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NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION OR REQUIRE PREMIER (AS DEFINED BELOW) TO TAKE ANY FURTHER ACTION.

THE ATTACHED PRE-LISTING STATEMENT OF PREMIER DATED 10 MARCH 2023 ("PRE-LISTING STATEMENT") SUPERSEDES AND REPLACES, IN ITS ENTIRETY, THE PRE-LISTING STATEMENT ISSUED BY PREMIER ON 22 NOVEMBER 2022 (THE "2022 PRE-LISTING STATEMENT") IN RELATION TO THE PROPOSED LISTING OF ALL THE ORDINARY SHARES ON THE MAIN BOARD OF THE JSE, WHICH PROPOSED LISTING WAS WITHDRAWN ON 2 DECEMBER 2022 ("WITHDRAWN IPO"). NO RELIANCE WHATSOEVER SHOULD BE PLACED ON THE 2022 PRE-LISTING STATEMENT. FOR THE AVOIDANCE OF DOUBT, THE CONTENTS OF THIS PRE-LISTING STATEMENT SHOULD BE CONSIDERED AND INSPECTED INDEPENDENTLY AND NOT IN CONJUNCTION WITH ANY OTHER INFORMATION PREPARED BY ANY PERSON AND PUBLISHED IN CONNECTION WITH THE WITHDRAWN IPO AND THE 2022 PRE-LISTING STATEMENT. NEITHER PREMIER, BRAIT, BRAIT PLC, RMB, STANDARD BANK, INVESTEC, ETHOS, ANY PERSON WHO CONTROLS PREMIER, BRAIT, BRAIT PLC, ETHOS, RMB, INVESTEC OR STANDARD BANK, ANY DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF ANY OF THEM NOR ANY AFFILIATE OF ANY SUCH PERSON ACCEPTS OR ASSUMES ANY LIABILITY OR RESPONSIBILITY WHATSOEVER IN RESPECT OF THE WITHDRAWN IPO, THE 2022 PRE-LISTING STATEMENT (INCLUDING FOR ANY DELIBERATE OR INADVERTENT RELIANCE OR PURPORTED RELIANCE THEREON BY ANY PERSON) OR FOR ANY INCONSISTENCY OR DIFFERENCE BETWEEN THE 2022 PRE-LISTING STATEMENT AND THIS PRE-LISTING STATEMENT.

IMPORTANT: You must read the following disclaimer before continuing. This electronic transmission disclaimer applies to the Pre-listing Statement and you are advised to read this disclaimer carefully before reading, accessing or making any other use of the Pre-listing Statement. In accessing this electronic transmission and the Pre-listing Statement, you agree to be bound by the following terms and conditions (in addition to, and without derogating from, the terms and conditions set out in the Pre-listing Statement), including any modifications to them from time to time, each time you receive any information as a result of such access. You acknowledge that this electronic transmission and the delivery of the Pre-listing Statement is confidential and is intended for you only and you agree that you will not forward, reproduce, copy or publish this electronic transmission or the Pre-listing Statement (in whole or in part) to any other person. Premier (as defined below) has taken no action to authorise any distribution, copying, reproduction (electronically or otherwise) of this electronic transmission or the Pre-listing Statement in whole or in part to any person in any jurisdiction.

These materials are not for distribution, directly or indirectly, in or into Australia, Canada, Japan or the United States (including its territories and dependencies, any state of the United States and the District of Columbia), or for the account or benefit of, US persons (as defined in Regulation S under the US Securities Act of 1933 ("US Securities Act")).

Neither this electronic transmission nor the Pre-listing Statement is an offer or an invitation to the public to subscribe for, or purchase, the Offer Shares (as defined in the Pre-listing Statement) in any jurisdiction, and the Pre-listing Statement is issued in compliance with the JSE Listings Requirements issued by JSE Limited for the purpose of providing information to selected persons in South Africa and in other jurisdictions outside the United States with regard to Premier Group Limited (formerly Premier Group Proprietary Limited) (**"Premier"**).

Nothing in this electronic transmission or the Pre-listing Statement constitutes an offer of securities for sale or subscription in the United States or in any other jurisdiction where it is unlawful to do so. The Offer Shares (as defined in the Pre-listing Statement) have not been and will not be registered under the US Securities Act as amended, and, may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the US Securities Act).

This communication does not constitute, advertise or relate to an offer to the public (as defined in the South African Companies Act, No 71 of 2008, as amended (the **"Companies Act"**) for the sale of or subscription for, or the solicitation of an offer to buy or subscribe for, securities. In the Republic of South Africa (**"South Africa"**) this communication will not be distributed to any person in any manner which could be construed as an offer to the public in terms of the Companies Act and is only directed at (i) selected persons in South Africa who fall within one of the specified categories listed in section 96(1)(a) of the Companies Act; and (ii) to selected persons in South Africa in respect of whom the total contemplated acquisition cost for Offer Shares is not less than ZAR1 000 000 per single addressee acting as principal as contemplated in section 96(1)(b) of the Companies Act (together with persons contemplated in (i) "**South African Qualifying Investors**"); and (iii) to selected persons outside the United States of America in reliance on Regulation S under the US Securities Act to whom the Offer may be specifically addressed and only by whom the Offer will be capable of acceptance. Should any person who is not a South African Qualifying Investor or does not fall within (iii) receive the attached document, they should not and will not be entitled to acquire any Offer Shares described in the Pre-listing Statement or otherwise act thereon.

The Pre-listing Statement has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently Premier, Brait Mauritius Limited (**"Brait"**), Brait plc ("**Brait PLC**") Rand Merchant Bank, a division of FirstRand Bank Limited, (**"RMB"**), The Standard Bank of South Africa Limited (**"Standard Bank"**), Investec Bank Limited (**"Investec"**), Ethos Private Equity Proprietary Limited (**"Ethos"**), any person who controls Premier, Brait, Brait PLC, Ethos, RMB, Investec or Standard Bank, any director, officer, employee or agent of any of them or any affiliate of any such person does not accept, and will not assume, any liability or responsibility whatsoever in respect of any difference between the Pre-listing Statement distributed to you in electronic format and the hard copy version of the Pre-listing Statement. If verification is required, please request a hard copy of the Pre-listing Statement.

You are responsible for protecting against viruses and other destructive items. Your receipt of this electronic transmission or the Pre-listing Statement via electronic communication is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

CONFIRMATION OF YOUR REPRESENTATION: This electronic transmission and the Pre-listing Statement are delivered to you on the basis that you are deemed to have warranted and represented to Premier, Brait, Brait PLC, Ethos, RMB, Standard Bank and Investec that you are a person into whose possession this electronic transmission and the Pre-listing Statement may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located, or subject to. You may not, nor are you authorised to, deliver this electronic transmission or the Pre-listing Statement, electronically or otherwise, to any other person. By accepting electronic delivery of this document, you are deemed to have represented to Premier, Brait, Brait PLC, Ethos, RMB, Standard Bank and Investec that (i) you are acting on behalf of a person, or you are acting in an "offshore transaction" as defined in, and in reliance on, Regulation S under the US Securities Act; (ii) if you are in South Africa, or any person for whom you are acting is in South Africa, you (and any such person) are a South African Qualifying Investor; and (iii) if you are outside South Africa (and the electronic mail address that you gave us and to which the document has been delivered is not located in Australia, Canada, Japan or the United States (including its territories and dependencies, any state of the United States and the District of Columbia)) you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

None of Brait, Brait PLC, Ethos, RMB, Standard Bank and Investec or any of their respective affiliates, or any of their respective directors, officers, employees or agents accepts any responsibility whatsoever for the contents of the Pre-listing Statement or for any statement made or purported to be made by it, or on its behalf, in connection with Premier or the Offer (as defined in the Pre-listing Statement). Brait, Brait PLC, Ethos, RMB, Standard Bank, and Investec and any of their respective affiliates and their respective directors, officers, employees and agents accordingly disclaim all and any liability whether arising in tort, delict, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of Brait, Brait PLC, Ethos, RMB, Standard Bank or Investec or any of their respective affiliates or their respective directors, officers, employees and agents as to the accuracy, completeness, reasonableness or sufficiency of the information set out in the Pre-listing Statement. Thus, in addition to considering the contents of this Pre-listing Statement in full, each prospective investor is advised to seek appropriate professional advice, conduct its own research and consider all relevant factors in light of their individual circumstances in relation to any decision with respect to the Offer and/or the information contained in the Pre-listing Statement.

RMB, Standard Bank and Investec are acting exclusively for Premier and Brait and no one else in connection with the Offer. They will not regard any other person (whether or not a recipient of this document) as its client in relation to the Offer and will not be responsible to anyone other than Premier or Brait for providing the protections afforded to its clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to herein.

You shall also be deemed to have represented to each of Premier, Brait, Brait PLC, Ethos, RMB, Standard Bank and Investec that you consent to delivery by electronic transmission.

This document is not for viewing, public release or distribution in any jurisdiction where such distribution is unlawful.

FAILURE TO COMPLY WITH THIS ELECTRONIC TRANSMISSION MAY RESULT IN THE VIOLATION OF THE APPLICABLE SECURITIES LAWS OR REGULATIONS OF CERTAIN JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS ELECTRONIC TRANSMISSION OR THE PRE-LISTING STATEMENT CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE PRE-LISTING STATEMENT. YOUR ATTENTION IS SPECIFICALLY DRAWN TO "SELLING RESTRICTIONS" IN PART XIV OF THE PRE-LISTING STATEMENT FOR THE DISCLAIMERS AND SELLING RESTRICTIONS THAT APPLY TO THIS ELECTRONIC TRANSMISSION AS IF SPECIFICALLY STATED HEREIN.

Premier Group Limited

(formerly **Premier Group Proprietary Limited**)
(Incorporated in the Republic of South Africa)
(Registration number 2007/016008/06)
JSE share code: PMR ISIN: ZAE000320321
(**"Premier"** or **"Company"**)

PRE-LISTING STATEMENT

The definitions and interpretations contained in "ANNEXE 16 – Definitions, Glossary and Interpretation" to this Pre-listing Statement apply to this entire document, including this cover page, except where the context indicates a contrary intention.

THIS PRE-LISTING STATEMENT DOES NOT CONSTITUTE AN OFFER TO ANY PERSON IN ANY JURISDICTION TO SELL OR ISSUE, OR THE SOLICITATION OF ANY VOTE OR APPROVAL OR AN OFFER TO BUY OR SUBSCRIBE FOR, ANY SECURITY, NOR SHALL THERE BE ANY SALE, ISSUANCE, TRANSFER OR DELIVERY OF THE SECURITIES REFERRED TO IN THIS PRE-LISTING STATEMENT IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW, OR WHERE FURTHER ACTION IS REQUIRED FOR SUCH PURPOSE.

THIS PRE-LISTING STATEMENT SUBSTITUTES AND REPLACES THE 2022 PRE-LISTING STATEMENT IN ITS ENTIRETY. NO RELIANCE WHATSOEVER SHOULD BE PLACED ON THE 2022 PRE-LISTING STATEMENT. PROSPECTIVE INVESTORS SHOULD ACCORDINGLY DISREGARD THE CONTENTS OF THE 2022 PRE-LISTING STATEMENT AND SHOULD REFER TO THIS PRE-LISTING STATEMENT FOR INFORMATION IN CONNECTION WITH THE OFFER AND THE COMPANY. FOR THE AVOIDANCE OF DOUBT, THE CONTENTS OF THIS PRE-LISTING STATEMENT SHOULD BE CONSIDERED AND INSPECTED INDEPENDENTLY AND NOT IN CONJUNCTION WITH ANY OTHER INFORMATION PREPARED AND/OR PUBLISHED OR OTHERWISE DISTRIBUTED BY ANY PERSON IN CONNECTION WITH THE WITHDRAWN IPO AND THE 2022 PRE-LISTING STATEMENT.

This Pre-listing Statement has been prepared, and issued, in compliance with the JSE Listings Requirements for the purposes of providing information to selected prospective investors with regard to the business and affairs of the Company and the Group.

This Pre-listing Statement relates to offers for sale by Brait of 65,031,586 Ordinary Shares (at the Offer Price) (the "**Sale Shares**") to raise approximately ZAR3.5 billion in aggregate and to Admission of the issued and to be issued Ordinary Shares as a primary listing on the main board of the JSE. Up to the maximum number of Overallotment Shares borrowed by the Stabilisation Manager under the Securities Lending Agreement, may be sold in the Offer for purposes of Stabilisation. Subject to customary terms and conditions, Brait has granted the Overallotment Option in terms of which the Stabilisation Manager, on behalf of the Joint Bookrunners, may require Brait to sell to the Stabilisation Manager, at the Offer Price, such additional number of Ordinary Shares borrowed by the Stabilisation Manager under the Securities Lending Agreement, and which shall not exceed a consideration of up to ZAR100 million in aggregate, being a maximum of 1,858,046 Ordinary Shares which are referred to as the Overallotment Shares), to the Stabilisation Manager for purposes of covering overallotments of Sale Shares before the end of the Stabilisation Period. The aggregate of the Sale Shares and the Overallotment Shares are referred to as the "**Offer Shares**".

Concurrently with, and to support, the Offer and Admission, Titan has irrevocably agreed ("**Titan Cornerstone Investment**") to purchase 36.16% of the Offer Shares at the Offer Price on the Settlement Date as part of the Offer (the "**Titan Cornerstone Investment Shares**"). In addition, irrevocable agreements and/or letters of support have been secured from ABAX, Allan Gray (for and on behalf of their respective clients and not by them as principal as per section 96(1)(a)(i) of the Companies Act), Mergence and Steyn Capital, who have agreed to purchase Ordinary Shares at the Offer Price for an aggregate consideration of ZAR1.140 billion. Furthermore, Laurium has delivered a letter of support confirming its intention to apply for and purchase Offer Shares for an aggregate consideration of ZAR200 million. These Pre-Launch Commitments, together with the Titan Cornerstone Investment, has resulted in 75.47% coverage of the Offer (assuming an Offer size of R3.6 billion) at the Offer Price between them. In order to ensure that Brait is successful in raising the full ZAR3.6 billion proceeds from the Offer, Titan has also agreed to purchase additional Offer Shares in the Offer, if required, pursuant to the Underwrite as described in "PART II – Cornerstone Investment and Underwrite".

The Offer Shares will rank *pari passu* with all of the other issued Ordinary Shares, including in respect of dividends and conversion rights. The Offer Shares will be sold in Dematerialised form only and, accordingly, no physical documents of title will be issued or delivered to successful applicants. Post-Admission, should a Shareholder require a physical share certificate for its Offer Shares, it should contact its CSDP or Broker to obtain one. There will be no fractions of Offer Shares in terms of the Offer.

Titan (as Underwriter) may also purchase additional Offer Shares in the Offer pursuant to the Underwrite as described in "PART II – Cornerstone Investment and Underwrite". The Sale Shares (including the Titan Cornerstone Investment Shares) and the Overallotment Shares represent up to 66,889,632 Ordinary Shares in aggregate. Therefore, if the Overallotment Option is exercised in full, the Offer will represent the sale of approximately 51.89% of the total issued Ordinary Shares held by Brait following Admission. The JSE has approved the Admission of all of the Company's issued, and to be issued, Ordinary Shares in the "45102020 – Food Products" sector of the JSE under the abbreviated name "Premier" and share code "PMR", subject to the fulfilment of certain conditions (including the JSE's spread and minimum free-float requirements as set out in the JSE Listings Requirements). FTSE reserves the right to update the classification prior to the Admission as more public information becomes available. The international securities identification number ("**ISIN**") for the Offer Shares is ZAE000320321. It is expected that the Admission and unconditional dealings in the Offer Shares will commence with effect from the commencement of trading on Friday, 24 March 2023.

Pre-Launch Commitments have been sourced from various institutions, which alongside existing public shareholders and other parties' commitments, meet the free-float requirements as set out in the JSE Listings Requirements. The Pre-Launch Commitments were received from ABAX, Allan Gray (for and on behalf of their respective clients and not by them as principal), Laurium, Mergence and Steyn Capital. The minimum free-float requirement is to ensure that the Company has, once the Offer is completed, such number and composition of Shareholders as will meet the minimum free-float and shareholder spread requirements, as prescribed by the JSE Listings Requirements and as acceptable to the JSE, as referred to below. There is no minimum capital requirement to be realised by the Offer. Admission would not proceed if the minimum free-float requirement were not achieved. Any acceptance of the Offer shall not take effect and no person shall have any claim whatsoever against the Company, Brait, Ethos, the Joint Bookrunners or any other person as a result of the failure of any condition.

The Offer will consist solely of separate private placements, subject to certain conditions, to selected investors to whom the Offer will be specifically addressed and it is only being addressed to persons to whom it may be lawfully made. The Offer will be made (i) to selected persons in South Africa who fall within one of the specified categories listed in section 96(1)(a) of the South African Companies Act, 71 of 2008 (as amended) ("**Companies Act**"), and (ii) to selected persons in South Africa in respect of whom the total contemplated acquisition cost for Offer Shares is not less than ZAR1,000,000 per single addressee acting as principal as contemplated in section 96(1)(b) of the Companies Act (together with persons contemplated in (i) "**South African Qualifying Investors**"), and (iii) to selected persons outside the United States of America (the "**United States**" or "**US**") to whom the Offer will be specifically addressed, and only by whom the Offer will be capable of acceptance in reliance on Regulation S under the US Securities Act of 1933 (which can be accessed at https://www.ecfr.gov/current/title-17/chapter-II/part-230#subject-group-ECFRc12706a7c6e8d64) ("**Regulation S**").

The Shares (including, for the avoidance of doubt, the Offer Shares) have not been, and will not be, registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the US. No Shares are being or will be offered, issued or sold within the US. None of the US Securities and Exchange Commission, any other US federal or state securities commission nor any US regulatory authority has approved or disapproved of the Shares nor have such authorities reviewed or passed comment upon the accuracy or adequacy of this Pre-listing Statement. Any representation to the contrary is a criminal offence in the US.

The Ordinary Shares will only be issued or sold, and will only be traded on the JSE, in Dematerialised form and, as such, no documents of title will be issued to any investor. Accordingly, all successful applicants for Offer Shares must appoint a CSDP or Broker, to receive and hold their Offer Shares on their behalf. Post-Admission, should a Shareholder require a physical share certificate for its Offer Shares, it should contact its CSDP or Broker to obtain one. It is noted that there are certain risks associated with holding shares in certified form, including the risk of loss or tainted scrip. All Shareholders who elect to convert their Dematerialised Shares into shares that are in Certificated Form will have to Dematerialise such shares again should they wish to trade them in the Strate System.

There will be no public offering of Shares in any jurisdiction. This Pre-listing Statement does not constitute an offer or invitation to the public or any section of the public in any jurisdiction to subscribe for or purchase any Shares in the Company. Consequently, this Pre-listing Statement does not, nor does it intend to, constitute a prospectus in accordance with the laws of any jurisdiction. In particular, this Pre-listing Statement does not, nor does it intend to, constitute a "registered prospectus" or "advertisement" in relation to any "offer to the public", as contemplated by the Companies Act. As a result, this Pre-listing Statement does not comply with the substance and form requirements for prospectuses set out in the Companies Act and the South African Companies Regulations of 2011 and has not been approved by, and/or registered with, the CIPC. The JSE has approved this Pre-listing Statement. The Company's Authorised Dealer has approved the Offer and Admission of the Offer Shares.

As at the Last Practicable Date, the Company's authorised shares comprise 200,000,000 Ordinary Shares, 25,000 A Ordinary Shares and 50,000 A1 Ordinary Shares and the Company's issued shares comprise 128,905,800 Ordinary Shares, 15,457 A Ordinary Shares and 23,060 A1 Ordinary Shares. As at the Admission Date the Company's listed issued shares are expected to comprise 128,905,800 Ordinary Shares. The Company's unlisted issued shares shall comprise 15,457 A Ordinary Shares and 23,060 A1 Ordinary Shares, as at the Admission Date. No Shares are, or on the Admission Date are expected to be, held in treasury by the Group.

The actual number of Offer Shares sold on the Settlement Date and certain other information is expected to be announced via SENS on Monday, 20 March 2023 and published in the South African press on Wednesday, 22 March 2023. Further information regarding the Company's share capital prior to, and after, the Admission is set out in "PART XI – Incorporation and Share Capital" of this Pre-listing Statement.

