



**Premier**

Notice  
of annual  
general  
meeting  
**2023**



# NOTICE OF ANNUAL GENERAL MEETING

## Premier Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 2007/016008/06)

JSE share code: PMR

ISIN: ZAE000320321

(Premier or Company)

## NOTICE OF ANNUAL GENERAL MEETING

In terms of section 62(1) of the Companies Act No 71 of 2008, as amended (Companies Act), notice is hereby given to all shareholders of the Company that the annual general meeting (AGM or meeting) of Premier will be held in hybrid format, both electronically (online) through the interactive meeting platform of Premier's transfer secretaries, Computershare Investor Services Proprietary Limited (Computershare), and in person at the Premier Head Office, Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall City, Midrand, Johannesburg at 14h00 on Tuesday, 5 September 2023, in order to deal with such business as may lawfully be dealt with at the AGM and to consider and, if deemed fit, to pass, with or without modification, the ordinary resolutions, non-binding advisory resolutions and special resolutions set out hereunder in the manner required by the Companies Act, the JSE Limited Listings Requirements (Listings Requirements) and the Company's Memorandum of Incorporation (MOI).

This notice sets out the procedures which shareholders should follow in order to participate in the AGM either in person or by electronic participation.

## IMPORTANT DATES TO NOTE

Record date to be eligible to receive the notice of AGM	Friday, 21 July
Date for posting notice of AGM	Friday, 28 July
Last day to trade to be eligible to attend and vote at the AGM	Tuesday, 22 August
Record date to be eligible to participate and vote at the AGM (voting record date)	Friday, 25 August
Forms of proxies due (for administration purposes)	Friday, 1 September
AGM at 14h00	Tuesday, 5 September
Results of AGM to be released on SENS	Wednesday, 6 September

## SHAREHOLDER PARTICIPATION

### Appointment of proxies

Each shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the Company) to participate, speak and vote in their stead at the AGM.

Any appointment of a proxy(ies) must be effected by using the form of proxy attached hereto as Annexure A. In the interest of efficiency, shareholders are kindly requested to submit completed forms of proxy to Computershare at [proxy@computershare.co.za](mailto:proxy@computershare.co.za), by 14h00 on Friday, 1 September 2023. Any forms of proxy not lodged by this time must be handed to the chair of the AGM or emailed to Computershare immediately prior to the proxy exercising a shareholder's right at the AGM.

Unless revoked before then, a signed form of proxy shall remain valid at any adjournment or postponement of the AGM and the proxy so appointed shall be entitled to vote, as indicated on the form of proxy, on any resolution (including any resolution which is amended). Any registered shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the AGM should the shareholder subsequently decide to do so.

### Electronic participation<sup>1</sup>

As Premier will be holding the AGM in a hybrid format, shareholders may attend electronically (online) through Computershare's interactive meeting platform. While shareholders attending the AGM online will be able to view the meeting, vote and ask questions in real time, they are encouraged to submit questions in advance by emailing [companysecretary@premierfmcg.com](mailto:companysecretary@premierfmcg.com) by 14h00 on Friday, 1 September 2023. These questions will be addressed at the AGM.

Shareholders wishing to participate in the AGM online will need to register on <https://meetnow.global/za> by clicking on the Premier logo or submitting a written notice via email to Computershare at [proxy@computershare.co.za](mailto:proxy@computershare.co.za). A shareholders' guide to AGM participation is set out in Annexure B of this notice, as well as under the investor relations tab on the Company's website, [www.premierfmcg.com](http://www.premierfmcg.com).

<sup>1</sup> The cost of electronic participation (mobile data consumption or internet connectivity) in the AGM will be carried by the participant.



## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Shareholders will have no claim against the Company, Computershare or third-party service providers for any loss, damage, penalty or claim arising in any way from the use or possession of the electronic communication services or any defect in them or from total or partial failure of the electronic communication services and connections linking the participant via the electronic communication services to the AGM.

### In person participation

Shareholders attending the AGM in person and who wish to vote thereat will use their cell phones or web enabled devices during the AGM to cast their votes and will follow the same steps to vote at the AGM as the shareholders attending online. Shareholders will not be provided with special voting devices at the AGM.

### Dematerialised shareholders with own-name registration and certificated shareholders

Shareholders holding dematerialised shares with 'own name' registration and/or who hold shares in certificated form as at the voting record date:

1. may vote at and attend the AGM in person. Such shareholders may register online using the online registration portal at <https://meetnow.global/za> to allow Computershare to arrange the participation of the shareholder in the AGM or alternatively register at the venue; or
2. may vote at and attend the AGM by electronic participation. Such shareholders must register online using the online registration portal at <https://meetnow.global/za>. Following successful registration, Computershare will provide shareholders with an invitation code in order to connect electronically to the AGM; or
3. may vote at but not attend the AGM in person or by electronic participation. Such shareholders may appoint a proxy or two or more proxies (who need not be a shareholder/s of the Company) to represent them at the AGM.

### Dematerialised shareholders without own-name registration

Shareholders holding dematerialised shares without 'own name' registration as at the voting record date:

1. may vote at and attend the AGM in person. Such shareholders must request their CSDP or broker to issue them (or their proxy(ies)) with the necessary authority (i.e., a letter of representation) in terms of the relevant custody agreement/mandate entered into between them. Thereafter, they may register online using the online registration portal at <https://meetnow.global/za> to allow Computershare to arrange the participation of the shareholder in the AGM or alternatively register at the venue;
2. may vote at and attend the AGM by electronic participation. Such shareholders must request their CSDP or broker to issue them (or their proxy(ies)) with the necessary authority (i.e., a letter of representation or letter of electronic participation) in terms of the relevant custody agreement/mandate entered into between them and thereafter register online using the online registration portal at <https://meetnow.global/za>. Following successful registration, Computershare will provide shareholders with an invitation code in order to connect electronically to the AGM; or
3. may vote at but not attend the AGM in person or by electronic participation. Such shareholders must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement/mandate entered into between them.

Premier does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the AGM or any business to be conducted thereat.

### 'A' and 'A1' ordinary shareholders

In terms of the Company's MOI, holders of 'A' and 'A1' ordinary shares (as such terms are defined in the MOI) are entitled to receive notice of, and to be present either in person or by proxy, at the AGM, but shall not be entitled to vote thereat unless a resolution of the Company is proposed which affects the preferences, rights, limitations or other terms associated with the 'A' or 'A1' ordinary shares respectively.

### Proof of identification required

In compliance with section 63(1) of the Companies Act, meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Acceptable forms of identification include valid identity documents, driver's licences and passports.

## QUORUM AND VOTING REQUIREMENTS

A quorum for the purposes of considering the resolutions to be proposed at the AGM shall consist of three shareholders of the Company, personally present or represented by proxy(ies) and entitled to vote at the AGM. In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions to be proposed at the AGM. Voting will be by way of a poll, and every shareholder of the Company, present or represented by proxy(ies), shall have one vote for every share held in the Company by such shareholder.

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### NOTICE OF PERCENTAGE OF VOTING RIGHTS

Unless specifically stated otherwise, in order for an ordinary resolution and a special resolution to be approved by shareholders, same must be supported by more than 50% and at least 75% respectively, of the voting rights exercised on the relevant resolution by shareholders present or represented by proxy(ies) at the AGM.

### PRESENTATION TO SHAREHOLDERS

The below items do not require formal resolutions; however, shareholders are given the opportunity to ask questions and make comments about the reports.

#### Presentation of the audited annual financial statements

The audited Annual Financial Statements of the Company and the Group for the year ended 31 March 2023 (as approved by the Board of Directors of the Company), including the independent auditor, Audit and Risk Committee and Directors' reports, are presented to shareholders in terms of section 30(3) of the Companies Act.

The summarised financial statements are set out in Annexure C of this notice. The complete Annual Financial Statements are available on the Company's website, [www.premierfmcg.com](http://www.premierfmcg.com), or can be requested from the Company Secretary at [companysecretary@premierfmcg.com](mailto:companysecretary@premierfmcg.com).

#### Report of the Social and Ethics Committee

The report of the Group Social and Ethics Committee for the year ended 31 March 2023, read together with the detailed Sustainability Report, as set out on pages 94 to 95 and 57 to 79 respectively, of the 2023 Integrated Report, is presented to shareholders in terms of regulation 43(5)(c) of the Companies Act.

The report is available on the Company's website, [www.premierfmcg.com](http://www.premierfmcg.com), or can be requested from the Company Secretary at [companysecretary@premierfmcg.com](mailto:companysecretary@premierfmcg.com).

## RESOLUTIONS FOR CONSIDERATION AND ADOPTION

### ORDINARY RESOLUTIONS:

#### RE-ELECTION OF DIRECTORS RETIRING BY ROTATION

In accordance with clause 35.5(b) of the Company's MOI, one-third of the Non-Executive Directors are subject to retirement by rotation and re-election by shareholders at each annual general meeting. The Non-Executive Directors due to retire in terms of clause 35.5(b) are those who have been longest in office since their last election, provided that if more than one of them were elected Directors on the same day, those to retire shall be determined by lot. Messrs RM Hartmann, JER Matthews and CJ Roodt are obliged to retire by rotation at this AGM in accordance with these requirements.

At the date of the AGM, Mr CJ Roodt would have served on the Board for a period of 12 years. Accordingly, and in accordance with the Company's policy on Non-Executive Director tenure, the Board, through the Remuneration and Nomination Committee, followed a robust and rigorous process to determine and confirm his independence, applying the test for independence in accordance with the Listings Requirements, the Companies Act and the recommendations in the King Code of Governance Principles for South Africa 2016 (King IV™). Following this process, the Board concluded that Mr CJ Roodt continues to exercise objective judgement and that there is no interest, position, association or relationship likely to unduly influence or cause bias in his decision-making.

Having so retired, the aforementioned members are eligible for re-election as Directors of the Board. The Remuneration and Nomination Committee has reviewed the composition and diversity of the Board and evaluated the independence, performance and contribution of the Directors listed above. Furthermore, the Committee has considered their individual knowledge, skills and experience, and recommended to the Board that they be proposed for re-election. The Board has considered the proposals of the Remuneration and Nomination Committee and recommends the re-election of Messrs RM Hartmann, JER Matthews and CJ Roodt by way of separate resolutions.

