# Annual Financial Statements

for the year ended 31 March

# 2023

Premier



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# DIRECTORS' RESPONSIBILITIES AND APPROVAL

The board of directors ("directors") of Premier Group Limited ("Premier" or the "Company") are required in terms of the South African Companies Act, No 71 of 2008, as amended ("Companies Act") to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations as issued by the IFRS Interpretations Committee ("IFRIC"), and comply with the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee ("APC"), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ("FRSC"), the JSE Limited ("JSE") Listing Requirements and the requirements of the Companies Act. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the Company, including controls over the security of the website and where applicable, for establishing and controlling the process for electronically distributing annual financial statements and other financial information to shareholders and to the Companies and Intellectual Property Commission. The directors place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, internal audit and comments by the independent external auditor on the results of their audit for this financial year, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Company's cash flow forecast for the year to 31 March 2024 and, in light of this review and the current financial position, are satisfied that the Company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Company's annual financial statements. The annual financial statements have been examined by the Company's external auditor and their report is presented on pages 11 to 13.

The annual financial statements set out on pages 14 to 34, which have been prepared on the going concern basis, were approved by the directors on 5 June 2023 and are signed on their behalf by:

**Approval of annual financial statements**

**CJ Roodt**
*Non-executive Chairman*

**JJ Gertenbach**
*Chief Executive Officer*

# STATEMENT ON INTERNAL FINANCIAL CONTROLS

In terms of the JSE listing requirements, each of the directors, whose names are stated below, hereby confirm that:

a) the annual financial statements set out on pages 14 to 34, fairly present in all material respects the financial position, financial performance and cash flows of Premier Group Limited (the "Company") in terms of IFRS;

b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

c) internal financial controls have been put in place to ensure that material information relating to the Company has been provided to effectively prepare the annual financial statements of the Company;

d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

e) where we are not satisfied, we have disclosed to the audit and risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies;

f) we are not aware of any fraud involving directors.

**JJ Gertenbach**
Chief Executive Officer
5 June 2023

**F Grobbelaar**
*Chief Financial Officer*

# CERTIFICATE BY THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, I certify that, to the best of my knowledge, the Company has filed the required returns and notices with the Companies and Intellectual Property Commission and that all such returns and notices appear to be true, correct and up to date.

M Stoltz
Company Secretary

5 June 2023

# AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee ("Committee") is pleased to present its report for the financial year ended 31 March 2023. The Committee acts for the Company, as well as its South African and offshore subsidiaries ("Group").

The Committee's main objective is to assist the Board in fulfilling its oversight responsibilities, in particular with regard to the evaluation of the adequacy and efficiency of accounting policies, internal controls, combined assurance arrangements and financial and corporate reporting processes. The Committee further oversees the effectiveness of the Group's internal and external auditors, as well as risk management which includes information technology governance and commodity procurement.

This report aims to provide details on how the Committee satisfied its various statutory obligations, as well as addressed the key and significant audit matters that arose during the period, to assist in ensuring the integrity of the Group's financial reporting.

The Committee's terms of reference were reviewed, updated and approved by the Board in June 2022, in anticipation of the Company's listing on the JSE. The terms of reference were updated to ensure that the Committee performed its duties in terms of the King IV Report on Corporate Governance for South Africa ("King IV™"), the Companies Act and the JSE Listing Requirements.

## COMPOSITION AND MEETING PROCEDURES

Following the Company's conversion to a public company in June 2022, the Committee, at all times, comprised a minimum of three non-executive directors, all of whom satisfied the requirements of section 94(4) of the Companies Act. The Board believes that the Committee was and continues to be adequately skilled and that all members possess the appropriate financial and related qualifications, skills, financial expertise and experience required to discharge their responsibilities.

The composition of the Committee and the attendance of meetings by its members during the 2023 financial year are set out below:

| Member | Appointed | Attendance | Regular Invitees |
|---|---|---|---|
| Harish Ramsumer (Chair)<br>BCom; Post Grad Dip Acc; CA (SA) | 1 June 2022 | 100%<br>6/6 meetings | Chief Executive Officer<br>Chief Financial Officer<br>Group Finance Executive<br>Risk Executive<br>IT Executive<br>Internal Auditors<br>External Auditors<br>Legal Executive and Company Secretary |
| Rolf Mark Hartmann*<br>BCom Accounting Honours; CA(SA) | 19 February 2008 | 100%<br>6/6 meetings | |
| Faith Nondumiso Khanyile<br>BA Economics Honours; MBA; HDip Tax | 6 March 2023 | 100%<br>1/1 meetings | |
| Jonathan Edward Roland Matthews**<br>B.Bus Sci Honours; CFA; CA(SA) | 11 March 2020 | 100%<br>6/6 meetings | |

* *Rolf Mark Hartmann was the chair of the Committee prior to Harish Ramsumer's appointment.*

** *In line with the Board's succession plan, Mr Matthews will resign from the Committee at the end of July 2023.*

■ *Independent non-executive director*

The Committee met on four occasions, which meetings were scheduled in line with the Group's financial reporting cycle and held two *ad hoc* meetings in order to prepare for the Company's listing. The Committee also met separately with the internal and external auditors.

The Committee chair has regular contact with the management team to discuss relevant matters directly. The internal and external auditors have direct access to the Committee to discuss any matter that they regard as relevant to the fulfilment of the Committee's responsibilities.

## KEY FOCUS AREAS IN 2023

The Committee focussed its attention on the following areas during the year:

- The Company's listing on the JSE and the resultant additional reporting, audit and compliance requirements, including the financial information contained in the Pre-Listing Statement and the working capital adequacy assessment required in terms of schedule 12.2 of the JSE Listing Requirements
- The IFRS 2 considerations arising from the incorporation of the Premier BEE Trust
- The role of the internal operational audit team and the outsourced internal audit service provider
- The combined assurance framework, approach and the effectiveness thereof
- Cybersecurity risks

## DISCHARGE OF DUTIES IN 2023

During the financial year, in the execution of its statutory duties and in accordance with its terms of reference, the Committee effectively discharged the following responsibilities:

## FINANCE FUNCTION

### Reviewed the expertise, resources and experience of the finance function:

In accordance with the JSE Listing Requirements, the Committee considered and satisfied itself that Fritz Grobbelaar CA(SA), being the Group's chief financial officer, had the appropriate expertise and experience to meet the responsibilities of his appointed position. The Committee similarly satisfied itself regarding the quality and effectiveness of the finance function and the adequacy of the resources employed therein.

### Evaluated financial reporting and accounting practices:

The Committee reviewed the integrity of the interim results and annual financial statements for the year ended 31 March 2023, including the public announcements of the Group's financial results, and made recommendations to the Board for their approval. In the course of its review, the Committee:

- Took steps to ensure that the annual financial statements were prepared in accordance with IFRS and in compliance with the provisions of the Companies Act and the JSE Listing Requirements
- In accordance with paragraph 3.84(g)(ii) of the JSE Listing Requirements, satisfied itself that appropriate financial reporting procedures are in place and are operating effectively
- Considered the key audit matters reported in the external audit opinion and satisfied itself with management's treatment thereof
- Considered the appropriateness of significant accounting policies, key estimates, assumptions and disclosures made
- Reviewed the going concern assumption, considering management budgets and capital and liquidity profiles and recommended to the Board that it was appropriate in the preparation of the annual financial statements
- Reviewed the solvency and liquidity tests and recommended the November 2022 distribution proposal for approval by the Board
- Considered and noted the proactive monitoring reports issued by the JSE and the steps taken by management to apply the recommendations made by the JSE therein
- Evaluated the approach and processes that enabled the CEO and CFO to sign the responsibility statement on the annual financial statements and internal financial controls as required by paragraph 3.84(k) of the JSE Listing Requirements

## EXTERNAL AUDIT-RELATED MATTERS

The Committee, amongst other matters:

- Assessed the suitability of PricewaterhouseCoopers Inc. ("PwC") for appointment as the Company's independent, external auditors for the 2023 financial year, with Mr T Howatt as the designated individual auditor in accordance with paragraphs 3.84(g)(iii) and 22.15(h) of the JSE Listing Requirements
- Reviewed and approved the external audit plan and related scope of work
- Reviewed and approved, in consultation with management, external audit fees amounting to R11.7 million

- Reviewed and approved non-audit service fees amounting to R1.7 million and confirmed that same were in line with the approved non-audit services policy. Included in the non-audit service fees were fees amounting to R1.6 million for services rendered in relation to the listing
- Considered the report by PwC on the findings arising from the audit
- Received confirmation from PwC that it was independent of the Company and that its independence was not impaired during the period
- Having considered all relevant matters, concluded that it was satisfied that auditor independence, objectivity and effectiveness were maintained during the financial year and confirmed that the criteria for independence, as set out in the rules of the Independent Regulatory Board for Auditors ("IRBA") and other relevant international bodies, had been followed
- Confirmed that no reportable irregularities were identified and reported by PwC in terms of the Auditing Profession Act, 26 of 2005
- Considered the tenure of the external auditor and noted the requirements relating to mandatory audit firm rotation as set by the IRBA