The Directors, whose names are given in "PART VIII – Directors, Senior Management and Corporate Governance" on page 84 of this document, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by the JSE Listings Requirements.

The release, publication, distribution or possession of this Pre-listing Statement in jurisdictions other than South Africa may be restricted by law and therefore persons in whose possession this Pre-listing Statement comes should inform themselves about, and observe, such restrictions. No action has been, or will be taken, by the Company, Brait, Ethos or the Joint Bookrunners to permit a public offering of the Offer Shares in any jurisdiction. No action has been, or will be taken, to obtain any approval, authorisation or exemption to permit the possession or distribution of the Pre-listing Statement (or any other offering or publicity materials relating to the Offer Shares) in any jurisdiction outside South Africa where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Pre-listing Statement (nor any other offering or publicity materials relating to the Offer Shares) may be distributed or published in any jurisdiction except in full compliance with applicable laws and regulations. Persons into whose possession this Pre-listing Statement comes should inform themselves about, and observe, any application restrictions. Any failure to comply with these restrictions may constitute a violation of the laws or regulations of certain jurisdictions.

This Pre-listing Statement is only available in English and copies may be obtained from the Company's registered office and the Sponsor's offices as set out in "PART I – Corporate Information" during Business Hours from the date of issue of this Pre-listing Statement until the Admission Date (both days inclusive) and is similarly available on the Company's website, www.premierfmcg.com. An abridged version of this Pre-listing Statement will be published on SENS on Friday, 10 March 2023 and in the press on Monday, 13 March 2023, which supersedes and replaces, in its entirety, the abridged version of the 2022 Pre-listing Statement in respect of the Withdrawn IPO (the "**2022 Abridged Pre-listing Statement**").

No representation or warranty, express or implied, is made by Brait, Brait PLC, Ethos or the Joint Bookrunners as to the accuracy, completeness or verification of the information set out in this Pre-listing Statement, and nothing contained in this Pre-listing Statement is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. Neither Brait, Brait PLC, Ethos, or the Joint Bookrunners assume any responsibility for this Pre-listing Statement's accuracy, completeness or verification and accordingly disclaim, to the fullest extent permitted by applicable law and regulation, any and all liability whether arising in delict, tort, contract or otherwise which they might otherwise be found to have in respect of this Pre-listing Statement or any such statement.

Prospective investors (i) should not rely for any purpose whatsoever on the 2022 Pre-listing Statement including any materials prepared, published, or otherwise distributed by any person in connection with the 2022 Pre-listing Statement and the Withdrawn IPO (including, without limitation, the 2022 Abridged Pre-listing Statement); (ii) should not rely on Brait, Brait PLC, Ethos, the Joint Bookrunners or any person affiliated with Brait, Brait PLC, Ethos, or the Joint Bookrunners in connection with any investigation of the accuracy of any information contained in this Pre-listing Statement, (iii) should rely only on the information contained in this Pre-listing Statement and (iv) are advised that no person has been authorised to give any information or to make any representation concerning the Company or its Subsidiaries (other than as contained in this Pre-listing Statement), and, if given or made, including, without limitation, in the 2022 Pre-listing Statement, any such other information or representation should not be relied upon as having been authorised by Brait, Brait PLC, Ethos, the Company, or the Joint Bookrunners. Other than as specifically stated in this Pre-listing Statement, the contents of the Company's website, any website mentioned in this Pre-listing Statement, or any website (directly or indirectly) linked to these websites have not been verified and are not incorporated into and do not form part of this Pre-listing Statement, and Shareholders should not rely on such information.

The contents of this Pre-listing Statement should be considered and inspected independently and not in conjunction with any other information prepared by any person and published in connection with the Withdrawn IPO and the 2022 Pre-listing Statement. Neither Premier, Brait, Brait PLC, RMB, Standard Bank, Investec, Ethos, any person who controls Premier, Brait, Brait PLC, Ethos, RMB, Investec or Standard Bank, any director, officer, employee or agent of any of them or any affiliate of any such person accepts or assumes, any liability or responsibility whatsoever in respect of the 2022 Pre-listing Statement (including for any deliberate or inadvertent reliance or purported reliance thereon by any persons) nor for any inconsistency or any difference between the 2022 Pre-listing Statement and this Pre-listing Statement.

The advisers to Brait or the Company (as the case may be) as set out herein are acting exclusively for Brait or the Company (as the case may be) and no one else in connection with the Offer and Admission. They will not regard any other person (whether or not a recipient of this Pre-listing Statement) as their respective customers or clients in relation to the Offer or Admission and will not be responsible to anyone other than Brait or the Company for providing the protections afforded to their respective customers and/or clients nor for giving advice in relation to the Offer, Admission or any transaction or arrangement referred to in this Pre-listing Statement. Accordingly, none of the advisers to Brait or the Company accept or assume any responsibility or liability towards any person as a result of any transactions in any Shares.

The Independent Reporting Accountant, whose reports are contained in this Pre-listing Statement, has given and has not, prior to the date of this Pre-listing Statement, withdrawn their written consent to the inclusion of each of their reports in the form and context in which they appear herein. Each of the legal advisers, the auditors and Independent Reporting Accountant, the Joint Bookrunners, the Sponsor, the Transfer Secretaries and other professional advisers named in this Pre-listing Statement have consented in writing to acting in those capacities as stated in this Pre-listing Statement, and to their names being stated in this Pre-listing Statement and have not withdrawn their consent prior to the publication of this Pre-listing Statement.

Prior to taking any action in respect of any transaction contemplated in this Pre-listing Statement, prospective investors should carefully read and consider the contents of this Pre-listing Statement in full and should only take action after having considered the potential effects of the transactions contemplated in terms hereof.

Investing in the Offer Shares involves risks. A non-exhaustive list of risk factors relating to the Company and the Offer Shares is set out in "PART IV – Risk Factors" beginning on page 21 of this Pre-listing Statement.

The Company
Premier

Shareholder
BRAIT

Shareholder's Advisor
ETHOS

Joint Global Coordinator, Stabilisation Manager, Sponsor and Joint Bookrunner
RMB

Joint Global Coordinator and Joint Bookrunner
Standard Bank

Joint Bookrunner
Investec Specialist Bank

South African Legal Advisor to the Company
DLA PIPER

South African Legal Advisor to the Joint Global Coordinators and Joint Bookrunners
WEBBER WENTZEL in alliance with Linklaters

International Legal Advisor to the Joint Global Coordinators and Joint Bookrunners
Linklaters

Independent Reporting Accountant
pwc

Date of Issue: Friday, 10 March 2023

IMPORTANT INFORMATION

General

In making an investment decision, a prospective investor must rely on his/her/its own examination, analysis and enquiry of the Company, the Offer Shares and the terms and conditions of the Offer and Admission, including the merits and risks involved.

Prospective investors should not treat the contents of this Pre-listing Statement as advice relating to legal, taxation, investment or any other matters and should consult their own professional advisers concerning the consequences of them receiving, acquiring, holding or disposing of the Offer Shares. Prospective investors should inform themselves as to, among other matters:

- the legal requirements within their own countries for the receipt, acquisition, purchase, holding, transfer or disposal of the Offer Shares;
- any foreign exchange control restrictions applicable to the receipt, acquisition, purchase, holding, transfer or disposal of the Offer Shares which they might encounter; and
- the income and other tax consequences which may apply to them, in both South Africa and their jurisdiction of residence, as a result of the receipt, acquisition, purchase, holding, transfer or disposal of the Offer Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, and not those of the Company, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

The information contained in this Pre-listing Statement constitutes factual information as contemplated in section 1(3)(a) of the FAIS Act and should not be construed as an express or implied recommendation, guidance or proposal that any particular transaction in respect of the Offer Shares is appropriate to the particular investment objectives, financial situations or needs of a prospective investor and nothing in this Pre-listing Statement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Sponsor, or Joint Bookrunners in terms of applicable laws and regulations, none of the Sponsor, or Joint Bookrunners or any person affiliated with each of them accepts any responsibility whatsoever, nor makes any representation or warranty, express or implied, in respect of the contents of this Pre-listing Statement and/or any information incorporated by reference, including its accuracy, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, in connection with Brait, the Group, the Offer and/or Admission and nothing in this Pre-listing Statement is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. The Sponsor, and Joint Bookrunners accordingly disclaim, to the fullest extent permitted by applicable law, all and any responsibility and liability whatsoever, whether arising in delict, tort, contract or otherwise (save as referred to above) which either might otherwise have in respect of this Pre-listing Statement.

The Sponsor is acting exclusively for the Company and the Joint Bookrunners are acting exclusively for Brait and the Company and no one else in connection with the Offer and/or Admission. They will not regard any other person (whether or not a recipient of this Pre-listing Statement) as their respective customers or clients in relation to the Offer and/or Admission and will not be responsible to anyone other than Brait and the Company for providing the protections afforded to their respective customers and/or clients nor for giving advice in relation to the Offer and/or Admission or any transaction or arrangement referred to in this Pre-listing Statement.

The statements contained in this Pre-listing Statement are made as at the Last Practicable Date, unless some other time is specified in relation to them, and issuance of this Pre-listing Statement shall not give rise to any implication that there has been no change in the facts set forth herein since such date. Accordingly, the delivery or publication of this Pre-listing Statement shall not, under any circumstances, create any implication that there has been no change in the facts set forth herein since the date of this Pre-listing Statement or that the information contained in this Pre-listing Statement is correct as at any time subsequent to the date of this Pre-listing Statement. Nothing contained in this Pre-listing Statement shall be deemed to be a forecast, projection or estimate of the future financial performance of the Group except where otherwise stated.

This Pre-listing Statement does not constitute an offer to sell or issue, or the solicitation of any offer to buy or subscribe for, any security, nor shall there be any sale, issuance, transfer or delivery of the securities referred to in this Pre-listing Statement in any jurisdiction in contravention of applicable law, or where further action is required for such purpose.

Forward-looking statements

This Pre-listing Statement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "should" or "will", or, in each case, their negative, other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Pre-listing Statement and include, but are not limited to, statements regarding Brait and/or the Company and their respective groups' intentions, beliefs or current expectations concerning, among other things, results of operations, prospects, growth, dividends, strategies and expectations of their respective businesses and the Offer and/or Admission and their respective successful implementation.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of Brait and/or the Company and their respective groups' operations and the development of the markets and the industry in which they operate or are likely to operate and their respective operations may differ materially from those described in, or suggested by, the forward-looking statements contained in this Pre-listing Statement. In addition, even if the results of operations and the development of the markets and the industry in which Brait and/or the Company and their respective groups operate, are consistent with the forward-looking statements contained in this Pre-listing Statement, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, general economic and business conditions, industry trends, competition, changes in regulation, currency fluctuations or advancements in research and development and the other factors discussed in the section titled "PART IV – Risk Factors" and elsewhere in this Pre-listing Statement.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this Pre-listing Statement reflect the Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Brait and/or the Company and their respective groups' operations, results of operations and growth strategy.

None of Brait, the Company or any member of their respective groups undertakes or is subject to any obligation to update the forward-looking statements to reflect actual results or any change in events, conditions or assumptions or other factors unless otherwise required by the JSE Listings Requirements.

Prospective investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital in this Pre-listing Statement.

Stabilisation

In connection with the Offer and subject to customary terms and conditions and compliance with applicable law including the JSE Listings Requirements, the Stabilisation Manager may, only during the Stabilisation Period, over-allot Ordinary Shares or effect transactions which may support the market price of the Ordinary Shares at a level higher than that which might otherwise prevail for a limited period after the Admission Date. The transactions effected by the Stabilisation Manager in connection with Stabilisation may under no circumstances continue beyond the Stabilisation Period. There is, however, no assurance that the Stabilisation Manager will undertake Stabilisation. Such transactions may be effected on the JSE and will be carried out in accordance with applicable rules and regulations. Stabilisation, if commenced, may be discontinued at any time during the Stabilisation Period on two business days' notice to the JSE and will in any event be discontinued after the Stabilisation Period.

Market Information

Without derogating from the Directors' responsibility statement in "PART XV – Additional Information", the Company and/or its advisers have obtained market data and certain industry information used in this Pre-listing Statement from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. Similarly, internal surveys, estimates and market research, while believed to be reliable as at the date of issue thereof, have not been independently verified, and the Company does not make any representation as to the accuracy or currency of such information and/or the veracity or appropriateness of research methodology, findings or information. Similarly, while the Company believes its internal estimates to be reasonable, they have not been verified by any independent sources, and the Company cannot give any assurance as to their accuracy.

Enforcement of foreign judgments in South Africa

The Company is a public company incorporated under the laws of South Africa with a significant portion of the assets of the Group located in South Africa. In addition, all of the Directors and members of Senior Management are resident in South Africa. As a result, it may not be possible for investors to effect service of process upon such persons or to enforce any judgments obtained in the courts of foreign jurisdictions against them.

As a matter of policy, South African courts are inclined to enforce foreign judgements provided certain thresholds are satisfied, particularly in view of the principles of comity and reciprocity. Foreign judgments in this context would include judgements procured from other national courts as well as international judicial forums or tribunals. A foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action that will be enforced by South African courts provided that:

- the court that pronounced the judgment had jurisdiction and international competence to entertain the case according to the principles recognised by South African law with reference to the jurisdiction of foreign courts. A foreign judgment may not be recognised in South Africa if the foreign court exercised jurisdiction over the defendant in circumstances where a South African court would not exercise jurisdiction over a defendant (even where the foreign court exercised jurisdiction in line with its domestic procedures);
- the judgment is final and conclusive (that is, it cannot be altered by the court that pronounced it);
- the judgment has not lapsed;
- the recognition and enforcement of the judgment by South African courts would not be contrary to public policy, including observance of the rules of natural justice, which require that the documents initiating the foreign proceedings were properly served on the defendant and that the defendant was given the right to be heard and represented by counsel in a free and fair trial before an impartial tribunal. Usually, a fundamental breach of justice or procedural unfairness is relevant and not merely minor procedural irregularities;
- the judgment was not obtained by fraudulent means;
- the judgment must not be in conflict with a South African statute;
- the judgment does not involve the enforcement of a penal or revenue law of the foreign state; and
- the enforcement of the judgment is not otherwise precluded by the provisions of the South African Protection of Businesses Act, 99 of 1978 (as amended) (**"Protection of Businesses Act"**). That Act requires that consent of the Minister of Economic Development is sought for enforcement of certain judgements, but South African courts have, to date, interpreted this requirement as applying only in circumstances where the claim is connected in one or other way to raw materials and products.

It is the policy of South African courts to award compensation for the loss or damage actually sustained by the person to whom the compensation is awarded. Although the award of punitive damages is generally unknown to the South African legal system, such awards handed down in foreign jurisdictions are not necessarily contrary to public policy. Whether or not the enforcement or recognition of a foreign judgment is contrary to public policy will depend on the facts of each case. Exorbitant, unconscionable or excessive awards will generally be contrary to public policy. In this respect, in one instance, an award of punitive damages, which was equivalent to 100% of ordinary damages, was held to be excessive and was not enforced, but much will depend on the circumstances of the case. South African courts will not enter into the merits of a foreign judgment and will not act as a court of appeal or review over a foreign court. The South African courts' assessment of foreign judgements is usually confined to jurisdictional and procedural matters, although public policy (including considerations pertaining to the Constitution of the Republic of South Africa, 1996) imports certain substantive dimensions.

South African courts will usually implement their own procedural laws and, where an action based on a contract governed by a foreign law is brought before a South African court, the capacity of the parties to the contract will usually be determined in accordance with South African law. It is doubtful whether an original action based on the securities laws and regulations of the foreign jurisdictions can be brought before South African courts.

Notice to investors in member states of the EEA

This Pre-listing Statement has been prepared on the basis that all offers of the Offer Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the EEA, from the requirement to produce a prospectus for offers of the Offer Shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which are the subject of the private placement contemplated in this Pre-listing Statement should only do so in circumstances in which no obligation arises for the Company, or the Joint Bookrunners to produce a prospectus for such offer. Neither the Company nor the Joint Bookrunners have authorised, nor do they authorise, the making of any offer of Offer Shares through any financial intermediary, other than offers made by the Joint Bookrunners that constitute the final placement of Offer Shares contemplated in this Pre-listing Statement.

In relation to each Relevant Member State, an offer to the public of any Offer Shares which is the subject of the Offer contemplated by this Pre-listing Statement may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Offer Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- by the Joint Bookrunners to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Sponsor; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall require the Company or the Joint Bookrunners to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this legal notice, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to investors in the United Kingdom

In the United Kingdom, this Pre-listing Statement has not been approved by an authorised person and is directed only at, and addressed solely to, persons who: (i) are qualified investors, as defined in the Prospectus Directive, who have professional experience in matters relating to investments and who fall within Article 19(5) of the "Order" and/or are high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (ii) persons to whom it may otherwise be lawfully communicated (all such persons together being referred to as "**Relevant Persons**"). This Pre-listing Statement is directed only at Relevant Persons and must not be acted on or relied upon in the United Kingdom by persons who are not Relevant Persons. Any investment or investment activity to which this Pre-listing Statement relates is available in the United Kingdom only to Relevant Persons and will be engaged in only with such persons.

Notice to investors in the United States

The Offer is not being made, and the Offer Shares are not being offered, in the USA. The Offer Shares are being offered and sold only outside the USA in reliance upon Regulation S and have not been, nor will they be, registered under the US Securities Act, or any securities laws of any state of, or other jurisdiction in, the USA. This Pre-listing Statement may not be distributed or forwarded in or into the USA. The Offer Shares have not been recommended, approved or disapproved by the U.S. Securities and Exchange Commission, any other federal or any state securities commission in the USA or any other USA regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offer Shares nor the accuracy or adequacy of this Pre-listing Statement. Any representation to the contrary is a criminal offence in the USA.

Notice to investors in Affected Jurisdictions

This document constitutes a Pre-listing Statement and has been prepared in accordance with the JSE Listings Requirements in connection with the Admission and the Offer. There is no offer to the public (or a section thereof) and the Offer referred to in this Pre-listing Statement, which comprises an Offer for Sale by Brait to the offerees to whom the Offer will specifically be addressed, does not constitute, nor is it intended to constitute, a public offering in any jurisdiction and is only addressed to persons to whom the Offer may lawfully be made. In addition, this document is not a prospectus, or an advertisement in relation to the any offer to the public and has not and will not be registered as a prospectus or registered at all with the CIPC or with any regulator in any other jurisdiction.

The Offer will only be made to offerees, who are (i) selected persons in South Africa who fall within one of the specified categories listed in section 96(1)(a) of the Companies Act; and (ii) selected persons in South Africa in respect of whom the total contemplated acquisition cost for Offer Shares is not less than ZAR1 000 000 per single addressee acting as principal (within the ambit of section 96(1)(b) of the Companies Act); and (iii) selected persons outside the United States in reliance on Regulation S. The Offer and the distribution or possession of this Pre-listing Statement in jurisdictions other than South Africa may be restricted by law, and a failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this Pre-listing Statement and the Offer do not constitute an offer to issue or sell, or a solicitation of an offer to subscribe for or purchase, any securities in or from any jurisdiction in which such offer or solicitation would be unlawful, including, without limitation, in or from any Affected Jurisdiction. To the extent that this Pre-listing Statement may be sent to any Affected Jurisdiction, it is provided for information purposes only. Persons in Affected Jurisdictions may not accept the Offer. No person accepting the Offer should use the mail of any such Affected Jurisdiction nor any other means, instrumentality or facility in such Affected Jurisdiction for any purpose, directly or indirectly, relating to the Offer. The Company reserves the right, but shall not be obliged, to treat as invalid any transfer of Offer Shares, which appears to the Company or its advisers or agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction (including any Affected Jurisdiction); or if the Company believes (in its discretion) or its advisers or agents believe that the same may violate applicable legal or regulatory requirements; or if the Company believes (in its discretion) that it is prohibited or unduly onerous or impractical to transfer any Offer Shares to any persons in any jurisdiction outside South Africa. Persons into whose possession this Pre-listing Statement comes, including persons in Affected Jurisdictions, must inform themselves about and observe any such restrictions. Save as specifically set out herein, no actions have been taken, including, without limitation, obtaining any approvals, authorisations or exemptions, that would permit a public offering of Offer Shares to occur outside South Africa. Prospective investors, including persons in Affected Jurisdictions, should not treat the contents of this Pre-listing Statement as advice relating to legal, taxation, investment or any other matters and should consult their own professional advisers concerning the consequences of their acquiring, holding or disposing of Offer Shares.

