelated to the company and/or to any financier for the purpose of, or in connection with, the subscription or purchase of options, shares or other securities in the company or any related or interrelated company. This means the company is authorised, *inter alia*, to grant loans to its subsidiaries and guarantee and furnish security for the debt of its subsidiaries where such financial assistance is directly or indirectly related to a party acquiring options, shares, or securities in the company or any related or interrelated company. A typical example of where the company may rely on this authority is where the company or a wholly owned subsidiary raises funds by way of issuing preference shares and the third-party funder requires the company to furnish security, by way of a guarantee or otherwise, for the obligations of the company or of its wholly owned subsidiary, as the case may be, to the third-party funder arising from the issue of the preference shares. The company has no immediate plans to use this authority. It is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the company confirm that the board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the company, that immediately after providing any financial assistance as contemplated in special resolution numbers 2 and 3 above:

- the assets of the company (fairly valued) will equal or exceed the liabilities of the company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the company); and
- the company will be able to pay its debts as they become due in the ordinary course of business for 12 months.

In addition, the board will only approve the provision of any financial assistance contemplated in special resolution numbers 2 and 3 above, where:

- the board is satisfied that the terms under which any financial assistance is proposed to be provided will be fair and reasonable to the company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the company, as contained in the company's memorandum of incorporation, have been met.

10. Share repurchases by PSG Konsult and its subsidiaries

Special resolution number 4

"Resolved, as a special resolution, that the company and the subsidiaries of the company be and are hereby authorised, as a general approval, to repurchase or purchase, as the case may be, any of the shares issued by the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the company, the JSE Listings Requirements and the requirements of any other stock exchange on which the shares of the company may be quoted or listed, including, *inter alia*, that:

- the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond 15 months from the date of this resolution;
- an announcement must be published as soon as the company has repurchased shares constituting, on a cumulative basis, 3% of the number of shares in issue on the date that this authority is granted, containing full details thereof, and for each 3% in aggregate of the initial number of shares repurchased thereafter;
- the general authority to repurchase is limited to a maximum of 5% in the aggregate in any one financial year of the company's issued share capital at the time the authority is granted;
- a resolution has been passed by the board of directors approving the repurchase, that the group has satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the group;
- the general repurchase is authorised by the company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the company's securities have not traded in such a five-business-day period;
- the company may, at any point in time, only appoint one agent to effect any repurchase(s) on the company's behalf; and
- the company may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the JSE Listings Requirements."

If passed, the reason for and effect, of special resolution number 4 is to grant the directors a general authority according to the company's memorandum of incorporation and the JSE Listings Requirements for the repurchase by the company or by a subsidiary of the company of shares issued by the company on the basis reflected in special resolution number 4. This authority will provide the board with the necessary flexibility to repurchase shares in the market, should the board believe that it is in the interest of the company to do so.

According to section 48(2)(b)(i) of the Companies Act, subsidiaries, taken together, may not hold more than 10%, in aggregate, of the number of the issued shares of any class of a company. For the avoidance of doubt, a pro rata repurchase by the company from all its shareholders and (ii) intragroup repurchases by the company of its shares from wholly owned subsidiaries, share incentive schemes pursuant to Schedule 14 of the JSE Listings Requirements and/or non-dilutive share incentive schemes controlled by the company, where such repurchased shares are to be cancelled, will not require shareholder approval, save to the extent as may be required by the Companies Act.

Notice of annual general meeting

11. Change of name

Special resolution number 5

It is proposed that shareholders adopt the following resolution as special resolution number 5.

"Resolved, as a special resolution, in terms of section 16 of the Companies Act and the Company's memorandum of incorporation, that the name of the company be and is hereby changed from "PSG Konsult Limited" to "PSG Financial Services Limited", subject to approval from the Prudential Authority of the South African Reserve Bank and the CIPC to such name change being obtained, with the change taking effect on the date set out in the amended registration certificate issued by CIPC.

The reason for special resolution number 5 is to obtain the requisite shareholder approval for the company to change its name to "PSG Financial Services Limited", subject to the conditions mentioned in the resolution being met.

In terms of the Companies Act and the JSE Listings Requirements, the percentage of voting rights required for the adoption of this resolution is at least 75% of the voting rights exercised on this resolution.

12. Other business

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to the company.

Information relating to the special resolutions

1. The directors of the company or its subsidiaries will only utilise the general authority to repurchase shares of the company, as set out in special resolution number 4 above, to the extent that the directors, after considering the maximum number of shares to be repurchased, are of the opinion that the position of the group would not be compromised as to the following:
   - the company and the group's ability in the ordinary course of business to pay its debts for 12 months after the date of this notice of AGM and for 12 months after the repurchase;
   - the consolidated assets of the company and the group (fairly valued) will, at the time of this notice of AGM and at the time of making such determination, and for 12 months thereafter, be in excess of the consolidated liabilities of the company and group (fairly valued). The assets and liabilities should be recognised and measured according to the accounting policies used in the latest audited annual financial statements of the group;
   - the ordinary capital and reserves of the company and the group, after the repurchase, will remain adequate for the purpose of the business of the group for 12 months after this notice of AGM and after the date of the share repurchase; and
   - the working capital available to the group, after the repurchase, will be sufficient for the group's ordinary business purposes for 12 months after the date of the notice of the AGM and for 12 months thereafter and/or after the date of the repurchase.
2. General information in respect of major shareholders, material changes after year-end, and the share capital of the company are set out on pages 59 to 60 of the summary consolidated financial statements annexed to this notice of AGM and in the annual financial statements that are available on the company's website at www.psg.co.za, and which may be requested and obtained, at no charge, from the company at company.secretary@psg.co.za or which may be requested and obtained in person, at no charge, at the registered office of the company during office hours.
3. The directors of the company collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and the notice of AGM contains all information required by law and the JSE Listings Requirements.
4. Special resolutions numbers 2, 3 and 4 are renewals of resolutions taken at the previous AGM on 11 July 2022.

Voting

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company ("the Share Register") for purposes of being entitled to receive this notice is Friday, 26 May 2023.
2. The date on which shareholders must be recorded in the share register for purposes of being entitled to attend and vote at this AGM is Friday, 7 July 2023 with the last day to trade being Tuesday, 4 July 2023.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the AGM and must accordingly bring a copy of their identity document, passport or driver's license to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
4. Certificated shareholders, own-name dematerialised shareholders and shareholders on the Mauritian share register and who are entitled to attend and vote at the AGM, may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the company. A form of proxy, containing the relevant instructions for its completion, is enclosed for the use of such shareholders who wish to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM. Forms of proxy must be completed and lodged at or posted to the transfer secretaries, Computershare Investor Services (Pty) Ltd (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132), or emailed to proxy@computershare.co.za so as to be received by the transfer secretaries by not later than 12:00 p.m on Tuesday, 11 July 2023, provided that forms of proxy of shareholders on the Mauritian share register must be completed and lodged at or posted to the Mauritius registrar and transfer agent, Intercontinental Secretarial Services Limited (Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius), or emailed to them at corpsecSA@intercontinentaltrust.com, so as to be received by the registrar and transfer agent by not later than 14:00 (Mauritius time) on Tuesday, 11 July 2023. Notwithstanding the above, any form of proxy not delivered to the transfer secretaries by this time may be handed to the chairman of the AGM at any time before the appointed proxy exercises any shareholder rights at the AGM.
5. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person will need to request their CSDP or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholder and the CSDP or broker. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated. Such shareholders should contact their CSDP or broker with regard to the cut-off time for their voting instructions.
6. Shareholders present in person, by proxy or by authorised representative shall have the option of voting by way of a poll and such shareholders have one vote for each share held.

Electronic participation

1. Shareholders or their proxies may participate in the AGM by way of electronic means ("electronic facility").
2. Please note that the electronic facility will only allow shareholders to listen in and raise questions during the allocated time. Shareholders will not be able to vote using the electronic facility. Should such shareholders wish to vote, they must either:
   - complete the proxy form and return it to the transfer secretaries in accordance with paragraph 4 above; or
   - contact their CSDP or broker in accordance with paragraph 6 above.
3. Shareholders or their proxies who wish to participate in the AGM via the electronic facility must notify the company by emailing the company secretary at company.secretary@psg.co.za or Computershare at proxy@computershare.co.za by not later than Friday, 7 July 2023. Computershare will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act and thereafter, if validated, provide further details on using the electronic facility.

Notice of annual general meeting

4. The cost of the participant's call will be for his/her own expense and will be billed separately by his/her own service provider.
5. The company cannot guarantee that there will not be a break in communication which is beyond the control of the company.
6. The participant acknowledges that the telecommunication lines are provided by a third party and indemnifies the company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the company, whether for consequential damages or otherwise, arising from the use of the telecommunication lines or any defect in it or from total or partial failure of the telecommunication lines and connections linking the telecommunication lines to the AGM.

By order of the board

S Hamit
(On behalf of the company secretary, PSG Management Services Proprietary Limited)

PSG Management Services Proprietary Limited

Company secretary

Tyger Valley
6 June 2023

Registered office

4th Floor, The Edge, 3 Howick Close,
Tyger Waterfront, Bellville 7530

Postal address

PO Box 3335, Tyger Valley 7536

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank
2196
Private Bag X9000, Saxonwold 2132

Registrar and transfer agent (Mauritius)

Intercontinental Secretarial Services Limited
Level 3, Alexander House, 35 Cybercity, Ebene 72201,
Mauritius

Remuneration report

The remuneration committee chairman's statement

Introduction and context

I am pleased to present the 2023 remuneration report to the shareholders on behalf of PSG Konsult's board of directors and remuneration committee (Remco). This report encompasses PSG Konsult's board-approved remuneration policy and framework, and reports on the implementation thereof.

Management has continued to successfully execute the business strategy through profitable, sustainable growth in 2023. PSG Konsult delivered a 5% increase in recurring headline earnings per share, increased the dividend per share by 13%, generated a return on equity of 22.7% and grew total assets under management by 13% during the current year.

Our approach to remuneration demonstrates an industry heavily reliant on intellectual capital that is people-orientated and driven by exceptional talent, producing both individual and group performance. We develop entrepreneurs in an agile corporate structure, fit for the rapidly changing environment in which we operate. Our remuneration framework is competitive in our market and supports shareholder value creation.

Despite not being required to, considering that the non-binding advisory votes were passed by the requisite majorities, the Remco engaged with institutional investors regarding any feedback or concerns related to our remuneration policy and remuneration implementation report. The Remco will continue to do this in future.

Our 'fit for purpose' remuneration policy and framework are set out in the remuneration policy section of this report from page 15. We are satisfied that the 2023 remuneration policy achieved its stated objectives.

In conclusion

Our 2023 remuneration policy was well received by shareholders and achieved a non-binding advisory vote of 93.9% in its favour at the 2022 AGM, while the remuneration implementation report also received a vote of 93.9% in its favour.

We will put our 2024 remuneration policy, which remains unchanged, and our implementation report to two separate non-binding advisory votes at our AGM. If the remuneration policy or implementation report is voted against by 25% or more of the votes exercised at the AGM, PSG Konsult will, in its voting results announcement pursuant to the JSE Listings Requirements, extend an invitation to dissenting shareholders to engage with the group. We look forward to your ongoing support and engagement on the policy.

Piet Mouton
Chairman of the remuneration committee

Remuneration report

Remuneration policy

Introduction

PSG Konsult is deemed a controlling company of an insurance group. PSG Konsult and all its subsidiary entities, including subsidiary insurance licensed entities, aims to remunerate directors, executives and employees fairly and responsibly. This approach takes cognisance of remuneration best practices to ensure the group attracts and retains appropriate skills and talent.

Sound remuneration practices are an essential component of an effective governance framework.

The remuneration policies and practices aim to align remuneration with the long-term interests of the group and other stakeholders and to discourage excessive or inappropriate risk-taking.

Philosophy

PSG Konsult's core remuneration philosophy is based on reward for financial and relevant non-financial performance, and is aligned with its overall business strategy, objectives, values, target corporate culture and risk appetite (including the group's risk management practices) – maintaining compliance with all relevant regulations and market practices.

Profitability, business processes and risks, clients and people are the KPIs for reward. Three performance components are considered for annual increases: group results, divisional performance and individual performance, with due consideration given to inflation.

Policy scope

This remuneration policy (the policy) is a general policy applicable to all employees[1] of the group (which, for the avoidance of doubt, includes all key persons and other persons whose actions may have a material impact on the risk exposure of the group, including persons to whom functions are outsourced). The policy outlines the approach of the group to remunerating directors, executives and employees.