Brief *curricula vitae* in respect of the above-mentioned Directors are set out in Annexure D of this notice.

### Ordinary Resolution Number 1

#### RE-ELECTION OF MR RM HARTMANN AS A NON-EXECUTIVE DIRECTOR OF THE COMPANY

'RESOLVED THAT Mr RM Hartmann, who retires by rotation in accordance with the Company's MOI, and who, being eligible, offers himself for re-election, be and is hereby re-elected as a Non-Executive Director of the Company.'

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### Ordinary Resolution Number 2

#### RE-ELECTION OF MR JER MATTHEWS AS A NON-EXECUTIVE DIRECTOR OF THE COMPANY

‘RESOLVED THAT MR JER Matthews, who retires by rotation in accordance with the Company’s MOI, and who, being eligible, offers himself for re-election, be and is hereby re-elected as a Non-Executive Director of the Company.’

### Ordinary Resolution Number 3

#### RE-ELECTION OF MR CJ ROODT AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY

‘RESOLVED THAT Mr CJ Roodt, who retires by rotation in accordance with the Company’s MOI, and who, being eligible, offers himself for re-election, be and is hereby re-elected as an Independent Non-Executive Director of the Company.’

### ELECTION OF MEMBERS OF THE AUDIT AND RISK COMMITTEE

The Board is satisfied that the Audit and Risk Committee diligently executed its mandate and responsibilities during the 2023 financial year and confirms that no matters of concern were flagged during the annual review of the Committee’s performance and effectiveness. In order to bolster independence, Ms FN Khanyile was appointed as a member of the Committee with effect from 6 March 2023.

Pursuant to the above, the Board proposes that shareholders elect Mr RM Hartmann (Non-Executive Director), Ms FN Khanyile (Independent Non-Executive Director) and Mr H Ramsumer (Independent Non-Executive Director) to the Audit and Risk Committee for the ensuing financial year. The Board is satisfied that each member standing for election meets the requirements of section 94(4) of the Companies Act, as well as the minimum qualification requirements for a member of an audit committee and that collectively, they have adequate, relevant knowledge and experience to equip the Committee to perform its functions as contemplated in section 94(7) of the Companies Act. The resolutions pertaining to the election of the members of the Audit and Risk Committee are to be voted on individually.

Brief *curricula vitae* in respect of the above-mentioned Directors are set out in Annexure D of this notice.

### Ordinary Resolution Number 4

#### ELECTION OF AUDIT AND RISK COMMITTEE MEMBERS

‘RESOLVED THAT each of the following Non-Executive Directors, who fulfil the requirements of section 94(4) of the Companies Act, be and are hereby elected, each by way of a separate vote, as members of the Audit and Risk Committee:’

4.1 Mr RM Hartmann\*

4.2 Ms FN Khanyile

4.3 Mr H Ramsumer

\* Subject to re-election as a Non-Executive Director pursuant to ordinary resolution number 1.

### ELECTION OF MEMBERS OF THE SOCIAL AND ETHICS COMMITTEE

The Board is satisfied that the Social and Ethics Committee diligently executed its mandate and responsibilities during the 2023 financial year and confirms that no matters of concern were flagged during the annual review of the Committee’s performance and effectiveness. The resolutions pertaining to the election of the members of the Social and Ethics Committee are to be voted on individually.

Brief *curricula vitae* in respect of the above-mentioned Directors are set out in Annexure D of this notice.

### Ordinary Resolution Number 5

#### ELECTION OF SOCIAL AND ETHICS COMMITTEE MEMBERS

‘RESOLVED THAT each of the following Non-Executive Directors be and are hereby elected, each by way of a separate vote, as members of the Social and Ethics Committee, to perform, amongst others, the duties and responsibilities stipulated in regulation 43(5) of the Companies Act:’

5.1 Mr RM Hartmann\*

5.2 Mr JER Matthews\*\*

5.3 Mr W Sihlobo

\* Subject to re-election as a Non-Executive Director pursuant to ordinary resolution number 1.

\*\* Subject to re-election as a Non-Executive Director pursuant to ordinary resolution number 2.

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### RE-APPOINTMENT OF INDEPENDENT EXTERNAL AUDITORS

In accordance with paragraph 3.84(g)(iii) of the Listings Requirements, the Audit and Risk Committee has reviewed the credentials and accreditation information relating to PricewaterhouseCoopers Inc. (PwC) and to Mr Eben Gerryts (in his capacity as the designated audit partner) in order to assess their suitability for re-appointment as the Company's independent external auditors for the 2024 financial year. The assessment encompassed a review of, *inter alia*, the relevant IRBA inspection reports, transparency reports, proof of registration and qualifications report. The Audit and Risk Committee is comfortable that PwC and Mr Eben Gerryts are suitable for re-appointment as the independent and designated auditor respectively of the Group for the ensuing year. The Board agrees with this assessment and accordingly proposes their appointment.

### Ordinary Resolution Number 6

#### RE-APPOINTMENT OF INDEPENDENT EXTERNAL AUDITORS

'RESOLVED THAT PwC, on recommendation by the Audit and Risk Committee, be and is hereby reappointed as the independent registered auditor of the Company, and that Mr Eben Gerryts be noted as the individual determined by PwC to be responsible for performing the functions of the auditor and who will undertake the audit of the Company for the ensuing year.'

### GENERAL AUTHORITY TO ISSUE SHARES FOR CASH<sup>2</sup>

### Ordinary Resolution Number 7

#### GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

'RESOLVED THAT, subject to the restrictions set out below and the provisions of the Companies Act, the MOI and the Listings Requirements, the Directors of the Company be and are hereby authorised by way of a renewable general authority to allot and issue the authorised but unissued shares of the Company for cash, as and when they in their discretion deem fit, subject to the following:

1. the authority shall only be valid until the Company's next annual general meeting or for 15 months from the date that this resolution is passed, whichever period is shorter;
2. the shares which are the subject of the issue for cash under this authority must be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
3. the allotment and issue of shares for cash shall be made only to persons qualifying as public shareholders, as defined in the Listings Requirements, and to related parties, subject to the clause 4 below;
4. related parties may only participate in a general issue of shares for cash through a bookbuild process, provided that:
  - 4.1 they may only participate with a maximum bid price at which they are prepared to take up shares or at the book close price. In the event of a maximum bid price and the book closing at a higher price, the relevant related party will be 'out of book' and will not be allocated shares; and
  - 4.2 shares must be allocated equitably 'in the book' through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement in which the bookbuild is launched;
5. the total aggregate number of shares which may be issued for cash in terms of this authority, including instruments which are or may be convertible into shares of any class, may not exceed 6 445 290 shares, being 5% of the Company's issued shares as at the date of notice of this AGM, excluding treasury shares. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 6 445 290 shares the Company is authorised to issue in terms of this authority, for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
6. in the event of a subdivision or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
7. the maximum discount at which shares may be issued is 10% of the volume weighted average traded price of such shares, measured over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the shares (or, in the case of instruments which are or may be compulsorily convertible into shares of any class, the date that such instruments are issued);
8. any such general issues are subject to exchange control regulations and approval at that point in time; and
9. after the Company has issued shares for cash which represent, on a cumulative basis within the period that this authority is valid, 5% or more of the number of shares in issue prior to that issue, the Company shall publish an announcement containing full details of the issue as required by the Listings Requirements.'

<sup>2</sup> In terms of the Listings Requirements, for ordinary resolution number 7 to be adopted, at least 75% of the shareholders present in person or by proxy(ies) and entitled to vote on this resolution at the AGM, must cast their vote in favour thereof.

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### ADVISORY ENDORSEMENT OF THE REMUNERATION POLICY AND IMPLEMENTATION REPORT

King IV recommends that the remuneration policy of the Company and the implementation thereof be tabled for separate non-binding advisory votes by shareholders at each annual general meeting of the Company. This enables shareholders to express their views on the remuneration policy adopted by the Company and the manner in which same is implemented. Ordinary resolutions 8 and 9 are of an advisory nature only, and failure to pass these resolutions will therefore not have any legal consequences relating to existing remuneration arrangements. The Board will, however, take the outcomes of these votes into consideration when considering amendments to the Company's remuneration policy. If either the remuneration policy or the implementation thereof is voted against by 25% or more of the votes exercised at the AGM, the Company will, in its AGM voting results announcement pursuant to the Listings Requirements, extend an invitation to dissenting shareholders to engage with the Company. The manner and timing of such engagement will be specified in the SENS announcement following the AGM.

The remuneration report is included in the 2023 Integrated Report, available on the Company's website, [www.premierfmcg.com](http://www.premierfmcg.com), or can be requested from the Company Secretary at [companysecretary@premierfmcg.com](mailto:companysecretary@premierfmcg.com).

#### Ordinary Resolution Number 8

##### NON-BINDING ADVISORY VOTE ON THE REMUNERATION POLICY OF THE COMPANY

'RESOLVED THAT, in accordance with King IV and the Listings Requirements, shareholders endorse the remuneration policy of the Company as set out in part 2 of the remuneration report.'

#### Ordinary Resolution Number 9

##### NON-BINDING ADVISORY VOTE ON THE IMPLEMENTATION OF THE REMUNERATION POLICY OF THE COMPANY

'RESOLVED THAT, in accordance with King IV and the Listings Requirements, shareholders endorse the implementation of the remuneration policy of the Company as set out in part 3 of the remuneration report.'

### AUTHORISATION TO SIGN DOCUMENTS TO GIVE EFFECT TO RESOLUTIONS

#### Ordinary Resolution Number 10

##### AUTHORISATION TO SIGN DOCUMENTS

'RESOLVED THAT any Director of the Company or the Company Secretary be and is hereby authorised to sign all such documentation and to do all such things as may be necessary for or incidental to the implementation of all the ordinary and special resolutions which are passed by the shareholders.'