TABLE OF CONTENTS

PART I – CORPORATE INFORMATION

Directors
Cornelius Johannes Roodt*# *(Chairman)*
Jacobus Johannes Gertenbach
(Chief Executive Officer)
Fritz Grobbelaar *(Chief Financial Officer)*
Rolf Mark Hartmann*
Peter Robert Nainby Hayward-Butt*
(Alternative to Rolf Hartmann)
Faith Nondumiso Khanyile*#
Jonathan Edward Roland Matthews*
Harish Ramsumer*#
Wandile Sihlobo*#
Iaan van Heerden*

** Non-executive*
 # Independent

Registered office
Premier Group Limited, formerly, Premier
Group Proprietary Limited
(Registration number: 2007/016008/06)
Building 5
Maxwell Office Park
Magwa Crescent West
Waterfall, 2090
(Private Bag X2127, Isando, Johannesburg
Gauteng, 1600)

Place of incorporation: South Africa
Date of incorporation: 31 May 2007

Company secretary
Margaretha Stoltz
Premier Group Limited, formerly, Premier
Group Proprietary Limited
(Registration number: 2007/016008/06)
Building 5
Maxwell Office Park
Magwa Crescent West
Waterfall, 2090
(Private Bag X2127, Isando, Johannesburg
Gauteng, 1600)

Independent Reporting Accountants and Auditors
PricewaterhouseCoopers Inc.
Waterfall City
4 Lisbon Lane
Jukskei View
Midrand
South Africa, 2090
(Private Bag X36, Sunninghill, South Africa, 2157)

Joint Global Coordinator, Stabilisation Manager, Sponsor, Joint Bookrunner
Rand Merchant Bank
(a division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

Joint Global Coordinator and Joint Bookrunner
The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
30 Baker Street
Rosebank
Johannesburg, 2196
(Private Bag X9000, Saxonwold, 2132)

Joint Bookrunner
Investec Bank Limited
(Registration number 1969/004763/06)
100 Grayston Drive
Sandown
Sandton, 2196
(PO Box 785700, Sandton, 2146)

Transfer Secretaries
Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

South African Legal Advisor to the Company
DLA Piper Advisory Services Proprietary Limited
(Registration number 2015/222271/07)
6th Floor
61 Katherine Street
Sandton, 2196
(Private Bag X40, Benmore, 2010)

South African Legal Advisors to the Joint Global Coordinators, Joint Bookrunners and Stabilisation Manager
Webber Wentzel
90 Rivonia Road
Sandton, 2196
South Africa
(PO Box 61771, Marshalltown, 2107)

International Legal Advisors to the Joint Global Coordinators, Joint Bookrunners and Stabilisation Manager
Linklaters LLP
One Silk Street
London, EC2Y 8HQ
United Kingdom
(Company number: OC326345)
(Postal address is the same as the physical address)

PART II – PARTICULARS OF THE OFFER

PURPOSE OF THE OFFER AND ADMISSION

The main purposes of the Offer and Admission are to:

- enable Brait to realise a portion of its investment in the Company through the disposal of the Offer Shares, reduce its gearing and substantially eliminate the need for Brait to sell any further Ordinary Shares into the market, and clear the path for an unbundling of the remaining Ordinary Shares held by Brait to Brait PLC shareholders at an appropriate time in due course;
- provide the Company with access to capital markets, which it may use to support and develop further growth of the Group in accordance with its strategy and to finance acquisitions of, or investments in, businesses, technologies, and other assets in the future;
- provide holders of Ordinary Shares with a liquid public market on which to trade their Ordinary Shares;
- raise the Company's profile through the listing and trading of the Company's Ordinary Shares on an established exchange and increase investor awareness regarding the Company's vision, strategy and operations; and
- enable Premier to use listed securities to potentially raise capital in the future under circumstances deemed appropriate by the Directors in order to, among other things, strengthen the Company's balance sheet and to assist the Group to optimise the capital structure of the Group, to the extent required.

The Company will not receive any proceeds from the sale of the Offer Shares to be sold by Brait under the Offer.

Brait will retain a significant shareholding in the Company post-implementation of the Offer and Admission and will continue to work closely with the Group's management to drive growth and create value in the Group. See "PART II – Lock Up Arrangements" for further detail regarding the continuation of Brait's shareholding in the Company post-Admission.

The Group undertook the B-BBEE Restructuring to improve the Group's relevant South African empowerment status and enhance its continued commitment to socio-economic transformation by ensuring meaningful and sustained black ownership (see "PART VIII – Directors, Senior Management and Corporate Governance").

THE OFFER

The Offer comprises an Offer for Sale by Brait of 65,031,586 Offer Shares (at the Offer Price), to raise up approximately ZAR3.5 billion in aggregate in terms of a private placement to selected persons to whom the Offer will be made, and only by whom the Offer may be accepted. There will be no public offering in any jurisdiction. In connection with the Offer and subject to customary terms and conditions, Brait has granted the Overallotment Option to the Stabilisation Manager which may be exercised during, and only during, the Stabilisation Period. Under the Overallotment Option, if exercised, Brait may sell, in addition to the Sale Shares, a further number of Ordinary Shares up to a maximum equal to the Overallotment Shares. See "PART II – Overallotment and Stabilisation", below in relation to the Overallotment Option and Stabilisation.

Notwithstanding the above, Brait reserves the right to increase the size of the Offer, with communication to be provided to this effect.

The Offer Shares will rank *pari passu* with all of the other issued Ordinary Shares. The Offer Shares will be sold in Dematerialised form only and, accordingly, no physical documents of title will be issued or delivered to successful applicants. Post-Admission, should a Shareholder require a physical share certificate for its Offer Shares, it should contact its CSDP or Broker to obtain one. It is noted that there are certain risks associated with holding shares in certified form, including the risk of loss or tainted scrip. All Shareholders who elect to convert their Dematerialised Shares into shares that are in Certificated Form will have to Dematerialise such shares again should they wish to trade them in the Strate System. See "Strate" below.

Brait, the Company, and the Joint Bookrunners have entered into the Placement Agreement in connection with the Offer and Admission. The details of the Placement Agreement are set out in this "PART II – Particulars of the Offer", below. The Offer is conditional (among other things) on (i) the Placement Agreement and the Cornerstone Investment and Underwriting Agreement becoming unconditional in accordance with their respective terms; (ii) the Company meeting the minimum spread and free-float requirement set out in the JSE Listings Requirements; and (iii) the Admission proceeding.

The JSE has approved the Admission of all of the Company's issued, and to be issued, Ordinary Shares in the "45102020 – Food Products" sector of the JSE under the abbreviated name "Premier" and share code "PMR", subject to the fulfilment of certain conditions (including the JSE's spread and minimum free-float requirements as set out in the JSE Listings Requirements, which requirements have been met via the Pre-Launch Commitments, existing public shareholders and other parties' commitments).

The minimum spread and free-float requirement prescribes that a minimum of 20 per cent of the issued Ordinary Shares be held by the public as at Admission (after implementation of the Offer). Admission will not proceed if the Offer does not become unconditional in accordance with its terms and conditions, and no acceptance of the Offer shall take effect and no person shall have any claim whatsoever against Brait, Ethos, the Company, the Joint Bookrunners or any other person as a result of the Offer not becoming unconditional in accordance with its terms nor do any of Brait, Ethos, the Company, the Joint Bookrunners or any other person assume or accept any responsibility or liability to any person as a result of the Offer not becoming unconditional in accordance with its terms and conditions.

The Offer is expected to open at 09:00 (SAST) on Friday, 10 March 2023 and close at 12:00 (SAST) on Friday, 17 March 2023.

TITAN CORNERSTONE INVESTMENT AND UNDERWRITE

In support of the Offer, Titan has entered into an agreement with Premier and Brait on 3 March 2023 ("**Cornerstone Investment and Underwriting Agreement**") in terms of which Titan has irrevocably committed to purchase 36.16% of the maximum number of Offer Shares proposed to be sold at the Offer Price on the Settlement Date ("**Titan Cornerstone Investment Shares**") at the Offer Price of ZAR53.82 ("**Titan Cornerstone Investment**").

In addition to the Pre-Launch Commitments and the Titan Cornerstone Investment, Titan (as "**Underwriter**"), in terms of the Cornerstone Investment and Underwriting Agreement, will underwrite Offer Shares ("**Underwritten Shares**") not taken up in terms of the Offer up to an aggregate maximum underwriting commitment of ZAR831.58 million at the Offer Price (the "**Underwrite**"). The Underwritten Shares will be taken up at the Offer Price. The Underwrite may be increased by agreement between Titan, Brait and the Company. The intention of the Underwrite is to de-risk the execution of the Offer and thereby support the success of the Offer and Admission. The terms of the Titan Cornerstone Investment and the Underwrite are set out in the Cornerstone Investment and Underwriting Agreement.

The Cornerstone Investment and Underwriting Agreement is subject to a number of conditions that are customary for agreements in respect of transactions of this nature, including that the Placement Agreement becomes unconditional in accordance with its terms and that no material adverse change has occurred.

No fees or commissions are payable to Titan pursuant to the Cornerstone Investment and Underwriting Agreement.

If Admission does not take place as contemplated in this Pre-listing Statement, the Company and Brait have agreed that Titan and RMB will together, in pre-agreed proportions, acquire Ordinary Shares in Premier from Brait for an aggregate consideration of ZAR3.5 billion by way of a private sale of shares, subject to the terms and conditions contemplated in the share purchase agreement entered into between Titan, RMB, Brait and the Company. By virtue of this structure RMB will only be required to purchase Ordinary Shares should the Admission not take place. Should Admission take place, RMB would have no obligation to acquire Ordinary Shares by way of a private sale of shares, subject to the terms and conditions contemplated in the share purchase agreement.

Information pertaining to Titan as underwriter, is set out in "ANNEXE 15 – Information Relating to the Underwriter".

The Directors have made due and careful enquiry to confirm that Titan is in a position to meet its commitments in terms of the Cornerstone Investment and Underwriting Agreement.

OTHER PRE-LAUNCH COMMITMENTS

In addition to the Titan Cornerstone Investment, irrevocable commitments have been secured from ABAX, Allan Gray (for and on behalf of their respective clients and not by them as principal), Mergence and Steyn Capital, in terms of which they have agreed to purchase Ordinary Shares at the Offer Price for an aggregate consideration of ZAR1.140 billion. Furthermore, Laurium has delivered a letter of support to Brait confirming its intention to apply for Offer Shares for an aggregate consideration of ZAR200 million. These Pre-launch Commitments, together with the Titan Cornerstone Investment, has resulted in 75.47% coverage of the Offer. These Pre-Launch Commitments, together with existing public shareholders and other parties' commitments meet the free-float requirements as set out in the JSE Listings Requirements.

CESSION OF VOTING RIGHTS

Brait has invited its major and institutional shareholders to participate in the Offer, and as an incentive to their participation, has offered to cede and transfer to those Brait PLC shareholders who take up their Brait Look-Through Percentage of the Offer Shares, the voting rights attaching to such Brait PLC shareholders' Brait Look-Through Percentage of the remaining Ordinary Shares held by Brait following Admission. As at the Last Practicable Date, Titan has committed to take up its Brait Look-Through Percentage of the Offer Shares.

Titan, Brait and Brait PLC have entered into a cession of voting rights agreement whereby Brait will, on the terms set out therein, with effect from Admission, cede and transfer Titan's Brait Look-Through Percentage of the Ordinary Shares held in Premier following Admission, to Titan. Titan has appointed Brait as its agent to exercise all such voting rights in accordance with Titan's instructions for the duration of the Cession of Voting Rights Agreement. The Cession of Voting Rights Agreement will lapse when either (i) Titan and its associated entities ceases to hold any Brait shares or (ii) Brait ceases to hold any Ordinary Shares. The suspensive conditions to this agreement include: (i) the Admission taking place as contemplated in this Pre-listing Statement; (ii) the Cornerstone Investment and Underwriting Agreement having been executed; and (iii) the TRP having granted an exemption to Titan and its associated entities from compliance with section 123 of the Companies Act, as contemplated in section 119(6) of the Companies Act.

As at the Last Practicable Date all the Shareholders (other than Brait) have consented to the acquisition by Titan and its associated entities of more than 35% of the voting rights attached to all securities issued by Premier, and have waived their rights to a mandatory offer. On 3 March 2023, the TRP granted Titan and its associated entities an exemption from the obligation to make a mandatory offer in terms of section 119(6) of the Companies Act in relation to its acquisition of more than 35% of the voting rights attached to all securities issued by Premier on account of the Cornerstone Investment and Underwriting Agreement and the Cession of Voting Rights Agreement.

NO MANDATORY OFFER BY TITAN OR ITS RELATED PARTIES

As a consequence of the acquisition by Titan of the Titan Cornerstone Investment Shares, and its acquisition of voting rights from Brait under the Cession of Voting Rights Agreement, from Admission, Titan and its associated entities will be entitled to exercise more than 35% of the voting rights attached to all securities issued by Premier.

Investors are advised that Titan and its associated entities will not be obliged to make a mandatory offer in terms of section 123 of the Companies Act upon Admission and/or if they acquire any further voting rights following Admission, including without limitation pursuant to an unbundling by Brait of any securities issued by Premier, and, consequently, by so acquiring any such Ordinary Shares, investors automatically, irrevocably and unconditionally waive their rights to a mandatory offer in terms of section 123 of the Companies Act and their successors-in-title will equally not be entitled to rights to receive a mandatory offer as aforesaid.

OFFER PRICE

The Offer Shares will be offered at the Offer Price. The Offer Price will be payable in full in Rand without deduction or set-off. Brait will pay Securities Transfer Tax (if any) due on the transfer of any Offer Shares (including the Titan Cornerstone Investment Shares). Securities Transfer Tax is imposed in respect of the transfer of listed shares (including the cancellation or redemption of a share) at the rate of 0.25% of the taxable amount of such shares, being the higher of the market value or consideration given for the shares, determined in terms of the STT Act.

The book building process in relation to the Offer will be undertaken by the Joint Bookrunners in terms of the Placement Agreement. Following a book building process, the exact number of Offer Shares to be sold pursuant to the Offer will be determined by the Joint Bookrunners (in consultation with Brait and the Company) either prior to, or on the Closing Date, and will be announced on SENS on Monday, 20 March 2023. Any change to these dates and times will be announced on SENS.

CONDITIONS TO THE OFFER AND ADMISSION

The Offer is conditional on the Placement Agreement and the Cornerstone Investment and Underwriting Agreement becoming unconditional and Admission of all of the issued Ordinary Shares on the exchange operated by the JSE, failing which the Offer and any acceptance thereof shall not take effect and no person shall have any claim whatsoever against the Company, Ethos, Brait, the Joint Bookrunners or any other person as a result of the failure of any condition. Admission is conditional on the attainment of a free-float and spread of shareholders as prescribed by the JSE Listings Requirements and acceptable to the JSE, which condition has been fulfilled via the Pre-Launch Commitments, together with existing public shareholders and other parties' commitments. The JSE Listings Requirements prescribe that a minimum of 20 percent of the Ordinary Shares are held by the public, all as defined by the JSE Listings Requirements.

PARTICIPATION IN THE OFFER

The Offer will only be made:

- in South Africa, to South African Qualifying Investors; and
- outside the United States and the Affected Jurisdictions, to selected persons in reliance on Regulation S,

to whom the Offer will specifically be addressed, and only by whom the Offer will be capable of acceptance.

The Offer will not be made to persons in the United States or the Affected Jurisdictions.

The Offer and the relevant information that pertains to such Offer in respect of each class of South African Qualifying Investors is combined in this Pre-listing Statement for the sake of convenience only.

REPRESENTATION

Any person applying for or accepting an offer of Offer Shares shall be deemed to have represented to Brait, Ethos, and the Joint Bookrunners that: (i) they have not relied for any purpose whatsoever on the 2022 Pre-Listing Statement, including any materials prepared, published, or otherwise distributed by any person in connection with the 2022 Pre-listing Statement and the Withdrawn IPO (including, without limitation, the 2022 Abridged Pre-listing Statement); (ii) they have not relied on Brait, Ethos, the Joint Bookrunners or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this Pre-listing Statement or their investment decision; (iii) they have relied only on the information contained in this Pre-listing Statement; and (iv) that to the extent that any person has given any information or made any representation concerning the Company, the Group or the Offer Shares (other than as contained in this Pre-listing Statement), such other information or representation has not been relied upon as having been authorised by Brait, Ethos, or the Joint Bookrunners.

Any person applying for or accepting an offer of Offer Shares shall be deemed to have represented to Brait, Ethos, the Company, and the Joint Bookrunners that they have done so in accordance with all applicable laws and regulations. Any South African person applying for or accepting an offer of Offer Shares shall be deemed to have represented that they are a South African Qualifying Investor, and any non-South African person applying for or accepting an offer of Offer Shares shall be deemed to have represented that they are not resident in, registered in, or otherwise subject to or under the protection of the securities laws of, the United States or the Affected Jurisdictions, and are otherwise entitled to accept an offer of, and take transfer of, Offer Shares without Brait or the Company being required to comply with any registration or other requirements.

The Company reserves the right, but shall not be obliged, to treat as invalid any transfer of Offer Shares, which appears to the Company or its advisers or agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction (including any Affected Jurisdiction); or if the Company believes (in its discretion) or its advisers or agents believe that the same may violate applicable legal or regulatory requirements; or if the Company believes (in its discretion) that it is prohibited or unduly onerous or impractical to transfer any Offer Shares to any persons in any jurisdiction outside South Africa.

Prospective investors participating in the Offer will be deemed to have checked and confirmed that they meet the selling and transfer restrictions described in "PART XIV – Selling Restrictions". Each prospective investor should consult its own advisers as to the legal, tax, business, financial and related aspects of a purchase of, or a subscription for, Offer Shares.

ALLOCATION

The allocation of Offer Shares to investors is expected to take place after the closing of the Offer on or around Friday, 17 March 2023 subject to any changes to the Offer timetable as may be announced on SENS. The Joint Bookrunners, in consultation with the Company and Brait, retain sole and absolute discretion in allocation of the Offer Shares to eligible interested parties. Allocations will be made having regard to the terms of the Placement Agreement, the Cornerstone Investment and Underwriting Agreement and the Pre-Launch Commitments and to achieve a suitable, sustainable and supportive long-term Shareholder base which is in the best interests of the Company and its Shareholders.

Subject to the Offer Shares irrevocably committed to be purchased by Titan pursuant to the Cornerstone Investment and Underwriting Agreement and irrevocable commitments and/or letters of support from ABAX, Allan Gray (for and on behalf of their respective clients and not by them as principal), Laurium, Mergence and Steyn Capital in terms of the Pre-Launch Commitments and management's participation as set out below, there is no maximum or minimum number of Offer Shares for which prospective investors may apply and multiple applications to purchase Offer Shares are permitted.

In the event of an over-application for Offer Shares, the Joint Bookrunners, in consultation with the Board and Brait, shall determine an appropriate and equitable basis for allocating the Offer Shares. In considering same, the Board and Brait will consider the spread requirements of the JSE, and promoting liquidity, tradability and an orderly market in the Ordinary Shares.

Subject to the Offer Shares to be purchased pursuant to the Cornerstone Investment and Underwriting Agreement, the Pre-Launch Commitments and management's participation in the Offer as set out below, there is no intention to extend a preference on allocation to any particular person in the event of an over-application.

Depending upon the level of demand, investors may receive no Offer Shares or fewer than the number of Offer Shares applied for. Any dealing in Offer Shares prior to delivery of the Offer Shares is at the risk of the applicant. Accordingly, none of Brait, Ethos, the Company, or the Joint Bookrunners accept or assume any responsibility or liability towards any person as a result of any transactions in any Offer Shares prior to the delivery of the Offer Shares.

There will be no fractions of Offer Shares in terms of the Offer.