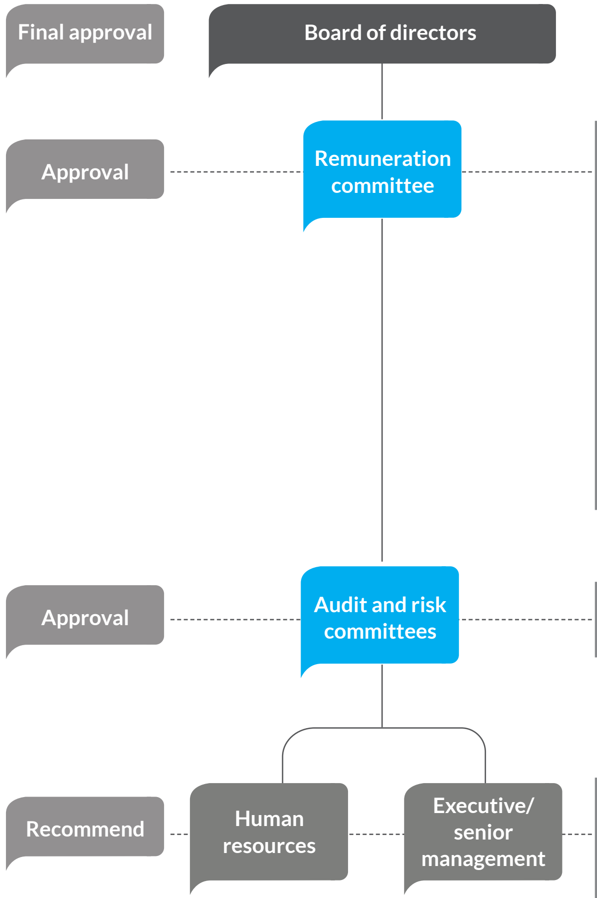
For the purpose of all remuneration considerations, 'remuneration' has the meaning as defined in section 30(6) of the Companies Act:

"(6) For the purposes of subsections (4) and (5), 'remuneration' includes –

- *a. fees paid to directors for services rendered by them to or on behalf of the group, including any amount paid to a person in respect of the person's accepting the office of director;*
- *b. salary, bonuses and performance-related payments;*
- *c. expense allowances, to the extent that the director is not required to account for the allowance;*
- *d. contributions paid under any pension scheme not otherwise required to be disclosed in terms of subsection (4)(b);*
- *e. the value of any option or right given directly or indirectly to a director, past director or future director, or person related to any of them, as contemplated in section 42;*
- *f. financial assistance to a director, past director or future director, or person related to any of them, for the subscription of options or securities, or the purchase of securities, as contemplated in section 44; and*
- *g. with respect to any loan or other financial assistance by the group to a director, past director or future director, or a person related to any of them, or any loan made by a third party to any such person, as contemplated in section 45, if the group is a guarantor of that loan, the value of –*
  - *i. any interest deferred, waived or forgiven; or*
  - *ii the difference in value between –*
    - *(aa) the interest that would reasonably be charged in comparable circumstances at fair market rates in an arm's length transaction; and*
    - *(bb) the interest actually charged to the borrower, if less."*

[1] *Excluding all shared offices' advisers and their support staff. Various compensating controls are in place to prevent inappropriate behaviour and excessive risk-taking.*

Roles and responsibilities relating to the policy



Remuneration committee:

- Oversees and reviews implementation and effectiveness of the policy and remuneration strategy, and compliance with the Prudential Standards
- Develops and conducts regular reviews of the policy
- Makes annual recommendations to the board of PSG Konsult on the remuneration of the heads of control functions (other than internal audit), the CEO or the person in charge of the relevant insurance entity, direct reports of the CEO or the person in charge of the relevant insurance entity, other persons whose activities may, in the committee's opinion, affect the financial soundness of the insurer and any other person specified by the Prudential Authority

Audit and risk committees:

- Remuneration for the head of internal audit must be approved by the audit committee, unless it is outsourced

Human resources / Executive/senior management:

- Monitors effectiveness, administers and implements the policy (together with the group's Remco)
- Recommends improvements to enhance alignment with strategy

Objectives

The group aims to remunerate fairly and responsibly on the basis that equal work receives equivalent pay. It also considers remuneration best practices to make sure that it attracts, develops and retains relevant skills and talent.

At the same time, remuneration practices must:

- Not induce excessive or inappropriate risk-taking
- Be in line with the group's business strategy and risk appetite statements
- Provide a clear, transparent and effective governance structure around remuneration
- Protect the long-term interests of the group, its employees, its shareholders and its policyholders
- Consider the provisions of the Employment Equity Act, No. 55 of 1998, as amended

In relation to remuneration and specifically the principle of equal pay for work of equal value, the group bases fair and responsible pay on the concept of 'pay for performance' (which includes financial (if relevant) and non-financial performance). Consequently, there is no pay differentiation based on gender or racial classification.

The group also offers development through career enhancement opportunities, including bursaries and study loans for work-related disciplines or future business requirements in specialist fields.

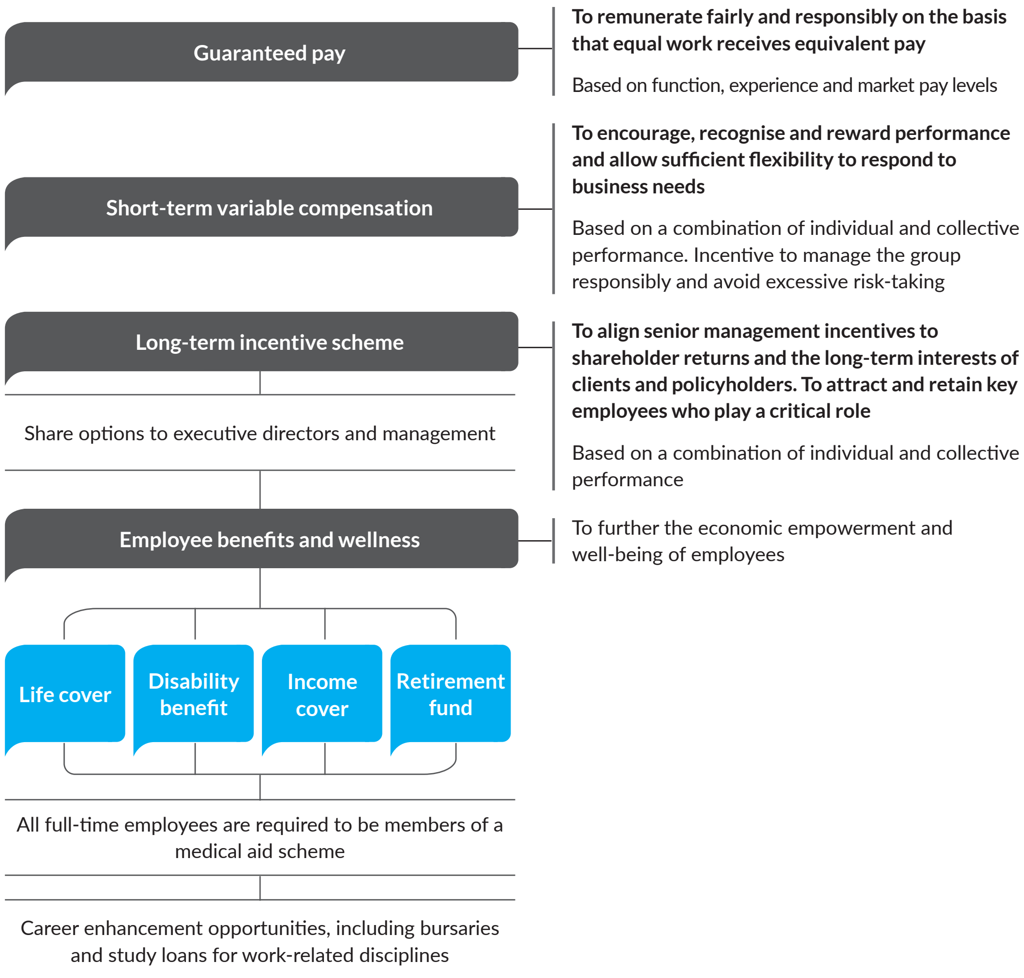
Remuneration report

Remuneration elements

The group determines its compensation pool based on its financial performance, after considering its risk appetite.

The group's risk appetite is informed by its governance and risk management structures. These structures consider both qualitative and quantitative risk factors at group, divisional and insurance entity levels as part of the risk management system, in a proportionate and risk-based manner.

Remuneration elements include:



Performance-based compensation aimed at ensuring stakeholder performance alignment has been the cornerstone of PSG Konsult's success, and is a blended function of our adviser and core staff remuneration:

- Advisers: remuneration is linked to revenue generated by the advisers, and
- Core staff: compensation is determined based on a targeted compensation ratio which is linked to the group's net profit before tax. Variable remuneration is the residual element once the fixed remuneration costs have been deducted.

Guaranteed pay

Pay bands are broad and allow for flexibility to ensure that individual expertise and experience are duly considered.

The group Remco has structured remuneration for executives and senior employees who have authority and responsibility for planning, directing and controlling the activities of the group, to allow for higher levels of variable pay than guaranteed (fixed) remuneration. This ensures these employees are adequately incentivised to manage the group responsibly and avoid excessive risk-taking, and assists the group to manage operational costs.

Individual performance appraisals identify talent at all levels in the group and enable fair and competitive pay based on function, experience and market pay levels.

Short-term variable compensation

Short-term variable compensation awards are designed to encourage, recognise and reward performance and allow sufficient flexibility for responding to different business needs; however, short-term variable compensation is not guaranteed. The assessment of performance is based on a combination of assessing individual and collective performance, such as performance of the business area and the overall results of the group or the relevant insurance entity.

The group determines the size of its short-term variable compensation pool every year, based on a total compensation ratio linked to overall group and divisional profitability. Divisional variable compensation pools are split among divisional key individuals and executives, based on individual performance and responsible risk management. The total short-term variable compensation pool and the way in which it is allocated is agreed with the group Remco every year, giving due consideration to a range of qualitative and quantitative factors.

In measuring and evaluating the business performance, the following guiding strategic principles and KPIs[1] are considered:

- Recurring revenues and recurring headline earnings per share (optimising long-term sustainable returns per share)
- Operating margins demonstrating management's ability to attract new business and increase market share without compromising margins by controlling costs
- Risk vs return – optimising returns per unit of risk taken, by implementing various risk reduction and mitigation measures

The quantitative and qualitative KPIs, including the specific metric targets are set out in detail in the group's remuneration implementation report from page 23.

Short-term variable compensation awards

In respect of executive and key individuals with less than 10 years' service, 30% of their short-term variable compensation award is deferred over two years and at participants' election may be invested in either PSG Konsult shares or a PSG unit trust fund. Participants are eligible to receive 50% of their deferred short-term variable compensation award after the first anniversary and the remaining 50% on the second anniversary of the award date.

These executives and key individuals will forfeit the deferred short-term variable compensation incentive award if they are not in the group's employment on the relevant vesting date. Executives and key individuals with more than 10 years' service are entitled to the full short-term variable compensation award annually without deferment.

Commission incentives earned by sales employees are linked to new business targets set. However, risk and pricing are determined independently by managing existing pricing policies and/or underwriting and related risk policies.

[1] The group's key individuals and executives' KPIs are determined with reference to the following:

- *The group's overall strategy as set out on pages 44 and 45 of the integrated report*
- *The group's annual budget approved by the board*
- *The group's risk appetite statement approved by the risk committee*

Remuneration report

Long-term incentive scheme

Annually, the group Remco awards share options to align senior management incentives to shareholder returns and the long-term interests of clients and policyholders.

This incentive also seeks to attract and retain key senior employees who play a critical role in the business successes of the group. According to the share incentive scheme, the group grants share options to executive directors and management. The share options awarded annually are based on the achievement of the KPIs as set out on page 23 of implementation report. These share options are allocated to participants at the relevant grant date based on the 30-day volume-weighted-average price (VWAP)[1].

The scheme vests over a five-year period from the date on which the share option was awarded.

Shares vest as follows:

- Two years after grant date: 25%
- Three years after grant date: 25%
- Four years after grant date: 25%
- Five years after grant date: 25%

The participants have five months to exercise options after they vest. No beneficiary shall be entitled to payment of any dividend or any other rights attached to any shares until the date of registration of such shares in the name of the beneficiary.

Termination of employment

Death, retirement or retrenchment: Any options that can be exercised at the date of retirement or retrenchment of the beneficiary or 12 months thereafter can be exercised. The board at its discretion may permit the beneficiary to exercise any or all of the unexercised options.

Dismissal: If a beneficiary ceases to be an employee by reason of dismissal on the grounds of misconduct, poor performance or dishonest or fraudulent conduct, then that beneficiary shall be deemed to have immediately forfeited their rights in respect of any unexercised options.

Resignation: If a beneficiary ceases to be an employee by reason of resignation, that beneficiary shall be deemed to have immediately forfeited their rights to any unexercised options.

Employee benefits and wellness

The group provides three times group life cover and disability benefit and income cover, which is capped at the lower of 75% of the employee's guaranteed pay or R250 000 per month (amount is adjusted annually for inflation).

All full-time employees are required to be members of a medical aid scheme.

All full-time employees are required to invest at least 5% of their guaranteed pay in the group's retirement fund.

Remuneration of key persons

Non-executive members of the board

Non-executive directors receive market-related guaranteed pay based on the type and number of board committees they are involved in. These guaranteed payments are determined and recommended by relevant senior management for consideration by the group Remco, and for final approval by the shareholders at the AGM.

[1] *PSG Konsult's share options are therefore fully priced options, which include embedded performance hurdles as management only benefits if the share price increases above the vesting strike price. Refer to page 24 of the implementation report for further information on fully priced share options.*

The proposed non-executive director fees for the period 1 March 2023 to 28 February 2024 are as follows (exclusive of VAT):

Role	FY2024[1]
Board chairperson	**R1 500 000**
Lead independent director	**R480 000**
Board member	**R368 000**
Audit committee chairperson	**R160 000**
Audit committee member	**R90 000**
Risk committee chairperson	**R160 000**
Risk committee member	**R90 000**
Remuneration committee chairperson	**R65 000**
Remuneration committee member	**R45 000**
Social and ethics committee chairperson	**R80 000**
Social and ethics committee member	**R50 000**
Nominations committee chairperson	**R40 000**
Nominations committee member	**R25 000**

[1] *A one-time fee adjustment for committee and board members is proposed, with effect from 1 March 2023. The proposed fee increases are as a result of a comprehensive fee review benchmarking exercise performed against appropriate competitors and other financial service companies with similar regulatory requirements. This exercise indicated that the fees paid by PSG Konsult, designated as an Insurance Group by the Prudential Authority, were significantly below market rates. The ongoing expansion of the business and additional regulatory requirements have increased the complexity of the business and the time that non-executive directors need to commit to serving on entity boards and committees. We anticipate that only inflationary fee adjustments will be proposed for shareholder approval in future years, provided there are no significant changes in the business. We believe the proposed adjustment is in the best interest of PSG Konsult stakeholders.*

Executive members of the board, senior management and employees carrying out key risk-taking functions as determined by the board, whose remuneration is linked at least in part to the success of those activities

The guaranteed remuneration for each of these employees will be competitive. Guaranteed remuneration will be based on the individual employee's responsibilities, performance (including financial (if relevant) and non-financial performance) and future prospects. Employees agree with line managers on their KPIs and undergo bi-annual performance reviews.