Mr Howatt completed his five-year tenure upon issue of the 2023 annual financial statements and will be replaced by Mr E Gerryts. Accordingly, the Committee:

- Performed its responsibilities in assessing the suitability of the external auditors and designated individual auditor as required by paragraph 3.84(g)(iii) of the JSE Listing Requirements by considering the relevant information pursuant to paragraph 22.15(h) of the JSE Listing Requirements including, amongst others, all decision letters and explanations issued by IRBA and any summaries relating to monitoring procedures and/or deficiencies issued by the auditors
- Satisfied itself that Mr E Gerryts, as the new designated individual auditor, is appropriate and that PwC appears on the JSE List of Accredited Auditors in compliance with paragraph 22 of the JSE Listing Requirements
- Nominated and will recommend to shareholders that PwC and Mr E Gerryts be appointed as the independent external auditor and designated auditor, respectively, of the Company for the financial year ended 31 March 2024, in compliance with the Companies Act, the JSE Listing Requirements and other applicable legal and regulatory requirements

## INTERNAL AUDIT MATTERS

Ernst & Young perform outsourced internal audit services to the Group. They work collaboratively with the internal operational audit team.

The Committee reviewed and approved the internal audit charter and internal audit plan for the financial year ended 31 March 2023, ensuring that material risk areas were included, and that coverage of significant business processes was acceptable. It oversaw and monitored that the internal audit function:

- Objectively assured the effectiveness of risk management and internal control frameworks
- Analysed and assessed business processes and associated controls
- Reported significant audit findings and recommendations to management and the Committee

The Committee satisfied itself that the internal audit function was independent and had the necessary resources, standing and authority to discharge its duties. Mr A Tilakdari, representing Ernest & Young attended all Committee meetings.

The internal audit function provided a written assessment regarding the Group's system of internal controls and confirmed that, based on the results of the work undertaken, these were deemed adequate and effective.

## INTERNAL FINANCIAL CONTROLS

The Committee reviewed reports of the internal auditors and external auditors in respect of audits conducted on the internal control environment, took note of any matters arising from these audits and considered the appropriateness of the responses received from management. Where findings were noted, the Committee was satisfied that management's proposed remedial actions will improve the control environment.

Furthermore, the Committee:

- Reviewed quarterly funding reports prepared by management and monitored compliance with financial covenants
- Oversaw compliance with the internal controls relating to the Group's grain procurement policy
- Fulfilled an oversight function with regard to tax governance. In this regard, the Committee received regular feedback on tax compliance and is satisfied that no material non-compliance has occurred
- Considered whistleblowing complaints
- Considered and, where appropriate, made recommendations on internal financial controls

The Committee was not required to deal with any complaints relating to accounting practices or internal audit, nor to the content or audit of the financial statements, nor internal financial controls or related matters.

Having considered the above, the Committee is satisfied that the Group's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements.

## GOVERNANCE FUNCTIONAL AREAS

### Risk Management and Information Technology

The Committee received regular reports provided as part of the Group's risk management framework and effectively monitored the Group's strategic risks on behalf of the Board. The Committee also reviewed the mitigation strategies developed by management in relation to the strategic risks. It similarly reviewed and confirmed the adequacy of the Group's insurance cover and monitors the impact of litigation that could have a material impact on the Group.

The Committee monitored the Group's IT systems and service providers and oversaw interventions to manage cybersecurity, information management and data security.

### Combined Assurance

The Committee approved the Group's combined assurance model and is satisfied that these arrangements are effective in providing a robust control environment which enables the provision of reliable information for decision-making purposes and supports the integrity of the Company's external reports.

### Integrated Report

During June and July 2023, the Committee will evaluate the integrated report for the 2023 financial year and assess its consistency with operational, financial and other information available to the Committee. Similarly, the Committee will ensure that the report is prepared in accordance with appropriate reporting standards and conforms to the requirements of King IV™ and the JSE Listing Requirements.

In conjunction with the Social and Ethics Committee, the Committee will review the integrity of the sustainability disclosures included in the integrated report and confirm that they are reliable and do not conflict with financial information.

Based on the processes and assurances obtained, the Committee will recommend the 2023 integrated report to the Board for approval.

The performance of the Committee is reviewed annually by the Board. Following its latest review, the Board concluded that the Committee continued to operate effectively.

The Committee is satisfied that, in respect of the period under review, it has conducted its affairs and discharged its duties and responsibilities in accordance with its terms of reference.

## COMMITTEE FOCUS IN FINANCIAL YEAR 2024

While the Committee will continue to operate within its terms of reference and ensure that meetings address all regular matters reserved for its consideration, the following additional key activities are expected to require the Committee's attention during 2024:

- The embedment of combined assurance within the Group
- Cybersecurity risks
- The impact of electricity loadshedding on business continuity

On behalf of the Audit and Risk Committee

**H Ramsumer**
*Committee Chair*

# DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Premier for the year ended 31 March 2023.

## 1. NATURE OF BUSINESS

Premier Group Limited ("Company") is incorporated and domiciled in the Republic of South Africa. The Company converted from a private company with registration number 2007/016008/07 to a public company with effect from 6 June 2022 with registration number 2007/016008/06. The Company successfully listed on the JSE on 24 March 2023.

The Company is a holding company of a group of companies.

There have been no material changes to the nature of the Company's business from the prior year.

## 2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with IFRS and the requirements of the Companies Act. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial results of the Company are set out in the annual financial statements and accompanying notes for the year ended 31 March 2023.

The consolidated annual finanical statements have been prepared and are publicly available on the Company's website, **www.premierfmcg.com** and at the registered office of the Company.

## 3. SHARE CAPITAL

During the current year the Company's authorised and issued ordinary shares were subdivided in a ratio of 1:200 resulting in 200,000,000 authorised ordinary shares and 128 905 800 issued ordinary shares. Furthermore, 50 000 "A1" ordinary shares were created, of which 23 060 were issued during the current year.

The "A" ordinary share terms were amended during the current year to confer upon "A" ordinary shareholders the right to receive a distribution each time the board authorises a distribution to the Company's ordinary shareholders. The "A1" ordinary shareholders have a similar right to receive a distribution.

The Company's issued ordinary shares were listed on the JSE on 24 March 2023. Refer to note 5 for detail of the movement in authorised and issued share capital.

## 4. DIVIDENDS

The Company's ordinary shares started trading on the JSE six days prior to the financial year-end date. No dividends were declared by the board of directors.

The board of directors does not recommend the declaration of a dividend for the year.

## 5. DIRECTORATE

Mr H Ramsumer and Ms FN Khanyile were appointed as Independent Non-executive directors with effect from 9 May 2022 and 1 November 2022 respectively.

Mr PRN Hayward-Butt resigned as a director of the Company with effect from 11 November 2022 and was elected as an alternate director to Mr RM Hartmann with effect from the same date.

Details of directors' emoluments, incentive schemes and interest in the Company are set out in note 18.

## 6. DIRECTORS' INTERESTS IN CONTRACTS

No material contracts involving directors' interests were entered into in the current year. The directors had no interest in any third party or company responsible for managing any of the business activities of the Group.

## 7. EVENTS AFTER THE REPORTING PERIOD

There were no material subsequent events which occurred after year-end and up to the date of this report that may have affected the reported results at the financial reporting date.

## 8. AUDITOR

The audit and risk committee recommended that PwC be reappointed as the external auditor of the Company for the forthcoming financial year, and that Mr Eben Gerryts be appointed as the designated auditor for this purpose, in terms of the resolution to be proposed at the annual general meeting in accordance with the Companies Act.

## 9. GOING CONCERN

The Company reported a net profit for the year ended 31 March 2023 of R6 550 million (2022: R6 million). As at 31 March 2023 the Company's total assets exceeded its total liabilities by R8 581 million.

The annual financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. This is supported by total current assets exceeding total current liabilities by R13.8 million at 31 March 2023. Furthermore, based on various assessments performed by management, the directors are satisfied that the total assets, fairly valued, exceed the value of total liabilities at 31 March 2023.

The directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future. Based on cash flow forecasts, the Company will be able to realise its assets and settle its liabilities as they fall due in the ordinary course of business.