MANAGEMENT PARTICIPATION

Certain members of Senior Management have been invited to participate in the Offer through their respective Brokers, by having their Brokers, as agents, purchase Offer Shares from Brait for up to a maximum aggregate Offer Price of ZAR20 million. Participating Senior Management members will fund their respective purchase considerations without the assistance of Brait or the Company.

OVERALLOTMENT AND STABILISATION

In connection with the Offer, the Stabilisation Manager may, subject to law and only during the Stabilisation Period, over-allot or effect transactions which may support the market price of the Ordinary Shares at a level higher than that which might otherwise prevail for a limited period after the Admission Date. However, there is no obligation on the Stabilisation Manager to do so. Such stabilising action may under no circumstances continue beyond the end of the Stabilisation Period, which is expected to end on the 30th calendar day after the Admission Date.

There is no assurance that the Stabilisation Manager will undertake stabilisation activities. Such transactions may be effected on the JSE and will be carried out in the accordance with applicable rules and regulations of the JSE.

Specifically, in connection with the Offer, Brait proposes to grant the Stabilisation Manager, on behalf of each of the Joint Bookrunners, the Overallotment Option, to call for Brait to sell such additional number of Ordinary Shares at the Offer Price as shall be equal to an aggregate consideration of up to ZAR100 million (being a maximum of 1,858,046 Ordinary Shares, which are referred to as the Overallotment Shares), to the extent required by the Stabilisation Manager during the Stabilisation Period. During the Stabilisation Period, the Stabilisation Manager may undertake Stabilisation activities with a view to supporting the market price of the Ordinary Shares at a higher level than that which might otherwise prevail after the Admission Date. If the Stabilisation Manager borrows any Ordinary Shares from Brait in order to effect Stabilisation activities, it will, except to the extend it exercises the Overallotment Option, re-transfer equivalent Ordinary Shares to Brait on a date which is no later than the 30th calendar day after the Admission Date. Such borrowing and re-transfer of Ordinary Shares is set out in a Securities Lending Agreement entered into between Brait and the Stabilisation Manager on customary terms, which will allow the Stabilisation Manager to cover short positions resulting from any over-allotment and/or from sales of Ordinary Shares effected during the Stabilisation Period,

Stabilisation, if commenced, may be discontinued at any time on two business days' notice to the JSE and will in any event be discontinued after the Stabilisation Period. No Stabilisation activities may be undertaken after the expiry of the Stabilisation Period.

These arrangements will enable the Stabilisation Manager to close out its short position resulting from any over-allotments and/or sales of Ordinary Shares effected by the Stabilisation Manager during the Stabilisation Period by exercising the Overallotment Option or by purchasing Ordinary Shares in the open market to close out the stock loan.

The terms of the Overallotment Option and Stabilisation are regulated in terms of the Placement Agreement and the Securities Lending Agreement.

LOCK-UP ARRANGEMENTS

The Company, Senior Management and Brait have each agreed to certain lock-up arrangements in the Placement Agreement subject to customary exceptions.

Subject to customary exceptions, the Company will not be entitled to issue any Ordinary Shares for a period of 180 days from the Admission Date and Brait and Senior Management will not be entitled to sell, transfer or otherwise dispose of any of its Ordinary Shares held at the Admission Date for a period of 360 days from the Admission Date. If Brait elects to unbundle its Ordinary Shares in the Company to Brait PLC shareholders, the lock-up will not apply.

Titan has also agreed, subject to customary exceptions, pursuant to a separate lock-up agreement, to restrictions on its ability to sell or transfer Offer Shares or interests therein for a period of 180 days after the Settlement Date.

All lock-up arrangements are waivable by the Joint Bookrunners, which decision to waive shall not be unreasonably withheld. If the Company needs to issue Ordinary Shares for an acquisition, it will need to obtain a waiver from the Joint Bookrunners. For the avoidance of doubt, the lock-up arrangements shall not apply to transactions relating to Shares (or other securities of the Company) acquired in open market transactions after the completion of the Offer.

PAYMENT FOR AND DELIVERY OF OFFER SHARES

Prospective investors are reminded that all Ordinary Shares will be issued and delivered in Dematerialised form and, as such, no documents of title in respect of any Ordinary Shares will be issued to any successful applicant.

Each successful applicant must, as soon as possible after being notified of an allocation of Offer Shares, forward to:

- its CSDP, all information required by its CSDP and instruct its CSDP to pay, against delivery of the applicant's allocation of Offer Shares, the aggregate price for such Offer Shares to the account designated by the Company. Such information and instructions must be confirmed to the applicant's CSDP no later than 12:00 on Thursday, 23 March 2023; and
- the Transfer Secretaries, details of its CSDP, the name of the account holder and number of Ordinary Shares to be acquired and such other information as is required by the Transfer Secretaries in order to effect delivery of the relevant Offer Shares. Such information must be confirmed to the Transfer Secretaries no later than 12:00 on Thursday, 23 March 2023.

By no later than 12:00 on Thursday, 23 March 2023, each applicant must place its funds with its CSDP or make other necessary arrangements to enable its CSDP to make payment for the allocated Offer Shares on the Settlement Date, in accordance with each applicant's agreement with its CSDP. The applicant's CSDP must commit in Strate to the receipt of the applicant's allocation of Offer Shares against payment by no later than 12:00 on Friday, 24 March 2023.

On the Settlement Date (which is expected to be Friday, 24 March 2023), the applicant's allocation of Offer Shares will be credited to the applicant's CSDP or Broker account against payment during the Strate settlement runs which occur throughout the day.

APPLICABLE LAW

The Offer and Admission, including without limitation, applications for, allocations of and acceptances of and payments for Offer Shares, will be exclusively governed by the applicable laws and regulations of South Africa and each applicant will be deemed, by applying for Offer Shares, to have consented and submitted to the exclusive jurisdiction of the courts of South Africa in relation to all matters arising out of, or in connection with, the Offer and Admission.

STRATE

Ordinary Shares may only be traded on the exchange operated by the JSE in electronic form. Dematerialised Shares will be enabled for trading by electronic settlement in terms of the Strate System immediately following the Admission. The Strate System is a system of "paperless" transfer of securities. If investors have any doubt as to the mechanics of the Strate System they should please consult their Broker, CSDP or other appropriate adviser. Please also refer to the Strate website at http://www.strate.co.za. Some of the principal features of the Strate System are as follows:

- Electronic records of ownership replace share certificates and the physical delivery of share certificates.
- Trades executed on the exchange operated by the JSE must be settled within three business days.
- All investors owning Dematerialised Shares or wishing to trade their securities on the exchange operated by the JSE are required to appoint either a Broker or a CSDP to act on their behalf and to handle their settlement requirements.
- Unless investors owning Dematerialised Shares specifically request their CSDP to register them as an "own-name" shareholder (which entails a fee), their CSDP's or Broker's nominee company, holding shares on their behalf, will be the registered shareholder (member) of the relevant company and not the investor. Subject to the agreement between the investor and the CSDP or Broker (or the CSDP's or Broker's nominee company), generally in terms of the rules of Strate, the investor is entitled to instruct the CSDP or Broker (or the CSDP's or Broker's nominee company), as to how it wishes to exercise the rights attaching to the shares and/or to attend and vote at shareholders' meetings.

PLACEMENT AGREEMENT

Brait, the Company and the Joint Bookrunners have entered into the Placement Agreement in connection with the Offer and Admission.

The Placement Agreement is subject to a number of conditions that are customary for agreements in respect of transactions of this nature, including receipt of certain completed documents, no material adverse change having occurred between the signature date thereof and Admission, and Admission occurring by a particular date.

The total fees and commissions payable to the Joint Bookrunners pursuant to the Placement Agreement comprise 2.0% of the gross proceeds received by Brait in respect of the Offer Shares sold and settled pursuant to the Offer (excluding the Titan Cornerstone Investment Shares and the Underwritten Shares actually purchased pursuant to the Cornerstone Investment and Underwriting Agreement), to be paid by Brait on an agreed date to the Joint Bookrunners in the ratio agreed in the Placement Agreement.

The Placement Agreement also contemplates the potential payment of certain discretionary commissions by Brait of up to 0.5% of the gross proceeds received by Brait in respect of the Offer Shares sold and settled pursuant to the Offer to be paid by Brait on an agreed date to the Joint Bookrunners in the ratio agreed among the Joint Bookrunners.

The Placement Agreement is subject to termination provisions customary for agreements in respect of transactions of this nature, including, *inter alia*, termination by the Joint Bookrunners, in their absolute discretion and in good faith upon the occurrence of certain adverse events, having consulted with the Company and Brait, on written notice to the Company and Brait subject to the terms and conditions set out in the Placement Agreement.

APPROVALS AND ADMISSION

The SARB has granted the necessary regulatory approvals for the Offer and Admission.

The JSE has approved the Admission of all of the issued, and to be issued, Ordinary Shares (ISIN: ZAE000320321) in the "45102020 – Food Products" sector of the JSE list, under the abbreviated name "Premier" and the share code "PMR" with effect from the commencement of trade on Friday, 24 March 2023, subject to certain terms and conditions, including the JSE's spread and minimum free-float requirements as set out in the JSE Listings Requirements, which requirements have been met via the Pre-Launch Commitments, together with existing public shareholders and other parties' commitments.

The Ordinary Shares will be fully paid up and freely transferable upon Admission (subject to the lock-up arrangements applicable to Titan, the Company, Brait and Senior Management summarised above) and may only be traded on the JSE in Dematerialised form with electronic settlement occurring via the Strate System.

PART III – EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The definitions and interpretations contained in "ANNEXE 16 – Definitions, Glossary and Interpretation" apply, *mutatis mutandis*, to this PART III – Expected Timetable of Principal Events, except where otherwise indicated.

The following indicative timetable sets out expected dates for the implementation of the Offer and the Admission[1].

Key action	**2023**
Opening date of the Offer at 09:00 on	Friday, 10 March
Publication of the Pre-listing Statement on	Friday, 10 March
Release of the abridged Pre-listing Statement on SENS on	Friday, 10 March
Publication of the abridged Pre-listing Statement in the press on	Monday, 13 March
Last date and time for indications of interest for purposes of book building to be received up until 12:00 on	Friday, 17 March
Closing Date of the Offer at 12:00 on	Friday, 17 March
Successful applicants advised of allocations on	Friday, 17 March
Publication date of the final number of Offer Shares released on SENS on	Monday, 20 March
Publication date of the final number of Offer Shares published in the press on	Wednesday, 22 March
Settlement Date	Friday, 24 March
Admission Date	Friday, 24 March

Notes:

1. The above dates and times are subject to amendment. Any such material amendment or other material amendments to this Pre-listing Statement will be released on SENS and published in the South African Press.
2. All times quoted in this Pre-listing Statement are local times in South Africa on a 24-hour basis, unless specified otherwise.

PART IV – RISK FACTORS

RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties set out below, together with the other information contained in this Pre-listing Statement, before making an investment decision with respect to the Ordinary Shares.

The risks described below are those of which Premier is currently aware and which Premier believes, as of the date of this Pre-listing Statement, may materially adversely affect Premier or any member of the Group. Additional risks and uncertainties not known to the Group, or those that it deems to be immaterial as of the date of this Pre-listing Statement, may, individually or cumulatively, also materially adversely affect the Group's business, financial condition and results of operations. The market price of the Ordinary Shares could decline due to the occurrence of any of these risks or other factors, and investors may lose all or part of their investment upon the occurrence of any such event.

All these risk factors and events are contingencies that may or may not occur. The Group may face a number of these risks described below simultaneously and some risks described below may be interdependent. Although the material risks have been grouped together in a coherent manner and material risks considered to be of the most immediate significance have been prominent at the beginning within the material risks disclosure, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Group's business, financial condition, results of operations and prospects. While the risk factors below have been divided into categories, some risk factors could belong to more than one category and prospective investors should carefully consider all the risk factors set out in this section.

Prospective investors should carefully read and review the entire Pre-listing Statement and should form their own views before making an investment decision with respect to the Offer Shares. Furthermore, before making an investment decision with respect to any Offer Shares, prospective investors should consult their own professional advisers and carefully review the risks associated with an investment in the Offer Shares and consider such an investment decision in light of their personal circumstances.

RISKS RELATED TO THE BUSINESS OF THE COMPANY AND THE OFFER SHARES

The Group owns operations which require it to comply with various environmental, health and safety and other applicable laws and regulations.

The Group's facilities and operations are subject to certain environmental laws and regulations. These environmental requirements may include, among other things, certain pollution control measures or limits for solid and hazardous wastes, water discharges and air emissions, and may require businesses whose activities have an impact on the environment to obtain permits regulating those activities. Non-compliance with such requirements may result in criminal or civil penalties, damages claims, or requirements to install or retrofit pollution control equipment or practices. In addition, South African environmental law imposes an obligation on companies to remediate environmental damages (including damages to natural resources) caused, as well as a duty of care to take reasonable measures to prevent pollution or degradation of the environment from occurring, continuing or recurring. Any failure by Premier to comply with applicable environmental laws and regulations or to live up to its disclosures relating to ESG performance could cause financial damage, reputational harm and legal challenges.

Premier is a member of the Polyolefin Responsibility Organisation NPC, an extended producer responsibility organisation that establishes and implements an extended producer responsibility scheme, as contemplated in the *Extended Producer Responsibility Scheme for Paper, Packaging and Some Single Use Products Regulations* published under the National Environmental Management Waste Act 59 of 2008. Failure to comply with its regulations could lead to penalties or revocation of registration.

In general, the food industry has recently also been under increased scrutiny by regulators, such as the competition authorities.

It should be noted that the South African food segment is highly regulated with legislators restricting certain labelling practices since the issuance of The South African Food Labelling Regulations (R146/2010) which were published in the Government Gazette, in March 2010 (Health Department of South Africa). Manufacturers are only allowed to make claims if certain stipulated criteria are met, i.e. producers will need to ensure that the functionality and value proposition of products are reached. Descriptive labelling and technological advanced packaging are required to allow products to retain their freshness and natural or enhanced features. Non-compliance with such requirements could result in financial damage, reputational harm and legal challenges.

The CPG industry contains a risk of product contamination and recall which poses a risk to the Group operations.

Any allegations that the Group's products are defective or contaminated or do not have the advertised properties or do not contain adequate information on possible side effects or the risks of interaction with other chemical substances, among other potential allegations, and even if unfounded, could result in business interruptions, product recalls, product liability claims, litigation, fines, and other penalties. Consequently, any of these events could have a significant negative impact on the Group's reputation, business, financial position and results of operations.

Legal and regulatory restrictions in the food industry.

The food industry is subject to extensive regulation and licensing requirements, such as the Consumer Protection Act, labour legislation and health, safety and environmental legislation. Failure to comply with any of the applicable regulatory requirements could result in the loss of one or more of Premier's operating licences or severe fines, which could have a material negative impact on the Group's business, financial condition and results of operations. Furthermore, non-compliance with these applicable regulations could lead to reputational damage.

Any problems associated with the reliability and quality of raw materials may materially adversely affect the Group's business, financial condition and results of operations.

For commercial purposes, the Group is reliant on the consistency and quality of the raw materials it obtains to manufacture its products. Its two largest raw material inputs are maize and wheat for milling and baking. Although the Group currently contracts in advance for the supply of maize and wheat, if it were unable to secure such contracts in future, or if the counterparties to such contracts failed to perform their obligations on time or at all, this could have a materially negative impact on the quantity of the products it produces, lowering revenue, forcing the Group to switch to more expensive suppliers, and/or rising input costs, all of which could have a materially negative impact on the Group's business, financial condition and results of operations.

Furthermore, if the quality of raw materials delivered to the Group was below the required standard, or if there was a shortage of raw materials available of the required quality, this could have a materially negative impact both on the quality and the quantity of the products it produces, with a consequent further negative impact on its business, financial condition, and results of operations.

Any disruption in the sourcing of raw materials due to factors beyond the Group's control, such as droughts, floods, fluctuating quality, port delays and strikes or temporary shortages in the supply of raw materials, could force the Group to reduce production of certain products, which could have a materially negative impact on its business, financial condition, and results of operations.

In order to ensure sufficient supply of maize the Group has been proactively managing price increases and volumes by way of forward supply contracts. The Group has consistently applied its grain procurement policy, which is designed to give enough price certainty to effect price increases into the market before increases impact margins. There is a risk that the policy might not work as it has in the past or in line with expectations. In addition, rising commodity prices lead to significant working capital absorption, which requires funding for the Group.

Risk of poor-quality perception and erosion of the Group's products' brand premium.

Premier Group's branded products have a longstanding reputation and significant value in the market. These products account for a significant portion of the Group's revenue, which could be harmed by a variety of factors, such as failure to provide customers with the quality of products they expect, disputes or litigation with third parties, such as employees, suppliers, or customers, or negative media coverage. A significant deterioration in the reputation of Premier's brands, or the value connected with them, could have a negative impact on the Company's future financial success.

The Group's operations depend on the transportation system and infrastructure to receive products from suppliers and deliver them to customers in its distribution network.

The Group's operations depend on the continuous operation of logistical infrastructure throughout South Africa including highways and all means of transport used by the Group and/or its service providers, suppliers and customers.

Any significant interruptions or reductions in the provision of infrastructure and/or transport services, or any increase in prices for the use of such infrastructure and/or services (as a result of natural disasters, fire, accidents, strikes, protests, system failures, maintenance failures or any other causes), may delay or affect the ability of suppliers to distribute and deliver supplies to the Group and the ability of the Group to distribute and deliver products to customers, which may reduce sales volumes and/or profitability and thus materially adversely affect the financial performance of the Group. The Group is dependent on ports, highways, trucking and public transport.

Inflation and exchange rate exposure on procurement of wheat.

The price of wheat and maize is determined by international markets and is beyond Premier's control. The Russian invasion of Ukraine in February 2022 has resulted in increased price volatility in the price per ton of wheat. Furthermore, the price of wheat is determined in USD and any deterioration in the Rand:USD exchange rate has an impact on the price paid by Premier for wheat. Any further inflation of the USD price for wheat, and any further deterioration in the ZAR:USD exchange rate could have a materially negative impact on Premier's business, financial condition, and results of operations.

Dependence upon key personnel.

The success of the Group is reliant on human capital, and the skill and experience of its key employees, particularly the Senior Management team described in "PART VIII – Directors, Senior Management and Corporate Governance". These individuals have significant experience and knowledge of the operations and markets in which they work. Failure by Premier to retain key personnel or to execute its succession plan, or an inability to recruit additional personnel, could have a material impact on the Group's business, operational performance, and financial results.

Reliance on large retail customers.

A significant percentage of Premier's revenue is derived from its commercial relationships with large retail customers. If certain of these retail customers are unable to meet their payment obligations to Premier, that would result in an increase in Premier's bad debt provisions, which could result in significant adverse financial consequences for the Group. Furthermore, any decision by such a large retail customer to cease engaging in business with Premier or to use its bargaining power to resist inflationary price increases by Premier could also have significant adverse financial consequences for the Group.

The prices for Premier's products to end consumers are determined by the retail customers who also influence product placement in accordance with their company-specific retail policies and strategies. Premier is not able to dictate the final retail price nor materially influence the placement of its products. Unfavourable pricing or product placement could materially adversely affect Premier's competitive position and market share across its various private label and branded products which are sold by large retail customers.

Reliance on efficient manufacturing and logistics capability.

Premier, like many other businesses, relies on the continued and efficient operation of its manufacturing facilities, logistics operations and business processes. Production halts or process shutdowns caused by malfunctions or other unforeseen events (which could be followed by delays in restarting production or supply chain activities) could result in lower production volumes and revenues for the Group. As a result of catastrophic occurrences such as fires, explosions, or natural disasters, the Group may experience production interruptions or inventory losses. The Group's maize is milled at one major single site in Kroonstad, which accounts for c.85% of the total milling capacity of the Group. If the Group's manufacturing capacity is disrupted or inventory is lost at this site, the Group may be forced to incur significant costs to rectify the problem, which could have a material negative impact on the Group's business, financial position, cash flows, and results of operations.

Climate change, natural disasters, wars and social and public health crises may materially adversely affect the Group's business, financial condition and results of operations.