In addition to their guaranteed remuneration, these employees may also receive variable compensation, provided that this remuneration:

- Is based on the overall performance of the group, division or insurance entity and considers both financial and non-financial components, goals and targets
- Is based on the performance of the employee in relation to established quantitative and qualitative goals and targets
- Is aligned with the time horizons of the risk it is rewarding, and with the risk profile of the business
- Promotes sound and effective risk management and does not encourage undue or excessive risk-taking
- Supports the business strategy and objectives

Heads of control functions

Group senior management recommends total compensation (both guaranteed and variable) for the group heads of control functions:

- Internal audit function: Recommendation to the group audit committee for approval
- Finance, risk and compliance functions: Recommendation to the group Remco for consideration

Senior management in each insurance entity will recommend total compensation (both guaranteed and variable) for its heads of control functions:

- Internal audit function: Recommendation to the relevant audit committee for approval, unless outsourced
- Finance, risk, compliance and actuarial functions (where relevant): Recommendation to the group Remco for consideration

Remuneration report

The guaranteed remuneration for each of these employees will be competitive. Guaranteed remuneration is based on the individual employee's responsibilities, performance (including financial (if relevant) and non-financial performance) and prospects.

In addition to their guaranteed remuneration, these employees may also receive variable remuneration, provided that this remuneration:

- Is not linked to the performance of any business units that they control or oversee
- Does not in any way undermine their independence from senior management

Remuneration of other employees

The guaranteed remuneration for other employees is competitive. Guaranteed remuneration is based on the individual employee's responsibilities, performance and prospects.

In addition to their guaranteed remuneration, these employees may also receive variable remuneration provided that this remuneration:

- Is based on the performance of the group, division or insurance entity
- Is based on the performance of the individual employee

Governance

Remuneration is governed by the group Remco. This committee is mandated by the boards of PSG Konsult and its insurance entities, and reports to them. The group Remco also governs how remuneration is administered. It considers the holistic compensation model and the specific remuneration of all executive directors and prescribed officers, including fees paid to all non-executive directors.

The Remco is also responsible for awarding share incentives to group executives, and ensuring they are market- and performance-related.

This committee makes annual recommendations to the board of directors on the remuneration of the CEO or the person controlling the relevant insurance entity, direct reports of the CEO or the person controlling the relevant insurance entity, other persons whose activities may, in the group Remco's opinion, affect the financial soundness of the group or relevant insurance entity and any other person specified by the Prudential Authority.

The group Remco is responsible for developing and conducting regular reviews of this policy, as well as being responsible for monitoring the implementation and effectiveness of this policy and its compliance with the relevant Prudential Standard. In accordance with King IV and the Companies Act, individual remuneration of prescribed officers is disclosed. Full compensation details are in the implementation report, which is included from page 23. An independent control function monitors how remuneration is applied to make sure the group Remco complies with this policy.

The group Remco is governed by its terms of reference.

Guidelines in reviewing the effectiveness of the policy

Remuneration packages designed within the scope of the policy should be successful in attracting and retaining staff. If management continually needs to exercise discretion or to agree to once-off deals to attract or retain executives, the policy may need to be reviewed.

Over time, reward management may change due to changes in the group's structure, market pressures to attract and retain talent, strategic priorities, legislation, regulations, governance requirements and the organisation's values.

This policy will be reviewed once a year by the group Remco, in line with the terms of reference. Any changes to the policy, as required from time to time, are approved by the board and material changes are communicated to the relevant subsidiary boards.

Implementation report

Fixed remuneration

The remuneration committee approved salary increases for employees in line with the industry sector for the 2023 financial year.

After due consideration and taking into account current market conditions, the committee is satisfied that the increase levels for executive directors for the 2023 financial year are in line with the increase levels for all other employees.

Long-term incentives (LTIs)

A key feature of the group's share incentive scheme is the alignment of senior management incentives, including those of the executive directors, with shareholder returns and the long-term interests of clients and policyholders.

This incentive also seeks to attract and retain key senior employees who play a critical role in business success.

Evaluating executive directors' long-term remuneration

The value of options redeemed/exercised during the year and closing indicative expected value included in the table on page 26 should be considered in light of the group's remuneration policy, which is specifically designed to align the interests of the executive directors with those of shareholders. It also aims to align directors' successful execution of the group's objective of value creation for shareholders with the long-term interests of clients and policyholders.

It is evident from the group's performance that it has provided its shareholders with superior returns over a number of years, with the group's executive directors having benefited accordingly from the share incentive scheme.

This is in part owing to the group attracting and retaining the services of talented executives and employees, which is only achievable if the group's remuneration practices are appropriate and competitive.

When evaluating the group's performance over the long term, the TRI is the most meaningful measurement tool.

The TRI is the CAGR of an investment and is calculated by considering share price appreciation, dividends and other distributions. This is a sound measure of wealth creation and a reliable means of benchmarking different companies.

The group's TRI as at 28 February 2023 was 26% per annum since 2005. Therefore, R100 000 worth of PSG Konsult shares purchased on 11 April 2005, with dividends reinvested, would be worth R6 601 990 as at 28 February 2023. The same investment in the JSE ALSI over the same period would be worth R1 007 780 (85% lower).

Over the past five years the group achieved a CAGR of 12% in recurring headline earnings per share, which is a best-in-class performance relative to other financial services companies in South Africa.

Remuneration policy implementation – additional disclosure

Malus, clawback and performance hurdle provisions

- Key individuals with less than 10 years' service forfeit their deferred short-term variable incentive awards (STI), if they are not in the group's employment on vesting date, whether due to resignation or termination of services. The group's STI policy therefore has an embedded malus provision where an employee's actions result in termination of services.
- Share options are awarded to executives and qualifying employees with the primary objective of retaining their services and aligning their interests with those of shareholders, representing substantial value creation through a combination of share price appreciation and payment of dividends over the long term.

Share options are awarded annually at the discretion of the remuneration committee subject to the participant achieving personal KPIs as well as the group meeting its financial hurdles.

PSG Konsult share options are awarded to participants at a strike price equal to the 30-day VWAP ruling market price and are therefore fully priced share options.

Remuneration report

Fully priced share options

Fully priced share options include embedded performance hurdles as management only benefits if the share price increases above the vesting strike price. For the fully priced share option awards to have a favourable monetary value benefit to participants on the vesting date, an underlying performance criteria is that the management team successfully achieve growth in recurring headline earnings per share and growth in the overall price-earnings ratio rating of the business post share option acceptance award date.

Therefore, for share options to increase above the vesting strike price, an increase in recurring headline earnings per share and price-earnings ratio of the group is required, ensuring better alignment with shareholders.

Executive directors' key performance measures

The Remco determines the awards to the executive directors based on individual performance, which is measured quantitatively and qualitatively. Please note that, in some instances, the Remco considers the disclosure of certain performance measures to be commercially sensitive. The following tables provide details of the KPIs that the Remco has considered.

The weightings have been assigned to each KPI to give the reader a sense of the relative importance of each measure in the current financial year. They have not been used to perform a formulaic, overall score for the executive concerned. The Remco, having evaluated the performance of the CEO and CFO during the period, has concluded that they either met or exceeded requirements of each of the overleaf KPI requirements.

Chief executive officer

Quantitative factors 50%

Financial indicators	Key measurement metrics
• Ensure quality of earnings growth in context of macroeconomic indicators	• Recurring headline earnings per share • Net managed assets flows and managed asset growth
• Generate risk-adjusted returns on shareholder assets	• Recurring headline earnings per share • Return on equity • Operating margin
• Operate business within acceptable risk appetite tolerance levels	• Group capital cover ratio • Debt:equity ratio

Qualitative factors 50%

Strategy and guidance
- Determine strategy and provide strategic guidance and direction including problem solving when needed
- Identify market-leading client acquisition opportunities

Projects and initiatives
- Monitor and oversee priority projects and key business initiatives
- Oversee client journey improvements (great client service)
- Oversee and manage all high-risk and complex business matters
- Facilitate progressive transformation (ensure processes are in place to reach transformation targets)

People management
- Oversee performance management and succession planning of senior management team
- Create a high-performance working environment across the group by leading by example

Stakeholder relationships
- Manage investor relations (analyst discussions, meetings and presentations)
- Maintain and build positive strategic relationships with regulators, non-executive directors, advisers and key stakeholders

Chief financial officer

Quantitative factors 33%

Financial indicators	Key measurement metrics
• Provide effective cost management and control	• Operating margin • Cost to income ratio
• Oversee and manage business capital, regulatory solvency and liquidity requirements	• Return on equity • Group capital cover ratio
• Optimise risk-adjusted returns on shareholder assets	• Return on equity • Operating margin • Recurring headline earnings per share
• Oversee financial risk exposure and assist business to operate within acceptable risk appetite tolerance levels	• Group capital cover ratio • Debt:equity ratio

Qualitative factors 67%

Financial reporting
- Meet all external and internal financial reporting obligations
- Ensure quality and timeous financial reporting (annual, interim, monthly and budgets)
- Prepare quality and timeous board and committee presentations and packs

Control environment
- Maintain sound financial control environment (minimal operational incidents)
- Achieve minimal adverse external or internal audit findings
- Ensure group compliance with tax legislation
- Ensure compliance with JSE Listings Requirements and Companies Act requirements

Projects and initiatives
- Deliver and execute priority projects successfully
- Oversee and manage all high-risk and complex finance-related business matters
- Facilitate progressive transformation (monitoring and reporting on transformation objectives)

People management
- Oversee finance team (project prioritisation, staff development, performance management and succession planning)
- Ensure appropriate talent management (attract, retain, mentor and develop staff)
- Create a high-performance working environment by leading by example

Stakeholder relationships
- Support investor relations (analyst discussions, meetings and presentations)
- Build positive strategic relationships with regulators, bankers, rating agencies, professional advisers, SARS, non-executive directors and key shareholders

The tables on page 26 disclose the value of each director's LTIs, whether allocated, settled or forfeited, as well as the current value of shares not yet settled.

Remuneration report

The following directors' remuneration was accrued by subsidiaries in the PSG Konsult Group for the year ended 28 February 2023:

Equity-based remuneration

PSG Konsult Limited share options in terms of the PSG Konsult Group Share Incentive Trust

Audited	Number of share options as at 28 Feb 2022	Number of share options during year Granted	Vested	Market price per share on vesting date R	Vesting strike price per share R	Date granted	Number of share options as at 28 Feb 2023	Value of options redeemed/ exercised during year[1] R000	Closing indicative expected value as at 28 Feb 2023[2] R000
Executive									
FJ Gouws	789 139	–	(789 139)	13.65	7.59	1/04/2017	–	4 782	–
	1 875 000	–	(937 500)	13.65	8.74	1/04/2018	937 500	4 603	3 984
	3 000 000	–	(1 000 000)	13.65	10.15	1/04/2019	2 000 000	3 500	5 680
	4 800 000	–	(1 200 000)	13.65	7.13	1/04/2020	3 600 000	7 824	21 096
	8 500 000	–	–	–	9.08	1/04/2021	8 500 000	–	33 235
	–	5 250 000	–	–	12.71	1/04/2022	5 250 000	–	1 470
	18 964 139	5 250 000	(3 926 639)				20 287 500	20 709	
MIF Smith	257 527	–	(257 527)	13.65	7.59	1/04/2017	–	1 561	–
	600 000	–	(300 000)	13.65	8.74	1/04/2018	300 000	1 473	1 275
	750 000	–	(250 000)	13.65	10.15	1/04/2019	500 000	875	1 420
	1 200 000	–	(300 000)	13.65	7.13	1/04/2020	900 000	1 956	5 274
	2 100 000	–	–	–	9.08	1/04/2021	2 100 000	–	8 211
	–	1 500 000	–	–	12.71	1/04/2022	1 500 000	–	420
	4 907 527	1 500 000	(1 107 527)				5 300 000	5 865	

[1] *The value of options redeemed/exercised is the number of share options exercised in the 2023 financial year multiplied by growth in share price (market value share price at exercise less option grant price).*

[2] *This column shows the number of outstanding options at year-end multiplied by the PSG Konsult year-end share price, less the strike price of the instruments.*

The following share option awards were accepted in terms of the PSG Konsult Group Share Incentive Trust between the end of the financial year and the date of this report:

- On 19 April 2023 Messrs FJ Gouws and MIF Smith respectively accepted 5 000 000 and 1 250 000 share option awards at a strike price of R12.17 per share. These are exercisable in tranches of 25% each on the 2nd, 3rd, 4th and 5th anniversary of the award date.