The directors are not aware of any new material changes that may adversely impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

# INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of Premier Group Limited**

## REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Premier Group Limited (the "Company") as at 31 March 2023, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

### What we have audited

Premier Group Limited's separate financial statements set out on pages 14 to 34 comprise:

- the separate statement of profit or loss and other comprehensive income for the year ended 31 March 2023;
- the separate statement of financial position as at 31 March 2023;
- the separate statement of changes in equity for the year then ended;
- the separate statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* ("IRBA Code") and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

## OUR AUDIT APPROACH

### Overview

Overall materiality: R50.0 million, which represents 0.8% of total assets, limited to an amount lower than materiality for the group financial statements as a whole. As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

## Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

| | |
|---|---|
| *Overall materiality* | R50.0 million |
| *How we determined it* | 0.8% of total assets, limited to an amount lower than materiality for the group financial statements as a whole. |
| *Rationale for the materiality benchmark applied* | We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark. We chose 0.8%% which is consistent with quantitative materiality thresholds used for asset-oriented companies in this sector. |

# OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the documents titled “Premier Group Limited Annual Financial Statements for the year ended 31 March 2023” and “Premier Group Limited Consolidated Annual Financial Statements for the year ended 31 March 2023”, which includes the Directors’ Report, Audit and Risk Committee Report and the Certificate by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor’s report, and the other sections of the document titled “Premier Group Limited Integrated Report for the year ended 31 March 2023”, which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# RESPONSIBILITIES OF THE DIRECTORS FOR THE SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Premier Group Limited for five years.

PricewaterhouseCoopers Inc

**PricewaterhouseCoopers Inc.**
**Director: Thomas Howatt**
*Registered Auditor*

5 June 2023

4 Lisbon Lane, Waterfall City, Jukskei View, 2090, Private Bag X36, Sunninghill, 2157, Johannesburg, South Africa

# STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2023

| | Note | 2023 R'000 | 2022 R'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Investments in subsidiaries | 2 | **7 596 481** | 1 054 331 |
| Loans to group companies | 3 | **945 948** | 423 871 |
| Loans receivable | 4 | **24 577** | 36 747 |
| | | **8 567 006** | 1 514 949 |
| **Current assets** | | | |
| Loans receivable | 4 | **6 454** | 7 423 |
| Current income tax receivable | | **7 518** | 3 250 |
| Cash and cash equivalents | 15 | **66** | 5 966 |
| | | **14 038** | 16 639 |
| **Total assets** | | **8 581 044** | 1 531 588 |
| **EQUITY** | | | |
| Share capital | 5 | **2 464 267** | 126 879 |
| Retained income/(accumulated loss) | | **6 116 503** | (431 093) |
| **Total equity** | | **8 580 770** | (304 214) |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Redeemable preference shares | 6 | **-** | 1 789 751 |
| Tax liabilities | 7 | **-** | 43 513 |
| | | **-** | 1 833 264 |
| **Current liabilities** | | | |
| Trade and other payables | 8 | **274** | 2 538 |
| **Total liabilities** | | **274** | 1 835 802 |
| **Total equity and liabilities** | | **8 581 044** | 1 531 588 |

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

| | Note | 2023 R'000 | 2022 R'000 |
|---|---|---|---|
| Dividend income | 2 | **6 421 848** | 90 000 |
| Administrative expenses | 9 | **(13 417)** | (4 549) |
| **Operating profit** | | **6 408 431** | 85 451 |
| Finance income | 10 | **184 167** | 28 514 |
| Finance costs | 11 | **(9 888)** | (94 089) |
| **Profit before tax** | | **6 582 710** | 19 876 |
| Income tax expense | 12 | **(32 351)** | (13 498) |
| **Profit for the year** | | **6 550 359** | 6 378 |
| Other comprehensive income | | **-** | - |
| **Total comprehensive income for the year** | | **6 550 359** | 6 378 |

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

| | Share capital R'000 | Retained income/ (Accumulated loss) R'000 | Total equity R'000 |
|---|---|---|---|
| Balance at 01 April 2021 | 117 632 | (437 471) | (319 839) |
| Profit for the year | - | 6 378 | 6 378 |
| Issue of shares | 9 247 | - | 9 247 |
| Cancellation of shares | * | - | - |
| Balance at 31 March 2022 | 126 879 | (431 093) | (304 214) |
| Profit for the year | **-** | **6 550 359** | **6 550 359** |
| Issue of shares | **3 284 626** | **-** | **3 284 626** |
| Return of capital** | **(947 238)** | **-** | **(947 238)** |
| Dividend distribution*** | **-** | **(2 763)** | **(2 763)** |
| **Balance at 31 March 2023** | **2 464 267** | **6 116 503** | **8 580 770** |
| Note | 5 | | |

* *During the prior year the Company repurchased 1 860 ordinary shares resulting in a decrease of R18.60 in Share capital.*

** *Prior to the Company listing on the JSE the board resolved to return capital of R947.2 million to shareholders, of which R932.1 million was paid in cash and the remaining portion of R15.1 million was set-off against the loans receivable from employees.*

*** *Prior to the Company listing on the JSE the Company declared a dividend of R2.8 million, of which R1.6 million was paid in cash and the remaining portion set-off against the loans receivable from employees.*

# STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

| | Note | 2023 R'000 | 2022 R'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash used in operations | 13 | **(15 680)** | (2 012) |
| Finance income received | 10 | **100 211** | 8 149 |
| Finance costs paid | 11 | **(9 888)** | - |
| Dividends received | | **40 581** | 81 000 |
| Tax paid | 14 | **(34 084)** | (2 795) |
| Dividends paid | | **(1 590)** | - |
| **Net cash inflow from operating activities** | | **79 550** | 84 342 |
| **Cash flows from investing activities** | | | |
| Loans advanced to group companies | 3 | **(64 648)** | (91 942) |
| Proceeds from loans to group companies | 3 | **908 776** | - |
| **Net cash inflow/(outflow) from investing activities** | | **844 128** | (91 942) |
| **Cash flows from financing activities** | | | |
| Proceeds on issue of share capital | 5 | **2 482** | 2 447 |
| Repayment of share capital | | **(932 060)** | - |
| **Net cash (outflow)/inflow from financing activities** | | **(929 578)** | 2 447 |
| **Net decrease in cash and cash equivalents** | | **(5 900)** | (5 153) |
| Cash and cash equivalents at the beginning of the year | | **5 966** | 11 119 |
| **Cash and cash equivalents at the end of the year** | 15 | **66** | 5 966 |

# ACCOUNTING POLICIES

## CORPORATE INFORMATION

Premier converted to a public company during the year and successfully listed on the JSE on 24 March 2023. The Company is domiciled in South Africa and is the holding company of a group of companies.

The annual financial statements for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on 5 June 2023.

## 1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out within the notes to the annual financial statements. These policies have been consistently applied to all years presented, unless otherwise stated.

## 1.1 BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations as issued by the IFRS Interpretations Committee (“IFRIC”), and comply with the South African Institute of Chartered Accountants (“SAICA”) Financial Reporting Guides as issued by the Accounting Practices Committee (“APC”), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (“FRSC”), the JSE Limited (“JSE”) Listing Requirements and the requirements of the Companies Act.

The annual financial statements have been prepared on the going concern basis as described in note 21 and the historic cost convention, except for items measured at fair value as indicated in the accounting policies described in the notes to the annual financial statements. These accounting policies are consistent with previous periods. The annual financial statements are rounded to the nearest thousand, unless otherwise stated. The annual financial statements are presented in South African Rands, which is the Company’s presentation currency and the Company’s functional and presentation currency. The annual financial statements have been prepared under the supervision of the Chief Financial Officer, F Grobbelaar CA(SA).

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Areas involving a high degree of judgement or complexity or areas where assumptions and estimates are significant to the Company’s annual financial statements are disclosed in the relevant notes.

## 2. INVESTMENTS IN SUBSIDIARIES

The following table lists the percentage holdings and the carrying amounts of the investments in subsidiaries.

| Name of company | Place of incorporation | % holding 2023 | % holding 2022 | Carrying amount 2023 R'000 | Carrying amount 2022 R'000 |
|---|---|---|---|---|---|
| Premier FMCG Proprietary Limited - Ordinary shares | South Africa | **-** | 100% | **-** | 623 141 |
| Premier FMCG Proprietary Limited - Preference shares | South Africa | **100%** | - | **6 638 886** | - |
| Prem-Cap Investments Proprietary Limited | Mauritius | **100%** | 100% | **492 323** | 329 219 |
| Premier eSwatini Proprietary Limited | eSwatini | **100%** | 100% | **101 971** | 101 971 |
| Lil-lets UK Limited | United Kingdom | **100%** | - | **349 209** | - |
| Lesotho Bakery Proprietary Limited | Lesotho | **100%** | - | **98** | - |
| Lil-lets Group Limited | United Kingdom | **100%** | - | **-** | - |
| Main Street 1880 Proprietary Limited | South Africa | **49%** | - | **1** | - |
| Main Street 1881 Proprietary Limited | South Africa | **90%** | - | **13 993** | - |
| | | | | **7 596 481** | 1 054 331 |

During the current year the Group implemented a broad based black economic empowerment ("B-BBEE") transaction at the Premier FMCG Proprietary Limited ("Premier FMCG") level to improve the Group's B-BBEE ownership. Consequently, the following transactions took effect during the current year.