Changes in the local, regional, or global climate, such as rising temperatures, increased rainfall, other adverse weather conditions like droughts and flooding, and social and public health crises like the novel coronavirus ("**COVID-19**") pandemic or other epidemics and/or pandemics, may have a materially negative impact on consumer patterns, resulting in lower sales of the Group's product offerings.

In addition, such adverse climate changes, natural disasters and social crises, such as the flooding in KwaZulu-Natal that took place in the first half of 2022, the recent social unrest experienced in South Africa (particularly that that took place during July and August 2021) and, most recently, the political unrest in eSwatini, and the COVID-19 public health crises, may affect its operational capacity, transportation infrastructure and points of sale in jurisdictions. Climate change causes volatility in weather patterns, increases in high temperatures, leading to drought, fires and water scarcity or high rainfall causing flooding, which could negatively impact the quality and availability or essential raw materials, disrupt distribution and supply chains, or lead to a limitation on the Group's productivity which may have a negative impact on the Group's financial performance.

The COVID-19 pandemic has caused volatility and has had an unpredictable impact on the results of operations of the Group.

The COVID-19 pandemic and related lockdown measures implemented by the government has had an effect on consumer spending and businesses operations. Future developments in relation to the pandemic, including if the applicable regulations were to change or if there was another outbreak of COVID-19 among employees at one or more of the Group's facilities, could result in its facilities having to run at below capacity, or to cease operations. Such circumstances would limit the Group's ability to produce, sell and distribute products, thus affecting its business, financial condition and results of operations.

Failures, breakdowns or cybersecurity incidents in the Group's information technology systems ("IT"), including those that affect the privacy and security of business and confidential customer information, including personal data, could materially adversely affect its reputation, business, financial condition and results of operations.

The Group is reliant on third-party IT systems and infrastructure to be available on a continuous and uninterrupted basis, for example Microsoft for operating systems as well as Microsoft Azure Cloud to back up documents. The Group's computer and management systems could be harmed by a variety of circumstances, including disruptions to telecommunications infrastructure, insufficient capacity at IT centres, fire, power outages or damage, and third-party attacks. Physical or electronic break-ins, computer viruses, or other interruptions could cause harm to the Group's servers. Unexpected obstacles in the Group's systems may potentially cause the Group's activities to be disrupted. Existing security systems, IT security policy, data protection, physical access security, and access protection cannot be guaranteed with increased occurrences of hacking and ransom demands by third-party attackers.

Furthermore, the POPI Act in South Africa, requires that businesses comply with measures to protect the personal information of their customers. The POPI Act sets out the minimum standards regarding accessing and processing of any personal information. If Premier fails to meet any of these minimum standards, it could lead to fines imposed by authorities, or reputational harm to the Group.

In the future, sustained or repeated damage to the Group's network and technical systems could result in considerable reputational harm or business disadvantages for the Group. Any of the aforementioned factors could have a major negative impact on the Group's business, financial condition and results of operations.

Increases in energy and fuel costs or shortages of energy or fuel could materially adversely affect the Group's business, financial condition and results of operations.

The Group's business operations and transportation systems rely on a number of energy and fuel sources, such as petrol and diesel. In order to distribute and deliver the Group's products to its trade partners, the Group utilises its own fleets of trucks, and independent logistics partners, which are dependent on these fuel sources. In 2022, the price of fuel in South Africa experienced significant increases. To date, Premier has managed its operations in such a way that fuel and energy price inflation has had a limited impact on the results of its operations.

In addition, the Group's milling, baking, and distribution facilities consume a substantial amount of power and energy. Increased demand, natural disasters, power outages, epidemics, pandemics, or other public health concerns, government regulations, taxes, policies, or programmes, including programmes designed to reduce greenhouse gas emissions to address climate change, could all result in an increase in the Group's energy and fuel costs. Any one of these factors might have a materially negative impact on the Group's business, financial condition and results of operations.

The Group may face uninsured losses, losses for which the contracted insurance coverage is insufficient, or difficulties in contracting new policies, which may materially adversely affect its business.

The Group is vulnerable to incidents (such as acts of God and *force majeure*, interruptions of specific activities, or product recalls) for which it has not contracted insurance coverage, or which result in losses in excess of the applicable policies' coverage limitations. Furthermore, the Group cannot guarantee that the insurance firms with which it maintains policies will not go bankrupt or become insolvent or otherwise fail to settle Group insurance claims. Furthermore, certain of the Group's activities such as its cybersecurity infrastructure, are not currently covered by insurance. The Group cannot guarantee that it will be able to keep and renew its existing insurance policies at appropriate commercial rates and terms, or with the same or comparable insurance carriers. If the Group is unable to maintain proper insurance coverage for its firm, it may suffer more costs, which could impact on its profitability.

The Group may fail to successfully implement its strategy or achieve any or all of the financial objectives included in this Pre-listing Statement.

The Group has set itself several financial objectives. The Group's ability to achieve these financial objectives depends on its ability to successfully execute its strategy and on the accuracy of certain assumptions upon which they are based. These assumptions involve factors that are substantially or entirely beyond the Group's control and are subject to known and unknown risks, including the risks described in this section, uncertainties and other factors that may result in the Group's inability to achieve its financial objectives. In particular, the Group's ability to successfully implement its strategy and achieve its financial objectives may be impacted by factors such as general economic and business conditions and competition in industries in which the Group operates, all of which are outside of its control. If one or more of the assumptions that the

Group has made in determining its strategy or setting its financial objectives is inaccurate, or if one or more of the risks described in this section "PART IV — Risk Factors" were to occur, the Group may be unable to implement its strategy or achieve one or more of its financial objectives.

Further, the Group's plans for acquisitive growth will expose it to acquisitions that may underperform in the future.

RISKS ASSOCIATED WITH INVESTING IN EMERGING MARKETS SUCH AS SOUTH AFRICA

Adverse macroeconomic, political and social conditions may materially adversely affect the Group, its business, financial condition and results of operations.

There have been several serious macroeconomic, political and social disruptions during the recent past, some of which are ongoing. These include flooding in KwaZulu-Natal that took place in the first half of 2022, social unrest in the KwaZulu-Natal and Gauteng provinces in South Africa during July and August 2021, negative GDP growth rates, the volatility of the Rand, the adverse effects of the COVID-19 pandemic and, most recently, the political unrest in eSwatini.

Continued or deteriorating macroeconomic, political and social unrest or rapid changes in areas in which the Group operates may undermine investor or consumer confidence in the macro environment and in those relevant companies. The inability of the government in South Africa, eSwatini or other countries in which the Group operates to achieve political, social and economic stability may result in a decline in market and investor confidence in the relevant economy affecting the Group's ability to access international equity and debt capital markets. The Group has expanded, and expects to continue to expand, its operations. As such, these macroeconomic, political and social unrest risks and rapid changes could impact the Group's ability to grow and expand its operations in line with its strategy. Any of the foregoing may materially adversely affect the Group's business, financial condition and results of operations.

Changes in fiscal policies and tax laws may materially adversely affect the Group.

The governments of the countries that Premier operates in, being South Africa, Lesotho, eSwatini, Mozambique and the United Kingdom, may seek to adopt new tax laws or modify existing tax laws to increase taxes applicable to the Group's business or the Group's products. Governments, multilateral organisations and consumers (either pressure groups or individuals by choice in their purchasing decisions) are pressing for sustainable solutions. Healthy eating, wellness and food product provenance is gaining worldwide awareness and there is an increased interest in increasing and/or expanding sugar taxes. If the governments of the countries in which Premier operates institute sugar tax on products other than sugar intensive beverages, it could adversely affect Premier's confectionery business.

Brown bread, white bread flour, white cake flour and sanitary pads in South Africa are zero-rated for VAT purposes. This affects many of Premier's baking, milling and sanitary products. If these products cease to be zero-rated for VAT purposes, this could affect Premier products' prices and the Group's business, financial condition and results of operations.

In addition, the Group may be subject to periodic inspections or audits by tax and regulatory agencies. The Group's tax approach may be challenged by applicable tax authorities as a result of such inspections or audits if there is a difference of opinion on the application of the relevant laws and provisions. This could result in significant additional expenses related to justifying the Group's position and, eventually, significant additional amounts due if it is unsuccessful in defending its tax positions. The Group strives to comply with all applicable tax regulations, but it cannot guarantee that its provisioning for further tax contingencies and obligations is right, or that no additional tax liabilities would arise. Any material assessment or objection by the revenue authorities to the Group's tax positions might have a materially negative impact on the Group's business, operational results, or financial condition.

Increase in inflation could adversely affect the general market Premier operates in.

The average annual consumer price inflation for 2021 was 4.5% and South Africa's inflation continues to increase. By December 2022, South African's annual inflation rate was 7.2%. This has an impact on the general consumer across all industries, including the Group's customers. Growth in inflation and continued interest rate hikes could have an adverse impact on the Group's business, operational results, or financial condition.

Interest rate risk.

Locally and globally interest rates rose in 2022 and have continued to rise in early 2023. Material adverse fluctuations of market interest rates can significantly impact the Group's financing costs. This may make it more difficult for the Group to meet its debt obligations and limit its ability to borrow. The interest rates and related terms of the Group's interest-bearing borrowings are disclosed at "ANNEXE 11 – Material Borrowing, Lending and Material Inter-Company Balances" of this Pre-listing Statement.

Any further downgrading of the sovereign credit rating of South Africa could materially adversely affect the price of the Offer Shares.

Investors' perceptions of risks associated with the credit rating of South Africa's government debt might have a materially negative impact on the Group. Rating agencies analyse South Africa's sovereign rating on a regular basis, depending on a variety of criteria such as macroeconomic trends, fiscal and budgetary conditions, indebtedness indicators, and the likelihood of changes in any of these aspects.

Because the majority of South Africa's government credit ratings are currently below investment grade, the cost of borrowing for South African companies has been severely impacted. Any increase in political or economic uncertainty, among other things, could result in further credit rating downgrades in South Africa.

On 24 February 2023, the Financial Action Task Force (FATF) announced that South Africa has been grey listed. Consequently, this may further impair the economy's links to the global financial system, raise the country's cost of capital and lead to additional barriers to doing business in the country.

Any additional deterioration in South Africa's sovereign credit ratings and the recent grey listing could raise investors' risk perceptions, causing the price of the Offer Shares to fall considerably.

The Group's operations in South Africa may experience disruptions from electricity and water shutdowns.

National electricity shortages have occurred in South Africa in the past, with periodic power outages or spikes, prompting the national power utility, Eskom, to impose electricity rationing and scheduled blackouts (known in South Africa as "load-shedding"). In the case of South Africa, its energy provider, Eskom, has warned that the national power grid may be stressed for several years as existing power stations are maintained and new power stations come online. During this time, regular power outages are likely to continue.

The Group has installed generators at all bakeries and confectionery manufacturing sites in order to keep operations running during scheduled national blackouts. However, if these blackouts were to occur for prolonged periods, it could influence Premier's ability to produce its products at full capacity or at all. Any extended period of planned or unplanned electrical power outages could result in significantly higher energy or other utility costs associated with operating backup power generators. If the Group cannot utilise its generators and alternative electricity supplies to keep operations running, it may have a material adverse effect on Premier's business, financial condition and results of operations.

Premier's operations are dependent on access to water and subject to water use regulations. The scarcity of water in South Africa, including the lack of sustainable supply, may cause increasing operating costs implications for the Group's business.

The Group is exposed to risks related to high crime levels in South Africa.

South Africa experiences high levels of unemployment and crime. As the majority of Premier's operations are based in South Africa, Premier's operations could be affected by physical security breaches. In the event that these security breaches cause a disruption or shutdown of operations, it could have an effect on Premier's business, financial condition and results of operations.

The Group is exposed to risks in connection with its compliance with broad-based black economic empowerment in South Africa. Any failure to comply with the Group's B-BBEE-related obligations may materially adversely affect its business, financial condition and results of operations.

The B-BBEE Act and the General Codes, among other measures, constitute the South African Government's policy to alleviate the economic divide in South African society as a result of historical discrimination. The Group and its South African subsidiaries are not required to comply with the General Codes, but there are generally accepted commercial imperatives to maximise one's score under the General Codes scorecard and putting in place measures to achieve the objectives of the B-BBEE Act and the General Codes is generally regarded as good corporate practice in South Africa. The Group has a B-BBEE rating of level 5 ("PART VII – B-BEE Restructuring").

The Group cannot guarantee that future changes or amendments to the B-BBEE Act, the General Codes, or the B-BBEE regulatory regime will not have a material negative impact on Premier's or its South African Subsidiaries' B-BBEE status, or that, where the Group requires approvals, consents, or other authorisations from the South African Competition Commission, South African Competition Tribunal, or any other competent South African regulatory authority, the Group will obtain them.

Furthermore, any failure to maintain Premier's B-BBEE status, or to comply with any B-BBEE threshold or initiative, may harm the Group's reputation in South Africa and, where a B-BBEE requirement has been imposed on the Group by a regulatory authority, subject the Group to significant penalties, fines, or sanctions, which may materially adversely affect its business, financial condition, and results of operations. Furthermore, given the importance of the South African business to the Group, if the Group needs to improve the B-BBEE ownership of Premier or other Premier South African subsidiaries, Shareholders may experience dilution or value leakage as a result of transactions that the Group or its South African Subsidiaries may undertake in order to improve the B-BBEE ownership of Premier or other Premier South African subsidiaries.

Risks relating to strong trade union protection and strike actions.

South Africa has a highly unionised work force and is subject to planned legal strike action and unplanned and illegal strike action from time to time. Such actions and prolonged and frequent strike action may have a negative impact on the Group and its customer base. Unplanned employee strikes and unrest in the future could result in damage to property and lead to Premier's inability to conduct business, which could have a material adverse effect on the Group's business, financial condition and results of operations.

RISKS RELATED TO THE ORDINARY SHARES, INCLUDING THE OFFER SHARES AND THE OFFER

There is currently no public trading market for the Ordinary Shares and there is a risk that no active and liquid market for the Ordinary Shares will develop and that the price of the Ordinary Shares may be volatile.

Even though the JSE has approved the listing of the Ordinary Shares (including the Offer Shares), with Admission expected to take effect from the commencement of trade on Friday, 24 March 2023 and albeit that, pursuant to the Cornerstone Investment and Underwriting Agreement, Titan will receive its full allocation of the Titan Cornerstone Investment Shares, in the Offer, there is no certainty that an active trading market for the Ordinary Shares will develop or, if it does, that it will be sustained or liquid following the Offer. Furthermore, the JSE could be less liquid than other internationally recognised stock markets. If no active trading market in the Ordinary Shares develops and is sustained following the Offer and Admission, the liquidity and market price of the Ordinary Shares may suffer materially and the price volatility of the Ordinary Shares may also increase. Investors may not be in a position to sell their Ordinary Shares quickly or at the market price if there is no active trading in the Ordinary Shares. In addition, an illiquid market for the Ordinary Shares may result in lower market prices and increased volatility, which could materially adversely affect the value of an investment in the Ordinary Shares.

The Joint Bookrunners have set the Offer Price for the Offer Shares in collaboration with Premier and Brait, and it may or may not be indicative of the Ordinary Shares' market price after the Admission. The market price of the Ordinary Shares may also fluctuate substantially due to various factors, some of which could be specific to the Group and its operations and some of which could be related to the industry in which the Group operates or equity markets generally. As a result of these and other factors mentioned in this "PART IV — Risk Factors", the Ordinary Shares may trade at prices significantly below the Offer Price. Premier cannot give assurance that the market price of the Ordinary Shares will not decline, or that the Ordinary Shares will not trade at prices significantly below the Offer Price, regardless of Premier's actual performance.

Immediately following the Offer, Brait may own 47.06% of the Ordinary Shares (assuming full allocation of the Offer Shares and full exercise of the Overallotment Option) and Brait and Titan will hold 65.83% of the voting rights to the Ordinary Shares (assuming Titan participates in the full ZAR3.6 billion Offer on its initial 36.16% basis and does not acquire any further Shares pursuant to the Underwrite), so that Brait and Titan will possess sufficient voting power to have an influence over all matters requiring Shareholder approval. As a result, following the Offer, the public Shareholders will have limited influence over matters presented to the Shareholders for approval. Brait's and Titan's interests may not always align with the interests of the other Shareholders.

As at the Last Practicable Date all the Shareholders (other than Brait) have consented to the acquisition by Titan and its related parties of more than 35% of the voting rights attached to all securities issued by Premier, and have waived their rights to a mandatory offer. On 3 March 2023, the TRP granted Titan and its related parties an exemption from the obligation to make a mandatory offer in terms of section 119(6) of the Companies Act in relation to its acquisition of more than 35% of the voting rights attached to all securities issued by Premier on account of the Cornerstone Investment and Underwriting Agreement and the Cession of Voting Rights Agreement.

As a consequence of the acquisition by Titan of the Titan Cornerstone Investment Shares, and its acquisition of voting rights from Brait under the Cession of Voting Rights Agreement, from Admission, Titan and its associated entities will be entitled to exercise more than 35% of the voting rights attached to all securities issued by Premier.

Investors are advised that Titan and its associated entities will not be obliged to make a mandatory offer in terms of section 123 of the Companies Act if they acquire any further Shares following Admission.

The A Ordinary Shares and A1 Ordinary Shares are convertible into Ordinary Shares on 1 April 2027 (or if such date is not a business day, on the immediately following business day) or, if earlier, on the business day immediately preceding the date of (i) implementation of an acquisition by any person other than Brait or Titan (or their respective related persons) of the ability to exercise more than 35% of the voting rights in Premier; or (ii) the disposal of the Group's business and assets to a *bona fide* third party in circumstances requiring shareholder approval in terms of section 112 of the Companies Act. Further details regarding this conversion are set out in "PART XI – Incorporation and Share Capital".

The A Ordinary Shares and A1 Ordinary Shares confer on their holders the right to receive distributions on each date on which a distribution is authorised by the Board to holders of Ordinary Shares. Further details regarding the determination of this distribution are set out in "PART XI – Incorporation and Share Capital".

The payment of any future dividends will depend on the Group's financial condition and results of operations.

Premier's ability to declare and pay dividends in the future is contingent on a variety of factors, including its financial performance and capital needs. There can be no assurance that the Group's historic performance will be repeated in the future, especially given the competitive nature of the industries in which it operates, and its sales, profit, and cash flow may not be sufficient to allow it to pay dividends or at the level expected by the market.

Any decision to declare and pay dividends will be made at the discretion of the Board and: (i) will mainly depend on the requirements of the Companies Act, Premier's financial position, results of operations, capital requirements, investment prospects, the existence of distributable reserves and available liquidity, finance costs, general economic conditions and such other factors as the Board may deem relevant from time to time; and (ii) is subject to factors that are beyond the Group's control.

The Directors recognise the importance of maintaining a consistent and transparent dividend policy and will endeavour to avoid volatile swings in the dividend profile by ensuring high quality, medium-term strategic and financial planning. However, there is no assurance that a dividend will be paid in respect of any financial period, and any future dividends will be a function of the profitability and return on equity of Premier, the future organic or acquisitive growth strategies which require capital investment, and/or the need to strengthen the balance sheet during periods of economic uncertainty.

Future offerings of debt or equity securities by Premier, or the perception thereof, may materially adversely affect the market price of the Ordinary Shares and any future issuances of Ordinary Shares or any changes to the B-BBEE Act, the General Codes or the B-BBEE regulatory regime raising the thresholds of minority ownership may dilute investors' shareholdings.

Holders of equity shares in South African companies are, in certain circumstances, entitled to pre-emptive rights pursuant to South African law and/or the memorandum of incorporation of such companies. The Company MOI provides that unissued securities shall be offered first to existing holders of Offer Shares *pro rata* to their shareholding unless issued for the acquisition of assets or except as otherwise approved by Shareholders. Premier may in the future, subject to the lock-up arrangements in the Placement Agreement (which may be waived by the Joint Bookrunners at their sole discretion), seek to raise capital through public or private debt or equity financings by issuing additional Offer Shares, debt or equity securities convertible into Offer Shares or rights to acquire these securities and exclude the pre-emptive rights pertaining to the then outstanding Offer Shares. In addition, Premier may in the future seek to issue additional Offer Shares as a capitalisation issue or script dividend distribution or as consideration for or otherwise in connection with the acquisition of new businesses. Furthermore, Premier may issue new Ordinary Shares or grant rights to subscribe for Ordinary Shares in connection with the establishment of employee share participation or share option plans. The issuance of any additional Ordinary Shares may dilute an investor's shareholding interest in Premier.