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### SPECIAL RESOLUTIONS

#### NON-EXECUTIVE DIRECTORS FEES

##### Special Resolution Number 1

##### NON-EXECUTIVE DIRECTORS FEES

‘RESOLVED THAT, in terms of section 66(9) of the Companies Act and on the recommendation of the Remuneration and Nomination Committee, the Company be and is hereby authorised to remunerate its Non-Executive Directors for their services as Directors and/or pay any fees related thereto as detailed in the following table, in respect of the financial year ending 31 March 2024, provided that the aforementioned authority shall be valid until the next annual general meeting of the Company. The proposed remuneration excludes value added tax (VAT), which will be added by the Directors in accordance with current VAT legislation, where applicable.’

Name	Total Annual fees: Based on number of scheduled meetings	Annual Retainer	Per Meeting Fee	Number of scheduled meetings	Annual Base fee: Based on number of scheduled meetings
<b>Board</b>					
Chair	R750 000	R375 000	R93 750	4	R375 000
Member	R350 000	R175 000	R43 750	4	R175 000
<b>Audit and Risk Committee</b>					
Chair	R250 000	R125 000	R31 250	4	R125 000
Member	R125 000	R62 500	R15 625	4	R62 500
<b>Remuneration and Nomination Committee</b>					
Chair	R200 000	R100 000	R25 000	4	R100 000
Member	R100 000	R50 000	R12 500	4	R50 000
<b>Social and Ethics Committee</b>					
Chair	R140 000	R70 000	R35 000	2	R70 000
Member	R80 000	R40 000	R20 000	2	R40 000

\* Depending on the number of meetings held per annum, the actual fees payable to Directors may be higher or lower than the total fees depicted in the table above.

#### REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 1

In terms of sections 66(8) and 66(9) of the Companies Act, remuneration may only be paid to members of the Board for their services as Directors in accordance with a special resolution approved by shareholders within the previous two years, and if not prohibited in terms of the Company’s MOI. Therefore, the reason for and effect of special resolution number 1 is to approve the basis and authorise the payment of Non-Executive Directors’ fees for the financial year ending 31 March 2024.

### FINANCIAL ASSISTANCE

#### Special Resolution Number 2

##### FINANCIAL ASSISTANCE IN TERMS OF SECTIONS 44 AND 45 OF THE COMPANIES ACT

‘RESOLVED THAT, subject to compliance with the provisions of the Companies Act, the MOI and the Listings Requirements and for a period of two years from the date on which this resolution is passed, the Directors may authorise the Company to provide direct or indirect financial assistance in the manner contemplated in and subject to the provisions of sections 44 and/or 45 of the Companies Act, by way of a loan, guarantee, the provision of security or otherwise, to:

1. any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the Company, for any purpose or in connection with any matter including, but not limited to, the subscription of any option or any securities issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company as contemplated under section 44 of the Companies Act; or
2. to any person who is a participant in any of the share or other employee incentive schemes of the Group, for the purpose of or in connection with the subscription of any option, or any securities, issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company, where such financial assistance is provided in terms of any such scheme that does not constitute an employee share scheme that satisfies the requirements of section 97 of the Companies Act.’



## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 2

The reason for and effect of special resolution number 2 is to permit the Company to provide direct or indirect financial assistance (within the meaning attributed to that term in sections 44 and/or 45 of the Companies Act) to the entities and/or persons referred to in special resolution number 2 above. Where authorised, these transactions will be executed on an arms-length basis.

### BOARD UNDERTAKING IN TERMS OF SECTIONS 43(B) AND 45(5) OF THE COMPANIES ACT

The Board undertakes that, in accordance with section 43(b) of the Companies Act, it will not adopt a resolution to authorise the aforementioned financial assistance unless the Directors are satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test.

In accordance with section 45(5) of the Companies Act, the Board undertakes to notify shareholders and trade unions within 10 business days after it has adopted a resolution authorising the Company to provide such direct or indirect financial assistance as specified in the special resolution above, if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds one-tenth of 1% of the Company's net worth at the time of the resolution; or within 30 business days after the end of the financial year in any other case.

## GENERAL AUTHORITY TO REPURCHASE SHARES

### Special Resolution Number 3

#### GENERAL AUTHORITY TO REPURCHASE SHARES

'RESOLVED THAT, the Board be and is hereby authorised, by way of a renewable general authority, to approve the repurchase by the Company or the purchase by any of its subsidiaries of any of the shares issued by the Company, upon such terms and conditions and in such amounts as the Board may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the MOI and the Listings Requirements, including, *inter alia*, that:

1. this general authority shall only be valid until the Company's next AGM, provided that it shall not extend beyond 15 months from the date of passing this special resolution;
2. any repurchase shall be implemented through the order book of the JSE and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty (reported trades are prohibited);
3. the Company (or any subsidiary) is duly authorised by its MOI to do so;
4. repurchases of shares in the aggregate in any one financial year may not exceed 5% of the Company's issued ordinary share capital as at the beginning of the financial year;
5. the number of securities purchased and held by a subsidiary or subsidiaries of the Company shall not exceed 5% in aggregate of the number of issued shares in the Company at the relevant times;
6. in determining the price at which shares issued by the Company are repurchased by it and/or any of its subsidiaries in terms of this general authority, the maximum premium at which such shares may be repurchased will be 10% of the weighted average of the market value of the shares on the JSE over the five business days immediately preceding the date on which such repurchase is effected. The JSE should be consulted for a ruling if the Company's securities have not traded in such five-business day period;
7. at any point in time the Company may appoint only one agent to effect a repurchase on its behalf;
8. any such general repurchases are subject to exchange control regulations and approval at that point in time;
9. repurchases may not take place during a prohibited period (as defined in the Listings Requirements), unless a repurchase programme is in place as contemplated in terms of paragraph 5.72(h) of the Listings Requirements, full details of which have been submitted to the JSE in writing prior to the commencement of the prohibited period;
10. a resolution has been passed by the Board of Directors of the Company and/or any subsidiary of the Company, as the case may be, confirming that the Board has authorised the general repurchase, that the Company passed the solvency and liquidity test as defined in the Companies Act and that since the test was done there have been no material changes to the financial position of the Company or the Group; and
11. an announcement will be published as soon as the Company or any of its subsidiaries have repurchased shares constituting, on a cumulative basis, 3% of the ordinary shares in issue as at the date that the general authority is granted by shareholders at the AGM, and for each 3% in aggregate repurchased thereafter, containing full details of such acquisitions. Such announcement will be made as soon as possible and, in any event, by not later than 08h30 on the second business day following the day on which the 3% threshold is reached or exceeded.

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 3

The reason for and effect of special resolution number 3 is to grant the Company, or a subsidiary of the Company, a general authority in terms of the Companies Act and the Listings Requirements for the repurchase by the Company, or any of its subsidiaries, of shares issued by the Company, which authority shall be valid until the earlier of the next annual general meeting of the Company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 months from the date of this AGM.

### STATEMENT OF BOARD'S INTENTION AND UNDERTAKING

In accordance with the Listings Requirements, the Directors record that although there is no immediate intention to affect a repurchase of the shares of the Company, the Directors will utilise this general authority to repurchase shares as and when suitable opportunities present themselves, which may require expeditious and immediate action.

The Board undertakes that it will not implement any repurchase of shares while this general authority is valid, unless for a period of 12 months following the date of the repurchase:

1. the Company and the Group will, in the ordinary course of business, be able to pay its debts as they become due;
2. the consolidated assets of the Company and the Group, fairly valued in accordance with IFRS, will exceed the consolidated liabilities of the Company and the Group; and
3. the Company and Group's share capital, reserves and working capital will be adequate for ordinary business purposes.

## ADDITIONAL DISCLOSURES/INFORMATION REQUIRED IN TERMS OF THE LISTINGS REQUIREMENTS

For the purposes of considering special resolution number 3, and in compliance with paragraph 11.26 of the Listings Requirements, shareholders are referred to the additional information below:

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in special resolution number 3 and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all information required by law and the Listings Requirements.

### MAJOR SHAREHOLDERS

Details of the major shareholders of the Company are set out on page 67 of the Consolidated Annual Financial Statements.

### SHARE CAPITAL OF THE COMPANY

Details of the share capital of the Company are set out on page 41 of the Consolidated Annual Financial Statements.

### NO MATERIAL CHANGES

There have been no material changes to the financial or trading position of the Company and its subsidiaries since the date of publication of the Company's Annual Financial Statements on 6 June 2023.

By Order of the Board

**Retha Stoltz**  
*Company Secretary*

28 July 2023



# FORM OF PROXY

## Premier Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 2007/016008/06)

JSE share code: PMR

ISIN: ZAE000320321

(Premier or Company)

Where appropriate and applicable, the terms defined in the notice of AGM to which this form of proxy is annexed, bear the same meanings in this form of proxy.

This form of proxy is for use and completion by those dematerialised shareholders with 'own name' registration and certificated shareholders, registered as such on the voting record date, who hold ordinary shares of the Company and who are unable to attend (electronically (online) or in person) the AGM of the Company at 14h00 on Tuesday, 5 September 2023.

Shareholders who have dematerialised their shares without 'own name' registration, must not complete this form of proxy but should contact their CSDP or broker in the manner and time stipulated in their custody agreement or mandate, in order to furnish them with their voting instructions or to obtain the necessary letter of representation or letter of electronic participation in the event that they wish to attend the AGM.

Each shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxy or proxies (who need not be a shareholder of the Company) to attend, participate in and speak and vote in his/her stead at the AGM, and at any adjournment thereof. Satisfactory identification must be presented by any person wishing to attend the AGM, as set out in the notice of AGM (to which this form of proxy is annexed).