### Transaction step 1A - Lesotho Bakery Proprietary Limited ("Lesotho Bakery") and Lil-lets Group Limited

Premier FMCG previously held the investments in Lesotho Bakery and Lil-lets Group Limited. During the current year Premier FMCG distributed its shares in each of Lesotho Bakery and Lil-lets Group Limited *in specie* to the Company in terms of a section 46 "unbundling transaction" of the Income Tax Act, 58 of 1962 ("ITA"). Consequently, an investment in Lil-lets Group Limited and Lesotho Bakery was recognised at an amount of R98,000, together with a corresponding entry to dividend income. This was a non-cash transaction.

### Transaction step 1B - Lil-lets UK Limited

The Company entered into a legal sale of shares agreement with Premier FMCG in terms of which the Company purchased the ordinary shares in Lil-lets UK Limited for a purchase consideration at a nominal value of £1.00. The purchase consideration does not reflect consideration at an arms-length transaction and is at a value other than fair value.

The Company has elected to recognise the investment in Lil-Lets UK Limited at its predecessor value of R349 million, as recognised by Premier FMCG. Consequently, the investment in Lil-lets UK Limited has been recognised at the carrying value of the acquired entity at the date of the transaction.

In addition, the Company considered the substance of the transaction and deemed Premier FMCG to have made a notional distribution equal to the difference between the purchase consideration and the carrying amount of Lil-Lets UK Limited, which has been recognised as dividend income of R349 million in profit or loss. This was a non-cash transaction.

### Transaction step 2 – Main Street 1880 Proprietary Limited ("Main Street 1880")

The Company subscribed for 49% of ordinary shares in Main Street 1880 for a subscription price of R489, whereas the Premier BEE Trust subscribed for 51% of ordinary shares in Main Street 1880 for a subscription price of R510. After the implementation of transaction step 4, Main Street 1880 holds 10% of the ordinary shares in Main Street 1881.

### Transaction step 3A - Distribution

Immediately after the implementation of transaction step 2, Premier FMCG distributed an amount of R6 639 million ("Dividend") to the Company in terms of section 46 of the Companies Act, which was left outstanding on an interest free loan account ("Dividend Claim"). R6 030 million of the Dividend constituted a "dividend" (as defined in the ITA) and the balance of the Dividend in an amount of R609 million constituted a return of "contributed tax capital" (as defined in the ITA).

## 2. INVESTMENTS IN SUBSIDIARIES (continued)

The return of contributed tax capital was recognised as a decrease in the carrying amount of the investment in the ordinary shares of Premier FMCG before transaction step 4 was implemented. The dividend income was recognised in profit or loss. This was a non-cash transaction.

### Transaction step 3B - "A" Preference shares in Premier FMCG

Immediately after the implementation of transaction step 3A, the Company entered into an "A" Preference shares subscription agreement whereby the Company subscribed for 100 000 "A" Preference Shares ("Subscription Shares") in Premier FMCG at a subscription price equal to the amount of the Dividend Claim. Per the agreement, the Company's obligation to pay the subscription price for the subscription shares was discharged by set-off against Premier FMCG's obligation to pay the Dividend Claim to the Company. Consequently, an investment in Premier FMCG's preference shares was recognised at an amount of R6 639 million. This was a non-cash transaction.

The "A" Preference shares have preferences, rights and limitations, including a coupon rate equal to the South African prime interest rate (compounded monthly in arrears). The preference shareholders, being the Company, are only entitled to receive dividends when Premier FMCG's directors declares dividends. The declaration of dividends are at the discretion of Premier FMCG's board of directors and there is no mandatory redemption date.

### Transaction step 4 - Asset for share

The Company entered into an asset for share agreement with Main Street 1881 Proprietary Limited ("Main Street 1881"), wherein the Company disposed of 100% of its ordinary shares in Premier FMCG to Main Street 1881 in exchange for 90% of the ordinary shares in Main Street 1881 in terms of section 42 of the ITA.

The remaining carrying value of the investment in Premier FMCG's ordinary shares of R14 million, after recognising the decrease in the investment as a result of the return of capital as referred to in transaction step 3A, was derecognised and a corresponding investment in Main Street 1881 was recognised.

### Prem-Cap Investments Proprietary Limited ("Prem-Cap Investments")

During the current year the Company entered into a share subscription agreement with Prem-Cap Investments and subscribed for shares worth R163 million. An investment in Prem-Cap Investments of R163 million was recognised with a corresponding derecognition of the loan receivable from Prem-Cap Investments. Refer to note 3.

### Impairment assessment

Investments in subsidiaries, together with loans to subsidiaries, are firstly considered for impairment with reference to their net asset value. If this method indicates an impairment risk, the recoverable amount is calculated and compared to the carrying amount of the investments and loans to subsidiaries. At the reporting date an impairment indicator existed for the Company's investments in Premier FMCG and Prem-Cap Investments.

The following key assumptions were used in the impairment test for the fair value less cost to sell method applied.

| | Revenue growth rate % | Operating cost increases % | Terminal growth rate % | Discount rate % | Forecast period Years |
|---|---|---|---|---|---|
| Premier FMCG Proprietary Limited | 7.3 | 7.6 | 4.8 | 14.1 | 5 |
| Prem-Cap Investments Proprietary Limited | 10.7 | 7.6 | 6.0 | 21.4 | 5 |

For the investment in Premier FMCG, management performed sensitivity tests on a 10% change in the revenue growth rate, percentage operating cost increase, terminal growth rates and discount rates that were used in the underlying impairment test. The outcome of these sensitivity tests supported that there were sufficient headroom for the investment in Premier FMCG.

The sensitivity relating to the investment in Prem-Cap Investments Proprietary Limited was found to be more sensitive. The terminal growth rate and the discount rate were considered the most sensitive key assumptions in the tests performed. The following changes in these key assumptions would result in the fair value less cost to sell to equal the value of the underlying investment.

## 2. INVESTMENTS IN SUBSIDIARIES (continued)

| | Change in assumption % |
|---|---|
| Terminal growth rate | **(0.3)** |
| Discount rate | **0.2** |

In the event that the terminal growth rate decreased or discount rate increased by 10%, it would result in an impairment loss of R14.7 million or R70.5 million respectively, provided all other variables remains constant.

No impairment losses were recognised in the current year based on the calculations performed for the annual impairment tests for the investments held by the Company. The investments in subsidiaries are pledged as security for the R2 606 million (2022: R1 940 million) borrowings of Premier FMCG.

### Accounting policy

Investments in subsidiaries are stated at cost less impairments. The carrying value of the investments in subsidiaries are tested for impairment when an impairment indicator exists by comparing the carrying amount of the investment to its recoverable amount. The recoverable amount is the higher of the value-in-use or fair value less cost to sell and is within level 3 of the fair value hierarchy. Level 3 of the fair value hierarchy measurement is indicative that inputs were used that are not based on observable market data. Common control transactions are accounted for at the predecessor's value.

### Significant estimates and judgements

The recoverable amounts were based on the fair value less cost to sell. These calculations require the entity to estimate cash flow projections based on revenue growth rates, operating cost increases and terminal growth rates. The growth rates (including terminal growth rates) are based on industry trends and historical performance including the long-term inflation forecasts for each territory. A risk-adjusted post-tax discount rate is used to discount the future cash flow projections.