Directors' and prescribed officers' remuneration

The remuneration received by the PSG Konsult executive directors, non-executive directors and prescribed officers, from subsidiaries in the PSG Group, for the 2023 and 2022 financial years, is set out in the following tables:

Cash-based remuneration

Executive directors

Audited	Directors' fees R000	Basic salary R000	Bonuses and performance-related payments R000	Company contributions R000	LTI R000	Total R000
For the year ended 28 February 2023						
FJ Gouws[1]	–	**5 887**	**34 200**	**85**	**20 709**	**60 881**
MIF Smith	–	**2 935**	**12 800**	**63**	**5 865**	**21 663**
	–	**8 822**	**47 000**	**148**	**26 574**	**82 544**
For the year ended 28 February 2022						
FJ Gouws[2, 3]	277	5 628	29 186	86	17 548	52 725
MIF Smith	–	2 795	12 000	53	4 563	19 411
	277	8 423	41 186	139	22 111	72 136

[1] *Total performance incentive bonus awarded for the 2023 financial year was R34.2 million which was paid in cash in May 2023, as the director has more than 10 years' service in the group (no service conditions attached to release of 30% deferred portion of bonus award). In addition, an incentive bonus previously paid of R8.4 million, relating to prior year deferred bonuses, is no longer subject to clawback provisions.*

[2] *Director's fee paid to PSG Management Services Proprietary Limited as non-executive director of PSG Group Limited during the 2022 financial year.*

[3] *Total performance incentive bonus awarded for the 2022 financial year was R32.0 million. 70% of bonus awarded, being R22.4 million, is unconditional and was paid in cash in April 2022. The remaining 30% was paid to the director, however is conditional on the director remaining in employment and is subject to clawback provisions. The conditional portion of the bonus vests as follows: R4.8 million in April 2023, being 12 months after award date, while the remaining R4.8 million (2021: R3.6 million) is conditional for 24 months until April 2024 (2021: April 2023).*

Remuneration report

Non-executive directors

Audited	PSG Konsult director fees R000	Subsidiary director fees R000	Paid for services rendered to PSG Group Limited[1] Directors' fees R000	Basic salary R000	Total R000	Total R000
For the year ended 28 February 2023						
W Theron	**1 164**	**306**	**–**	**–**	**–**	**1 470**
J de V du Toit[2]	**149**	**–**	**–**	**–**	**–**	**149**
PJ Mouton[1, 3]	**110**	**–**	**–**	**–**	**–**	**110**
PE Burton	**622**	**143**	**–**	**–**	**–**	**765**
ZL Combi	**509**	**–**	**–**	**–**	**–**	**509**
ZRP Matsau	**491**	**157**	**–**	**–**	**–**	**648**
TC Esau-Isaacs[4]	**465**	**110**	**–**	**–**	**–**	**575**
AH Sangqu	**464**	**364**	**–**	**–**	**–**	**828**
	3 974	**1 080**	**–**	**–**	**–**	**5 054**
For the year ended 28 February 2022						
W Theron	1 120	337	–	–	–	1 457
J de V du Toit	277	–	–	–	–	277
PJ Mouton[3, 5]	–	–	–	12 552	12 552	12 552
PE Burton	582	133	601	–	601	1 316
ZL Combi	476	–	768	–	768	1 244
ZRP Matsau	458	150	–	–	–	608
TC Esau-Isaacs	435	94	–	–	–	529
AH Sangqu	400	227	–	–	–	627
	3 748	941	1 369	12 552	13 921	18 610

[1] *PSG Konsult was unbundled from PSG Group during September 2022, therefore no remuneration relating to PSG Group has been shown for the 2023 financial year.*

[2] *Retired as a director of PSG Konsult Limited during July 2022.*

[3] *Director's fee of R0.2 million (2022: R0.3 million) was paid to a subsidiary of PSG Group Limited.*

[4] *Resigned as a director of PSG Konsult Limited with effect from 1 March 2023.*

[5] *PJ Mouton is a non-executive director of PSG Konsult Limited and has a standard service contract with PSG Corporate Services (Pty) Ltd (PSGCS). His remuneration for services rendered as executive director within the PSG Group for its financial year ended 28 February 2022 was R12.4 million, of which 30% is deferred for a period of 12 months subject to him remaining in PSGCS's employment and malus/clawback provisions. Including the vesting of the prior year deferred portion, his remuneration for the financial year ended 28 February 2022 was R12.6 million.*

Approval

This remuneration report was approved by the Remco on 16 March 2023. The Remco is satisfied that there are no deviations from the remuneration policy in its implementation during the 2023 financial year.

Summarised consolidated financial statements

Commentary

Financial results

PSG Konsult delivered a 5% increase in recurring headline earnings per share and a return on equity of 22.7% for the current year.

These results were achieved against a challenging operational backdrop. The performance of our key financial metrics under these conditions highlights the competitive advantage of our advice-led business model. Total assets under management increased by 13% to R354.1 billion, comprising assets managed by PSG Wealth of R305.5 billion (12% increase) and PSG Asset Management of R48.6 billion (16% increase), while PSG Insure's gross written premium amounted to R6.2 billion (9% increase). Over the period, the JSE/FTSE All Share Index only increased by 2%, compared to 15% in the previous financial year. This impacted performance fees, which constituted 6.5% of headline earnings in comparison to 10.6% for the previous financial year.

From a cost perspective, our Insure division was adversely impacted by the KZN floods during April 2022, but Western National's comprehensive reinsurance programme cushioned the effect on underwriting results. The firm remains confident about its long-term growth prospects, and we therefore continued to invest in both technology and people. Compared to the prior year, our technology and infrastructure spend increased by 13% (these costs continue to be fully expensed), while our fixed remuneration cost grew by 10%. We are proud of the progress made in growing our own talent, with 141 newly qualified graduates (96% of whom are ACI candidates) having joined during the financial year. These factors had a muted impact on our operating margins.

PSG Konsult's key financial performance indicators for the year ended 28 February 2023 are shown below.

	28 Feb 23 R000	Change %	28 Feb 22 R000
Core income	**6 494 252**	8	6 038 617
Recurring headline and headline earnings	**948 785**	3	920 663
Non-headline items	**1 987**		246
Earnings attributable to ordinary shareholders	**950 772**	3	920 909
Divisional recurring headline earnings			
PSG Wealth	**568 492**	11	510 484
PSG Asset Management	**220 323**	(10)	244 265
PSG Insure	**159 970**	(4)	165 914
	948 785	3	920 663
Weighted average number of shares in issue (net of treasury shares) (millions)	**1 301.2**	(1)	1 320.5
Basic earnings per share (cents)			
– Recurring headline and headline	**72.9**	5	69.7
– Attributable	**73.1**	5	69.7
– Recurring headline (excluding intangible asset amortisation cost)	**78.2**	5	74.8
– Recurring headline (excluding performance fees)	**68.2**	9	62.4
Dividend per share (cents)	**36.0**	13	32.0
– Interim dividend per share	**11.0**		10.0
– Final dividend per share	**25.0**		22.0
Return on equity (ROE) (%)	**22.7**		23.8

Summarised consolidated financial statements

PSG Wealth

PSG Wealth achieved recurring headline earnings growth of 11%

The division continued its commendable performance, notwithstanding the challenging market conditions. Core income increased by 9% during the current year, consisting of a continued increase in management and other recurring fees, while transactional brokerage decreased due to lower trading activity compared to the prior year.

Clients' assets managed by our Wealth advisers increased by 12% to R305.5 billion during the current year, which included R13.3 billion of positive net inflows. The division's formidable financial adviser network consisted of 590 wealth advisers as at 28 February 2023, a net increase of 6 advisers during the current year.

For the fourth consecutive year, the division was recognised as the Wealth Manager of the Year: Large Institutions at the Intellidex 2022 Wealth Manager of the Year Awards. The division also won the Young Professional, Lump-sum Investor and Retiree archetype categories at these awards.

PSG Wealth continues to advise clients to focus on their long-term goals and to maintain diversified portfolios, especially during challenging times. Our advisers provide clients with expert advice and maintain excellent relationships through integrity, trust and transparency. In addition, our sustained investment in digital capabilities to enhance the client experience enables us to operate seamlessly in a changing environment.

We remain confident about the fundamentals and prospects of this division and believe that our commitment to long-term relationships with clients will continue to differentiate us in the markets in which we compete.

PSG Asset Management

PSG Asset Management's recurring headline earnings decreased by 10%

The division's results for the year were impacted by lower performance fees, however, management fees increased by 11%. The division's long-term investment track record continues to improve with most funds performing in the top quartile over a three-year period. PSG Asset Management's strong fund performance across the fund range was recognised at the 2022 Raging Bull Awards. The division received six awards, including the coveted South African Manager of the Year award.

Client assets under management increased by 16% to R48.6 billion during the current year, due to a combination of market movements and net client inflows. Assets administered by the division increased by 14% to R197.6 billion, supported by R7.7 billion of multi-managed net inflows.

PSG Asset Management continuously engages with clients on the merits of the diversification properties that its approach brings to a portfolio strategy.

PSG Insure

PSG Insure's recurring headline earnings decreased by 4%

The division's results were adversely impacted by the KZN floods, which were classified as a catastrophe event. Despite the impact of this, Western achieved a net underwriting margin of 13.0%, compared to the 18.5% achieved in the prior year, due to quality underwriting practices and a comprehensive reinsurance programme.

Western received the Product Supplier of the Year: Non-Life Commercial award at the FIA Intermediary Experience Awards during September 2022. This division continues to focus on profitable growth with an emphasis on commercial lines' type of the business which requires adviser expertise. The number of insurance advisers in the group as at 28 February 2023 was 357.

Strategy

PSG Wealth's overall strategy offers an innovative and all-inclusive end-to-end client proposition and includes a complete range of discretionary and non-discretionary investment products with competitive fees. We advocate diversification and our solutions offer a balance between rand hedge and interest-rate-sensitive investments with a long-term focus. Management is proud of the experience and reputation of the advisers in the business, who play a key role in providing us with client feedback to continuously enhance our platform and product capabilities. Engaging with our clients remains central to our philosophy, which is currently a hybrid of digital and in-person events. Our Wealth business is well placed to meet client investment needs and consistently strives to improve both our adviser and client service offerings.

PSG Asset Management's strategy consists of investment excellence, operational efficiency, and effective sales and marketing initiatives. Generating the best long-term, risk adjusted returns for investors remains the division's primary focus. PSG Asset Management's differentiated investment approach add diversification to a blended client solution, helping clients to achieve better outcomes over time. The division continues to prioritise investment performance while managing operational processes and talent management. Increasing brand awareness, particularly in the retail investor market, and consistent and regular client communication through events and publications continue to be key focus areas for the division.

PSG Insure provides simple and cost-effective short-term insurance solutions to clients, protecting them from unforeseen events. Critical expertise across underwriting, administration and adviser teams underpins the focus on providing value-added products that meet and exceed clients' expectations. The division continues to invest in its claims and administration functions to build scale and unlock operational efficiencies, thereby enabling our high-calibre advisers to focus on client relationships.

Corporate activity

PSG Konsult's focus remains on organic growth. However, we will consider acquisitions that meet our investment criteria, which include acceptable pricing, a compelling strategic rationale, clearly definable synergies, and ease of integration.

Capital management

PSG Konsult's capital cover ratio remains strong and increased to 263% (2022: 240%) based on the latest insurance group return. This comfortably exceeds the minimum regulatory requirement of 100%. During July 2022, Global Credit Rating Company affirmed the group's long-term and short-term credit ratings at A+(ZA) and A1(ZA) respectively, with a Stable Outlook. The increase in the group's capital cover ratio and the credit rating affirmation is testament to the group's strong financial position and excellent liquidity.

PSG Konsult also continues to generate strong cash flows, which gives us various options to optimise our capital structure and risk-adjusted returns to the benefit of shareholders:

- The group repurchased and cancelled 35.7 million shares at a cost of R415.9 million during the period, as part of shareholder capital optimisation.
- The board decided to increase the upper limit of the group's dividend policy pay-out ratio to 60% (50% previously) of recurring headline earnings, excluding intangible asset amortisation.
- Our shareholder investable asset's exposure to equity marginally increased to 6% (previously below 5%). We continue to monitor investment markets and will gradually increase our value at risk exposure to align with our long-term target.

Our primary objective remains to grow organically, and to fund that growth prudently.

Regulatory landscape and risk management

PSG Konsult has 21 regulatory licences (17 in South Africa and 4 in foreign jurisdictions) and continues to maintain good working relationships with the regulators in the markets in which we operate.

Marketing initiatives

The group successfully interacted with clients and prospects throughout the year, hosting more than 170 in-person events and in excess of 60 webinars allowing advisers, employees and industry representatives to gain political, economic and practical insights from recognised experts as well as the leadership team.

Our successful Think Big webinar series, now in its third year, continues to attract viewers and subscribers to our YouTube and Spotify channels. The series has proven popular over time with prospects, with a >60% non-client split, thereby making it a strategic brand awareness and lead-generation tool for the group. In the past fiscal alone, the series received almost 30 000 unique registrations. The public relations coverage adds to the success of the series as the media recognises it as a credible content source for thought leadership.

The group was awarded three trophies and four certificates at the annual Raging Bull Awards, seeing the industry recognising investment excellence across the Wealth and Asset management divisions.

The team continues to run integrated product campaigns that help to generate flows and new client leads into the business. An example of this is the retirement annuity/tax-free investment product campaign at tax year-end which saw a record-high 2.2 million website events. In the digital environment, both paid and organic search campaigns see an average of more than 800 000 website visits per month.

Summarised consolidated financial statements

Social media accounts continue to attract new followers and we are seeing increased engagement levels. The team also remains focused on producing tailored marketing plans per adviser office along with support on the execution.

Information technology

We are committed to continually enhancing our client and adviser experience. This includes investing in technology to automate adviser and client systems and processes. Improving our processes results in a smoother client onboarding and user experience and a subsequent uptick in client retention due to increased satisfaction.

Through technology automation the group can grow business volumes while keeping our fixed cost base low. We believe companies that embrace the digital environment will grow and gain market share.

All related IT system costs continue to be fully expensed.

Looking forward

We have always been confident that resourceful South Africans will build a better future for themselves and their children. Nevertheless, current economic activity remains depressed, and expectations have plummeted to new lows.

Despite this, we believe that conditions are ripe for change. Ordinary hardworking and honest South Africans have clearly had enough and significant job losses have further created an alignment of interests for labour and the private sector to work together. At the same time, the private sector still has a significant pool of skilled resources and capital at its disposal. We are therefore mindful that a credible package of measures aimed at remediating South Africa's networked industries, while meaningfully involving the private sector and labour, can quickly serve to uplift the public mood as action translates into much needed forward momentum.

Irrespective of the short-term challenges, we remain confident in our long-term strategy and will continue to invest in our businesses, thereby securing prospects for growth. We will, however, continue to monitor local and global events and the associated impact on the group's clients and other stakeholders.

Events after reporting date

No events material to the understanding of these results occurred between 28 February 2023 and the date of approval of the summary consolidated financial statements.

Final dividend declaration

Considering both the strong cash position and the change in dividend policy pay-out ratio, the board declared a final gross dividend of 25.0 cents per share from income reserves for the year ended 28 February 2023 (2022: 22.0 cents per share). This brings the total dividend distribution to shareholders to 36.0 cents per share (2022: 32.0 cents per share) for the full year, reflecting the group's sound financial position and confidence in its prospects.

The dividend is subject to a South African dividend withholding tax (DWT) rate of 20%, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate in terms of the applicable double-tax agreement. Including DWT at 20% results in a net dividend of 20.0 ZAR cents (2022: 17.6 ZAR cents) per share. The number of issued ordinary shares is 1 294 818 074 at the date of this declaration.

PSG Konsult's income tax reference number is 9550/644/07/5.

The salient dates of the dividend declaration are:

Declaration date	Thursday, 13 April 2023
Last day to trade cum dividend	Tuesday, 2 May 2023
Trading ex-dividend commences	Wednesday, 3 May 2023
Record date	Friday, 5 May 2023
Date of payment	Monday, 8 May 2023

As the dividend has been declared and denominated in ZAR, it will be paid (in ZAR) into the bank accounts of shareholders appearing on the Mauritian register.