For completion by dematerialised shareholders with 'own name' registration and certificated shareholders:

I/We	(full name)
of	(address)
	(contact number)
	(email address)
being the holder(s) of	ordinary shares in the Company, hereby appoint
1.	or failing him/her,
2.	or failing him/her,
3. the chair of the AGM,	

as my/our proxy to attend, participate in and speak and vote for me/us and on my/our behalf or to abstain from voting at the AGM which will be held of the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof, in accordance with the following instructions:



## FORM OF PROXY (CONTINUED)

		Number of votes (one vote per share)		
		In favour	Against	Abstain
<b>ORDINARY RESOLUTIONS</b>				
<b>RE-ELECTION OF DIRECTORS RETIRING BY ROTATION</b>				
1	Re-election of Mr RM Hartmann as a Non-Executive Director			
2	Re-election of Mr JER Matthews as a Non-Executive Director			
3	Re-election of Mr CJ Roodt as an Independent Non-Executive Director			
<b>ELECTION OF AUDIT AND RISK COMMITTEE MEMBERS</b>				
4.1	Election of Mr RM Hartmann as a member of the Audit and Risk Committee			
4.2	Election of Ms FN Khanyile as a member of the Audit and Risk Committee			
4.3	Election of Mr H Ramsumer as a member of the Audit and Risk Committee			
<b>ELECTION OF SOCIAL AND ETHICS COMMITTEE MEMBERS</b>				
5.1	Election of Mr RM Hartmann as a member of the Social and Ethics Committee			
5.2	Election of Mr JER Matthews as a member of the Social and Ethics Committee			
5.3	Election of Mr W Sihlobo as a member of the Social and Ethics Committee			
<b>OTHER ORDINARY RESOLUTIONS</b>				
6	Re-appointment of independent external auditors			
7	General authority to issue shares for cash			
8	Non-binding advisory vote on the remuneration policy of the Company			
9	Non-binding advisory vote on the implementation of the remuneration policy of the Company			
10	Authorisation to sign documents to give effect to resolutions			
<b>SPECIAL RESOLUTIONS</b>				
1	Approval of non-executive directors' fees			
2	Authority to provide financial assistance in terms of sections 44 and 45 of the Companies Act			
3	General authority to repurchase shares			

Insert an 'X' in the relevant boxes above according to how you wish your votes to be cast. An 'X' in the relevant boxes above indicates the maximum number of votes exercisable. If you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of ordinary shares held in respect of which you wish to vote.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2023

Signature(s) \_\_\_\_\_

Assisted by me (where applicable) \_\_\_\_\_

# NOTES TO THE FORM OF PROXY

## SUMMARY OF SHAREHOLDERS' RIGHTS IN RESPECT OF PROXY APPOINTMENTS AS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

Please note that in terms of section 58 of the Companies Act:

1. This form of proxy must be in writing, dated and signed by the shareholder appointing the proxy.
2. A shareholder may appoint an individual(s) as a proxy or proxies, including an individual who is not a shareholder of the Company, to participate in, and speak and vote at the AGM, on their behalf.
3. This form or proxy should be delivered to the Company, or to the Company's transfer secretaries, Computershare Investor Services Proprietary Limited (Computershare), before a shareholders' proxy exercises any of their voting rights as a shareholder at the AGM. Any form of proxy not received by the Company or Computershare must be handed to the chair of the AGM before a proxy may exercise any of the shareholders voting rights as a shareholder at the AGM.
4. The appointment of a shareholders' proxy or proxies will be suspended at any time to the extent that he/she chooses to act directly and in person in the exercise of any of his/her rights as a shareholder at the AGM.
5. The appointment of a proxy is revocable and accordingly a shareholder may revoke the proxy appointment by (i) cancelling it in writing or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of a proxy's authority to act on a shareholders' behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the proxy and the Company as aforesaid.
6. If this form of proxy has been delivered to the Company and for as long as the appointment remains in effect, any notice that is required by the Companies Act or the Company's MOI to be delivered by the Company to the shareholder, must be delivered by the Company to the shareholder or to his/her proxy or proxies if the shareholder has, in writing, directed the Company to do so and has paid any reasonable fee charged by the Company for doing so.
7. A shareholders' proxy is entitled to exercise, or abstain from exercising, any of the shareholders voting rights without direction at the AGM, except to the extent that this form of proxy provides otherwise.
8. The appointment of a shareholders' proxy remains valid only until the end of the AGM or any adjournment or postponement thereof, unless it is revoked by the shareholder before then on the basis set out above.

## EXPLANATORY NOTES

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting 'the chair of the AGM', but any such deletion must be initialled by the shareholder. Should this space be left blank, the chair of the AGM will exercise the proxy. The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.
3. A shareholder's instructions to the proxy must be indicated by the insertion of an 'X' or the relevant number of votes exercisable by the shareholder in the appropriate boxes provided. An 'X' in the appropriate boxes provided indicates the maximum number of votes exercisable by that shareholder. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholders' exercisable votes. A shareholder or proxy is not obliged to use all the votes exercisable by the shareholder, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the shareholder or proxy.
4. Any alterations or corrections made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by Computershare or waived by the chair of the AGM.
6. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered Computershare.

## NOTES TO THE FORM OF PROXY (CONTINUED)

7. A company holding shares in the Company that wishes to attend and participate at the AGM should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with Computershare prior to the meeting.
8. Where there are joint holders of shares, any one of such holders may vote at any meeting in respect of such shares as if he/she were solely entitled thereto; but if more than one of such joint holders is present or represented at the meeting, the joint holder whose name appears first in the register of shareholders of such shares, or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
9. On a poll, a shareholder who is present in person or represented by a proxy or proxies shall be entitled to one vote in respect of each ordinary share he or she holds in the Company.
10. The chair of the AGM may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he/she is satisfied as to the manner in which the shareholder wishes to vote.
11. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy or proxies appointed in terms hereof.
12. In the interests of efficiency, forms of proxy are requested to be emailed to Computershare at [proxy@computershare.co.za](mailto:proxy@computershare.co.za), by 14h00 on Friday, 1 September 2023. Any forms of proxy not received by this time must be handed to the chair of the AGM or emailed to Computershare immediately prior to the proxy exercising a shareholders' rights at the AGM.

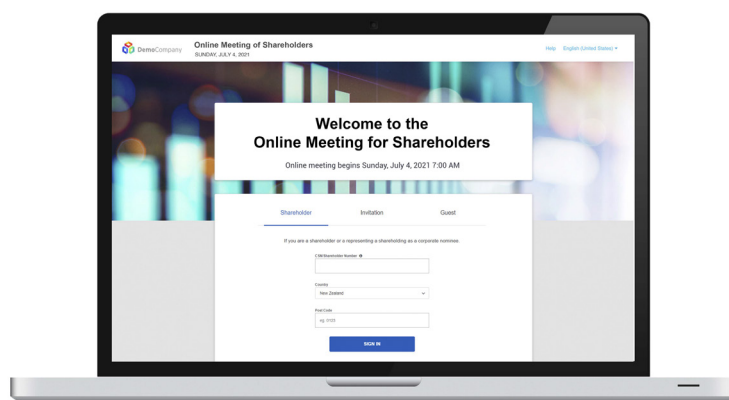
# HOW TO PARTICIPATE IN VIRTUAL/HYBRID MEETINGS

## Attending the meeting online

Our online meetings provide you with the opportunity to participate online using your smartphone, tablet or computer.

You will be able to view a live webcast of the meeting, ask questions and submit your votes in real time.

**You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.**



Visit <https://meetnow.global/za>



### Access

Access the online meeting at <https://meetnow.global/za>, select the applicable meeting from the drop down option. Click 'JOIN MEETING NOW'.

#### If you are a shareholder:

Select 'Invitation' on the login screen and enter the applicable information included in the email received from [noreply@computershare.com](mailto:noreply@computershare.com). Accept the Terms and Conditions and click Continue.

#### If you are a guest:

Select 'Guest' on the login screen. As a guest, you will be prompted to complete all the relevant fields, including title, first name, last name and email address.

Please note, guests will not be able to ask questions or vote at the meeting.

#### If you are a proxy holder:

You will receive an email invitation the day before the meeting to access the online meeting. Click on the link in the email invitation from [noreply@computershare.com](mailto:noreply@computershare.com) to access the meeting.

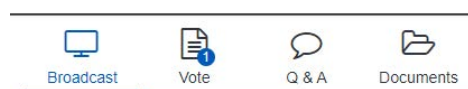


### Contact

If you have any issues accessing the website please email [proxy@computershare.co.za](mailto:proxy@computershare.co.za).



### Navigation



When successfully authenticated, the home screen will be displayed. You can watch the webcast, vote, ask questions, and view meeting materials in the documents folder. The image highlighted blue indicates the page you have active.

The webcast will appear and begin automatically once the meeting has started.



### Voting

Resolutions will be put forward once voting is declared open by the Chair. Once the voting has opened, the resolution and voting options will appear.

To vote, simply select your voting direction from the options shown on screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the green tick appears. To change your vote, select 'Change Your Vote'.



### Q&A

Any eligible shareholder/proxy attending the meeting remotely is eligible to ask a question.

Select the Q&A tab and type your question into the box at the bottom of the screen and press 'Send'.



# SUMMARISED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

## FINANCIAL HIGHLIGHTS

<b>Revenue</b> <b>R17.9 billion</b> <b>↑ 23.4%</b>	<b>EBITDA</b> <b>R1.7 billion</b> <b>↑ 16.2%<sup>(1)</sup></b>	<b>Operating profit</b> <b>R1.3 billion</b> <b>↑ 28.2%<sup>(1)</sup></b>
<b>Net profit</b> <b>R795 million</b> <b>↑ 186.2%</b>	<b>Normalised HEPS<sup>(2)</sup></b> <b>552 cps</b> <b>↑ 22.7%</b>	<b>Group leverage ratio</b> <b>1.7x</b> (2022: 1.6x)
<b>Cash generated by operations</b> <b>R1.5 billion</b> <b>↑ 9.2%</b>	<b>Pre-IPO cash returned to shareholders</b> <b>R958 million</b> (2022: R173 million)	<b>Voluntary debt repayment</b> <b>R294 million</b>
<b>ROIC<sup>(3)</sup></b> <b>19.1%</b> (2022: 14.8%)	<b>ROE<sup>(4)</sup></b> <b>31.5%</b> (2022: 11.7%)	<b>Capital raised by Brait through IPO</b> <b>R3.6bn</b>

<sup>(1)</sup> Prior year EBITDA and operating profit adjusted by adding back a R130 million impairment loss.

<sup>(2)</sup> Normalised headline earnings per share adjusted for foreign exchange gains on cash and loans of a funding nature of R60 million (2022: R3 million) and the reversal of accrued withholding tax on preference dividends of R43 million to profit on the conversion of the redeemable preference shares to ordinary shares.

<sup>(3)</sup> Refers to return on invested capital which was adjusted for the revaluation of intangibles in the current year and capital projects not yet commissioned in the prior year.

<sup>(4)</sup> Refers to return on equity adjusted for revaluation of intangibles.