## 3. LOANS TO GROUP COMPANIES

| | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Premier FMCG Proprietary Limited<br>The loan bears interest at the South African prime interest rate and is repayable on demand but no later than 31 March 2032. The loan is unsecured. | **945 948** | 274 485 |
| Prem-Cap Investments Proprietary Limited<br>The loan bears interest at the South African prime interest rate. | - | 148 526 |
| Prem-Cap Investments Proprietary Limited<br>The loan is unsecured, interest-free and repayable on demand. | - | 860 |
| | **945 948** | 423 871 |

## 3. LOANS TO GROUP COMPANIES (continued)

| Reconciliation of loans to group companies | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Opening balance | 423 871 | 314 025 |
| Loan ceded for equity | 1 492 392 | - |
| Loan capitalised | (163 104) | - |
| Cash inflow – capital | (908 776) | - |
| Cash outflow – capital | 64 649 | 91 942 |
| Finance income accrued | 136 892 | 25 901 |
| Finance income received | (99 974) | (7 998) |
| Other non-cashflow items* | (2) | 1 |
| **Closing balance** | **945 948** | **423 871** |

* *Other non-cashflow items are as a result of rounding the numbers in the reconciliation to the nearest thousand.*

### *Loan ceded for equity:*

On 4 May 2022, Brait Mauritius Limited ("Brait") ceded and assigned to the Company, its rights in terms of the loan of R1 492 million advanced by Brait to Premier FMCG in exchange for the issue by the Company of an additional 102 165 ordinary shares, being the number of shares prior to the subdivision of the ordinary shares in a ratio of 1:200, to Brait. The number of ordinary shares issued, fairly valued, equals the carrying value of the loan of R1 492 million on the effective date of the transaction. Refer to note 5.

### *Loan capitalised:*

During the current year the Company entered into a share subscription agreement with Prem-Cap Investments Proprietary Limited and subscribed for shares. Per the agreement the outstanding loan balance of R163 million between the parties was discharged in full on 30 March 2023, by way of set-off for the subscription price of the shares. Refer to note 2.

No material credit loss was required to be recognised on the loans because the recovery strategies indicate that the Company will fully recover the outstanding balance of the loans discounted at the loan's effective interest rate over the period until cash is realised. The credit risk is insignificant due to the nature of the relationship and the counterparties having liquid assets and the ability to repay these loans. Furthermore, refer to note 2 for the additional considerations relating to impairment assessment performed on the loans to group companies.

### Accounting policy

The loans to group companies are recognised at fair value and subsequently measured at amortised cost which represents the initial loan amount, minus the principal repayments, plus cumulative interest using the effective interest method.

## 4. LOANS RECEIVABLE

| | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Loans to employees | **18 904** | 37 113 |
| Loan to executive director | **5 673** | 7 057 |
| Loan to a former employee* | **6 454** | - |
| | **31 031** | 44 170 |

* *The loan to a former employee relates to an employee who retired during the current year. The related prior year balance of R7.4 million was therefore presented under loans to employees.*

| | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Non-current assets | **24 577** | 36 747 |
| Current assets | **6 454** | 7 423 |
| | **31 031** | 44 170 |

The loans relate to financial assistance provided to acquire shares in the Company. The loans bear interest at the South African prime interest rate less 1%. The loans are full recourse and secured by the shares issued. The fair value of the shares exceed the carrying amounts of the loans. The borrower is liable to settle the loan in full should they leave the Group's employment. The terms of the loans are market related. The loans receivable within 12 months after the reporting date have been classified as current assets.

### Accounting policy

The loans are recognised at fair value and subsequently measured at amortised cost which represents the initial loan amount, minus the principal repayments, plus cumulative interest using the effective interest method. The loans have been assessed for expected credit losses and did not result in any material expected credit losses.

## 5. SHARE CAPITAL

During the current year the Company's authorised and issued ordinary shares were subdivided in a ratio of 1:200 resulting in 200 000 000 authorised ordinary shares and 128 905 800 issued ordinary shares. Furthermore, 50 000 "A1" ordinary shares were created, of which 23 060 were issued during the current year. During the current year, the Memorandum of Incorporation was amended to place the unissued authorised shares of the Company under the control of the Directors.

The "A" ordinary share terms were amended during the current year to confer upon "A" ordinary shareholders, the right to receive a distribution each time the board authorises a distribution to the Company's ordinary shareholders. The distribution is determined in relation to the equivalent number of ordinary shares which equals the value of the "A" ordinary shares. The "A1" ordinary shareholders have a similar right to receive a distribution determined in relation to the equivalent number of ordinary shares which equals the value of the "A1" ordinary shares. Refer to note 18 for further details regarding the "A" and "A1" ordinary shares.

## 5. SHARE CAPITAL (continued)

| Authorised share capital | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Ordinary shares | 200 000 000 | 1 000 000 |
| "A" ordinary shares | 25 000 | 25 000 |
| "A1" ordinary shares | 50 000 | - |

**Issued and fully paid**

| 2023 - Reconciliation of issued share capital | Number of ordinary shares | Number of "A" ordinary shares | Number of "A1" ordinary shares | Number of "A1" ordinary shares |
|---|---|---|---|---|
| At the beginning of the year | 419 673 | 15 457 | - | 126 879 |
| Issue of ordinary shares - Shareholder loan* | 102 165 | - | - | 1 492 392 |
| Issue of ordinary shares - Preference shares** | 122 521 | - | - | 1 789 751 |
| Issue of ordinary shares | 170 | - | - | 2 483 |
| Issue of "A1" ordinary shares | - | - | 23 060 | *** |
| | 644 529 | 15 457 | 23 060 | 3 411 505 |
| Effect of share split | 128 261 271 | - | - | - |
| Return of capital | - | - | - | (947 238) |
| At the end of the year | 128 905 800 | 15 457 | 23 060 | 2 464 267 |

* *Brait's shareholder loan in Premier FMCG was ceded to the Company for the issue by the Company of its ordinary shares to Brait. Refer to note 3.*
** *The redeemable preference shares converted to ordinary shares during the current year. Refer to note 6.*
*** *A1 ordinary shares were issued for a total consideration of R230.60 during the current year.*

| 2022 - Reconciliation of issued share capital | Number of ordinary shares | Number of "A" ordinary shares | Number of "A1" ordinary shares | Number of "A1" ordinary shares |
|---|---|---|---|---|
| At the beginning of the year | 421 487 | 13 525 | - | 117 632 |
| Issue of ordinary shares | 46 | - | - | 495 |
| Cancellation of treasury shares | (1 860) | - | - | ^ |
| Issue of "A" ordinary shares | - | 1 932 | - | 8 752 |
| At the end of the year | 419 673 | 15 457 | - | 126 879 |

^ *The Company repurchased 1 860 ordinary shares which one of its subsidiaries held in the Company. Share Capital is reduced with R18.60 which is not shown due to rounding.*

### Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. The subscriptions in the "A" ordinary and "A1" ordinary shares have the same characteristics as a call option, with the subscription price representing a premium paid for the option and recognised in share capital as legally the "A" and "A1" ordinary shares represents issued share capital. Refer to note 18 for further details on the accounting treatment of the options.

## 6. REDEEMABLE PREFERENCE SHARES

| | 2023 R'000 | 2022 R'000 |
|---|---|---|
| 963 no-par value, cumulative, redeemable preference shares | - | 963 000 |
| Accrued preference dividends | - | 826 751 |
| | - | 1 789 751 |

## 6. REDEEMABLE PREFERENCE SHARES (continued)

During the prior year, on 25 March 2022, the preference share terms were amended to include a right to convert the preference shares into ordinary shares of the Company at the Company's discretion. The shareholders were entitled to dividends at the rate of the South African prime interest rate less 2% per annum, net of withholding taxes. On 4 May 2022, the redeemable preference shares were converted into 122 521 ordinary shares of the Company, being the number of shares prior to the subdivision of the ordinary shares in a ratio of 1:200. The number of ordinary shares issued, fairly valued equals the carrying value of the redeemable preference shares of R1 790 million on conversion date.

### Accounting policy

The preference shares were classified as a liability at amortised cost as they were mandatorily redeemable and could have been converted into a variable number of ordinary shares of the Company.

## 7. TAX LIABILITIES

| | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Withholding tax on preference dividends | - | 43 513 |

The conversion of the redeemable preference shares did not result in the accrued withholding tax becoming due and payable. Consequently, the accrued withholding tax on the preference dividends was reversed to profit during the current year.

### Accounting policy

The Company applied the reduced dividend withholding tax rate of 5%, based on the double tax agreement between South Africa and Mauritius, on the accrued preference dividends of the redeemable preference shares payable to its foreign shareholder in Mauritius. The withholding tax on preference dividends is recognised in tax liabilities as and when the preference dividends accrue on the redeemable preference shares.

## 8. TRADE AND OTHER PAYABLES

| | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Accruals | **274** | 2 538 |

### Accounting policy

Accruals are recognised when the Company becomes a party to the contractual provisions and a constructive obligation exist due to services rendered by suppliers in the reporting period. Accruals are subsequently measured at amortised cost.

## 9. OPERATING PROFIT

In arriving at operating profit, the following have been taken into account:

| | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Bank charges | 2 | 1 |
| Listed company expenses | 11 393 | 3 857 |
| Directors' emoluments | 2 022 | 691 |
| | 13 417 | 4 549 |

### Accounting policy

*Directors' emoluments*

Directors' emoluments are charged to profit or loss and recognised as an expense in the period in which the directors render the related service.