Share certificates may not be dematerialised or rematerialised between Wednesday, 3 May 2023 and Friday, 5 May 2023, both days inclusive.

The board extends its appreciation to its stakeholders, including its shareholders, advisers, clients, business partners, management and employees for their continued support and commitment during the past year.

On behalf of the board

Willem Theron
Chairman

Francois Gouws
Chief executive officer

Tyger Valley
24 May 2023
www.psg.co.za

Independent auditor's report on summary consolidated financial statements of the shareholders of PSG Konsult Limited

Opinion

The summary *consolidated* financial statements of PSG Konsult Limited set out on pages 34 to 57 which comprise the summary *consolidated* statement of financial position as at 28 February 2023, the summary *consolidated income statement*, *the summary consolidated* statement of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited *consolidated* financial statements of *PSG Konsult Limited* for the year ended 28 February 2023.

In our opinion, the accompanying summary *consolidated* financial statements are consistent, in all material respects, with the audited *consolidated* financial statements of PSG Konsult, in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note 2 to the summary *consolidated* financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary Consolidated Financial Statements

The summary *consolidated* financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to financial statements. Reading the summary *consolidated* financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited *consolidated* financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and our Report Thereon

We expressed an unmodified audit opinion on the audited *consolidated* financial statements in our report dated 24 May 2023. That report also includes communication of a key audit matter. The key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the *consolidated* financial statements of the current year.

Directors' Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of the summary *consolidated* financial statements in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note 2 to the summary *consolidated* financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and to also, as a minimum, contain the information required by IAS 34, *Interim Financial Reporting*.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary *consolidated* financial statements are consistent, in all material respects, with the audited *consolidated* financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), *Engagements to Report on Summary Financial Statements.*

DocuSigned by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditor
Per: Nina Le Riche
Partner
24 May 2023

The Ridge Building, 6 Marina Road, Victoria & Alfred Waterfront, Cape Town, 8000

Summary consolidated statement of financial position

as at 28 February 2023

	Notes	Audited as at 28 Feb 23 R000	Audited as at 28 Feb 22 R000
Assets			
Intangible assets		1 186 489	1 229 173
Property and equipment		74 690	86 176
Right-of-use assets		170 408	191 698
Investment in joint ventures		976	1 121
Deferred income tax assets		125 613	134 311
Reinsurance assets		143 707	131 195
Loans and advances		193 956	154 814
Debt securities		3 414 634	3 920 219
Unit-linked investments		75 198 943	65 663 812
Equity securities		3 488 019	3 080 436
Investment in investment contracts		9 685	10 064
Derivative financial instruments		9 637	13 153
Deferred acquisition costs		8 819	6 597
Receivables including insurance receivables		2 168 385	2 382 777
Current income tax assets		62 110	36 297
Cash and cash equivalents (including money market funds)		2 000 943	1 694 794
Total assets		88 257 014	78 736 637
Equity			
Equity attributable to owners of the parent			
Stated capital		1 413 420	1 829 274
Treasury shares		(130 759)	(140 065)
Other reserves		(330 328)	(361 426)
Retained earnings		3 288 626	2 789 035
		4 240 959	4 116 818
Non-controlling interest		490 015	420 799
Total equity		4 730 974	4 537 617
Liabilities			
Deferred income tax liabilities		113 130	85 891
Lease liabilities		235 777	260 945
Insurance contracts		516 420	502 837
Derivative financial instruments		14 623	22 008
Investment contracts	7	40 177 057	35 993 332
Third-party liabilities arising on consolidation of mutual funds		39 670 804	34 286 692
Deferred reinsurance acquisition revenue		7 052	5 725
Trade and other payables		2 737 330	3 015 441
Current income tax liabilities		53 847	26 149
Total liabilities		83 526 040	74 199 020
Total equity and liabilities		88 257 014	78 736 637
Net asset value per share (cents)		330.7	312.7

Summary consolidated income statement

for the year ended 28 February 2023

	Audited Year ended 28 Feb 23 R000	Audited Year ended 28 Feb 22 R000
Gross written premium	1 918 645	1 675 100
Less: Reinsurance written premium	(702 402)	(588 251)
Net written premium	1 216 243	1 086 849
Change in unearned premium		
– Gross	(11 833)	25 287
– Reinsurers' share	2 906	2 749
Net insurance premium revenue	1 207 316	1 114 885
Revenue from contracts with customers and other operating income	4 963 948	4 647 908
Interest income on amortised cost financial instruments	108 424	69 521
Interest income on fair value through profit or loss financial instruments	149 260	93 147
Dividend income	7 341	4 891
Net fair value gains and losses on financial instruments	35 664	53 424
Net income attributable to investment contract holders and third-party liabilities	52 045	48 265
Total income	6 523 998	6 032 041
Insurance claims and loss adjustment expenses	(1 069 837)	(877 556)
Insurance claims and loss adjustment expenses recovered from reinsurers	376 014	281 233
Net insurance benefits and claims	(693 823)	(596 323)
Financial advice fees	(1 926 669)	(1 765 146)
Depreciation and amortisation[1]	(174 004)	(168 493)
Employee benefit expenses	(1 318 796)	(1 243 333)
Marketing, administration and other expenses	(937 841)	(824 824)
Total expenses	(5 051 133)	(4 598 119)
Total (loss)/profit from joint ventures	(145)	75
Profit before finance costs and taxation	1 472 720	1 433 997
Finance costs	(36 472)	(34 385)
Profit before taxation	1 436 248	1 399 612
Taxation	(408 202)	(393 085)
Profit for the year	1 028 046	1 006 527
Attributable to:		
Owners of the parent	950 772	920 909
Non-controlling interest	77 274	85 618
	1 028 046	1 006 527
Earnings per share (cents)		
Attributable (basic)	73.1	69.7
Attributable (diluted)	71.0	68.9
Headline (basic)	72.9	69.7
Headline (diluted)	71.0	68.9
Recurring headline (basic)	72.9	69.7
Recurring headline (diluted)	70.9	68.9

[1] *Includes amortisation cost of R70.5 million (2022: R69.4 million).*

Summary consolidated statement of comprehensive income

for the year ended 28 February 2023

	Audited Year ended 28 Feb 23 R000	Audited Year ended 28 Feb 22 R000
Profit for the year	**1 028 046**	1 006 527
Other comprehensive income for the year, net of taxation	**37 893**	4 543
Items that are or may be reclassified to profit or loss:		
Currency translation adjustments	**38 385**	4 543
Other adjustments	**(492)**	–
Total comprehensive income for the year	**1 065 939**	1 011 070
Attributable to:		
Owners of the parent	**988 665**	925 452
Non-controlling interest	**77 274**	85 618
	1 065 939	1 011 070

Earnings and headline earnings per share

for the year ended 28 February 2023

	Audited Year ended 28 Feb 23 R000	Audited Year ended 28 Feb 22 R000
Headline earnings	**948 785**	920 663
Recurring	**948 785**	920 663
Non-recurring	**–**	–
Non-headline items (net of non-controlling interest and related tax effect)		
Profit/(loss) on disposal of intangible assets (including goodwill)	**952**	(123)
Profit on disposal of property and equipment	**543**	369
Other	**492**	–
Profit attributable to ordinary shareholders	**950 772**	920 909
Earnings per share (cents)		
Attributable (basic)	**73.1**	69.7
Attributable (diluted)	**71.0**	68.9
Headline (basic)	**72.9**	69.7
Headline (diluted)	**71.0**	68.9
Recurring headline (basic)	**72.9**	69.7
Recurring headline (diluted)	**70.9**	68.9
Number of shares (millions)		
In issue (net of treasury shares)	**1 282.6**	1 316.4
Weighted average (net of treasury shares)	**1 301.2**	1 320.5

Summary consolidated statement of changes in equity

for the year ended 28 February 2023

	Attributable to equity holders of the group					
	Stated capital R000	**Treasury shares R000**	**Other reserves R000**	**Retained earnings R000**	**Non-controlling interest R000**	**Total R000**
Balance at 1 March 2021 (Audited)	1 938 859	(155 538)	(395 338)	2 216 920	344 199	3 949 102
Comprehensive income						
Profit for the year	–	–	–	920 909	85 618	1 006 527
Other comprehensive income for the year	–	–	4 543	–	–	4 543
Total comprehensive income for the year	–	–	4 543	920 909	85 618	1 011 070
Transactions with owners	(109 585)	15 473	29 369	(348 794)	(9 018)	(422 555)
Repurchase and cancellation of ordinary shares	(109 585)	–	–	–	–	(109 585)
Share-based payment costs	–	–	43 905	–	–	43 905
Net movement in treasury shares	–	19 608	–	–	–	19 608
Current tax on equity-settled share-based payments	–	–	4 343	–	–	4 343
Deferred tax on equity-settled share-based payments	–	–	37 837	–	–	37 837
Loss on issue of shares in terms of share scheme	–	–	(59 065)	–	–	(59 065)
Release of share-based payment reserve to retained earnings on vested share options	–	–	2 349	(2 349)	–	–
Release of profits from treasury shares to retained earnings	–	(4 135)	–	4 135	–	–
Dividends paid	–	–	–	(350 580)	(9 018)	(359 598)
Balance at 28 February 2022 (Audited)	1 829 274	(140 065)	(361 426)	2 789 035	420 799	4 537 617
Comprehensive income						
Profit for the year	**–**	**–**	**–**	**950 772**	**77 274**	**1 028 046**
Other comprehensive income for the year	**–**	**–**	**37 893**	**–**	**–**	**37 893**
Total comprehensive income for the year	**–**	**–**	**37 893**	**950 772**	**77 274**	**1 065 939**
Transactions with owners	**(415 854)**	**9 306**	**(6 795)**	**(451 181)**	**(8 058)**	**(872 582)**
Repurchase and cancellation of ordinary shares	**(415 854)**	**–**	**–**	**–**	**–**	**(415 854)**
Share-based payment costs	**–**	**–**	**51 746**	**–**	**–**	**51 746**
Net movement in treasury shares	**–**	**20 692**	**–**	**–**	**–**	**20 692**
Current tax on equity-settled share-based payments	**–**	**–**	**13 365**	**–**	**–**	**13 365**
Deferred tax on equity-settled share-based payments	**–**	**–**	**(13 038)**	**–**	**–**	**(13 038)**
Loss on issue of shares in terms of share scheme	**–**	**–**	**(89 454)**	**–**	**–**	**(89 454)**
Release of share-based payment reserve to retained earnings on vested share options	**–**	**–**	**30 586**	**(30 586)**	**–**	**–**
Release of profits from treasury shares to retained earnings	**–**	**(11 386)**	**–**	**11 386**	**–**	**–**
Dividends paid	**–**	**–**	**–**	**(431 981)**	**(8 058)**	**(440 039)**
Balance at 28 February 2023 (Audited)	**1 413 420**	**(130 759)**	**(330 328)**	**3 288 626**	**490 015**	**4 730 974**

Summary consolidated statement of cash flows

for the year ended 28 February 2023

	Notes	Audited Year ended 28 Feb 23 R000	Audited Year ended 28 Feb 22 R000
Cash flows from operating activities			
Cash utilised in operations		**(887 466)**	(700 653)
Interest received		**1 508 500**	1 155 930
Dividends received		**1 139 068**	711 558
Finance costs		**(36 472)**	(34 385)
Taxation paid		**(385 610)**	(389 444)
Operating cash flows before policyholder cash movement		**1 338 020**	743 006
Policyholder cash movement		**(12 324)**	15 054
Net cash flow from operating activities		**1 325 696**	758 060
Cash flows from investing activities			
Acquisition of subsidiaries (including collective investment schemes)	8.1	**(169)**	–
Acquisition of intangible assets		**(35 415)**	(39 651)
Purchases of property and equipment		**(27 301)**	(24 302)
Deconsolidation of mutual funds	8.2	**–**	(62 945)
Deferred consideration paid for acquisition of businesses		**–**	7 483
Proceeds from disposal of intangible assets		**1 244**	1 520
Other		**875**	765
Net cash flow from investing activities		**(60 766)**	(117 130)
Cash flows from financing activities			
Dividends paid		**(440 039)**	(359 598)
Lease liabilities paid – principal portion		**(68 797)**	(58 978)
Shares repurchased and cancelled		**(415 854)**	(109 585)
Treasury shares sold and share option settlement	8.3	**(68 762)**	(39 457)
Net cash flow from financing activities		**(993 452)**	(567 618)
Net increase in cash and cash equivalents		**271 478**	73 312
Cash and cash equivalents at the beginning of the year		**1 694 794**	1 617 348
Exchange gains on cash and cash equivalents		**34 671**	4 134
Cash and cash equivalents at the end of the year[1]		**2 000 943**	1 694 794
[1] *Includes the following:*			
Clients' cash linked to investment contracts		**34 604**	46 928
Other client-related balances		**64 503**	(84 330)
Total client-related cash and cash equivalents		**99 107**	(37 402)

Notes to the statement of cash flows:

The movement in cash utilised in operations can vary significantly as a result of daily fluctuations in cash linked to investment contracts, cash held by the stockbroking business and cash utilised for the loan facility obtained by the group on the loan facilities provided to clients on their share portfolios at PSG Securities Limited. PSG Life Limited, the group's linked insurance company, issues linked policies to policyholders (where the value of policy benefits is directly linked to the fair value of the supporting assets). When these policies mature, the company raises a debtor for the money receivable from the third-party investment provider, and raises a creditor for the amount owing to the client. Timing difference occurs at month-end where the money was received from the third-party investment provider, but only paid out by the company after month-end, resulting in significant fluctuations in the working capital of the company. Similar working capital fluctuations occur at PSG Securities Limited, the group's stockbroking business, mainly due to the timing of the close of the JSE in terms of client settlements. Refer to note 6.8 for the impact of the client-related balances on the cash flows from operating activities.

Notes to the summary consolidated financial statements

for the year ended 28 February 2023

1. Reporting entity

PSG Konsult Limited is a public company domiciled in the Republic of South Africa. The preliminary summary consolidated financial statements of the company as at and for the year ended 28 February 2023 comprise the company and its subsidiaries (together referred to as the 'group') and the group's interest in joint ventures.