# COMMENTARY

## OVERVIEW

Premier Group Limited and its subsidiaries (together “Premier” or the “Group”) delivered a robust performance for the year ended 31 March 2023, under dynamic market and trading conditions. Exceptionally high commodity prices, unprecedented levels of loadshedding and social instability defined the operating landscape. The consumer continued to endure rising food inflation and high levels of unemployment impacting disposable income. In response, our focus remained on the continuous training and upskilling of our people, internal cost saving initiatives and the delivery of material operational efficiencies across both manufacturing and the Group’s logistics and merchandising channels. The focus on training and upskilling our people has been a major advantage in assisting us to navigate the challenging environment.

The new mega-bakery in Pretoria was fully commissioned within budget during the year and is operating at maximum production levels, delivering cost savings and improved bread quality. The Group successfully concluded the acquisition of a bakery in the Western Cape of South Africa, further expanding its footprint in the region. Additional synergies from the Mister Sweet acquisition, concluded in 2022, were extracted through the integration into Premier’s confectionery operations and changes to Premier’s sales and merchandising structures were bedded down.

On 24 March 2023, Premier Group Limited concluded an Initial Public Offering and returned to the JSE after an absence of 18 years, raising R3.6 billion in secondary capital for Brait PLC. The transition into the listed environment is expected to support Premier’s efforts to drive its organic and acquisitive growth strategy and strengthen its market position across all business areas.

Over the past few years, we have made good progress in establishing and executing on our ESG strategy. Our long-standing commitment to our purpose, that our products and people make a difference in the everyday lives of our consumers, has enabled us to make a positive impact in the lives of our people and the communities we operate in. Through several corporate social investment initiatives during the year, Premier has been able to provide over 50 million nutritional meals, menstrual hygiene products and educational assistance to communities in need across the country. From an environmental perspective, prioritising cleaner energy initiatives and the elimination of waste in the manufacture and distribution of our products is an essential sustainability focus for the business.

## FINANCIAL REVIEW

The Group’s revenue increased by 23.4% year-on-year to R17.9 billion, driven by increases in revenue in both the Millbake and the Groceries and International categories of 25.4% and 14.5% respectively. The global inflationary impact on input raw materials necessitated the proactive management of product price increases. This had a muted effect on volumes but assisted in offsetting rising input costs. The impact of loadshedding on the business is not considered to have had a material effect, with additional costs incurred across the business of approximately R32 million.

Earnings before interest, tax, depreciation, amortisation and impairment losses (“Adjusted EBITDA”) increased by 16.2% to R1.7 billion, driven by the growth in Millbake EBITDA of 17.4% and in Groceries and International adjusted EBITDA of 3.3%. EBITDA in the prior year was adjusted by adding back an impairment loss of R130 million. The Group’s adjusted EBITDA margin of 9.6% contracted by 60 basis points compared with the prior year level of 10.2%.

Operating profit, adjusted in the prior year for the impairment loss of R130 million, increased by 28.2% to R1.3 billion.

Net finance costs decreased by 38.2%, mainly attributable to the shareholder loan that was ceded for equity and the conversion of the redeemable preference shares to equity during the current year. The decrease was partly offset by the higher interest rates in the current year compared to the prior year and finance costs on the additional borrowings of R1.04 billion. In addition, there was an increase in the foreign exchange gains on cash and intergroup loans of a funding nature which are mainly attributable to the Group’s exposure to foreign currency risk linked to the ZAR to MZN exchange rate.

The effective tax rate for the year decreased from 32.9% to 24.9%. The decrease is mainly attributable to the decline in the non-deductible preference dividends as a result of the conversion of the redeemable preference shares to equity.

Net profit increased by 186.2% to R795 million for the year.

Earnings per share (“EPS”) increased by 90.7% to 630 cents, headline earnings per share (“HEPS”) increased by 39.8% to 634 cents. Normalised headline earnings per share increased by 22.7% to 552 cents for the year. Normalised HEPS were adjusted for foreign exchange gains on cash and loans of a funding nature of R60 million (2022: R3 million) and by the reversal of accrued withholding tax on preference dividends of R43 million to profit on the conversion of the redeemable preference shares to ordinary shares, both of which were once off in nature. The improvement in EPS, HEPS and normalised HEPS is a result of the growth in the Group’s operating profit and the after tax effect of the net finance costs being reduced as a result of the shareholder funding exchanged for equity during the year. It is the board’s opinion that normalised headline earnings per share provides shareholders with the most consistent perspective on Premier’s performance.

Cash generated from operations increased by 9.2% to R1.5 billion for the year, underpinned by the growth in the Group’s EBITDA and supported by well managed working capital.

## COMMENTARY (CONTINUED)

The net cash outflow from financing activities of R134 million for the current year compared to a net cash inflow of R116 million in the prior year. Some of the Group's borrowing facilities were refinanced during the current year resulting in additional cash inflow of R1.04 billion, of which R934 million was distributed to shareholders. A voluntary capital repayment on borrowings of R294 million were made during the year. This capital repayment remains available to be withdrawn for future funding needs.

Other material cash flows during the year were net interest paid of R336 million and tax paid of R172 million.

Capital expenditure ("Capex") including maintenance and expansionary capex, was 1.7% lower than the prior year at R473 million. Capital expenditure to revenue was 2.6% (2022: 3.3%). In keeping with Premier's strategy of achieving growth and being the lowest cost producer, investment in best-in-class facilities is an ongoing priority. Significant projects undertaken during the year, included upgrades to two of Premier's bakeries, improvements to two mills and investment in the sugar confectionery sites to improve efficiencies. In order to continue to drive growth and support maintenance across the business, future capex is anticipated to be broadly in line with historical levels. The capex programme is expected to average R600 million per year for FY2024 and FY2025 and R500 million thereafter.

The Group's net debt (including lease liabilities, but excluding the trade financing facility) at 31 March 2023, was R2.9 billion with a group leverage ratio of 1.7x (2022: 1.6x). The Group's gearing remains in line with historical levels and management is comfortable that there is sufficient flexibility to provide for expansion.

During the current year, the Brait shareholder loan of R1.5 billion was ceded for equity and the redeemable preference shares of R1.8 billion were converted to equity. As a result, 224 686 additional ordinary shares of the Company, being the number of shares prior to the subdivision of the ordinary shares in a ratio of 1:200, were issued to Brait as settlement of the shareholder funding.

## DIVIDENDS

The Company started trading on the Johannesburg Stock Exchange six days prior to the financial year-end. Consequently, no dividends were declared by the board of directors for the year ended 31 March 2023. The Company's current intention is to declare a maiden dividend following the release of its FY2024 results.

## SEGMENTAL REVIEW

### Millbake

The Millbake division delivered a robust performance for the year ended 31 March 2023 with revenue increasing by 25.4% to R14.9 billion and EBITDA, excluding corporate costs, increasing by 17.5% to R1.6 billion. The EBITDA margin of 11.0% contracted 70 bps on the prior year. The increase in Millbake's revenue is attributable to price growth of 24% and volume growth of 1%.

Despite evident macroeconomic headwinds, Premier has shown consistent delivery of growth and is well positioned to drive further growth through a relentless focus on efficiencies and being the lowest cost producer. The commissioning of the new state-of-the-art mega-bakery in Pretoria was the first major step to upgrade the inland capability to the same quality and consistency as the coastal bakeries. Several of the Millbake facilities have been upgraded to establish best-in-class operations to ensure efficient and reliable delivery of top-quality product. In addition, route-to-market optimisation and fleet efficiency initiatives have been implemented. 9 000m<sup>2</sup> of leased warehousing space was added to the Group's central distribution centre in Gauteng, during the last quarter of FY2023, catering for anticipated future growth.

Wheat flour milling capacity remains a focal point in terms of capital expenditure in Millbake. Additional wheat milling capacity in the eSwatini wheat mill is planned for completion by mid-2023 calendar year. Steady performance in the maize category has been underpinned by consistent demand in the staple food category in Southern Africa.

### Groceries and International

The Groceries and International division delivered an encouraging performance for the year ended 31 March 2023. The division's revenue increased by 14.5% to R3.1 billion, while adjusted EBITDA increased by 3.3% to R206 million. The adjusted EBITDA margin, however, contracted by 70 basis points on the prior year to 6.8%.

Good performance in the Sugar Confectionery category supported the growth in the Groceries and International division, with growing sales volumes underpinning increases in both revenue and EBITDA. The focus in Sugar Confectionery is on site manufacturing optimisation and functionality to improve operational performance subsequent to the Mister Sweet acquisition in 2022. The Mister Sweet acquisition expanded Premier's offering significantly in the growing private label category.

The Home and Personal Care category in the United Kingdom delivered pleasing results and strategies to leverage the Lil-lets brand within the broader feminine hygiene category, expanding channels and markets, have been implemented. Premier continues to build a centre of excellence at the Durban facility to unlock future supply chain opportunities.

## COMMENTARY (CONTINUED)

CIM, the Group's business division in Mozambique, had a tough year with the Mozambican economy continuing to experience several economic challenges. Both revenue and EBITDA were down for the year as consumers remain severely constrained. Management is focusing on product and process innovation, operational efficiencies and sensible capital investment to unlock continuous improvement opportunities, automation and category growth.

### CHANGES TO DIRECTORATE

During the year, the Board appointed Harish Ramsumer as Independent Non-executive Director of the Company with effect from 9 May 2022. Mr Ramsumer is a chartered accountant and an experienced business leader. He was a partner at PricewaterhouseCoopers Inc. (PwC) for 18 years and a member of their Africa Assurance Strategic and Executive Committees. In addition, Mr Ramsumer previously served as a member of PwC's Southern Africa Governing Board. He worked as the signing partner and relationship partner on various large corporate and JSE listed entities. He was appointed as the Chairperson of the Audit and Risk Committee with effect from 1 June 2022.

The board also appointed Faith Khanyile as Independent Non-executive Director of the Company with effect from 1 November 2022. Ms Khanyile has been serving on the boards of both listed and private companies across various sectors over the past 20 years. She is currently a Non-executive Director of the following listed entities: Discovery Limited, Bidvest Limited and the JSE Limited. Ms Khanyile holds a Bachelor of Arts in Economics and a Master of Business Administration in Finance as well as a Higher Diploma in Tax. She is currently a member of the Audit and Risk Committee.