*Listed company expenses*

Listed company expenses represent costs incurred by the Company directly in relation to the preparation of the Company to list on the JSE. These costs are recognised as an expense in the period in which the service provider renders the related service.

## 10. FINANCE INCOME

| | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Loans receivable | 3 212 | 2 462 |
| Banks | 237 | 77 |
| Other receivables | 313 | 74 |
| Preference dividends | 43 513 | - |
| Loans to group companies | 136 892 | 25 901 |
| | 184 167 | 28 514 |

### Accounting policy

Finance income is recognised in profit or loss by applying the effective interest rate to financial assets.

## 11. FINANCE COSTS

| | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Preference dividends | 9 888 | 94 089 |

### Accounting policy

Finance costs are recognised in profit or loss by applying the effective interest rate to financial liabilities.

## 12. INCOME TAX EXPENSE

The total income tax expense for the year comprises of:

| | 2023 R'000 | 2022 R'000 |
|---|---|---|
| **Current tax** | | |
| South Africa | 37 919 | 7 790 |
| Current period | | |
| Prior period | (7 790) | (3 292) |
| Withholding tax | 2 222 | 9 000 |
| | 32 351 | 13 498 |

| Reconciliation of the tax rate | 2023 % | 2022 % |
|---|---|---|
| South African tax rate | 27.0 | 28.0 |
| *Adjusted for:* | | |
| Exempt income | | |
| Dividend income | (26.3) | (126.8) |
| Preference dividends | (0.2) | - |
| Non-deductible expenditure | | |
| Listed company expenses | * | 5.4 |
| Preference dividends | * | 132.6 |
| Withholding tax | * | 45.3 |
| Prior year over provision | * | (16.6) |
| **Effective tax rate** | 0.5 | 67.9 |

* *The percentage for the rate reconciliation is less than 0.1% and therefore not shown due to rounding.*

The South African corporate tax rate has changed from 28% to 27% for years of assessments ending on or after 31 March 2023.

### Accounting policy

The tax expense for the period comprises current tax and withholding tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date.

Dividend withholding tax is withheld on behalf of the tax authority on dividend distributions where applicable. The Company applies the reduced dividend withholding tax rate of 10%, based on the double tax agreement between South Africa, Lesotho and eSwatini, on the dividends received from its subsidiaries in Lesotho and eSwatini.

## 13. CASH USED IN OPERATIONS

| | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Profit before tax | **6 582 710** | 19 876 |
| *Adjusted for:* | | |
| Dividend income | **(6 421 848)** | (90 000) |
| Finance income | **(184 167)** | (28 514) |
| Finance costs | **9 888** | 94 089 |
| *Changes in working capital:* | | |
| Trade and other payables | **(2 263)** | 2 537 |
| **Cash used in operations** | **(15 680)** | (2 012) |

### Accounting policy

The Company has elected to disclose finance income received and finance costs paid as part of cash flow from operating activities.

## 14. TAX PAID

| | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Balance at the beginning of the year | **3 250** | 4 953 |
| Current tax for the year recognised in profit or loss | **(30 129)** | (4 498) |
| SARS accrued interest | **313** | - |
| Balance at the end of the year | **(7 518)** | (3 250) |
| | **(34 084)** | (2 795) |

## 15. CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, cash and cash equivalents consist of:

| | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Bank balances | **66** | 5 966 |

Credit risk exposure arising on cash and cash equivalents is managed through dealing with well-established financial institutions of good standing for investment and cash management purposes. Moody's bank ratings relating to the bank balances were Ba1.

# 16. FINANCIAL INSTRUMENTS

## Liquidity risk

The Company manages its liquidity risk by preparing cash flow forecasts and dividend income forecasts to ensure it has sufficient cash to meet obligations when due.

The maturity profile of contractual cash flows of non-derivative financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts.

| | Less than 1 year R'000 | 1 to 2 years R'000 | 3 to 5 years R'000 | Over 5 years R'000 | Total R'000 | Carrying amount R'000 |
|---|---|---|---|---|---|---|
| **2023** | | | | | | |
| Trade and other payables | **274** | **-** | **-** | **-** | **274** | **274** |
| | | | | | | |
| **2022** | | | | | | |
| Redeemable preference shares | 102 911 | 108 828 | 365 490 | 4 252 196 | 4 829 425 | 1 789 751 |
| Trade and other payables | 2 538 | - | - | - | 2 538 | 2 538 |
| | 105 449 | 108 828 | 365 490 | 4 252 196 | 4 831 963 | 1 792 289 |

## Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk mainly arising from loans to group companies and loans receivable. The Company manages this risk by monitoring interest rates on a regular basis and engaging with the counterparties to obtain the optimum interest rates.

The following sensitivity analysis has been prepared to indicate the effect on the variable rate financial instruments with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period, on the basis that all other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date.

| **Impact on profit before tax** | 2023 R'000 | 2022 R'000 |
|---|---|---|
| 1% increase in interest rates | **10 822** | 12 637 |
| 1% decrease in interest rates | **(10 822)** | (12 637) |

## Capital risk management

The capital structure of the Company consists of equity, comprising of share capital and retained earnings/(accumulated losses). The Company manage its capital to ensure that it will be able to continue as a going concern. The Company's overall strategy has remained unchanged from the prior year.

| **Categories of financial instruments** | Assets at amortised cost R'000 | Liabilities at amortised cost R'000 |
|---|---|---|
| **2023** | | |
| Loans receivable | **31 031** | **-** |
| Cash and cash equivalents | **66** | **-** |
| Loans to group companies | **945 948** | **-** |
| Trade and other payables | **-** | **274** |
| | **977 045** | **274** |

## 16. FINANCIAL INSTRUMENTS (continued)

| | Assets at amortised cost R'000 | Liabilities at amortised cost R'000 |
|---|---|---|
| **2022** | | |
| Loans receivable | 44 170 | - |
| Cash and cash equivalents | 5 966 | - |
| Loans to group companies | 423 871 | - |
| Trade and other payables | - | 2 538 |
| Redeemable preference shares | - | 1 789 751 |
| | 474 007 | 1 792 289 |

## 17. RELATED PARTIES

Prior to the Company listing on the JSE a distribution of R950 million was made to shareholders, of which R924 million was paid to Brait Mauritius Limited (controlling shareholder at the time). The remaining portion of R26 million was for the benefit of minority shareholders, of which R10 million was paid in cash and R16 million being a non-cash transaction. Refer to note 2 for the subsidiaries of the Company.

At year-end the following balances were owing by/(to) related parties:

| Balances owing by/(to) related parties | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Loan to group company – Premier FMCG Proprietary Limited | 945 948 | 274 485 |
| Loan to group company – Prem-Cap Investments Proprietary Limited | - | 149 386 |
| Loan to executive director – F Grobbelaar | 5 673 | 7 057 |
| Redeemable preference shares – Brait Mauritius Limited | - | (1 789 751) |

During the year the Company accounted for the following transactions with related parties:

| Finance income/(finance costs) | 2023 R'000 | 2022 R'000 |
|---|---|---|
| Loan to group company – Premier FMCG Proprietary Limited | 123 174 | 15 331 |
| Loan to group company – Prem-Cap Investments Proprietary Limited | 13 718 | 10 570 |
| Loan to executive director – F Grobbelaar | 540 | 257 |
| Preference dividends – Brait Mauritius Limited | (9 888) | (94 089) |

## 18. DIRECTORS' EMOLUMENTS

| Executive directors' emoluments | Basic salary R'000 | Other benefits* R'000 | Retirement fund contributions R'000 | Bonus R'000 | Total R'000 |
|---|---|---|---|---|---|
| **2023** | | | | | |
| JJ Gertenbach | 6 153 | 135 | 183 | 6 606 | 13 077 |
| F Grobbelaar | 4 389 | 264 | 132 | 2 059 | 6 844 |
| | 10 542 | 399 | 315 | 8 665 | 19 921 |

## 18. DIRECTORS' EMOLUMENTS (continued)

| Executive directors' emoluments | Basic salary R'000 | Other benefits* R'000 | Retirement fund contributions R'000 | Bonus R'000 | Total R'000 |
|---|---|---|---|---|---|
| **2022** | | | | | |
| JJ Gertenbach | 5 635 | 116 | 169 | 3 337 | 9 257 |
| F Grobbelaar** | 2 791 | 2 889 | 84 | 225 | 5 989 |
| | 8 426 | 3 005 | 253 | 3 562 | 15 246 |

* *Other benefits comprise travel allowance and medical benefits.*
** *F Grobbelaar was appointed as CFO on 2 August 2021. Included in other benefits is R2.7 million sign-on bonus as compensation for his bonus sacrifice from his previous employment.*

### Securities issued

The beneficial interests of the directors and their associates in the issued securities of the Group at the reporting date were as follows:

| Ordinary shares | 2023 | 2022 |
|---|---|---|
| JJ Gertenbach | **157 600** | 102 600 |
| F Grobbelaar | **18 490** | 9 200 |
| RM Hartmann* | **9 290** | - |
| PRN Hayward-Butt | **10 000** | - |
| | **195 380** | 111 800 |

* *Held through an associate - Thor Holdings Proprietary Limited*

Pursuant to the ordinary shares that were subdivided in a ratio of 1:200 during the current year, the comparative number of shares for the prior year have been re-presented accordingly.