2. Basis of preparation

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements and the requirements of the Companies Act of South Africa. The Listings Requirements require summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial 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.

3. Preparation

The summary consolidated financial statements are the responsibility of the board of directors of the company. These summary consolidated financial statements were prepared under the supervision of the chief financial officer, Mike Smith, CA(SA). These summary consolidated financial statements for the year ended 28 February 2023 have been audited by Deloitte & Touche, who expressed an unmodified audit opinion. The auditor's report does not necessarily report on all information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should refer to the auditor's audit report on page 33. Any reference to future financial performance included in these summary consolidated financial statements has not been audited by or reported on by PSG Konsult's auditor.

4. Accounting policies

The accounting policies applied in the preparation of these summary consolidated financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements as at and for the year ended 28 February 2022.

The group has assessed the impact that the initial application of IFRS 17 will have on its consolidated financial statements as at 1 March 2022 (the transitional impact). It is estimated that the transitional impact will be an increase in retained earnings of less than 1%, mainly attributable to a decrease in the net liability position due to certain acquisition costs related to the distribution and underwriting of insurance contracts being expensed in future periods when the related revenue is recognised.

5. Use of estimates and judgements

In preparing these summary consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements for the year ended 28 February 2022.

Notes to the summary consolidated financial statements

for the year ended 28 February 2023

6. Segment information

The composition of the reportable segments represents the internal reporting structure and the monthly reporting to the chief operating decisionmaker (CODM). The CODM for the purpose of IFRS 8 – Operating Segments has been identified as the chief executive officer, supported by the group management committee (Manco). The group's internal reporting structure is reviewed in order to assess performance and allocate resources. The group is organised into three reportable segments, namely:

- PSG Wealth – *deriving income mainly from total managed assets and total platform assets*
- PSG Asset Management – *deriving income mainly from total assets under management and administration*
- PSG Insure – *deriving income mainly from written premiums and underwriting*

Corporate support costs refer to a variety of services and functions that are performed centrally for the individual business units within each business segment, as well as housing the group's executive office. Besides the traditional accounting and secretarial services provided to group divisions and subsidiaries, the corporate office also provides legal, risk, IT, marketing, HR, payroll, internal audit and corporate finance services. The strategic elements of IT, in terms of both services and infrastructure, are also centralised in the corporate office. The corporate costs are allocated to the three reportable segments.

6.1 Description of business segments

PSG Wealth, which consists of five business units – Distribution, Securities, LISP and Life Platform, Multi-Management and Employee Benefits – is designed to meet the needs of individuals, families and businesses. Through its highly skilled Wealth managers, PSG Wealth offers a wide range of personalised services (including portfolio management, stockbroking, local and offshore investments, estate planning, financial planning, local and offshore fiduciary services, multi-managed solutions and retirement products). The Wealth offices are fully equipped to deliver a high-quality personal service to customers.

PSG Asset Management is an established investment management company with a proven investment track record. It offers investors a simple, but comprehensive range of local and global investment products. The division's products include both local and international unit trust funds.

PSG Insure, through its registered insurance brokers and PSG's short-term insurance company, Western National Insurance Company Limited, offers a full range of tailor-made short-term insurance products and services from personal (home, car and household insurance) to commercial (business and agri-insurance) requirements. To harness the insurance solutions available to customers effectively, the division's expert insurance specialists, through a strict due diligence process, will simplify the selection process for the most appropriate solution for its clients. In addition to the intermediary services which PSG Insure offers; PSG Short-Term Administration supports clients through the claim process, administrative issues and general policy maintenance, including an annual reappraisal of their portfolio.

The CODM considers the performance of reportable segments based on total core income as a measure of growth and headline earnings as a measure of profitability. In order to evaluate the core results of the group, the CODM segregates the income statement by eliminating the impact of the linked investment policies issued and the consolidation of the collective investment schemes from the core operations in the group.

A subsidiary of the group, PSG Life Limited, is a linked insurance company and issues linked policies to policyholders (where the value of policy benefits is directly linked to the fair value of the supporting assets), and as such does not expose the group to the market risk of fair value adjustments on the financial asset as this risk is assumed by the policyholder.

The group consolidates collective investment schemes, in terms of IFRS 10 – Consolidated Financial Statements, over which the group has control. The consolidation of these funds does not impact total earnings, comprehensive income, shareholders' funds or the net asset value of the group; however, it requires the group to recognise the income statement impact as part of that of the group.

6. Segment information (continued)

6.2 Headline earnings per reportable segment

For the year ended 28 February 2023 (Audited)	**Wealth R000**	**Asset Management R000**	**Insure R000**	**Total R000**
Headline earnings[1]	**568 492**	**220 323**	**159 970**	**948 785**
– recurring	**568 492**	**220 323**	**159 970**	**948 785**
– non-recurring	**–**	**–**	**–**	**–**
Recurring headline earnings – excluding intangible asset amortisation cost[2]	**616 793**	**220 492**	**182 021**	**1 019 306**

For the year ended 28 February 2022 (Audited)	Wealth R000	Asset Management R000	Insure R000	Total R000
Headline earnings[1]	510 484	244 265	165 914	920 663
– recurring	510 484	244 265	165 914	920 663
– non-recurring	–	–	–	–
Recurring headline earnings – excluding intangible asset amortisation cost[2]	555 798	244 772	187 628	988 198

[1] *Headline earnings, calculated in terms of the requirements stipulated in Circular 1/2021 as issued by SAICA, comprise recurring and non-recurring headline earnings. Recurring headline earnings are calculated by excluding non-recurring headline earnings to increase comparability of the performance of the group from one year to another. Non-recurring headline earnings include one-off gains and losses and the resulting tax charge on these items.*

[2] *The intangible asset amortisation cost includes the amortisation on customer relationships. It excludes the amortisation on computer software and other intangible assets.*

Notes to the summary consolidated financial statements

for the year ended 28 February 2023

6. Segment information (continued)

6.3 Income per reportable segment

For the year ended 28 February 2023 (Audited)	Wealth R000	Asset Management R000	Insure R000	Total R000
Total IFRS reported income	3 313 320	787 287	2 423 391	6 523 998
Linked investment business and other income	(29 746)	–	–	(29 746)
Total core income	3 283 574	787 287	2 423 391	6 494 252
Total segment income	4 046 471	1 214 857	2 487 741	7 749 069
Intersegment income	(762 897)	(427 570)	(64 350)	(1 254 817)

For the year ended 28 February 2022 (Audited)	Wealth R000	Asset Management R000	Insure R000	Total R000
Total IFRS reported income	3 005 491	799 296	2 227 254	6 032 041
Linked investment business and other income	6 576	–	–	6 576
Total core income	3 012 067	799 296	2 227 254	6 038 617
Total segment income	3 749 520	1 191 922	2 277 997	7 219 439
Intersegment income	(737 453)	(392 626)	(50 743)	(1 180 822)

Intersegment income and expenses consist of fees charged at market-related rates. The group accounts for intersegment income and expenses by eliminating these transactions to only reflect transactions with third parties. Intersegment income is eliminated by deducting it from total segment income to reflect income generated by segment from external customers.

The group mainly operates in the Republic of South Africa, with 92.8% (2022: 92.5%) of the total income from external customers (total IFRS reported income) generated in the Republic of South Africa.

Other information provided to the CODM is measured in a manner consistent with that of the financial statements.

6. Segment information (continued)

6.4 Divisional income statement

The profit or loss information follows a similar format to the consolidated income statement. The divisional income statement reflects the core business operations of the group.

For the year ended 28 February 2023 (Audited)	Wealth R000	Asset Management R000	Insure R000	Total R000
Total income	3 283 574	787 287	2 423 391	6 494 252
Total expenses[1]	(2 456 325)	(492 939)	(2 108 283)	(5 057 547)
	827 249	294 348	315 108	1 436 705
Total loss from joint ventures	–	–	(145)	(145)
Profit before finance costs and taxation	827 249	294 348	314 963	1 436 560
Finance costs[2]	(29 143)	(2 902)	(4 427)	(36 472)
Profit before taxation	798 106	291 446	310 536	1 400 088
Taxation	(219 813)	(71 105)	(81 124)	(372 042)
Profit for the year	578 293	220 341	229 412	1 028 046
Attributable to:				
Owners of the parent	568 835	220 341	161 596	950 772
Non-controlling interest	9 458	–	67 816	77 274
	578 293	220 341	229 412	1 028 046
Headline and recurring headline earnings	568 492	220 323	159 970	948 785

For the year ended 28 February 2022 (Audited)	Wealth R000	Asset Management R000	Insure R000	Total R000
Total income	3 012 067	799 296	2 227 254	6 038 617
Total expenses[1]	(2 275 217)	(471 948)	(1 890 933)	(4 638 098)
	736 850	327 348	336 321	1 400 519
Total profit from joint ventures	–	–	75	75
Profit before finance costs and taxation	736 850	327 348	336 396	1 400 594
Finance costs[2]	(25 461)	(3 574)	(5 350)	(34 385)
Profit before taxation	711 389	323 774	331 046	1 366 209
Taxation	(191 373)	(79 496)	(88 813)	(359 682)
Profit for the year	520 016	244 278	242 233	1 006 527
Attributable to:				
Owners of the parent	510 834	244 278	165 797	920 909
Non-controlling interest	9 182	–	76 436	85 618
	520 016	244 278	242 233	1 006 527
Headline and recurring headline earnings	510 484	244 265	165 914	920 663

[1] *Depreciation and amortisation is included within total expenses and amounts to R113.0 million (2022: R108.0 million) for PSG Wealth, R9.6 million (2022: R10.1 million) for PSG Asset Management, and R51.4 million (2022: R50.4 million) for PSG Insure.*

[2] *The finance costs in the PSG Wealth division of R29.1 million (2022: R25.5 million) consist mainly of the finance charge on the lease liabilities of R14.9 million (2022: R15.5 million) with the remaining portion of the finance charge on the CFD margin and the bank overdrafts.*

Notes to the summary consolidated financial statements

for the year ended 28 February 2023

6. Segment information (continued)

6.5 Statement of financial position (client vs own)

In order to evaluate the consolidated financial position of the group, the CODM segregates the statement of financial position of the group between own balances and client-related balances.

Client-related balances represent the investment contract liabilities and related linked client assets of PSG Life Limited, the broker and clearing accounts, and the settlement control accounts of the stockbroking business, the collective investment schemes consolidated under IFRS 10 – Consolidated Financial Statements and corresponding third-party liabilities, the short-term claim control accounts and related bank accounts, as well as the contracts for difference assets and related liabilities.

As at 28 February 2023 (Audited)	**Total IFRS reported R000**	**Own balances R000**	**Client-related balances R000**
Assets			
Equity securities	3 488 019	38 750	3 449 269
Debt securities[1]	3 414 634	12 309	3 402 325
Unit-linked investments	75 198 943	2 406 655	72 792 288
Investment in investment contracts	9 685	–	9 685
Receivables including insurance receivables[1]	2 168 385	442 325	1 726 060
Derivative financial instruments	9 637	–	9 637
Cash and cash equivalents (including money market funds)[1]	2 000 943	1 901 836	99 107
Other assets[2]	1 966 768	1 966 768	–
Total assets	88 257 014	6 768 643	81 488 371
Equity			
Equity attributable to owners of the parent	4 240 959	4 240 959	–
Non-controlling interest	490 015	490 015	–
Total equity	4 730 974	4 730 974	–
Liabilities			
Investment contracts	40 177 057	–	40 177 057
Third-party liabilities arising on consolidation of mutual funds[1]	39 670 804	–	39 670 804
Derivative financial instruments	14 623	–	14 623
Trade and other payables[1]	2 737 330	1 111 443	1 625 887
Other liabilities[3]	926 226	926 226	–
Total liabilities	83 526 040	2 037 669	81 488 371
Total equity and liabilities	88 257 014	6 768 643	81 488 371

[1] *The client-related balances include the impact of the consolidation of the PSG Money Market Fund. The cash invested therein is derecognised and all of the fund's underlying highly liquid debt securities, receivables and trade and other payables are recognised. Third-party cash invested in the PSG Money Market Fund is included under third-party liabilities arising on consolidation of mutual funds.*

[2] *Other assets consist of property and equipment, right-of-use assets, intangible assets, investment in joint ventures, current and deferred income tax assets, loans and advances, reinsurance assets and deferred acquisition costs.*

[3] *Other liabilities consist of deferred reinsurance acquisition revenue, lease liabilities, current and deferred income tax liabilities and insurance contracts.*

6. Segment information (continued)

6.5 Statement of financial position (client vs own) (continued)

As at 28 February 2022 (Audited)	Total IFRS reported R000	Own balances R000	Client-related balances R000
Assets			
Equity securities	3 080 436	37 086	3 043 350
Debt securities[1]	3 920 219	14 110	3 906 109
Unit-linked investments	65 663 812	2 309 996	63 353 816
Investment in investment contracts	10 064	–	10 064
Receivables including insurance receivables[1]	2 382 777	410 028	1 972 749
Derivative financial instruments	13 153	–	13 153
Cash and cash equivalents (including money market funds)[1]	1 694 794	1 732 196	(37 402)
Other assets[2]	1 971 382	1 971 382	–
Total assets	78 736 637	6 474 798	72 261 839
Equity			
Equity attributable to owners of the parent	4 116 818	4 116 818	–
Non-controlling interest	420 799	420 799	–
Total equity	4 537 617	4 537 617	–
Liabilities			
Investment contracts	35 993 332	–	35 993 332
Third-party liabilities arising on consolidation of mutual funds[1]	34 286 692	–	34 286 692
Derivative financial instruments	22 008	–	22 008
Trade and other payables[1]	3 015 441	1 055 634	1 959 807
Other liabilities[3]	881 547	881 547	–
Total liabilities	74 199 020	1 937 181	72 261 839
Total equity and liabilities	78 736 637	6 474 798	72 261 839

[1] *The client-related balances include the impact of the consolidation of the PSG Money Market Fund. The cash invested therein is derecognised and all of the fund's underlying highly liquid debt securities, receivables and trade and other payables are recognised. Third-party cash invested in the PSG Money Market Fund is included under third-party liabilities arising on consolidation of mutual funds.*

[2] *Other assets consist of property and equipment, right-of-use assets, intangible assets, investment in joint ventures, current and deferred income tax assets, loans and advances, reinsurance assets and deferred acquisition costs.*

[3] *Other liabilities consist of deferred reinsurance acquisition revenue, lease liabilities, current and deferred income tax liabilities and insurance contracts.*

Notes to the summary consolidated financial statements

for the year ended 28 February 2023

6. Segment information (continued)

6.6 Income statement (client vs own)

In order to evaluate the consolidated income statement of the group, the CODM segregates the income statement by eliminating the impact of the linked investment policies issued and the consolidation of the collective investment schemes from the core operations in the group.