Any additional offering or issuance of Ordinary Shares by Premier, or the perception that an offering or issuance may occur, could also have a negative impact on the market price of the Ordinary Shares and could increase the volatility in the market price of the Ordinary Shares.

In addition, the Group cannot ensure that in the future there will not be changes to the B-BBEE Act, the General Codes or the B-BBEE regulatory regime which requires the Group to increase the minority ownership thresholds under these measures, even substantially. Any changes in the B-BBEE Act, the General Codes or the B-BBEE regulatory regime that requires the Group to increase the thresholds of minority ownership may dilute the shareholding of, or the value of, the existing Shareholders' shareholding or the value thereof.

Future sales or the possibility of future sales of Ordinary Shares by Brait, members of the Board, other key managers or employees of the Group may materially adversely affect the market price of the Offer Shares.

Immediately following the Offer (assuming full allocation of the Offer Shares), there will be approximately 129 million Ordinary Shares issued and outstanding, Brait will own 47.1% of the Ordinary and Titan will own at least 18.8% of the Ordinary Shares assuming full exercise of the Overallotment Option.

Brait and Premier have agreed, subject to customary exceptions, with the Joint Bookrunners, pursuant to the Placement Agreement, to restrictions on their ability to issue, sell or transfer Ordinary Shares or interests therein for a period of 180 days after the Settlement Date in respect of Premier and for a period of 360 days after the Settlement Date in respect of Brait. If Brait elects to unbundle its Ordinary Shares in the Company to its shareholders, the lock-up will not apply.

Titan has also agreed, subject to customary exceptions, pursuant to a separate lock-up agreement, to restrictions on its ability to sell or transfer Ordinary Shares or interests therein for a period of 180 days after the Settlement Date.

In addition, each of the members of the Senior Management Team has agreed to a lock-up in respect of the Ordinary Shares that they hold or will be taken up by them in the Offer for a period of 360 days after the Settlement Date.

After the expiration of the applicable lock-up period, Brait, Titan and members of the Senior Management Team may sell their Ordinary Shares or Premier may issue Ordinary Shares or securities linked to them.

In addition, the Joint Bookrunners have the discretion to waive the lock-up arrangements agreed with each of Premier, Brait, Titan, and Senior Management at any time before the expiry of the relevant lock-up period. This could also result in Brait, Titan or any Senior Management member selling or Premier issuing Ordinary Shares before expiry of the applicable lock-up periods. In addition, there could also be a perception in the market that such sales or issues could occur due to the expiry of the relevant lock-up period or its waiver.

The market price of the Ordinary Shares could decline if a substantial number of Ordinary Shares are disposed of by Brait or Titan in the public market or if there is a perception that such disposals could occur. Furthermore, a sale of Ordinary Shares by any Director or member of the Senior Management Team could be perceived as a lack of confidence in the performance and prospects of the Group and could cause the market price of the Ordinary Shares to decline. In addition, any such disposals or sales could make it more difficult for the Group to raise capital through the issuance of equity securities in the future.

Ordinary Shares may be subject to market price volatility and the market price of the Ordinary Shares may decline disproportionately in response to developments that are unrelated to Premier's operating performance.

The Offer Price has been determined by the Joint Bookrunners in consultation with Brait and Premier and may not be indicative of the market price at which the Ordinary Shares will trade after the Admission. Notwithstanding the Stabilisation, the market price of the Ordinary Shares could be volatile and subject to significant fluctuations due to a variety of factors, many of which are beyond the Group's control, including but not limited to changes in general market conditions, the general performance of the JSE, changes in sentiment in the market regarding the Ordinary Shares (or securities similar to them), regulatory changes affecting Premier's operations, variations in Premier's operating results, business developments for Premier or its competitors, the operating and share price performance of other companies in the industries and markets in which Premier's businesses operate, speculation about Premier's business in the press, media or the investment community. The market price of Ordinary Shares could also be adversely affected by developments unrelated to the Group's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Group, speculation, whether or not well founded about the Group in the press or the investment community, including those regarding the intentions of the Shareholders or significant sales of shares by any such Shareholders or short selling of the Ordinary Shares, significant issues of Ordinary Shares by Premier, possible changes in the Group's management team and about mergers, acquisitions and/or major divestments involving the Group, unfavourable press, and/or strategic actions by competitors (including acquisitions and restructurings). Any or all of these factors could result in material fluctuations in the price of Ordinary Shares, which could lead to investors getting back less than they invested or a total loss of their investments.

If securities or industry analysts do not publish research or reports about the Company's business or industry, or if such analysts (if any) change their recommendations regarding the Ordinary Shares adversely, the market price and trading volumes of the Ordinary Shares could decline.

The trading market for the Ordinary Shares may be influenced by quality of the research and reports that securities or industry analysts publish about the Group's business or industry. If securities or industry analysts do not publish or cease to publish research or reports about the Group's business or industry, the Group could lose visibility in the financial markets, which could cause the market price or trading volume of the Ordinary Shares to decline. Also, if one or more of the analysts covering the Group's business or industry recommends selling Ordinary Shares or publishes research or reports of low quality about the Group's business or industry, or if negative research is published on the industry or geographic markets the Group serves, the market price of the Ordinary Shares could decline.

PART V – INDUSTRY OVERVIEW

This section includes information sourced from various third parties. In particular, this section makes reference to and relies on information obtained from market research, publicly available information, reports of governmental agencies, and industry publications and surveys. It should be noted that where industry data has been obtained from reports or surveys compiled and published by DataOrbis, such industry data reflects economic activity within formal retail segment and does not include data in respect of the South African informal retail segment. DataOrbis provides market data on the CPG industry in South Africa, specifically market shares of various industry players across several categories. Where industry data has been obtained from reports or surveys compiled and published by Euromonitor, such data is more closely indicative of the total market size (both formal and informal retail) given Euromonitor's broader channel read, but is still not fully reflective of the total retail market. In instances where data obtained from SAGIS is referenced, such data represents industry grain tonnages purchased rather than consumer selling unit sales within trade channels.

All statistics provided in this Pre-listing Statement are a combination of information sources from DataOrbis, Euromonitor and SAGIS, who provide market intelligence on various categories in the South African market. Whilst some of this information may be accessible by the public, some of the research is on a subscription basis and was provided to Premier on this basis.

Formal retail is primarily comprised of sophisticated and modern chain stores which are typically located within urban shopping centres or suburban/neighbourhood convenience stores. Formal retail in South Africa is dominated by a select number of national retail groups including Shoprite and Shoprite Checkers, Woolworths, Pick n Pay and Spar. The South African informal retail market is a material component of total retail in the country, particularly for food and CPG products more generally, and is comprised of wholesalers, spaza shops, superettes, hawkers and informal traders. It is estimated that South Africa's informal food sector makes up 30% – 40% of the total food market.

In addition, certain statements in this section are based on the Group's own estimates, insights, opinions, or proprietary information. Such statements contain the words "the Group believes" or "the Group expects" and as such do not purport to cite, refer to or summarise any third-party or independent source and should not be so read. For further information on the treatment of third-party information and statements based on the Group's own estimates, insights, opinions, or proprietary information, see "Part XVI – Management's Discussion and Analysis of the Financial Conditions and Results of Operations". While the Group is not aware of any misstatements regarding the industry data presented herein, its estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under "PART IV- Risk Factors" to this Pre-listing Statement.

SOUTH AFRICAN MACROECONOMIC ENVIRONMENT

South Africa is a large, diversified, and advanced economy, underpinned by a wealth of natural resources and a diversified industrial base. Key sectors contributing to the overall size and scale of the South African economy include resources and mining, manufacturing, financial services, consumer, and retail. South Africa is one of the largest economies in Africa, and the 31st largest economy globally with a GDP of ZAR4.6 trillion recorded in 2022 (according to Stats SA).

South African economic performance has been muted in recent years, largely driven by structural constraints, with real GDP growth rates declining c.1.1% between 2017 and 2019. The onset of the COVID-19 pandemic had a material impact on the South African economy, particularly with respect to heightened job losses and delayed investment by government and corporates alike which resulted in a year-on-year decline in real GDP of 6.4% between 2019 and 2020. Notwithstanding the prolonged effects of the pandemic, as well as the impact of the period of civil unrest experienced during July 2021, South Africa recorded growth in GDP of 4.9% in 2021 and 2.0% in 2022 according to Stats SA.

The medium-term growth outlook for South Africa has moderated somewhat according to National Treasury which in October 2022 set out its expectation for average GDP growth of 1.6% over the medium-term, with forecast real GDP growth of 1.4% and 1.7% in 2023 and 2024 respectively. This revision in outlook is driven by ongoing structural economic constraints (including unreliable electricity supply, and a high cost of doing business), as well as a dissipation of the key factors that drove recovery post-COVID including strong commodity prices. Nominal GDP per capita is expected to rise from USD6,950 in 2021 to USD7,220 by 2023 (according to the IMF), with median household income improving from USD4,525 to USD5,343 over the same period (Economist Intelligence Unit).

	2017A	**2018A**	**2019A**	**2020A**	**2021A**	**2022A**	**2023E**
Real GDP growth (%)	1.4%	1.5%	0.1%	(6.4%)	4.9%	2.0%	1.4%

Source: National Treasury (2017A – 2021A), Stats SA (2022), SARB (2023E), as of March 2023

The economic outlook remains vulnerable to global macroeconomic shifts and political risks. A South African economic recovery over the near to medium-term is based on the following key factors:

- Continued commitment by government to fiscal consolidation, providing a stable foundation for growth.
- Implementing growth-enhancing reforms, including addressing the shortage of electricity and dealing with long-running structural constraints in the economy.
- Enhancing key enablers for growth and state capability including combating crime and corruption, and improving municipal services.

In addition to the above, there remains uncertainty regarding the longer-term economic impact of the Russian invasion of Ukraine. On a global scale, the ongoing conflict resulted in significantly higher oil prices (which has subsequently moderated significantly), as well as increased volatility in the price of soft commodities. These factors have driven heightened input costs for the majority of CPG manufacturers in South Africa. The conflict has had, and is expected to continue to have, a material impact on the global supply and therefore price of wheat over the near to medium-term.

From a South African perspective, whilst Russia and Ukraine are smaller trade partners thus limiting the direct impact of the conflict on trade, the resultant commodity price surge has driven strong performance by mining companies and an outsized contribution by the sector to South Africa's GDP. However, more generally, global supply chain constraints and rising fuel prices driven by the elevated oil price have created significant margin pressure for a number of South African corporates and resulting in widespread increases in the price of goods, driving inflation higher over the near term and directly impacting levels of household disposable income amongst consumers.

The ongoing electricity crisis has had a similarly negative effect for South African CPG manufacturers, both in terms of direct on-costs (installing and running back-up power supply, predominantly standalone generators) as well as the ability to maintain volumes and throughput in a manufacturing/production environment. As a result, many South African companies are fast-tracking plans and redirecting capital expenditure towards reducing their reliance on the public energy infrastructure.

The repurchase rate ("**repo rate**") is defined as the rate at which the private sector banks borrow funds from the SARB and is used as one of the monetary measures to control and maintain inflation within the SARB's stated target long-term range for CPI of 3.00% to 6.00%. 2020 and the first half of 2021 were characterised by subdued consumer and business spending as a result of the effects of the COVID-19 pandemic which led to a number of reductions in the repo rate by the SARB as an economic stimulus measure. In contrast, the SARB implemented eight consecutive hikes to the repo rate between November 2021 and January 2023, increasing the repo rate from 3.50% to 7.25% over this period. The SARB is expected to continue to raise borrowing costs over the near-term, primarily to counter ongoing inflationary pressures. Increases to the repo rate typically restrict growth as banks increase their prime lending rates thereby impacting lending and average consumption of goods and services.

	2016A	**2017A**	**2018A**	**2019A**	**2020A**	**2021A**	**31 January 2023**
SARB repo rate (%)	7.00%	6.75%	6.75%	6.50%	3.50%	3.75%	7.25%

Source: SARB as of January 2023

Increases in electricity and food price inflation, as well as higher headline inflation for 2022 as a whole, have resulted in the SARB's MPC forecasting elevated headline inflation in the near and medium-term (5.4% and 4.8% for 2023 and 2024 respectively. The SARB expects headline inflation to remain above the upper end of its target range until the second quarter of 2023. Fuel prices were a major source of inflationary pressure in South Africa during 2022, with price pressures compounded by global supply-chain challenges, and depreciatory pressures on the South African Rand. Furthermore, rising wheat prices following the Russian invasion of Ukraine placed significant upward pressure on food price growth. While global food price inflation continues to ease, local food price inflation has been revised up again by the SARB in part due to the lagged impact of a weaker exchange rate. Food price inflation reached 9.2% in 2022 and is now expected to be 7.3% in 2023 (up from 6.2%) and 4.4% in 2024 (up from 4.2%).

	2017A	**2018A**	**2019A**	**2020A**	**2021A**	**2022E**	**2023E**
Headline CPI (%)	5.3%	4.7%	4.1%	3.3%	4.5%	6.9%	5.4%

Source: Stats SA (2017A – 2021A), SARB (2022E – 2023E), as of January 2023

The South African Rand remained largely consistent against the US Dollar over the first half of 2022, with more recent Rand weakness against the US Dollar driven predominantly by US monetary policy as well as more general risk-off sentiment with global markets. Rand strength during the latter half of 2021 and the first three months of 2022 was driven by the uptick in commodity prices and exports, geopolitical tensions within global markets, and the related improved currency inflows due to stronger demand from international emerging markets investors for South African assets. Inflationary pressures and international monetary policy have resulted in the Rand losing ground against the US Dollar in more recent months. Over the near term, the Rand is expected to remain sensitive to changes in global commodity prices, as well as monetary policy shifts within developed markets.

	2017A	**2018A**	**2019A**	**2020A**	**2021A**	**2022A**	**2023E**
USD/ZAR exchange rate	13.67	14.41	14.04	14.62	15.89	16.98	18.00

*Source: SARB (2017A – 2022A), Fitch Solutions Country Risk & Industry Research ("**Fitch Solutions**") (2023E) as of January 2023*

OVERVIEW OF THE SOUTH AFRICAN CONSUMER ENVIRONMENT

South Africa has a highly urbanised population with a fast-growing youth population. According to Stats SA's mid-year population estimates for 2021, South Africa's youth population amounted to approximately 34% of the total population. In addition, the country continues to exhibit favourable growth in its middle-income population, thereby improving the potential for household spending on both food and non-essential items over the long-term.

	2017A	**2018A**	**2019A**	**2020A**	**2021A**	**2022E**	**2023E**
South African population (million)	57.0	57.8	58.6	59.3	60.1	59.9	60.4
Urban population as a percentage of total South African population	65.9%	66.4%	66.9%	67.4%	67.8%	68.3%	68.8%

Source: The World Bank Group (2017A – 2020A), StatsSA (2021A), Fitch Solutions (2022E – 2023E), as of September 2022

According to the data released by Stats SA, South Africa's mid-year population for 2022 is estimated to be at 60.6 million people with an unemployment rate of 32.9% as of the third quarter of 2022. Despite the broad relaxation of COVID-19-related restrictions by the South African government and a gradual resumption of economic activity between the latter half of 2021 and early 2022, the South African consumer is expected to remain somewhat under pressure in 2023. This is due to a combination of factors, primarily rising interest rates, persistently high levels of unemployment, and higher domestic inflation levels.

The above notwithstanding, the outlook remains generally positive with real household spending expected to have grown by 11.6% in 2022 (improving from growth of 9.2% recorded in 2021 which included pandemic-related spending base effects). According to National Treasury, sustained growth in household consumption over the next two years is expected to be supported by growth in private-sector wages and household credit extension. Spending continues to be supported in the near-term by the special COVID-19 social relief of distress grant which has remained in place as of February 2023.

	2017A	**2018A**	**2019A**	**2020A**	**2021A**	**2022E**	**2023E**
Household spending (ZAR billion)	3,199.7	3,408.4	3,576.7	3,437.1	3,753.1	4,190.2	4,487.0
Disposable income per household (ZAR thousand)	157.1	163.5	168.8	164.3	174.1	187.2	195.3

Source: Fitch Solutions, as of January 2023

The South African food sector serves a consumer base that is diverse with respect to demographics, preferences, income levels and patterns of consumption. The South African Advertising Research Foundation LSM is the most widely used segmentation tool in South Africa, and it divides the population into 10 LSM groups, from 1 (lowest) to 10 (highest). The LSM categories cut across race, gender, and other categorisation techniques, to group the population according to their living standard, using wealth and access indicators such as degree of urbanisation, ownership of cars and major appliances and access to basic services such as water and electricity. While household income is not by itself a variable in determining LSM, higher LSM consumers tend to have higher incomes and vice-versa.

SEM is a revised framework developed by the Broadcasting Research Council ("**BRC**") in conjunction with Kantar TNS ("**Kantar**") that is becoming more widely used as an alternative to LSM as a population segmentation tool given greater perceived accuracy. SEM measures how people live according to what infrastructure they have access to, factoring in 14 variables or inputs that are unique to the South African socio-economic climate including, *inter alia*, dwelling type and construction, access to critical infrastructure (e.g. police stations), etc.

	SEM 1 – 3	**SEM 4 – 7**	**SEM 8 – 10**
Percentage of South African population represented	39.9%	36.6%	23.5%
Percentage of total consumer spending represented	36.1%	37.1%	26.8%

Source: Kantar for the 12 months to March 2022

SOUTH AFRICAN CPG AND FOOD PRODUCTS MARKET OVERVIEW

South Africa has a diversified, well-established, and sophisticated CPG and food products sector, across manufacturing and production, logistics and distribution, and retail both formal and informal. The total value of food sales in 2021 is estimated to have been approximately ZAR537 billion, according to data released by Fitch Solutions. This represents a 4.7% increase from ZAR489 billion in 2020. As indicated in the table below, packaged food sales are expected to grow to ZAR711 billion by 2025, representing a CAGR of approximately 7.3% between 2021 and 2025.

	2018A	**2019A**	**2020A**	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**
Food sales (ZAR billion)	440.2	465.5	489.4	537.1	620.0	650.4	692.6	744.8

Source: Fitch Solutions, as of January 2023

Food production is a major manufacturing sector, accounting for about 15.0% of overall South African domestic production. The sector is highly competitive with more than 1,800 food production companies. There are also at least 10 large players which respectively hold strong competitive positions in the market totalling approximately 68.0% of total industry turnover (according to Fitch Solutions).

The industry is made up of both large domestic food producers as well as prominent multinational companies that have been present in South Africa for a number of years. Most of the packaged food consumed in South Africa is produced domestically, largely due to high costs related to importing food products into South Africa, as well as the competitive domestic industry.

The majority of SA consumer spend is concentrated within the dry grocery category across various SEM levels. Dry grocery includes various packaged products ranging across baby foods, snacks and confectionery, canned goods, condiments, sauces and spreads.

Toiletries have an equal share of spend despite SEM level, highlighting the importance of basic hygiene products within the category including deodorants, body washes and soaps, feminine care products, soaps, tissues, and toothpastes.

In addition, the staples category attracts a significant proportion of spend, particularly within lower SEM levels indicating the importance of the category to consumers with limited disposable incomes – the staples category includes key carbohydrates e.g. bread, maize, rice, pasta, samp, as well as cooking oils and sugar.

	Defined basket of CPG items – percentage value share by SEM			
	Total South Africa 2022	**SEM 1 – 3 2022**	**SEM 4 – 7 (Low) 2022**	**SEM 8 – 10 (High) 2022**
Beverages	21.0%	20.7%	21.6%	20.7%
Dry grocery	29.6%	28.7%	29.0%	31.4%
Household	5.2%	5.1%	5.2%	5.4%
Perishable	13.6%	13.5%	13.3%	14.1%
Staples	18.1%	20.1%	18.2%	15.4%
Toiletry	12.0%	11.7%	12.3%	11.7%
Other	0.5%	0.2%	0.4%	1.3%

Source: Kantar for the 12 months to March 2022

In general, South African food producers contend with low levels of consumer and business confidence, persistent uncertainty regarding energy supply, and currency weakness. In addition, sector participants are experiencing notable margin pressure due to rising input costs, with commodity inputs and labour chief among these, and challenges recovering incremental costs through price increases in an increasingly pressured consumer spending environment. As a result, SA CPG companies and food producers have implemented initiatives to improve cost effectiveness and deliver operational efficiencies/enhancements to protect margins and deliver consistency in financial performance.