Subsequent to year-end, up to and including 5 June 2023, there were no changes in the directors' and their associates' beneficial interest in Premier Group Limited.

### Share options

The "A" ordinary shares and "A1" ordinary shares have been issued to members of the Group's senior management team in order to retain and incentivise management, by allowing them to participate in the future growth of the Company.

Each "A" ordinary share and "A1" ordinary share shall automatically convert on the conversion date into such number of ordinary shares that equal the market value of the underlying shares less a notional vendor financing loan amount (the "conversion formula") per the share terms. The conversion date being the earlier of:

- 1 April 2027 or
- the date immediately preceding the date on which any person other than Brait Mauritius Limited or Titan Premier Investments Proprietary Limited (or their respective related persons) obtain the ability to exercise more than 35% of the voting rights in the Company or
- the disposal of the Group's business and assets to a bona fide third party in circumstances requiring shareholder approval in terms of section 122 of the Companies Act.

The notional vendor financing loan ("NVF Loan") in respect of an "A" ordinary share shall be an amount equal to 85% of the ordinary share market value on the date on which the "A" ordinary shares were issued plus notional interest thereon which shall accrue daily at prime minus 1% from the date of issue until the conversion date and shall be calculated, capitalised and compounded monthly in arrears. The "A1" ordinary share terms make reference to "NVF A1 Loan", which is defined as an amount equal to the ordinary share market value on the date on which the "A1" ordinary shares were issued plus notional interest thereon which shall accrue daily at prime less 1% from the date of issue until the conversion date and shall be calculated, capitalised and compounded monthly in arrears.

## 18. DIRECTORS' EMOLUMENTS (continued)

The subscriptions in the "A" ordinary and "A1" ordinary shares have the same characteristics as a call option. Consequently, the methodology employed to determine the fair value of the subscriptions should reflect this. The fair value of the IFRS 2 share-based payment expense relating to these shares was determined in terms of the Black-Scholes option pricing model. No expense relating to the "A1" ordinary shares issued during the current year was recognised in profit or loss as it was negligible. The important aspects of the arrangements are detailed below:

| | Grant date | Number of shares | Subscription price R | NVF loan R | Grant date fair value of the share option R |
|---|---|---|---|---|---|
| JJ Gertenbach | | | | | |
| "A" ordinary shares | 30 September 2020 | 5 797 | 1 035 | 5 865 | 1 931 |
| "A1" ordinary shares | 21 June 2022 | 5 730 | 0.01 | 72.60 | 15.68 |
| F Grobbelaar | | | | | |
| "A" ordinary shares | 26 August 2021 | 1 932 | 4 530 | 6 227 | 4 404 |
| "A1" ordinary shares | 21 June 2022 | 2 000 | 0.01 | 72.60 | 15.68 |

The inputs into the Black-Scholes option pricing valuation model are as follows:

| | Grant date 21 June 2022 | Grant date 26 August 2021 | Grant date 30 September 2020 |
|---|---|---|---|
| Term of option | 4.8 years | 5.6 years | 6.5 years |
| Spot price | R72.60 | R10 757 | R6 900 |
| Strike price | R118.40 | R10 698 | R10 644 |
| Risk-free rate | 8.12% | 6.26% | 6.10% |
| Volatility* | 29.40% | 29.40% | 29.40% |
| Dividend yield | - | - | - |
| Fair value of share option | R15.68 | R4 404 | R1 931 |

* *The volatility of 29.4% was based on an analysis of peers in the sector to which the Group operates.*

The table below shows the number of ordinary shares receivable by applying the conversion formula as at the period end:

| **2023** | **Opening balance** | **Movement*** | **Closing balance** |
|---|---|---|---|
| JJ Gertenbach | **617 541** | **(151 903)** | **465 638** |
| F Grobbelaar | **205 812** | **(50 626)** | **155 186** |
| Employees | **823 247** | **(202 505)** | **620 742** |
| | **1 646 600** | **(405 034)** | **1 241 566** |

* *Movements are due to changes in the inputs to the conversion ratio which is based on the fair value of the ordinary shares. Due to the NVF loan being equal to the share price of the "A1" shares on grant date, applying the conversion formula as at the period end shows no ordinary shares receivable at period end.*

| **2022** | Opening balance | Movement* | Closing balance |
|---|---|---|---|
| JJ Gertenbach | 488 362 | 129 179 | 617 541 |
| F Grobbelaar | - | 205 812 | 205 812 |
| Employees | 651 038 | 172 209 | 823 247 |
| | 1 139 400 | 507 200 | 1 646 600 |

* *Movements are due to changes in the inputs to the conversion ratio which is based on the fair value of the ordinary shares.*

## 18. DIRECTORS' EMOLUMENTS (continued)

### Accounting policy

Equity-settled share-based expense is measured at fair value of the options (excluding the effect of service or any non-market vesting conditions) at grant date, less the subscription price to the equity instruments. The share-based payment expense as determined at the grant date of the equity-settled share-based payment transaction is expensed in profit or loss with a corresponding increase in equity.

### Non-executive directors' emoluments

| | Board | | Audit and Risk | | Remuneration and Nomination | | Social and Ethics | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **2023** | Retainer R'000 | Meeting R'000 | Retainer R'000 | Meeting R'000 | Retainer R'000 | Meeting R'000 | Retainer R'000 | Meeting R'000 | Sub-total R'000 | VAT R'000 | Total R'000 |
| CJ Roodt | 301 | 301 | - | - | 40 | 40 | - | - | 682 | 101 | 783 |
| RM Hartmann*^ | - | - | - | - | - | - | - | - | - | - | - |
| PRN Hayward-Butt*^ | - | - | - | - | - | - | - | - | - | - | - |
| FN Khanyile** | 63 | 38 | 15 | 15 | - | - | - | - | 131 | 19 | 150 |
| JER Matthews^ | - | - | - | - | - | - | - | - | - | - | - |
| H Ramsumer*** | 134 | 150 | 71 | 85 | - | - | - | - | 440 | - | 440 |
| W Sihlobo**** | 266 | 300 | - | - | - | - | 38 | 45 | 649 | - | 649 |
| I van Heerden^ | - | - | - | - | - | - | - | - | - | - | - |
| | 764 | 789 | 86 | 100 | 40 | 40 | 38 | 45 | 1 902 | 120 | 2 022 |

* PRN Hayward-Butt resigned as a Director of the Company with effect from 11 November 2022 and was elected as an alternate Director to Mr RM Hartmann with effect from the same date.
** FN Khanyile's board retainer fee was pro-rated from her appointment date to the board of 1 November 2022.
*** H Ramsumer's board retainer fee was pro-rated from his appointment date to the board of 9 May 2022. His retainer fee for Audit and Risk Committee was pro-rated from his appointment date to the committee of 1 June 2022.
**** W Sihlobo's retainer fee for the Social and Ethics Committee was pro-rated from his appointment date to the committee of 1 June 2022. Included in W Sihlobo's board retainer and meeting fees are amounts of R116 209 and R150 000 respectively which relate to services rendered in the prior year that were paid in the current year.
^ Directors not compensated by the Company or any other company within the Group.

| | Board | | Audit and Risk | | Remuneration and Nomination | | Social and Ethics | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **2022** | Retainer R'000 | Meeting R'000 | Retainer R'000 | Meeting R'000 | Retainer R'000 | Meeting R'000 | Retainer R'000 | Meeting R'000 | Sub-total R'000 | VAT R'000 | Total R'000 |
| CJ Roodt | 300 | 300 | - | - | - | - | - | - | 600 | 91 | 691 |
| RM Hartmann^ | - | - | - | - | - | - | - | - | - | - | - |
| PRN Hayward-Butt^ | - | - | - | - | - | - | - | - | - | - | - |
| JER Matthews^ | - | - | - | - | - | - | - | - | - | - | - |
| H Ramsumer* | - | - | - | - | - | - | - | - | - | - | - |
| W Sihlobo** | - | - | - | - | - | - | - | - | - | - | - |
| I van Heerden***^ | - | - | - | - | - | - | - | - | - | - | - |
| | 300 | 300 | - | - | - | - | - | - | 600 | 91 | 691 |

* H Ramsumer was appointed to the board on 9 May 2022.
** W Sihlobo was appointed to the board on 22 June 2021.
*** I van Heerden was appointed to the board on 22 June 2021.
^ Directors not compensated by the Company or any other company within the Group.