For the year ended 28 February 2023 (Audited)	Total IFRS reported R000	Core business R000	Linked investment business and other R000
Revenue from contracts with customers and other operating income[1]	4 963 948	4 986 247	(22 299)
Investment income[2]	265 025	265 025	–
Net fair value gains and losses on financial instruments	35 664	35 664	–
Net income attributable to investment contract holders and third-party liabilities	52 045	–	52 045
Net insurance premium revenue	1 207 316	1 207 316	–
Total income	6 523 998	6 494 252	29 746
Insurance claims and loss adjustment expenses	(1 069 837)	(1 069 837)	–
Other[1, 3]	(3 981 296)	(3 987 710)	6 414
Total expenses	(5 051 133)	(5 057 547)	6 414
Total loss from joint ventures	(145)	(145)	–
Profit before finance costs and taxation	1 472 720	1 436 560	36 160
Finance costs	(36 472)	(36 472)	–
Profit before taxation	1 436 248	1 400 088	36 160
Taxation	(408 202)	(372 042)	(36 160)
Profit for the year	1 028 046	1 028 046	–
Attributable to:			
Owners of the parent	950 772	950 772	–
Non-controlling interest	77 274	77 274	–
	1 028 046	1 028 046	–

[1] *The linked investment business and other income statement includes the impact of the fees eliminated between the collective investment schemes (consolidated under IFRS 10 – Consolidated Financial Statements) and the collective investment scheme management company, PSG Collective Investments (RF) Limited.*

[2] *Investment income consists of interest income on amortised cost financial instruments, interest income on fair value through profit or loss financial instruments and dividend income.*

[3] *Other consists of insurance claims and loss adjustment expenses recovered from reinsurers, commission paid, depreciation and amortisation, employee benefit expenses, marketing, administration and other expenses.*

6. Segment information (continued)

6.6 Income statement (client vs own) (continued)

For the year ended 28 February 2022 (Audited)	Total IFRS reported R000	Core business R000	Linked investment business and other R000
Revenue from contracts with customers and other operating income[1]	4 647 908	4 702 749	(54 841)
Investment income[2]	167 559	167 559	–
Net fair value gains and losses on financial instruments	53 424	53 424	–
Net income attributable to investment contract holders and third-party liabilities	48 265	–	48 265
Net insurance premium revenue	1 114 885	1 114 885	–
Total income	6 032 041	6 038 617	(6 576)
Insurance claims and loss adjustment expenses	(877 556)	(877 556)	–
Other[1, 3]	(3 720 563)	(3 760 542)	39 979
Total expenses	(4 598 119)	(4 638 098)	39 979
Total profit from joint ventures	75	75	–
Profit before finance costs and taxation	1 433 997	1 400 594	33 403
Finance costs	(34 385)	(34 385)	–
Profit before taxation	1 399 612	1 366 209	33 403
Taxation	(393 085)	(359 682)	(33 403)
Profit for the year	1 006 527	1 006 527	–
Attributable to:			
Owners of the parent	920 909	920 909	–
Non-controlling interest	85 618	85 618	–
	1 006 527	1 006 527	–

[1] *The linked investment business and other income statement includes the impact of the fees eliminated between the collective investment schemes (consolidated under IFRS 10 – Consolidated Financial Statements) and the collective investment scheme management company, PSG Collective Investments (RF) Limited.*

[2] *Investment income consists of interest income on amortised cost financial instruments, interest income on fair value through profit or loss financial instruments and dividend income.*

[3] *Other consists of insurance claims and loss adjustment expenses recovered from reinsurers, commission paid, depreciation and amortisation, employee benefit expenses, marketing, administration and other expenses.*

Notes to the summary consolidated financial statements

for the year ended 28 February 2023

6. Segment information (continued)

6.7 Revenue from contracts with customers and other operating income

The revenue from contracts with customers and other operating income relating to the core business operations of the group has been disaggregated as follows in accordance with IFRS 15:

According to division

For the year ended 28 February 2023 (Audited)	Wealth R000	Asset Management R000	Insure R000	Total R000
Revenue from contracts with customers	3 113 551	775 370	862 783	4 751 704
Other operating income	11 510	(2 237)	225 270	234 543
	3 125 061	773 133	1 088 053	4 986 247

For the year ended 28 February 2022 (Audited)	Wealth R000	Asset Management R000	Insure R000	Total R000
Revenue from contracts with customers	2 899 543	789 514	807 379	4 496 436
Other operating income	5 282	(1 298)	202 329	206 313
	2 904 825	788 216	1 009 708	4 702 749

According to nature of the revenue

	Audited Year ended 28 Feb 23 R000	Audited Year ended 28 Feb 22 R000
Revenue from contracts with customers		
Dealing and structuring (including brokerage)		
– Brokerage[1]	191 269	214 943
– Offshore brokerage commission[1]	108 518	110 050
– Other dealing and structuring income[2]	160 118	127 541
Commission, administration and other fees[3]		
– Commission income[4]	1 906 774	1 766 355
– Administration fees[4]	606 942	554 054
– Other fees[5]	63 582	55 019
Management and performance fees (including rebates)[4, 6]	1 615 920	1 571 199
Policy administration fees[4, 7]	98 581	97 275
	4 751 704	4 496 436
Other operating income		
Reinsurance commission income	207 442	185 175
Other	27 101	21 138
	234 543	206 313
	4 986 247	4 702 749

[1] *Brokerage and offshore brokerage commission earned by PSG Wealth is recognised at a point in time.*
[2] *The other dealing and structuring income and other fees includes revenue recognised at a point in time and over time by PSG Wealth, with the majority of this revenue being recognised over time.*
[3] *Commission, administration and other fees are generated by PSG Wealth and PSG Insure.*
[4] *This revenue from contracts with customers is recognised over time.*
[5] *The other fees include revenue recognised at a point in time and over time, with the majority of this revenue being recognised over time.*
[6] *Management and performance fees are earned by PSG Asset Management and PSG Wealth.*
[7] *Policy administration fees are recognised by PSG Insure.*

6. Segment information (continued)

6.8 Statement of cash flows (client vs own)

In order to assist the CODM to evaluate the consolidated statement of cash flows of the group, the statement of cash flows is segregated between cash flows relating to own balances and client-related balances.

The movement in cash (utilised in)/generated by operations can vary significantly as a result of fluctuations in the receivables and payables relating to our stockbroking business, which have been included within client-related balances.

Included under receivables are broker and clearing accounts at our stockbroking business of which R7 707.5 million (2022: R1 953.2 million) represents amounts owing by the JSE for trades conducted during the last few days before the end of the year. The balances fluctuate on a daily basis depending on the activity in the market.

The control account for the settlement of these transactions is included under the trade and other payables, with the settlement to the clients taking place within three days after the transaction date.

For the year ended 28 February 2023 (Audited)	Total IFRS reported R000	Own balances R000	Client-related balances R000
Cash flows from operating activities	1 325 696	1 189 395	136 301
Cash (utilised in)/generated by operations	(887 466)	1 334 067	(2 221 533)
Interest received	1 508 500	257 684	1 250 816
Dividends received	1 139 068	7 341	1 131 727
Finance costs	(36 472)	(36 472)	–
Taxation paid	(385 610)	(373 225)	(12 385)
Policyholder cash movement	(12 324)	–	(12 324)
Cash flows from investing activities	(60 766)	(60 974)	208
Acquisition of subsidiaries (including collective investment schemes)	(169)	(377)	208
Other[1]	(60 597)	(60 597)	–
Cash flows from financing activities	(993 452)	(993 452)	–
Net increase in cash and cash equivalents	271 478	134 969	136 509
Cash and cash equivalents at the beginning of the year	1 694 794	1 732 196	(37 402)
Exchange gains on cash and cash equivalents	34 671	34 671	–
Cash and cash equivalents at the end of the year	2 000 943	1 901 836	99 107

[1] *Other consists of cash flows relating to the acquisition of intangible assets, purchases of property and equipment, proceeds from disposal of intangible assets and other.*

Notes to the summary consolidated financial statements

for the year ended 28 February 2023

6. Segment information (continued)

6.8 Statement of cash flows (client vs own) (continued)

For the year ended 28 February 2022 (Audited)	Total IFRS reported R000	Own balances R000	Client-related balances R000
Cash flows from operating activities	758 060	737 784	20 276
Cash (utilised in)/generated by operations[1]	(700 653)	982 761	(1 683 414)
Interest received	1 155 930	162 668	993 262
Dividends received	711 558	4 891	706 667
Finance costs	(34 385)	(34 385)	–
Taxation paid	(389 444)	(378 151)	(11 293)
Policyholder cash movement	15 054	–	15 054
Cash flows from investing activities	(117 130)	(54 185)	(62 945)
Deconsolidation of mutual funds	(62 945)	–	(62 945)
Other[2]	(54 185)	(54 185)	–
Cash flows from financing activities	(567 618)	(567 618)	–
Net increase/(decrease) in cash and cash equivalents	73 312	115 981	(42 669)
Cash and cash equivalents at the beginning of the year	1 617 348	1 612 081	5 267
Exchange gains on cash and cash equivalents	4 134	4 134	–
Cash and cash equivalents at the end of the year	1 694 794	1 732 196	(37 402)

[1] *The cash generated by operations under own balances includes R435.0 million excess short-term cash transferred to unit-linked investments that invest mainly in cash, money market and related instruments to enhance investment income yield.*

[2] *Other consists of cash flows relating to the deferred consideration paid for acquisition of businesses, the acquisition of intangible assets, purchases of property and equipment, proceeds from disposal of intangible assets and other*

7. Investment contracts

Investment contracts are represented by the following financial assets:

	Audited as at 28 Feb 23 R000	Audited as at 28 Feb 22 R000
Equity securities	3 449 269	3 043 350
Debt securities	–	319 361
Unit-linked investments	36 683 499	32 573 629
Investments in investment contracts	9 685	10 064
Cash and cash equivalents	34 604	46 928
	40 177 057	35 993 332

8. Notes to the statement of cash flows

8.1 Acquisition and disposal of subsidiaries (including collective investment schemes)

For the year ended 28 February 2023

Collective investment schemes

The group obtained control of the PSG Multi-Management Multi-Asset Income Fund of Funds, the PSG Multi-Management Cautious Fund of Funds and the PSG Multi-Management Growth Fund of Funds during year ended 28 February 2023. These funds were consolidated in accordance with IFRS 10 – Consolidated Financial Statements and are collective investment schemes managed by PSG Multi Management.

	PSG Multi-Management Multi-Asset Income Fund of Funds R000	PSG Multi-Management Cautious Fund of Funds R000	PSG Multi-Management Growth Fund of Funds R000	Total R000
% interest in fund on effective date	44	84	44	
Date of acquisition	1 March 2022	1 March 2022	1 March 2022	
Details of the net assets acquired are as follows:				
Unit-linked investments	2 731	1 567	3 073	7 371
Cash and cash equivalents (including money market funds)	13	9	186	208
Third-party liabilities arising on consolidation of mutual funds	(505)	(131)	(1 044)	(1 680)
Trade and other payables	(5)	(5)	(3)	(13)
Net asset value	2 234	1 440	2 212	5 886
Fair value of interest held before the business combination	(2 234)	(1 440)	(2 212)	(5 886)
Total consideration paid	–	–	–	–

Other business combinations

PSG Konsult Limited, through its subsidiary Western Group Holdings Limited, acquired a 100% interest in Zenith For The Accomplished Proprietary Limited, a registered insurance broker. The effective date of the transaction was 1 January 2023 following the fulfilment of suspensive conditions.

Details of the net assets acquired are as follows:	R000
Cash paid	500
Cash due	500
Total purchase consideration	1 000
Less: Fair value of net assets acquired	(1 000)
Goodwill recognised on acquisition	–

Notes to the summary consolidated financial statements

for the year ended 28 February 2023

8. Notes to the statement of cash flows (continued)

8.1 Acquisition and disposal of subsidiaries (including collective investment schemes) (continued)

The remaining purchase consideration for this transaction will be paid by 31 March 2023.

	R000
Cash consideration paid	**(500)**
Cash and cash equivalents acquired	**123**
Net cash outflow for the year ended 28 February 2023	**(377)**

8.2 Deconsolidation of mutual funds

For the year ended 28 February 2022

The group deconsolidated the PSG Wealth Global Creator Feeder Fund during the 2022 financial year as the group lost control of this fund due to a decrease in the effective interest in the fund.

Details of the net assets disposed of are as follows:	PSG Wealth Global Creator Feeder Fund R000
Unit-linked investments	13 094 242
Receivables including insurance receivables	7 140
Cash and cash equivalents (including money market funds)	62 945
Third-party liabilities arising on consolidation of mutual funds	(9 465 758)
Trade and other payables	(5 704)
Net asset value	3 692 865
Transfer to unit-linked investments	(3 692 865)
Cash consideration received	–
Cash and cash equivalents given up	(62 945)
Net cash outflow for the year ended 28 February 2022	(62 945)

8.3 Treasury shares sold and share option settlement

The cash flow impact of the treasury shares sold and share option settlement during the respective financial years can be summarised as follows:

	Audited Year ended 28 Feb 23 R000	Audited Year ended 28 Feb 22 R000
Treasury shares sold	**20 692**	19 608
Loss on settlement of share options in terms of share scheme	**(89 454)**	(59 065)
Net cash outflow	**(68 762)**	(39 457)

9. Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including price risk, foreign currency risk, cash flow and fair value interest rate risks), credit risk and liquidity risk. Insurance activities expose the group to insurance risk (including pricing risk, reserving risk, underwriting risk and reinsurance risk). The group is also exposed to operational risk and legal risk.