OVERVIEW OF AND OUTLOOK FOR THE PREMIER GROUP'S OTHER REGIONS OF OPERATION

The Group's operations in the countries/regions listed below collectively accounted for approximately 16% of total Premier Group revenue in FY2022.

LESOTHO

Lesotho is a small, mountainous, and landlocked country, surrounded by its much larger neighbour, South Africa. According to the IMF and The World Bank, as at the end of 2021 it had a population of c. 2.2 million, and nominal GDP per capita of USD1,091, with an inflation rate of approximately 6.0%. Lesotho is a member of the Common Monetary Area ("**CMA**"), with eSwatini, Namibia, and South Africa.

Lesotho is classified by The World Bank as a lower-middle-income country. In recent years, Lesotho's economic performance has been negatively affected by sluggish global economic growth amid the downturn in both emerging markets and advanced economies. Sustained political instability, coupled with slow economic growth in the South African economy (its most significant trading partner), also contributed to the weak economic performance. Real GDP growth rate is estimated to have contracted by 1.2% in 2018, expanding by 2.6% in 2019, followed by a contraction of 6.5% in 2020, largely due to COVID-19 related restrictions and the halting of major infrastructure projects as a result of the pandemic, and weaker global demand for mining and textile exports. Given the scarcity of fertile land, agriculture's contribution to overall GDP is limited and Lesotho imports almost all its consumer goods, primarily from South Africa.

Lesotho is projected to achieve 2.1% real GDP growth on average between 2022 and 2024. The expected recovery in the medium-term is set to be led by a rebound in the mining, manufacturing (including textiles) and construction activities on the back of supportive external demand conditions and improved business and consumer confidence. Economic growth is expected to be further boosted by construction-related projects including the second phase of the Lesotho Highlands Water Project, the Lesotho Lowlands Water Development Projects, and government roads construction projects. While these investments bolster the medium-term growth outlook, growth potential is constrained by structural factors including high inequality and poverty, lack of skilled labour and weak infrastructure.

Source: IMF, The World Bank, African Development Bank Group, and Fitch Ratings

ESWATINI

eSwatini is a landlocked country in Southern Africa bordering South Africa and Mozambique. According to the IMF and The World Bank, it had a population of approximately 1.2 million, and nominal gross GDP per capita of USD4,110, with an inflation rate of approximately 3.7% as at the end of 2021. eSwatini is classified as a lower-middle-income country by The World Bank. eSwatini is a member of the CMA under which the eSwatini lilangeni (the domestic currency) is pegged to the South African Rand, which is also legal tender in the country.

eSwatini has substantial land and water resources with a favourable climate for the production of agriculture. According to the eSwatini Market Assessment report published by the eSwatini Ministry of Agriculture in 2021, the COVID-19 pandemic was expected to have adverse effects on the 2020/2021 planting season with the limited operational status of several firms and markets in South Africa expected to have resulted in shortages in the availability of farming inputs for eSwatini maize farmers, consequently driving higher prices for consumer goods. Food insecurity is a longstanding issue in eSwatini with only 53% of households within the rural population having acceptable food consumption levels. Food insecurity, in addition to geographic proximity, has resulted in close economic ties to South Africa, which eSwatini depends on for approximately 85% of its imports and 60% of exports.

Inflationary pressures escalated in 2022, reflecting the impact of oil and food prices increases due to the Russian invasion of Ukraine, after weakening in 2021. Economic growth was projected to continue recovering in 2022 with real GDP growth projected at 2.0% in 2022 and at 1.8% in 2023. Economic growth is expected to be supported by growth in agriculture and continued recovery in manufacturing and wholesale and retail trade. Budget and humanitarian support received from multilateral institutions coupled with the implementation of the eSwatini government's Post COVID-19 Recovery Plan, will further support economic recovery in the short to medium-term. The public sector and the sugar industry continue to dominate the economy with high levels of reliance of the public sector on volatile Southern African Customs Union revenues, amid slow improvement in domestic revenue mobilisation.

Source: IMF, The World Bank, African Development Bank Group. eSwatini Market Assessment (eSwatini Ministry of Agriculture, 2021)

MOZAMBIQUE

Mozambique borders Tanzania, Malawi, Zambia, Zimbabwe, South Africa, and eSwatini. According to the IMF and The World Bank, Mozambique had a nominal GDP per capita of USD501, with an inflation rate of approximately 5.7% as at the end of 2021. Mozambique has a population of approximately 32.2 million people, almost two-thirds of which live and work in rural areas. The country is endowed with ample arable land, water, energy, as well as mineral resources and newly discovered natural gas offshore, three, deep seaports, and a relatively large potential pool of labour. It is also strategically located with four of the six countries it borders being landlocked, and hence dependent on Mozambique as a conduit to global markets.

Mozambique is currently grappling with a military insurgency in parts of the gas-rich northern province of Cabo-Delgado. An estimated three million people are projected to face high levels of food insecurity across the country over the 2022/2023 period due to the combined effects of the ongoing domestic conflict, climate shocks, and COVID-19 mitigation measures, which restricted economic activity.

According to Fitch Solutions, food and non-alcoholic drinks spending is expected to have accounted for the largest share of total household spending in 2022 (28.6% of total consumer spending), and this is forecast to remain largely consistent over the next three to five-year period. Despite some economic recovery in the recent past, households still have relatively low disposable incomes resulting in a strong focus on essential goods, largely food, in 2022. Mozambique's food sector is expected to remain primarily driven by staple foods spending over the medium-term as a result of low household disposable incomes and elevated levels of inflation which remains a key risk to consumer spending. CPI is expected to have averaged at 7.5% for 2022 (Fitch Solutions), driving increased downtrading by consumers and increased purchases of discounted private label items.

In 2020, Mozambique experienced its first economic contraction in almost three decades (1.2% contraction in GDP) as external demand for Mozambican exports fell, lockdown measures disrupted supply chains and depressed domestic demand for goods and services, and Liquified Natural Gas ("**LNG**") investments were delayed. Growth prospects are more positive for the medium-term with GDP growth expected to average at c. 5.5% between 2022 and 2024, driven in particular by LNG projects starting to produce. Higher domestic growth and international demand for commodities are expected to generate more tax revenues and support resumption of the fiscal consolidation process. The longer-term outlook for the country remains positive largely due to accelerating urbanisation, growing formalisation of the retail market, and Mozambique's sizeable population, particularly young adults, providing a large addressable market for consumer goods.

In March 2022, the IMF granted a EUR432 million loan to Mozambique to support its economic recovery and measures put in place to reduce public debt and financial vulnerabilities. This loan is the first since the IMF withdrew in 2016 at the time of the so-called "hidden debt" scandal involving the government. In 2016, a corruption scandal broke in Mozambique where undisclosed loans worth almost EUR2 billion were granted by foreign banks to Mozambican public companies and guaranteed by the state. After these revelations, the IMF suspended its budgetary aid, followed by all international donors. Since then, the financial institution has only granted emergency aid, after Cyclone Idai in 2019 and in 2020 in the context of the coronavirus pandemic. Deprived of international financing, Mozambique defaulted on its debt and its currency, the metical, collapsed, causing the most serious financial crisis since its independence in 1975.

Source: IMF, The World Bank, African Development Bank Group, Fitch Solutions

UNITED KINGDOM

The United Kingdom is a key economic hub within the European region. According to the IMF, the United Kingdom had a nominal GDP per capita of USD47,320, with an inflation rate of approximately 9.1% as at the end of 2022. The United Kingdom has a population of approximately 67.5 million people.

The IMF recently downgraded its outlook for the United Kingdom economy. Its 2023 forecast sees the United Kingdom as the only advanced economy to contract by 0.6% (0.9% lower than its previous estimate). The key drivers of this revised outlook are the United Kingdom's high exposure to natural gas with higher market prices being passed on to consumers, employment remaining below pre-pandemic levels despite a very tight labour market resulting in lower production, and sharp monetary policy tightening. However, the IMF has revised its 2024 growth/expansion outlook for the United Kingdom upwards from 0.6% to 0.9%. The inflation outlook for the United Kingdom is highly uncertain with analysis suggesting headline inflation could peak at anywhere between 13% to 22% in 2023, depending on the outlook for energy prices and whether the government does not implement further energy price controls.

According to Fitch Solutions, real household spending is forecast to have grown by 4.2% in 2022, with the outlook more cautious for the UK consumer in light of elevated inflation and stalled real wage growth. There is considerable uncertainty regarding the trajectory of inflation given the structurally tight labour market post-Brexit, the persistence of pandemic-related supply chain issues, and surging energy prices in response to the Russia-Ukraine conflict. There is also a risk that the Bank of England will have to tighten monetary policy more rapidly than envisaged, with knock-on implications for growth. As a result, it is expected that spending will be directed primarily towards essential items including food and non-alcoholic drinks, or utilities. Spending on essential items is expected to make up approximately 54.3% of total household spending budgets in 2022, declining to 53.2% by 2026.

According to Fitch Solutions, personal care and effects spending is expected to have grown by 18.6% in 2022, driven by the re-establishment of purchasing triggers such as a return to the office and the resumption of public and private gatherings. Despite the overall decline in the category noted in 2020 due to the impact of the pandemic and related lockdown measures (estimated contraction in spend of approximately 14.1%), personal hygiene products were relatively shielded from the decline given these are viewed as essential goods.

Source: IMF, The World Bank, PwC, Fitch Solutions

KEY TRENDS WITHIN THE CPG INDUSTRY

HEALTH AND WELLNESS

There has been a marked increase in recent years in levels of consumer awareness regarding the varying health benefits of different food items and a broad shift in consumer preferences towards products that are viewed as healthier (low/non-fat, low-sodium, or containing essential minerals and vitamins) or containing more natural ingredients. According to a report by McKinsey ("*Feeling good: The future of the $1.5 trillion wellness market*"), global consumer spending on health and wellness products and services amounts to approximately USD1.5 trillion a year, growing at 5-10% per annum. Consumers are increasingly demanding products that meet their unique nutritional requirements and that contribute to a healthier lifestyle based on the formulation of and ingredients within these food products. In addition, strong preferences are emerging for functional food and items that provide a natural energy boost relative to traditional nutritional supplements.

These global trends are becoming increasingly relevant in the Southern African context. Although largely restricted to higher LSM/SEM segments of the population, preference for healthier nutritional alternatives allows food producers to charge premiums to those consumers willing to pay for the extra benefits provided. Notably, this preference for healthy alternatives has also extended into segments that have been generally considered unhealthy, e.g. oils and fats. Food producers and major retailers have actively repositioned their offerings and product development pipelines to provide consumers with a range of natural products and health-focused alternatives with producers focusing on reducing caloric content, providing extra functionalities (e.g. improved digestion), and lowering cholesterol without compromising taste. In addition, marked growth forecast in South Africa's middle-income population over the next 5 to 10 years, suggests strong growth in the overall addressable market for healthier food products.

The South African food segment is highly regulated with legislators restricting certain labelling practices since the issuance of The South African Food Labelling Regulations (R146/2010) which were published in the Government Gazette, in March 2010 (Health Department of South Africa). Manufacturers are only allowed to make claims if certain stipulated criteria are met, i.e. producers will need to ensure that the functionality and value proposition of products are reached. Descriptive labelling and technological advanced packaging are required to allow products to retain their freshness and natural or enhanced features.

In addition to the legislative framework, the Group is a member of two membership-based industry associations, namely the CGCSA and the ARB, which provide additional oversight from a self-regulation perspective. The CGCSA, of which the Group is a member, leads voluntary initiatives (e.g. the Healthy Food Options Industry Initiative) to support the manufacture of, and facilitate access to, foods and non-alcoholic beverages that contribute to a healthy diet as part of a healthy lifestyle. The ARB is responsible for implementing an advertising code created by the CGCSA aimed at ensuring advertisements are legal, truthful, and prepared in a responsible manner.

DOWNTRADING AND THE SHIFT TO VALUE

In light of the inflationary pressures experienced by consumers further exacerbated by the impact of the COVID-19 pandemic on household disposable income levels, there have been noticeable changes in consumption patterns with consumers actively shifting to purchasing more affordable products/value-for-money alternatives, as well as purchasing products in bulk where such food items have a longer shelf life. Southern African consumers are notably price sensitive and the continued growth of online retail for food products has visibly improved consumers' levels of visibility of pricing differentials between various producers/retailers and therefore enhanced consumers' ability to purchase goods at an optimal price point. A 2020 survey by Mastercard Incorporated found that price is the most important consideration for 78% of South African consumers.

In response to these changes, food producers and retailers have focused on a range of initiatives to enhance sales and secure profitability including the following:

- Private label offerings: Investing in private label strategies, specifically targeting entry-level products where branded offerings are less relevant, and incremental manufacturing of private label/dealer-own brand products utilising available spare manufacturing capacity to maintain overall economies of scale;
- Packaging innovation: Increasing product pack sizes to provide a value offering or decreasing pack sizes to maintain a price point;

- Promotional activity: Partnering with retailers to offer better value/pricing to consumers through targeted promotional activity; and
- Internal efficiencies and margin management: Identifying opportunities for stock-keeping unit ("**SKU**") consolidation where different product offerings within a product portfolio have limited differentiation and are viewed as interchangeable by consumers, in addition to focusing on cost-saving initiatives more generally.

Despite the more general focus on value as outlined above, consumers continue to engage in selective indulgence purchases of expensive, non-essential products, particularly in the snacking segment, resulting in retail sales volume and value growth experienced in recent years.

PURPOSE-DRIVEN BRANDS WITH COMMITMENT TO SUSTAINABLE BUSINESS PRACTICES

In addition to the pricing benefit associated with unbranded/private label products, there have also been notable improvements over the past 5 to 10 years in the actual and perceived quality of such products relative to branded CPG items. As a result, and based on anecdotal evidence, consumers are requiring more from brands to justify both continued customer loyalty and a premium price point. Sustainable recyclable packaging, and local sourcing and procurement are quickly becoming a standard requirement of global consumers.

From a South African perspective, according to the Kantar Sustainability Sector Index 2021 (South Africa), issues impacting consumers' immediate wellbeing remain of highest priority. As such, focus and attention on issues of sustainable business practices are largely limited to South Africa's higher LSM/SEM consumers who have begun indicating preferences for more responsible brands and products. There is growing awareness by these consumers of key issues including carbon emissions, global warming, plastic pollution, food waste, and deforestation, and consumers are increasingly linking environmental and sustainability factors with CPG producers. These consumers will continue to seek purpose driven brands which are responsive to ESG concerns. It is to be expected that with continued growth of the South African middle class, increased numbers of consumers will become more focused on these matters, necessitating strategic focus on sustainability from CPG producers.

With the growing focus on sustainability by consumers, food producers have implemented a range of initiatives to address their environmental impact including, inter alia, renewable energy (primarily solar) installations at manufacturing and storage facilities, water-saving projects including increased use of grey water for non-manufacturing applications, and investments in waste-to-value programmes. In addition to defining strategies in respect of ESG and implementing initiatives across the ESG spectrum, branded food producers have made significant efforts to measure implementation and the results thereof, and most importantly, ensure that their ESG strategies and initiatives are reported to key stakeholders (including consumers) to enhance customer loyalty to specific brands.

ALTERNATIVE RETAIL CHANNELS AND DEMAND FOR CONVENIENCE

In line with global trends, the pandemic accelerated the growth of online shopping in South Africa with a 2020 survey conducted by Mastercard Incorporated revealing that 68% of South African consumers increased their online shopping post the onset of the COVID-19 pandemic. The survey also indicated that approximately 54% of consumers purchased groceries online during this period. South Africa's e-commerce market is expected to develop strongly from a low base, and future growth is expected to be supported by the growing number of South Africans in possession of mobile devices, tablets and computer devices equipped with an internet connection. According to the Statista Digital Market Outlook report (2022), retail e-commerce sales in South Africa are expected to grow at a CAGR of 10% between 2021 and 2025. The trend of using digital channels for grocery and other CPG shopping is expected to continue post-COVID-19 with a survey conducted by McKinsey in 2020 indicating that 54% of consumers will continue to shop online once the pandemic subsides.

The South African informal retail market is a material component of total retail in the country, particularly for food and CPG products more generally. According to a report by Trade Intelligence, the informal market was valued at approximately ZAR164 billion in 2020 and accounted for approximately 30% to 40% of the country's total food spend. It is estimated that approximately 77% of the South African population interact with or are serviced by the informal retail market on an annual basis.

Demand for convenience and "on-the-go" meals showed strong growth pre-pandemic, particularly among middle to higher-income consumers, who are in the best position to pay more for added convenience. Whilst the pandemic and resultant increased time spent at home by consumers had a negative impact on the on-the-go segment, this is expected to reverse somewhat over the medium-term. As lifestyles become increasingly fast-paced, consumers have less time to prepare meals, thereby boosting demand for convenient food products and meals.

Within the South African market, trends in respect of convenience and ecommerce remain largely limited to the urban population (approximately 67.8% of the total South African population as at the end of 2021). Affordability and convenience are countervailing trends in South Africa, particularly due to its large middle-class population, frequent electricity supply disruptions, and the large proportion of the population that make use of public transport.

OVERVIEW OF PREMIER'S PRODUCT CATEGORIES

A. BREAD

Category overview

Bread is the second most important provider of energy in the national diet after maize products. Across the formal and informal market, bread sales have shown strong growth over the past 5 years (CAGR of 9.2% between 2017 and 2021) and this growth is expected to continue over the medium-term.

The prominence of bread in the national diet is driven by bread's strong consumer value proposition. This is based on a combination of factors including the ease with which the product can be consumed whilst requiring no additional effort or cost relating to further preparation or cooking, the actual and perceived value for money offered by the product, and the presence of regional brands with strong market share and brand affinity. These factors have resulted in bread being perceived as an aspirational product for consumers and with appeal to a broad range of consumer types and households. Bread producers are also able to differentiate their product offering through quality, primarily with respect to freshness and taste which are important factors in consumers' purchasing decisions.

The industry has high barriers to entry, primarily the level of capital investment required to build a modern and efficient bakery to operate on a national, or even regional basis. The major competitors in the sector operate integrated milling and baking operations on a national basis to supply their bakeries with their own wheat flour. Production facilities are required to handle a high volume of product throughput whilst ensuring consistency of product quality is maintained. In addition, as bread is a perishable product with a short shelf life, sophisticated logistics and distribution infrastructure is required to service both the formal and informal retail channels on a daily basis.

While the manufacturing of baked goods is a growing industry in South Africa, the pandemic has led to the closure of several artisanal and independent bakeries. The industry is facing increasing costs, including higher flour prices, and the possible introduction of inspection services for the wheat sector, which could lead to higher bread prices.

	2017A	**2018A**	**2019A**	**2020A**	**2021A**	**2022E**	**2023E**
Bread sales per year (ZAR billion)	27.4	28.8	34.3	35.6	39.0	41.4	43.6
Annual growth in bread sales per year (%)	3.1%	5.3%	18.9%	3.8%	9.6%	6.2%	5.3%

Source: Fitch Solutions as of September 2022

Competitive landscape

The four largest players in the Southern African bread industry are Tiger Brands Limited ("**Tiger Brands**"), Pioneer Foods, a subsidiary of PepsiCo, Inc. ("**Pioneer**"), Premier Group and RCL Foods Limited ("**RCL Foods**"):

- The Group has 13 bakeries situated across all 9 provinces as well as Lesotho and eSwatini, with an installed capacity of approximately 747 million loaves per annum. Bread brands include Blue Ribbon, BB Bread, Mister Bread, Star and SUB (eSwatini). The Group has 16 dedicated bread distribution depots and delivers to approximately 45,000 customers 363 days a year, including to the formal retail chains, the general and informal trade as well as the food service sector, via a fleet of 1,059 bakery trucks, of which 912 are owned by the Group and 147 are third-party owned.
- Tiger Brands has 12 bakeries in South Africa with an installed capacity of approximately 700 million loaves per annum. Tiger Brands delivers bread to approximately 40,000 customers daily via a fleet of more than 1,200 trucks. Tiger Brand's sole bread brand is Albany.
- Pioneer has 13 Sasko bakeries in South Africa with an installed capacity of approximately 900 million loaves per annum, supplying Sasko and Duens branded bread from more than 40,000 delivery points daily with a fleet of approximately 850 trucks. Pioneer sells 35% of its bread through traditional retailers and the rest largely through informal retail channels.
- RCL Foods has 7 bakeries (two in Gauteng, two in Mpumalanga, two in Limpopo and one in the North-West province) with an installed capacity of approximately 231 million loaves per annum. In July 2022, RCL announced the acquisition of Sunshine Bakery Holdings which operates two bakeries in KwaZulu-Natal supplying bread under the Sunshine brand. RCL Food's existing bread brand is Sunbake.