Peter Hayward-Butt resigned as a Director of the Company with effect from 11 November 2022, but was elected as an alternate Director to Rolf Hartmann with effect from the same date.

### OUTLOOK

Premier is proud of the strong performance achieved for the year and will endeavour to continue delivering investment returns to its shareholders and making a difference in the everyday lives of its consumers. Improving distribution, product availability and forward share management will remain a strategic priority to increase market penetration, as well as a focus on innovation and product renovation to strengthen product margins and brand equity. We intend to leverage our infrastructure and capabilities through continued investment in our people, as well as ongoing business integration and optimisation in pursuit of being the lowest cost producer.

Despite a softening in raw material input cost inflation in recent months, cost inflation across production, sales and distribution is anticipated to prevail, given the rise in interest rates and the local inflationary impact of the weakened exchange rate. Loadshedding continues to impose multiple operational challenges, including capacity availability in the milling category, but despite indications that loadshedding will persist for the remainder of the year, future performance of the Group is not expected to be materially impacted. Premier will continue to take the necessary steps to protect its margins across the various categories.

The Aeroton bakery upgrade is due to commence during the second half of the 2023 calendar year in line with our strategy of investing in our assets, our people, our brands and our production capability to achieve lowest cost, maintain high quality standards and facilitate growth.

In line with our philosophy of doing the right thing, we will maintain support of our people and communities in need through donations of product and financial assistance, continue to identify ways of reducing our carbon footprint and of eliminating waste in the manufacture and distribution of our products.

### APPRECIATION

On behalf of the Board, we would like to express our gratitude to all our shareholders, our people, our customers, suppliers and all other stakeholders for their valued support during these challenging times.

For and on behalf of the Board

**CJ Roodt**  
*Independent Non-Executive Chairman*

**JJ Gertenbach**  
*Chief Executive Officer*



# SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 R'000	2022 R'000
Revenue from contracts with customers	2	17 938 460	14 537 811
Cost of sales		(12 521 106)	(9 748 182)
<b>Gross profit</b>		<b>5 417 354</b>	<b>4 789 629</b>
Other operating income		39 110	16 839
Credit loss allowances (raised)/reversed		(5 259)	14 208
Impairment losses		-	(130 069)
Sales and marketing expenses		(1 678 648)	(1 529 890)
Distribution expenses		(918 530)	(806 229)
Administration expenses		(1 562 422)	(1 477 140)
<b>Operating profit</b>		<b>1 291 605</b>	<b>877 348</b>
Finance income	3	56 259	4 712
Finance costs*	4	(345 671)	(472 782)
Foreign exchange gains*	5	56 116	4 854
<b>Profit before tax</b>		<b>1 058 309</b>	<b>414 132</b>
Income tax expense		(263 505)	(136 414)
<b>Profit for the year</b>		<b>794 804</b>	<b>277 718</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Remeasurement gain on defined benefit obligations		2 320	4 917
Deferred tax on remeasurements		(468)	(1 039)
<b>Total items that will not be reclassified to profit or loss</b>		<b>1 852</b>	<b>3 878</b>
Items that may be reclassified to profit or loss:			
Foreign currency translation reserve		84 511	6 592
<b>Other comprehensive income for the year net of tax</b>		<b>86 363</b>	<b>10 470</b>
<b>Total comprehensive income for the year</b>		<b>881 167</b>	<b>288 188</b>
<b>Profit attributable to:</b>			
Owners of the Company		794 390	277 412
Non-controlling interest		414	306
		<b>794 804</b>	<b>277 718</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		880 753	287 882
Non-controlling interest		414	306
		<b>881 167</b>	<b>288 188</b>
<b>Earnings per ordinary share attributable to the owners of the Company</b>			
Basic earnings per share (cents)	7	630.41	330.53
Basic earnings per share - diluted (cents)	7	593.29	328.69

\* The foreign exchange gains comparative amount is presented separately and no longer shown as part of finance costs.

# SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note	2023 R'000	2022 R'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		3 840 239	3 658 354
Right-of-use assets		251 435	217 777
Goodwill		233 147	208 064
Intangible assets		1 471 218	1 464 984
Loans receivable		24 577	36 747
Deferred income tax		32 812	29 705
		<b>5 853 428</b>	<b>5 615 631</b>
<b>Current Assets</b>			
Inventories*		2 402 173	1 627 939
Trade and other receivables**		1 794 914	1 375 237
Loans receivable		6 454	7 423
Current income tax receivable		13 539	44 850
Restricted cash	11	2 274	30 000
Cash and cash equivalents		595 402	291 295
		<b>4 814 756</b>	<b>3 376 744</b>
<b>Total Assets</b>		<b>10 668 184</b>	<b>8 992 375</b>
<b>EQUITY</b>			
Share capital	6	2 464 267	126 879
Reserves		(72 421)	(156 932)
Retained income		810 986	20 668
Equity attributable to the equity holders of the Company		<b>3 202 832</b>	<b>(9 385)</b>
Non-controlling interest		7 538	3 963
<b>Total Equity</b>		<b>3 210 370</b>	<b>(5 422)</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Redeemable preference shares	8	-	1 789 751
Loan from shareholder	9	-	1 492 403
Borrowings***		2 926 602	2 123 008
Lease liabilities		249 372	203 501
Deferred income tax		618 990	595 744
Employee benefit obligations		46 574	39 771
Tax liabilities		-	43 513
		<b>3 841 538</b>	<b>6 287 691</b>
<b>Current Liabilities</b>			
Trade and other payables*		1 830 621	1 275 738
Trade financing facility*		760 222	463 610
Refund liabilities**		423 123	342 522
Employee benefit obligations		288 862	277 438
Borrowings***		22 370	179 239
Lease liabilities		52 687	54 936
Tax liabilities		37 176	2 334
Bank overdraft		201 215	114 289
		<b>3 616 276</b>	<b>2 710 106</b>
<b>Total Liabilities</b>		<b>7 457 814</b>	<b>8 997 797</b>
<b>Total Equity and Liabilities</b>		<b>10 668 184</b>	<b>8 992 375</b>

\* In the weeks preceding year-end, the Group procured grain which together with higher commodity prices has resulted in an increase in inventories, trade and other payables and the trade financing facility when compared to the prior year.

\*\* The increase in trade and other receivables and refund liabilities is due to volume growth and the high inflationary costs that have been passed on to customers despite a challenging trading environment.

\*\*\* The Group refinanced some of its borrowing facilities and received additional funding of R1 040 million, of which R934 million was distributed to shareholders during the year. A voluntary capital repayment of R294 million was made during the current year, which is available to be withdrawn for future funding needs.

# SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Share capital R'000	Foreign currency translation reserve R'000	Treasury shares reserve R'000	Retained income/ (Accumulated loss) R'000	Total attributable to equity holders of the group R'000	Non-controlling interest R'000	Total equity R'000
<b>Balance at 31 March 2021</b>	117 632	(163 524)	(9 060)	(251 562)	(306 514)	3 657	(302 857)
<b>Total comprehensive income for the year</b>	-	6 592	-	281 290	287 882	306	288 188
Profit for the year	-	-	-	277 412	277 412	306	277 718
Other comprehensive income	-	6 592	-	3 878	10 470	-	10 470
Issue of shares	9 247	-	-	-	9 247	-	9 247
Cancellation of treasury shares	*	-	9 060	(9 060)	-	-	-
<b>Balance at 31 March 2022</b>	126 879	(156 932)	-	20 668	(9 385)	3 963	(5 422)
<b>Total comprehensive income for the year</b>	-	84 511	-	796 242	880 753	414	881 167
Profit for the year	-	-	-	794 390	794 390	414	794 804
Other comprehensive income	-	84 511	-	1 852	86 363	-	86 363
Issue of shares	3 284 626	-	-	-	3 284 626	-	3 284 626
Return of capital**	(947 238)	-	-	-	(947 238)	-	(947 238)
Dividend distribution***	-	-	-	(2 763)	(2 763)	-	(2 763)
Changes in ownership interest-control not lost	-	-	-	(3 161)	(3 161)	3 161	-
<b>Balance at 31 March 2023</b>	2 464 267	(72 421)	-	810 986	3 202 832	7 538	3 210 370

Note

6

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

\*\* Prior to the Company listing on the JSE Limited ("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.

# SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 R'000	2022 R'000
<b>Cash flows from operating activities</b>			
Cash generated from operations		1 545 092	1 415 013
Finance income received		9 534	2 250
Finance costs paid		(345 681)	(378 694)
Tax paid		(171 784)	(236 717)
Dividends paid		(1 590)	-
<b>Net cash inflow from operating activities</b>		<b>1 035 571</b>	<b>801 852</b>
<b>Cash flows from investing activities</b>			
Replacement of property, plant and equipment		(324 795)	(147 590)
Expansion of property, plant and equipment		(147 889)	(333 387)
Proceeds from disposal of property, plant and equipment		10 483	5 133
Purchase of intangible assets		(44 709)	(38 161)
Payment for acquisition of business, net of cash acquired	11	(23 499)	(427 560)
Decrease/(increase) in restricted cash		27 726	(30 000)
<b>Net cash outflow from investing activities</b>		<b>(502 683)</b>	<b>(971 565)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	6	2 484	2 447
Repayment of share capital		(932 060)	-
Proceeds from borrowings		1 040 000	460 000
Repayments of borrowings		(393 275)	(272 669)
Repayment of shareholder's loan		-	(19 597)
Payment of principal portion of lease liabilities		(52 484)	(54 183)
Net proceeds from bank overdraft	10	201 215	-
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(134 120)</b>	<b>115 998</b>
<b>Net movement in cash and cash equivalents</b>		<b>398 768</b>	<b>(53 715)</b>
Cash and cash equivalents at the beginning of the year	10	177 006	231 874
Effect of exchange rate changes on cash and cash equivalents		19 628	(1 153)
<b>Cash and cash equivalents at the end of the year</b>	<b>10</b>	<b>595 402</b>	<b>177 006</b>

# NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION

The summary consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition concepts of International Financial Reporting Standards (“IFRS”), the 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, the requirements of the South African Companies Act, No. 71 of 2008, as amended (“Companies Act”), and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. They have been prepared under the supervision of the Chief Financial Officer, F Grobbelaar CA(SA).