## 19. FAIR VALUE INFORMATION

The variable interest rate on loans to group companies, redeemable preference shares and loans receivable is considered market related. The carrying amount therefore approximates the fair value and consequently the fair value measurement is categorised within level 3 of the fair value hierarchy.

## 20. EVENTS AFTER THE REPORTING PERIOD

There were no material subsequent events which occurred after year-end and up to the date of this report that may have affected the reported results at the financial reporting date.

## 21. GOING CONCERN

The Company reported a net profit for the year ended 31 March 2023 of R6 550 million (2022: R6 million). As at 31 March 2023 the Company's total assets exceeded its total liabilities by R8 581 million.

The annual financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. This is supported by total current assets exceeding total current liabilities by R13.8 million at 31 March 2023. Furthermore, based on various assessments performed by management, the directors are satisfied that the total assets, fairly valued, exceed the value of total liabilities at 31 March 2023.

The directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future. Based on cash flow forecasts, the Company will be able to realise its assets and settle its liabilities as they fall due in the ordinary course of business.

The directors are not aware of any new material changes that may adversely impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

## 22. NEW STANDARDS AND INTERPRETATIONS

### 22.1 Standards and interpretations issued but not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for future years:

| Standard/Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|---|---|---|
| Amendment to IAS 1, "Presentation of Financial Statements" on Classification of Liabilities as current or non-current | 1 January 2023 | Unlikely to be a material impact |
| Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 | Unlikely to be a material impact |
| Narrow scope amendments to IAS 1 "Presentation of Financial Statements", Practice statement 2 and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" | 1 January 2023 | Unlikely to be a material impact |

# SHAREHOLDER INFORMATION

## Ordinary shareholders

| Shareholder spread | Number of shareholder accounts | % of total shareholder accounts | Number of shares | % of issued shares |
|---|---|---|---|---|
| 1 - 1 000 | 412 | 63.00 | 63 738 | 0.05 |
| 1 001 - 10 000 | 89 | 13.61 | 383 190 | 0.30 |
| 10 001 - 100 000 | 95 | 14.53 | 3 291 472 | 2.55 |
| 100 001 - 1 000 000 | 49 | 7.49 | 14 474 556 | 11.23 |
| Over 1 000 000 | 9 | 1.38 | 110 692 844 | 85.87 |
| | 654 | 100.00 | 128 905 800 | 100.00 |

| Public/Non-public shareholders | Number of shareholder accounts | % of total shareholder accounts | Number of shares | % of issued Shares |
|---|---|---|---|---|
| Non-public shareholders | 7 | 1.07 | 99 111 796 | 76.89 |
| Titan Premier Investments (Pty) Ltd (>5% shareholder) | 2 | 0.31 | 60 183 593 | 46.69 |
| Brait Mauritius Ltd (>5% shareholder) | 1 | 0.15 | 38 732 823 | 30.05 |
| Directors and Associates | 4 | 0.61 | 195 380 | 0.15 |
| Public shareholders | 647 | 98.93 | 29 794 004 | 23.11 |
| | 654 | 100.00 | 128 905 800 | 100.00 |

| Beneficial shareholders holding 5% or more | Number of shares | % of issued Shares |
|---|---|---|
| Titan Premier Investments (Pty) Ltd | 60 183 593 | 46.69 |
| Brait Mauritius Ltd | 38 732 823 | 30.05 |
| Allan Gray | 9 637 715 | 7.48 |
| | 108 554 131 | 84.21 |

## "A" ordinary shareholders

| Shareholder spread | Number of shareholder accounts | % of total shareholder accounts | Number of shares | % of issued shares |
|---|---|---|---|---|
| 1 - 1 000 | 1 | 14.29 | 966 | 6.25 |
| 1 001 - 10 000 | 6 | 85.71 | 14 491 | 93.75 |
| | 7 | 100.00 | 15 457 | 100.00 |

| Public/Non-public shareholders | Number of shareholder accounts | % of total shareholder accounts | Number of shares | % of issued Shares |
|---|---|---|---|---|
| Non-public shareholders | 6 | 85.71 | 14 491 | 93.75 |
| Directors and Associates | 6 | 85.71 | 14 491 | 93.75 |
| Public shareholders | 1 | 14.29 | 966 | 6.25 |
| | 7 | 100.00 | 15 457 | 100.00 |

| Beneficial shareholders holding 5% or more | Number of shares | % of issued Shares |
|---|---|---|
| JJ Gertenbach | 5 797 | 37.50 |
| F Grobbelaar | 1 932 | 12.50 |
| GJ Campbell | 1 932 | 12.50 |
| JD Simpson | 1 932 | 12.50 |
| SM O'Sullivan | 1 449 | 9.37 |
| AS van der Schyf | 1 449 | 9.37 |
| TNI Trust | 966 | 6.25 |
| | 15 457 | 100.00 |

## “A1” ordinary shareholders

| Shareholder spread | Number of shareholder accounts | % of total shareholder accounts | Number of shares | % of issued shares |
|---|---|---|---|---|
| 1 - 1 000 | 1 | 10.00 | 780 | 3.38 |
| 1 001 - 10 000 | 9 | 90.00 | 22 280 | 96.62 |
| | 10 | 100.00 | 23 060 | 100.00 |

| Public/Non-public shareholders | Number of shareholder accounts | % of total shareholder accounts | Number of shares | % of issued Shares |
|---|---|---|---|---|
| Non-public shareholders | 9 | 90.00 | 21 590 | 93.63 |
| Directors and Associates | 9 | 90.00 | 21 590 | 93.63 |
| Public shareholders | 1 | 10.00 | 1 470 | 6.37 |
| | 10 | 100.00 | 23 060 | 100.00 |

| Beneficial shareholders holding 5% or more | Number of shares | % of issued Shares |
|---|---|---|
| JJ Gertenbach | 5 730 | 24.85 |
| GJ Campbell | 2 610 | 11.32 |
| JD Simpson | 2 610 | 11.32 |
| SM O’Sullivan | 2 120 | 9.19 |
| AS van der Schyf | 2 120 | 9.19 |
| F Grobbelaar | 2 000 | 8.67 |
| A Sodalay | 1 820 | 7.89 |
| JN Singonzo | 1 800 | 7.81 |
| TNI Trust | 1 470 | 6.37 |
| | 22 280 | 96.62 |

# GENERAL INFORMATION

| | |
|---|---|
| **Company Name** | Premier Group Limited (formerly Premier Group Proprietary Limited) |
| **Company registration number** | 2007/016008/06 |
| **Country of incorporation and domicile** | Republic of South Africa |
| **JSE share code** | PMR |
| **ISIN** | ZAE000320321 |
| **Registered office and business address** | Building 5<br>Maxwell Office Park<br>Magwa Crescent West<br>Waterfall, 2090<br>Private Bag X2127, Isando, 1600<br>Telephone +27 11 565 4300 |
| **Directors** | JJ Gertenbach *(Chief Executive Officer)*<br>F Grobbelaar *(Chief Financial Officer)*<br>CJ Roodt *(Independent Non-executive Chairperson)*<br>RM Hartmann* *(Non-executive)*<br>FN Khanyile *(Independent Non-executive)*<br>JER Matthews *(Non-executive)*<br>H Ramsumer *(Independent Non-executive)*<br>W Sihlobo *(Independent Non-executive)*<br>I van Heerden *(Non-executive)*<br>** PRN Hayward-Butt is an alternate director to RM Hartmann* |
| **Bankers** | FirstRand Bank Limited |
| **Company secretary** | Margaretha Stoltz<br>Email: companysecretary@premierfmcg.com |
| **Transfer secretaries** | Computershare Investor Services Proprietary Limited<br>Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196<br>Private Bag X9000, Saxonwold, 2132<br>Telephone +27 11 370 5000 |
| **Sponsor** | Rand Merchant Bank (a division of FirstRand Bank Limited)<br>1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196<br>PO Box 786273, Sandton, 2146<br>Telephone +27 11 282 8000 |
| **Independent auditor** | PricewaterhouseCoopers Inc.<br>4 Lisbon Lane, Waterfall City, Jukskei View, 2090<br>Private Bag X36, Sunninghill, 2157<br>Telephone +27 11 797 4000 |
| **Website** | www.premierfmcg.com |
| **Investor relations** | Should you wish to be placed on the mailing list to receive email updates, please send an email to investor@premierfmcg.com |
| **Tax reference number** | 9102629160 |
| **Date of release** | 6 June 2023 |