The capital risk management philosophy is to maximise the return on shareholders' capital within an appropriate risk framework.

The summary consolidated financial statements do not include all risk management information and disclosure required in the annual financial statements and should be read in conjunction with the group's annual financial statements as at 28 February 2023.

There have been no changes in the group's financial risk management objectives and policies since the previous financial year-end.

Market risk (price risk, foreign currency risk and interest rate risk)

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates, equity prices and foreign currency exchange rates.

A portion of the policyholders' and shareholders' investments are valued at fair value and are therefore susceptible to market fluctuations.

With regard to the subsidiary, PSG Life Limited, this company only invests assets into portfolios that are exposed to market price risk that matches linked policies to policyholders (where the value of policy benefits is directly linked to the fair value of the supporting assets), and as such does not expose the business to the market risk of fair value adjustments on the financial asset as this risk is assumed by the policyholder. Fees charged on this business are determined as a percentage of the fair value of the underlying assets held in the linked funds, which are subject to price and interest rate risk. As a result, the management fees fluctuate, but cannot be less than nil.

Included in the equity securities of R3 488.0 million (2022: R3 080.4 million) are quoted equity securities of R3 487.8 million (2022: R3 073.1 million), of which R3 449.3 million (2022: R3 043.4 million) relates to investments in linked investment contracts. The price risk of these instruments is carried by the policyholders of the linked investment contracts.

Unit-linked investments of R36 683.5 million (2022: R32 573.6 million) are linked to investment contracts and do not directly expose the group to price or interest rate risk.

Debt securities linked to policyholder investments amounted to Rnil (2022: R319.4 million) and do not expose the group to interest rate risk. Cash and cash equivalents linked to policyholder investments amounted to R34.6 million (2022: R46.9 million) and do not expose the group to interest rate risk.

Notes to the summary consolidated financial statements

for the year ended 28 February 2023

9. Financial risk management (continued)

Fair value estimation

The information below analyses financial instruments, carried at fair value, by level of hierarchy as required by IFRS 7 – Financial Instruments and IFRS 13 – Fair Value Measurement. The different levels have been defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – input other than quoted prices included within level 1 that is observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – input for the asset or liability that is not based on observable market data (that is, unobservable input).

There have been no significant transfers between level 1, 2 or 3 during the financial year under review.

The table below analyses financial assets and liabilities, which are carried at fair value, by valuation method. There were no significant changes in the valuation techniques and assumptions applied since 28 February 2022.

Valuation techniques and main assumptions used in determining the fair value of financial assets and liabilities classified within level 2 can be summarised as follows:

Instruments	Valuation techniques	Main assumptions
Derivative financial instruments	Exit price on recognised over-the-counter (OTC) platforms	Not applicable
Debt securities	Valuation model that uses the market input (yield of benchmark bonds)	Bond interest rate curves Issuer credit ratings Liquidity spreads
Unit-linked investments	Quoted put (exit) price provided by the fund manager	Not applicable – daily prices are publicly available
Investment in investment contracts	Prices are obtained from the insurer of the particular investment contract	Not applicable – prices provided by registered long-term insurers
Investment contract liabilities – unit linked	Current unit price of underlying unitised financial asset that is linked to the liability, multiplied by the number of units held	Not applicable
Third-party liabilities arising on the consolidation of mutual funds	Quoted put (exit) price provided by the fund manager	Not applicable – prices are publicly available

9. Financial risk management (continued)

Fair value estimation (continued)

The fair value of financial assets and liabilities measured at fair value in the statement of financial position can be summarised as follows:

As at 28 February 2023 (Audited)	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Financial assets				
Derivative financial instruments	–	9 637	–	9 637
Equity securities	3 487 779	–	240	3 488 019
Debt securities	681 522	2 733 112	–	3 414 634
Unit-linked investments	–	75 061 568	137 375	75 198 943
Investment in investment contracts	–	9 685	–	9 685
	4 169 301	77 814 002	137 615	82 120 918
Own balances	38 510	3 096 535	36 832	3 171 877
Client-related balances	4 130 791	74 717 467	100 783	78 949 041
Financial liabilities				
Derivative financial instruments	–	14 623	–	14 623
Investment contracts	–	40 076 274	100 783	40 177 057
Trade and other payables	–	–	47 283	47 283
Third-party liabilities arising on consolidation of mutual funds	–	39 670 804	–	39 670 804
	–	79 761 701	148 066	79 909 767
Own balances	–	–	47 283	47 283
Client-related balances	–	79 761 701	100 783	79 862 484

Notes to the summary consolidated financial statements

for the year ended 28 February 2023

9. Financial risk management (continued)

Fair value estimation (continued)

As at 28 February 2022 (Audited)	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Financial assets				
Derivative financial instruments	–	13 153	–	13 153
Equity securities	3 073 063	–	7 373	3 080 436
Debt securities	782 599	3 137 620	–	3 920 219
Unit-linked investments	–	65 455 349	208 463	65 663 812
Investment in investment contracts	–	10 064	–	10 064
	3 855 662	68 616 186	215 836	72 687 684
Own balances	36 097	2 298 834	26 261	2 361 192
Client-related balances	3 819 565	66 317 352	189 575	70 326 492
Financial liabilities				
Derivative financial instruments	–	22 008	–	22 008
Investment contracts	–	35 803 757	189 575	35 993 332
Trade and other payables	–	–	58 003	58 003
Third-party liabilities arising on consolidation of mutual funds	–	34 286 692	–	34 286 692
	–	70 112 457	247 578	70 360 035
Own balances	–	–	58 003	58 003
Client-related balances	–	70 112 457	189 575	70 302 032

9. Financial risk management (continued)

Fair value estimation (continued)

The following table presents the changes in level 3 financial instruments during the financial years under review:

	Audited 28 Feb 23 R000	Audited 28 Feb 22 R000
Assets		
Opening carrying value	**215 836**	226 511
Additions	**27 888**	13 138
Disposals	**(128 823)**	(33 256)
Gains recognised in profit or loss[1, 2]	**22 714**	9 443
Closing carrying value	**137 615**	215 836
Liabilities		
Opening carrying value	**247 578**	245 409
Additions	**52 509**	63 007
Settlements	**(170 824)**	(75 799)
Losses recognised in profit or loss[1, 3]	**18 803**	14 961
Closing carrying value	**148 066**	247 578

[1] *The gains and losses on level 3 financial instruments are recognised in profit or loss under 'net fair value gains and losses on financial instruments' and 'net income attributable to investment contract holders and third-party liabilities'.*

[2] *Gains recognised in profit or loss include unrealised gains of R25.7 million and realised losses of R3.0 million for the 2023 financial year (2022: unrealised gains of R9.2 million and realised gains of R0.2 million).*

[3] *Losses recognised in profit or loss include unrealised losses of R21.0 million and realised gains of R2.2 million for the 2023 financial year (2022: unrealised losses of R14.8 million and realised gains of R0.2 million).*

Trade and other payables classified within level 3 have significant unobservable inputs, as the valuation technique used to determine the fair values takes into account the probability (at each reporting period) that the contracted party will achieve the profit guarantee as stipulated in the business agreement. These relate to the purchase of intangibles and as such any change in measurement would result in a similar adjustment to the intangible assets with the exception of those acquired in terms of business combinations. Therefore the group's overall profit or loss is not materially sensitive to changes in the inputs.

10. Related-party transactions

Related-party transactions similar to those disclosed in the group's annual financial statements for the year ended 28 February 2022 took place during the financial year.

11. Events after the reporting date

No event material to the understanding of these results has occurred between the end of the reporting period and the date of approval of the summary consolidated financial statements.

General information

JSE Listings Requirements

In accordance with the JSE Listings Requirements, the following information is required to be disclosed:

Board of directors of PSG Konsult Limited

Independent non-executive

Zodwa Reshoketsoe Pearl Matsau (67)
Lead independent non-executive director
MPhil Economics, BA Economics
Appointed 20 July 2017

Patrick Ernest Burton (70)
Independent non-executive director
BCom (Hons) Financial Management, PG Dip Tax
Appointed 2 March 2014

Zitulele Luke Combi (KK) (71)
Independent non-executive director
Diploma in Public Relations
Appointed 16 April 2014

Anna Modi Hlobo (Modi) (46)
Independent non-executive director
CA(SA), PhD (Accounting)
Appointed 1 March 2023 (subject to approval from the Prudential Authority)

Bridgitte Mathews (53)
Independent non-executive director
CA(SA), Dip Advanced Taxation
Appointed 1 March 2023 (subject to approval from the Prudential Authority)

Petrus Johannes Mouton (Piet) (46)
Independent non-executive director
BCom (Mathematics)
Appointed 6 December 2012

Andile Hesperus Sangqu (56)
Independent non-executive director
BCompt (Hons) (CTA), HDip Tax Law, MBL, AMP
Appointed 1 January 2020

Non-executive

Willem Theron (71)
Non-executive director and chairman
BCompt (Hons), CA(SA)
Appointed 1 March 1998

Executive

Francois Johannes Gouws (58)
Chief executive officer
BAcc, CA(SA)
Appointed 1 March 2013

Michael Ian Frain Smith (Mike) (55)
Chief financial officer
BCom (Hons), CA(SA), HDip Tax, HDip Company Law
Appointed 18 July 2013

Shareholding of directors

The shareholding of directors in the company as at 28 February was as follows:

	Beneficial		**Non-beneficial**		**Total shareholding**	
As at 28 February 2023 (Audited)	**Direct Number**	**Indirect Number**	**Direct Number**	**Indirect Number**	**Number**	**%**
FJ Gouws	24 473 761	27 500 000	–	–	51 973 761	4.0
MIF Smith	450 000	–	–	2 300 000	2 750 000	0.2
PJ Mouton[1]	351 420	184 767 037	–	1 778 403	186 896 860	14.4
W Theron	–	–	–	20 000 000	20 000 000	1.5
	25 275 181	212 267 037	–	24 078 403	259 145 621	20.1

	Beneficial		Non-beneficial		Total shareholding	
As at 28 February 2022 (Audited)	Direct Number	Indirect Number	Direct Number	Indirect Number	Number	%
J de V du Toit[2]	–	–	–	4 000 000	4 000 000	0.3
FJ Gouws	24 473 761	27 500 000	–	–	51 973 761	3.9
MIF Smith	450 000	–	–	2 300 000	2 750 000	0.2
W Theron	–	–	–	20 000 000	20 000 000	1.5
	24 923 761	27 500 000	–	26 300 000	78 723 761	5.9

[1] *Shares acquired by PJ Mouton due to PSG Group unbundling during September 2022, including both beneficial and non-beneficial interest.*
[2] *Retired as a director of PSG Konsult Limited effective 11 July 2022.*

There have been no changes to the directors' shareholdings between the end of the financial year and the date of this report.

General information

Share analysis

for the year ended 28 February 2023

	Shareholders		Shares held	
	Number	%	Number	%
Range of shareholding				
1 – 50 000	17 852	94.6	54 338 559	4.2
50 001 – 100 000	343	1.8	23 619 939	1.9
100 001 – 500 000	395	2.1	89 051 577	6.9
500 001 – 1 000 000	100	0.5	68 715 496	5.4
Over 1 000 000	177	1.0	1 046 849 598	81.6
	18 867	100.0	1 282 575 169	100.0
Treasury shares	4		13 114 146	
	18 871		1 295 689 315	
Public and non-public shareholding				
Non-public				
Directors and management[1]	19	0.1	279 037 300	21.8
Public	18 848	99.9	1 003 537 869	78.2
	18 867	100.0	1 282 575 169	100.0
Individual shareholders holding 5% or more of shares in issue (net of treasury shares) at 28 February 2023				
JF Mouton Familietrust[2]			163 683 823	12.8
Public Investment Corporation			163 269 864	12.7
Coronation Asset Management			154 724 349	12.1
Allan Gray Asset Management			151 589 349	11.8
			633 267 385	49.4

[1] *Includes beneficial and non-beneficial interest.*

[2] *PJ Mouton has an indirect beneficial interest in the JF Mouton Familietrust.*

Stated capital of the company

The company's authorised and issued share capital at 28 February 2023 was:

Authorised

3 000 000 000 ordinary shares with no par value (2022: 3 000 000 000 ordinary shares with no par value)

Issued

1 295 689 315 ordinary shares with no par value (2022: 1 331 372 132 ordinary shares with no par value)*

** Gross of 13 114 146 (2022: 14 941 396) treasury shares.*

Total value of stated capital at 28 February 2023 was R1 413 420 229 (2022: R1 829 274 664).

Material changes

Other than the information disclosed in the summary consolidated financial statements, no material changes in the financial or trading position of the company and its subsidiaries have occurred between 28 February 2023 and the date of this notice.

Corporate information

Registered name
PSG Konsult Limited
(Registration number: 1993/003941/06)
(Tax reference number: 9550/644/07/5)
JSE share code (Primary listing): KST
NSX share code: KFS
SEM share code: PSGK.N0000
Abbreviated name: PSG KST
ISIN: ZAE000191417
LEI: 378900ECF3D86FD28194

Country of incorporation
Republic of South Africa

Date of incorporation
14 July 1993

PSG Konsult head office and registered office
4th Floor, The Edge, 3 Howick Close
Tyger Waterfront
Tyger Valley
Bellville
7530
Tel: 021 918 7800
Fax: 021 918 7921

Postal address
PO Box 3335
Tyger Valley
Bellville
7536

Company secretary
PSG Management Services Proprietary Limited
(Registration number 2000/009351/07)

Website address
www.psg.co.za

Auditor
Deloitte & Touche

Bankers
Absa Bank Limited
Standard Bank of South Africa Limited
First National Bank Limited
Rand Merchant Bank Limited
BNP Paribas
Investec Bank Limited
Nedbank Limited

Transaction adviser and Sponsor – JSE
PSG Capital Proprietary Limited

Transaction adviser and Sponsor – NSX
PSG Wealth Management (Namibia) Proprietary Limited, member of the Namibian Stock Exchange

Transaction adviser and Sponsor – SEM
Perigeum Capital Ltd

Transfer secretary
Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
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