The accounting policies applied in the preparation of the consolidated annual financial statements from which the summary consolidated financial statements are derived, are in terms of IFRS and are consistent with those applied in the previous year.

These results are extracted from audited information and do not include all the notes of the type normally included in the consolidated annual financial statements. Accordingly, the summary consolidated annual financial statements are to be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2023.

The consolidated annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unqualified opinion thereon. The auditor’s report does not necessarily report on all the information contained in this announcement. The shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor’s engagement, they should obtain a copy of the auditor’s report together with the accompanying financial information. The audited consolidated annual financial statements and the auditor’s report thereon are available for inspection on the Company’s website [www.premierfmcg.com](http://www.premierfmcg.com) or at the Company’s registered office.

The directors take full responsibility for the preparation of these results and confirm that the financial information has been correctly extracted from the underlying consolidated annual financial statements.

## 2. OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (“CODM”). The CODM is responsible for allocating resources, assessing the performance of operating segments and, making strategic decisions. The Chief Executive Officer (“CEO”) is the Chief Operating Decision-Maker and assesses the performance of operating segments based on earnings before interest, tax, depreciation, amortisation and impairment losses (“Adjusted EBITDA”).

The CODM and the board review the normalised headline earnings per share and dilutive normalised headline earnings per share of the Group on a regular basis as part of assessing the overall performance of the Group. Refer to note 7 for more details regarding these performance measurements.

The Group’s operating segments are differentiated as follows:

- **Millbake:** This segment comprises the milling and bakery operations in South Africa, eSwatini and Lesotho. The milling and bakery operations share similar economic characteristics as the flour from the milling operations is the main raw material used in the baking of bread.
- **Groceries and International:** This segment comprises of home and personal care products, sugar-based confectionery products and nutritional beverages. Also included in this segment is the Group’s subsidiary in the United Kingdom involved in the sales and distribution of home and personal care products and the Group’s subsidiary in Mozambique which produces diversified products including wheat flour, maize meal, pasta, biscuits and animal feeds.

The corporate office presented comprises the cost incurred by the Group’s corporate office.

## NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 2. OPERATING SEGMENTS (continued)

Revenue by segment per product type	Sale of food products R'000	Sale of personal care products R'000	Sale of animal feeds R'000	Total R'000
<b>2023</b>				
Millbake	14 883 893	-	-	14 883 893
Groceries and International	2 039 816	707 040	307 711	3 054 567
	16 923 709	707 040	307 711	17 938 460

<b>2022</b>				
Millbake	11 869 815	-	-	11 869 815
Groceries and International	1 684 768	652 016	331 212	2 667 996
	13 554 583	652 016	331 212	14 537 811

	Capital expenditure		Depreciation and amortisation		Adjusted EBITDA	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Millbake	390 443	419 593	288 620	307 976	1 630 071	1 387 866
Groceries and International	73 397	54 036	91 826	113 668	206 337	199 697
Corporate office	8 844	7 348	59 111	61 183	(105 246)	(97 319)
	472 684	480 977	439 557	482 827	1 731 162	1 490 244

Reconciliation from Adjusted EBITDA to operating profit	2023 R'000	2022 R'000
Adjusted EBITDA	1 731 162	1 490 244
Depreciation and amortisation	(439 557)	(482 827)
Impairment losses	-	(130 069)
<b>Operating profit</b>	<b>1 291 605</b>	<b>877 348</b>

#### Geographical information

The Group's non-current assets and revenue by location of operations are detailed below. The CODM does not evaluate the Group's other assets or liabilities on a segmental basis for decision-making purposes.

	2023 R'000	2022 R'000
<b>Revenue</b>		
South Africa	15 330 452	12 158 692
Outside South Africa	2 608 008	2 379 119
	17 938 460	14 537 811
<b>Non-current assets</b>		
South Africa	4 778 628	4 641 464
Outside South Africa	1 017 411	907 715
	5 796 039	5 549 179
Loans receivable	24 577	36 747
Deferred tax	32 812	29 705
<b>Non-current assets per Statement of Financial Position</b>	<b>5 853 428</b>	<b>5 615 631</b>



## NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3. FINANCE INCOME

	2023 R'000	2022 R'000
Loans receivable	3 212	2 462
Banks	8 831	2 061
Other receivables	703	189
Preference dividends	43 513	-
	<b>56 259</b>	<b>4 712</b>

The conversion of the redeemable preference shares during the year 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.

### 4. FINANCE COSTS

	2023 R'000	2022 R'000
Loan from shareholder	14 275	153 459
Borrowings	201 787	145 687
Other payables	1 665	3 022
Lease liabilities	25 730	24 921
Bank overdraft	43 239	2 497
Preference dividends	9 888	94 089
Trade financing facility	49 087	29 107
	<b>345 671</b>	<b>472 782</b>

The loan from shareholder was ceded for equity on 4 May 2022 which resulted in the significant decrease in the finance costs on the shareholder loan. Refer to note 9. Furthermore the redeemable preference shares were converted to equity on 4 May 2022, which resulted in the decrease in preference dividends. Refer to note 8.

### 5. FOREIGN EXCHANGE GAINS

	2023 R'000	2022 R'000
Foreign exchange gains on cash and loans of a funding nature	56 116	4 854

The foreign exchange gains on cash and loans of a funding nature are mainly attributable to the Group's exposure to foreign currency risk linked to the ZAR to MZN exchange rate. The table below references the exchange rates for each reporting period.

	2023 MZN	2022 MZN
ZAR to MZN exchange rate - Closing rate	3.57	4.25

## NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. 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.

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

#### Issued and fully paid

	Number of ordinary shares	Number of "A" ordinary shares	Number of "A1" ordinary shares	Share capital R'000
<b>Reconciliation of issued share capital</b>				
<b>2023</b>				
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)
<b>At the end of the year</b>	<b>128 905 800</b>	<b>15 457</b>	<b>23 060</b>	<b>2 464 267</b>

\* Brait's shareholder loan in Premier FMCG Proprietary Limited was ceded to the Company for the issue by the Company of ordinary shares to Brait. Refer to note 9.

\*\* The redeemable preference shares converted to ordinary shares during the current year. Refer to note 8.

\*\*\* "A1" ordinary shares were issued for a total consideration of R230.60 during the current year.

	Number of ordinary shares	Number of "A" ordinary shares	Number of "A1" ordinary shares	Share capital R'000
<b>2022</b>				
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
<b>At the end of the year</b>	<b>419 673</b>	<b>15 457</b>	<b>-</b>	<b>126 879</b>

^ 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.

## NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. EARNINGS PER SHARE

During the current year, the ordinary shares were subdivided in a ratio of 1:200. In accordance with IAS 33 paragraph 64 the earnings per share calculations for the prior year are adjusted retrospectively to reflect the share split.

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 equivalent number of ordinary shares which equals the value of the “A” ordinary shares, is included in the calculation of earnings per share (“EPS”), headline earnings per share (“HEPS”), normalised headline earnings per share and dilutive earnings per share. The “A1” ordinary shareholders have a similar right and therefore the equivalent number of ordinary shares which equals the value of the “A1” ordinary shares is included in the calculation of EPS, HEPS, normalised headlines earnings per share and dilutive earnings per share.

	2023	2022
Number of ordinary shares in issue	128 905 800	83 934 600
Weighted average number of equivalent ordinary shares from “A” and “A1” ordinary shares	1 176 937	-
Weighted average number of ordinary shares in issue (net of treasury shares) <sup>^</sup>	126 012 283	83 930 800
Diluted weighted average number of ordinary shares in issue	128 227 731	84 400 800
Basic earnings per share (cents)	630.41	330.53
Basic earnings per share - diluted (cents)	593.29	328.69
Headline earnings per share (cents)	633.64	453.32
Headline earnings per share - diluted (cents)	596.47	452.81
Normalised headline earnings per share (cents)	551.67	449.46
Normalised headline earnings per share - diluted (cents)	549.85	448.96

<sup>^</sup> The weighted average number of ordinary shares in issue (net of treasury shares) includes the weighted average number of equivalent ordinary shares which equals the “A” and “A1” ordinary share values.

The reconciliation of the weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share is as follows:

	2023	2022
Weighted average number of ordinary shares in issue (net of treasury shares)	126 012 283	83 930 800
Adjusted for:		
Right to convert redeemable preference shares (Refer to note 8)	2 215 448	470 000
<b>Weighted average number of shares for calculation of diluted earnings per share</b>	<b>128 227 731</b>	<b>84 400 800</b>

Reconciliation between net profit attributable to the owners of the Company and headline earnings:

	2023		2022	
	Gross R'000	Net R'000	Gross R'000	Net R'000
Profit attributable to the owners of the Company		794 390	-	277 412
Adjusted for:				
Loss on disposal of property, plant and equipment	4 744	4 080	4 391	4 313
Impairment losses				
Property, plant and equipment	-	-	9 127	6 362
Goodwill	-	-	18 950	18 950
Trademarks	-	-	101 992	73 438
<b>Headline earnings</b>		<b>798 470</b>		<b>380 475</b>

## NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. EARNINGS PER SHARE (CONTINUED)

Reconciliation between headline earnings and normalised headline earnings:

	2023		2022	
	Gross R'000	Net R'000	Gross R'000	Net R'000
Headline earnings	-	798 470	-	380 475
Adjusted for:				
Foreign exchange gains on cash and loans of a funding nature	(56 116)	(59 782)	(4 854)	(3 242)
Finance costs - Preference dividends*	(43 513)	(43 513)	-	-
<b>Normalised headline earnings</b>	-	<b>695 175</b>	-	<b>377 233</b>
Adjusted for:				
Dilutive earnings effect - Preference dividends	9 888	9 888	1 695	1 695
<b>Diluted normalised headline earnings</b>		<b>705 063</b>		<b>378 928</b>

\* The adjustment represents the accrued withholding tax on preference dividends that was reversed to profit during the current year as it did not become due and payable when the redeemable preference shares were converted to ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding those ordinary shares held by group entities as treasury shares.

Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the earnings attributable to owners of the Company, after excluding those items as required by Circular 01/2021 *Headline Earnings* issued by SAICA as amended from time to time and as required by the JSE.

Weighted average number of ordinary shares in issue is calculated as the number of ordinary shares in issue at the beginning of the period, increased by ordinary shares issued during the period weighted on a time basis for the periods during which they have participated in the profit of the Group.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the net profit attributable to owners of the Company, adjusted for the after-tax dilutive effect of the R33.6 million preference dividends. The Company has dilutive potential ordinary shares which comprise the right the Company obtained during the prior year to convert the redeemable preference shares to ordinary shares of the Company.

The CODM and the board reviews the normalised headline earnings per share and dilutive normalised headline earnings per share of the Group on a regular basis as part of assessing the overall performance of the Group. The calculation of normalised headline earnings per share excludes from headline earnings the impact of the foreign exchange gains on cash and loans of a funding nature, the once-off impact of the accrued withholding tax on the preference dividends that was reversed to profit or loss and the related non-controlling interest and tax effect, divided by the weighted average number of ordinary shares in issue (net of treasury shares). The equivalent number of ordinary shares which equals the value of the "A" and "A1" ordinary shares, is included in the calculation of normalised headline earnings per share.

### 8. 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

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 prime 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 equalled the carrying value of the redeemable preference shares of R1 790 million on conversion date.

## NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 9. LOAN FROM SHAREHOLDER

	2023 R'000	2022 R'000
Brait Mauritius Limited	-	1 492 403

On 4 May 2022, Brait Mauritius Limited ceded its rights to the shareholder loan claim in exchange for the issue by the Company of 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 Mauritius Limited. 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. Prior to the cession, the loan bore interest at prime plus 2%.

### 10. CASH AND CASH EQUIVALENTS

For purposes of the Statement of Financial Position, cash and cash equivalents and bank overdraft consist of:

	2023 R'000	2022 R'000
Cash on hand	16 581	9 807
Bank balances	578 821	281 488
<b>Cash and cash equivalents</b>	<b>595 402</b>	<b>291 295</b>
<b>Bank overdraft</b>	<b>(201 215)</b>	<b>(114 289)</b>

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

	2023 R'000	2022 R'000
Cash on hand	16 581	9 807
Bank balances	578 821	281 488
Cash and cash equivalents	595 402	291 295
Bank overdraft	-	(114 289)
<b>Net cash and cash equivalents</b>	<b>595 402</b>	<b>177 006</b>

During the current year, the Group reassessed the classification of bank overdrafts as a component of cash and cash equivalents and identified that the bank overdraft did not fluctuate in the current year from being overdrawn to a positive balance. It has therefore been concluded that the bank overdraft no longer forms an integral part of the Group's cash management, and instead represents a form of financing and the related cash flow movements are now presented as cash flows from financing activities.

## NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. BUSINESS COMBINATIONS

On 1 May 2022, the Group acquired 100% of the issued share capital of Biz Afrika 710 Proprietary Limited, a bakery in the Western Cape region of South Africa, for a purchase consideration of R30 million. A balance of R2 million remains in escrow due to an unresolved matter between the parties. The acquisition enhances the Group's participation in the bread category and will result in synergies and operational efficiencies which will increase profitability in the Western Cape region for the category.

The assets and liabilities recognised as a result of the acquisition are as follows:

	R'000
Property, plant and equipment	3 654
Inventories	900
Trade and other receivables	901
Current income tax receivable	424
Cash and cash equivalents	4 536
Trade and other payables	(7 463)
Total identifiable net assets	2 952
Goodwill	25 083
<b>Net assets acquired</b>	<b>28 035</b>

The cash outflow for the business combination, net of cash acquired is depicted in the table below:

	R'000
Cash consideration paid	(28 035)
Cash and cash equivalents acquired	4 536
<b>Cash outflow for business combination</b>	<b>(23 499)</b>

The business combination post-acquisition results and contribution to key line items on the Statement of Profit or Loss for the current year were as follows:

	R'000
Revenue from contracts with customers	71 843
EBITDA	6 210
Operating profit	5 019
Profit attributable to owners of the Company	5 014

#### Prior year

On 1 June 2021, the Group acquired a sugar-based confectionery business, under the name of Mister Sweet, as a going concern for a cash purchase consideration of R419.1 million. A bank overdraft balance of R8.5 million was acquired as part of the transaction, consequently resulting in a cash outflow for the business combination, net of cash acquired of R427.6 million.



## NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12. B-BBEE TRANSACTION

During May 2022, the Group implemented an ownership transaction wherein a B-BBEE shareholding was introduced at the Premier FMCG Proprietary Limited ("Premier FMCG") level via the introduction of Main Street 1881 Proprietary Limited, Main Street 1880 Proprietary Limited and the Premier BEE Trust. In terms of the transaction, the Premier BEE Trust acquired an effective 5.1% interest in the ordinary share capital of Premier FMCG. To facilitate the transaction, Premier Group Limited subscribed for preference shares in Premier FMCG equal to the fair value of Premier FMCG's ordinary shares prior to the transaction. It is intended that, in time, dividends be declared to the Premier BEE Trust to benefit the beneficiaries of the Trust.

The beneficiaries of the Premier BEE Trust are nominated black people who are managers of Premier FMCG or Main Street 1881 Proprietary Limited and its direct and indirect subsidiaries from time to time and/or their families or relatives, or black people who live in the communities in which the Group trades or operates.

Premier FMCG is entitled to appoint all the trustees of the Premier BEE Trust and therefore controls the trust. Consequently, the Premier BEE Trust is consolidated as part of the Group's results.

As the trust is consolidated as part of the Group results, an assessment had to be performed to determine the benefit that the beneficiaries of the Trust receive and whether this is within the scope of IFRS 2. On the basis that the beneficiaries do not receive any benefits in the form of equity instruments or cash, the amount of which is based on the value of equity instruments, this arrangement is not in the scope of IFRS 2.

Distributions made to beneficiaries are recognised in profit or loss.

### 13. 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.

During the current year, the Brait shareholder loan of R1 492 million was ceded for equity and the redeemable preference shares of R1 790 million were converted to equity. As a result, 224 686 additional ordinary shares of the Company, being the number of shares prior to the subdivision of the ordinary shares in a ratio of 1:200, were issued to Brait as settlement of the shareholder funding.

### 14. FAIR VALUE INFORMATION

The variable interest rates on borrowings, redeemable preference shares and loan receivables are 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.

### 15. 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.

### 16. COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2023 R'000	2022 R'000
Property, plant and equipment	104 966	56 349

# DIRECTORS BRIEF CURRICULA VITAE

## RM HARTMANN (49)

**Non-Executive Director**

Bachelor of Accounting (Honours); CA(SA)

**Appointed:** 27 July 2007

**Tenure:** 16 years

**Shareholding:** 9 290

**Committee membership:** Chair of the Remuneration and Nomination Committee and member of the Audit and Risk and Social and Ethics Committees

**Other public company appointments:** Nil

## JER MATTHEWS (48)

**Non-Executive Director**

Bachelor of Business Science, Finance (Honours); CA(SA); CFA

**Appointed:** 11 March 2020

**Tenure:** 3 years

**Shareholding:** Nil

**Committee membership:** Member of the Audit and Risk and Social and Ethics Committees.

**Other public company appointments:** Nil

## CJ ROODT (64)

**Independent Non-Executive Chair**

BCompt (Honours); CA(SA)

**Appointed:** 4 October 2011

**Tenure:** 12 years

**Shareholding:** Nil

**Committee membership:** Member of the Remuneration and Nomination Committee

**Other public company appointments:** Nil

## FN KHANYILE (55)

**Independent Non-Executive Director**

BA Economics (Honours); MBA Finance; HDIP Tax

**Appointed:** 1 November 2022

**Tenure:** <1 year

**Shareholding:** Nil

**Committee membership:** Member of the Audit and Risk Committee

**Other public company appointments:** Bidvest Group Limited, Discovery Limited, JSE Limited

## H RAMSUMER (62)

**Independent Non-Executive Director**

Bachelor of Commerce; Post Graduate Diploma in Accounting; CA(SA)

**Appointed:** 9 May 2022

**Tenure:** 1 year

**Shareholding:** Nil

**Committee membership:** Chair of the Audit and Risk Committee

**Other public company appointments:** Mr Price Group Limited

## W SIHLOBO (32)

**Independent Non-Executive Director**

Bachelor of Science, Agricultural Economics; Master of Science, Agricultural Economics

**Appointed:** 22 June 2021

**Tenure:** 2 years

**Shareholding:** Nil

**Committee membership:** Chair of the Social and Ethics Committee

**Other public company appointments:** Nil







# 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 Maxwell Office Park Magwa Crescent West Waterfall, 2090 Private Bag X2127, Isando, 1600 Telephone +27 11 565 4300
Directors	JJ Gertenbach (Chief Executive Officer) F Grobbelaar (Chief Financial Officer) CJ Roodt (Independent Non-executive Chairperson) RM Hartmann* (Non-executive) FN Khanyile (Independent Non-executive) JER Matthews (Non-executive) H Ramsumer (Independent Non-executive) W Sihlobo (Independent Non-executive) I van Heerden (Non-executive)  * PRN Hayward-Butt is an alternate director to RM Hartmann
Bankers	FirstRand Bank Limited, The Standard Bank of South Africa Limited, Nedbank Limited and Investec Bank Limited
Company Secretary	Retha Stoltz Email: companysecretary@premiermcg.com
Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 Private Bag X9000, Saxonwold, 2132 Telephone +27 11 370 5000
Sponsor	Rand Merchant Bank (a division of FirstRand Bank Limited) 1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196 PO Box 786273, Sandton, 2146 Telephone +27 11 282 8000
Independent auditor	PricewaterhouseCoopers Inc. 4 Lisbon Lane, Waterfall City, Jukskei View, 2090 Private Bag X36, Sunninghill, 2157 Telephone +27 11 797 4000
Website	<a href="http://www.premiermcg.com">www.premiermcg.com</a>
Investor relations	Should you wish to be placed on the mailing list to receive email updates, please send an email to <a href="mailto:investor@premiermcg.com">investor@premiermcg.com</a>
Tax reference number	9102629160