Source: SBG Securities Sector Overview: Food Products, 8 November 2021 (in respect of installed capacity data)

Supermarkets and independent bakeries currently account for approximately 22% of bread volumes manufactured in South Africa. However, these operators remain sub-scale given the material capital investment and sophisticated distribution capabilities required to establish an effective national presence within the South African bread market.

	Premier Group 2021	**Premier Group 2022**
South African bread market share by volume (12 months ended 31 March)	24%	26%
South African bread market share by volume (12 months ended 30 June)	22%	25%

Source: SAGIS as at March and June 2022. SAGIS market share is based on the wheat used for bread manufacture and is representative of total market share measured by volume

	Premier Group	**Competitor A**	**Competitor B**	**Private label**	**Other**
South African formal bread market share (12 months ended 31 March 2022)	25%	35%	28%	4%	8%
South African formal bread market share (12 months ended 31 August 2022)	24%	31%	27%	4%	14%

Source: DataOrbis (trade desk 12-month average by value of sales in the formal market in South Africa)

	Premier Group	**Competitor A**	**Competitor B**	**Private label**	**Other**
Inland region formal bread market share (12 months ended 31 March 2022)	16%	42%	28%	3%	11%
Inland region formal bread market share (12 months ended 31 August 2022)	16%	41%	29%	3%	11%
Western Cape region formal bread market share (12 months ended 31 March 2022)	36%	25%	32%	6%	1%
Western Cape region formal bread market share (12 months ended 31 August 2022)	37%	25%	31%	6%	1%
KwaZulu-Natal region formal bread market share (12 months ended 31 March 2022)	31%	39%	18%	3%	9%
KwaZulu-Natal region formal bread market share (12 months ended 31 August 2022)	30%	40%	19%	3%	8%
Eastern Cape region formal bread market share (12 months ended 31 March 2022)	31%	19%	43%	4%	3%
Eastern Cape region formal bread market share (12 months ended 31 August 2022)	31%	18%	43%	4%	4%

Source: DataOrbis (trade desk 12-month average by value of sales in the formal market in South Africa)

Outlook and key trends

Wheat is the second most important field crop in South Africa and wheat flour is the main ingredient in most baked products, with bread manufacture using the bulk of all wheat flour produced. Wheat flour accounts for approximately 47% of the cost of a loaf of bread, with fuel used for production and distribution accounting for approximately 5% of the cost of a loaf of bread.

Over the last 10 years, local wheat production has declined and, on average, South Africa imports more than 40% of its wheat requirements. Local wheat production in the farming year ending June 2021 reached a 19-year high following favourable weather conditions in the Western Cape. While this resulted in lower imports, there was limited impact on the average price of bread given wheat prices remain largely dependent on developments in the global market and on domestic currency movements.

The ongoing war between Russia and Ukraine has had a material impact on the global supply and price of wheat over the past 6 to 12 months given Russia and Ukraine account for 10% and 4% of global wheat production respectively according to Bloomberg. The countries account for approximately 30% of global wheat exports and 20% of maize exports. The Bureau for Food and Agricultural Policy noted that in 2019 and 2020, South Africa sourced approximately 30% of its wheat imports from Russia and Ukraine, falling to 10% in 2021 as a result of the aforementioned strong domestic crop. These factors have resulted in heightened input costs for bread producers and increased the importance of producers successfully achieving price increases to secure margins.

The South African Chamber of Baking is currently engaging with the CGCSA and the South African Department of Health on a campaign to encourage South Africans to consume more fibre as part of a healthy eating plan, thereby promoting bread consumption. In particular, the aim of the campaign is to grow the consumption of brown bread to the extent that it eventually comprises 60% of all bread consumed in South Africa. In addition, brown bread is zero rated for VAT purpose in South Africa which makes it more affordable. According to data from SAGIS, in 2021 brown and white bread represented approximately 50% and 49% of the South African bread market respectively, with the remaining segment of the market comprised of a combination of value-added bread, including speciality items.

Generally, the South African bread market is expected to continue to deliver growth over the long-term driven primarily by changing consumer lifestyles, increased snacking, and indulgence consumption, improving standards of living, and rising demand for multi-grains or whole wheat products. Producers are expected to continue to focus on maintaining market share in core product lines, product range extensions in respect of different flavour profiles and healthier alternatives including gluten-free, high-fibre, and multigrain bread product variants, and maintaining operational efficiency.

B. MAIZE, WHEAT, AND BAKING PRODUCTS

i. Category overview

The grain milling sector is an important role player in food security as its products are the primary ingredients of South Africa's staple foods, namely maize meal, and bread. Highlighting the importance of the sector is the fact that a number of end products are currently zero-rated for VAT purposes in South Africa.

White maize, which is made into maize meal porridge, is a staple food for the majority of the population whilst yellow maize is mostly used locally for animal feed. Products that are derived from maize milling include samp, maize grits, maize rice and unsifted/sifted, coarse, super, and special maize meal. Three types of maize meal are sold in South Africa and generally classed as super, special sifted and sifted.

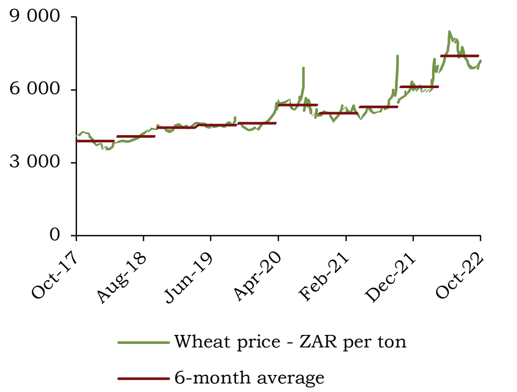
Wheat in South Africa is primarily used for human consumption (mainly bread) with the balance, estimated at less than 1%, used as animal feed. South Africa is a net importer of wheat and the quantity imported varies each year, depending on production of previous years and the quality and quantities required for the manufacture of bread and wheat-based products. While most of the wheat produced in South Africa is bread wheat, small quantities of durum wheat are produced in certain areas and used to produce pasta.

	2017A	2018A	2019A	2020A	2021A	2022E	2023E
Wheat production per year (millions of tonnes)	1.9	1.5	1.9	1.5	2.1	2.1	2.1
Annual growth in wheat production per year (%)	32.6%	(19.6%)	21.7%	(17.8%)	38.1%	(0.9%)	(0.5%)
Maize production per year (millions of tonnes)	17.6	13.1	11.8	15.8	16.9	17.0	17.2
Annual growth in maize production per year (%)	113.7%	(25.3%)	(9.8%)	34.0%	6.7%	0.6%	1.2%

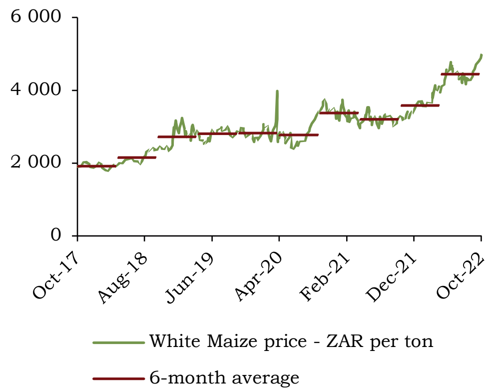
Source: Fitch Solutions as of September 2022

South Africa is one of the largest white maize-consuming countries in the world and is generally self-sufficient in maize supply. Yellow maize is used in animal feeds and starch production for industrial application.

SAFEX wheat price history



SAFEX maize price history



Source: Bloomberg

ii Competitive landscape

The industry is highly competitive with major millers including Pioneer, Tiger Brands and RCL Foods, all of which are vertically integrated in baking and the production of other foods such as pasta and cereals. The major millers are well established and have invested significantly over time in technologically advanced mills in order to produce high-quality products.

Pioneer Foods has 8 mills in South Africa across Gauteng, the Western Cape, and KwaZulu-Natal. Tiger Brands has 4 mills in South Africa across Gauteng, the Western Cape, KwaZulu-Natal, and the Free State. The Group has 5 wheat mills in South Africa across KwaZulu-Natal, the Eastern Cape, Gauteng, the Free State and the Western Cape, as well as a maize mill in the Free State. RCL Foods operates 1 flour mill in Gauteng.

Key brands across the major producers include the following:

- Premier Group: South African brands include Impala, Invicta, Iwisa No.1, Nyala, Premier Braaipap, Super Sun, and Snowflake;
- Tiger Brands: Golden Cloud, Ace and Morvite;
- Pioneer: White Star, Blue Bird, Champion and Maizena; and
- RCL Foods: 5 Star, Mnandi, Monati, Number 1 Mageu, Safari Braaipap and Supreme Flour.

	Premier Group 2021	**Premier Group 2022**
South African wheat tonnes market share (12 months ended 31 March)	19%	20%
South African wheat tonnes market share (12 months ended 31 August)	19%	21%
South African maize tonnes market share (12 months ended 31 March)	9%	10%
South African maize tonnes market share (12 months ended 31 August)	9%	10%

Source: SAGIS as at March and August 2022

	Premier Group	Competitor A	Competitor B	Private label	Other
South African formal flour market share (12 months ended 31 March 2022)	27%	24%	38%	8%	3%
South African formal flour market share (12 months ended 31 August 2022)	32%	24%	35%	7%	2%
South African formal maize market share (12 months ended 31 March 2022)	19%	14%	35%	20%	12%
South African formal maize market share (12 months ended 31 August 2022)	20%	12%	35%	21%	12%
South African formal cake mixes share (12 months ended 31 March 2022)	42%	39%	5%	1%	13%
South African formal cake mixes share (12 months ended 31 August 2022)	41%	38%	5%	3%	13%

Source: DataOrbis (trade desk 12-month average by value of sales in the formal market in South Africa)

iii Outlook and key trends

The impact of COVID-19 and related lockdown measures, economic recession, and increasing unemployment has placed notable strain on consumers. This has placed pressure on the major producers in the sector, who need to find a balance between keeping the price of staple foods (especially maize meal) affordable, while also managing rising input costs. The above notwithstanding, South Africa's sizeable low to middle-income population provides a considerable addressable market to support growth over the medium to long-term.

Due to the ongoing war between Russia and Ukraine and the impact thereof on the global supply of grains, South Africa is likely to grow in importance in the near term as a grain exporter particularly with respect to maize given the strong harvest experienced in 2021/2022. Conversely, given a significant proportion of wheat consumed in South Africa is imported and wheat prices are set globally, wheat-based products are likely to come under pressure from a margin perspective given higher input costs. Producers will likely seek to pass on cost inflation to consumers, which may result in some volume decline over the near term as consumers seek to switch to alternative staple products.

In the near term, these pressures will require producers to focus on internal cost saving initiatives as well as eliminate waste and deliver material operational efficiencies across both manufacturing and the supply chain/logistics and distribution.

C SUGAR CONFECTIONERY

i Category overview

Sugar confectionery is the largest segment of the South African confectionery industry and has seen relatively high growth rates of c. 8% per annum in value terms. The sugar confectionery market comprises sugar sweets and chewing gum with ingredients such as sugar, syrup, starch, fruit, preservatives, chocolate, nuts, emulsifiers, and flavourings. Sugar is primarily locally sourced as South Africa produces approximately 2.2 million tons of sugar annually, with additional volumes sourced from eSwatini.

	2017A	2018A	2019A	2020A	2021E	2022E	2023E
Total SA sugar confectionery sales per year (ZAR billion)	6.8	7.4	8.1	8.6	9.3	10.0	10.8
Annual growth in total sugar confectionery sales per year (%)	11.4%	9.3%	9.2%	5.9%	8.0%	8.2%	11.4%

Source: Euromonitor International Limited, Snacks 2021, retail value RSP incl sales tax, ZAR billion, current terms

The South African industry produces both local-only and international brands, including high-value, niche product items destined for overseas markets. There are further indications that medium-sized firms have the capabilities to tap into regional markets, increasing exports and enhancing industrialisation.

Local sugar confectionery manufacturers have had to contend with escalating global sugar prices, primarily as a result of US Dollar-based reference pricing. Given sugar generally comprises between 30% to 65% of final products some global sweet confectionery brands have consolidated manufacture, whilst smaller domestic brands have closed production opting for outsourced supply to reduce input costs.

ii Competitive landscape

The major sugar confectionery manufacturers are Tiger Brands (Beacon) and Premier Group (Manhattan and Mister Sweet).

- In June 2021, Premier Group concluded the acquisition of Mister Sweet, a leading independent sugar confectionery brand and manufacturer, thereby extending its existing product offering. According to DataOrbis, Premier holds an approximately 19% market share in the sugar confectionery segment with brands ranked as number 2 within the South African market and operates 2 sugar confectionery plants in Gauteng, South Africa.
- Tiger Brands: Sugar confectionery is included within Tiger Brands' Snacks and Treats segment. Tiger Brands has reported subdued performance in its Snacks and Treats segment over the past 18 to 24 months, the result of supply challenges due to an 8-week labour disruption in November and December 2021, compounded by low opening stocks of finished product because of the civil unrest experienced in July 2021. In addition, lower levels of impulse purchases due to reduced foot traffic in stores and forecourts during the height of the COVID-19 pandemic and related waves of infection further impacted the segment.

The South African market also includes a number of other operators that have local manufacturing plants as well as import operations. These include Trade Kings Proprietary Limited (Milkit and Amazon Monsta brands), Aldor Arica Proprietary Limited (Pin Pop and Yogueta brands), Broadway Sweets (with brands such as Stumbo, BRATS!, Sour Punk, Fligos, and Wobbles), Richester Foods (with brands such as Mintex, Zizoo, Sherbiez, and Eclairs), and JCJ (Baxtons).

	Premier Group	**Competitor A**	**Competitor C**	**Private label**	**Other**
South African formal sugar confectionery market share by value (12 months ended 31 March 2022)	19%	46%	8%	6%	21%
South African formal sugar confectionery market share by value (12 months ended 31 August 2022)	20%	49%	9%	7%	15%

Source: DataOrbis (trade desk 12-month average for Premier Group's defined segments by value of sales in the formal market in South Africa)

iii Outlook and key trends

As a non-essential food item, sugar confectionery demand is correlated with domestic macroeconomic forces, with levels of household disposable income playing a key role in driving sales value.

As a food product, sugar confectionery is a highly regulated industry from a health and safety perspective. In addition, there remains some risk of the introduction of a sugar tax on sugar confectionery products. Sugar taxes have gained momentum across the globe as a mechanism to combat a range of health issues faced by populations of various countries, chief among them being childhood and adult obesity. South Africa introduced the Health Promotion Levy ("**HPL**") in April 2018 which targeted and levied an additional tax on non-alcoholic sugar-sweetened beverages, except fruit juices. Recently, the South African government has proposed extending the HPL to the fruit juice category, but this proposal remains subject to consultation with industry participants.

The growing preference by consumers for healthier snacking options, particularly for children, is a key influencer of the outlook for the sugar confectionery segment. Producers have responded to this requirement through a range of initiatives including, *inter alia*, the following:

- Introducing new packaging formats and reducing package sizes to introduce options that contain less calories;
- Reformulation of existing products to utilise lower levels of or no sugar through greater use of natural flavours; and
- Refocusing innovation pipelines on products that contain a greater proportion of natural/organic ingredients, including nutritional and functional ingredients, relative to genetically modified organisms, high-fructose corn syrup, and artificial additives.

D. PERSONAL AND FEMININE CARE

i Category overview

The South African personal and feminine care market has seen strong growth in recent years (CAGR of 5.1% between 2017 and 2021). This has been and is expected to continue to be driven by a combination of factors including a growing South African middle class with greater awareness of personal and feminine care products feeding into demand, increasing rates of urbanisation, and the availability of a broad range of brands and products, including private label offerings at attractive price points.

	2017A	**2018A**	**2019A**	**2020A**	**2021A**	**2022E**	**2023E**
Sanitary protection product sales per year (ZAR billion)	2.1	2.2	2.4	2.4	2.5	2.7	2.9
Annual growth in sanitary protection product sales per year (%)	7.6%	6.7%	6.9%	1.1%	5.8%	6.4%	6.6%

Source: Euromonitor International Limited, Tissue and Hygiene 2022, retail value RSP including sales tax, ZAR billion, current terms

According to Euromonitor, the South African feminine care market is valued at approximately ZAR2.5 billion in 2021 and is growing at approximately 5.9% in value per annum. The market is split broadly into three major categories namely tampons, sanitary pads, and panty liners. Products in the category are viewed as essential items thus benefitting from strong demand on a through-the-cycle basis.

According to Euromonitor, the tampons market registered growth of 4.1% during the period 2016 to 2021 with a sales value of ZAR332 million in 2021, an increase of 3.1% over 2020. According to Euromonitor, tampons comprise approximately 13% of the South African feminine care market in 2021.

According to Euromonitor, the South African sanitary pads market registered a positive CAGR of 5.9% during the period 2016 to 2021, with a sales value of ZAR1,288 billion, increase of 6.3% over 2020. Pads are the largest component of the feminine care market with a total share of approximately 50%.

Panty liners comprise approximately 36% of the feminine care market (Euromonitor) and experienced strong growth at the start of the COVID-19 pandemic in South Africa due to consumers stocking up on essential items. The category is commoditised with limited product differentiation.

ii Competitive landscape

The major companies operating in the feminine care segment include Johnson & Johnson ("**J&J**") (Stayfree), Proctor & Gamble ("**P&G**") (Always and Tampax), Kimberly-Clark (Kotex), Essity Brands (Libresse) and Premier Group (Lil-lets). Other sector participants include NSP Unsgaard (Comfitex), and Adcock Ingram (Gyna Guard), as well as other private label businesses and dealer-own brands which have a strong presence in the segment.

P&G are the market leaders in the South African market and have a widespread offering in terms of product and retail formats. P&G's products are marketed under different brands (Tampax, Always) whilst Premier Group participates in all formats, except for plastic applicator, under a single brand (Lil-lets). Numerous small and private label brands have entered the market and are gaining market share at the expense of incumbents. To differentiate themselves, these smaller brands have focused their product offerings on product and packaging sustainability and the use of organic materials in production or have targeted the economy pads segment of the market by offering affordable solutions to consumers.

	Premier Group	**Competitor D**	**Competitor E**	**Competitor F**	**Competitor G**	**Other (including private label)**
South African formal feminine care market share by value (12 months ended 31 March 2022)	18%	33%	19%	9%	6%	16%
South African formal feminine care market share by value (12 months ended 31 August 2022)	18%	32%	19%	8%	5%	18%

Source: DataOrbis (trade desk 12-month average by value of sales in the formal market in South Africa)

iii. Outlook and key trends

According to Euromonitor, the recovery for personal care segment sales is expected to be slow in the near to medium-term due to slow economic recovery and as consumers adopt a more cautious stance when it comes to their spending. The focus will remain on necessities such as bath, shower, and feminine care products, whilst within non-essential categories, consumers are likely to trade down to more price-competitive, albeit effective brands to deal with their personal care needs.

With respect to feminine care products, period poverty remains a global concern with government and consumer interest groups addressing this through zero-rating VAT/Goods and Service Tax ("**GST**") in some markets and the provision of free sanitary protection in schools within some developed markets. Within the South African and African context, period poverty resulting in girls missing school during their menstrual cycle remains a key challenge. The provision of more affordable and/or free feminine care products and/or free sanitary products to girls in school and women in the workplace will result in category growth over the long-term whilst also supporting gender equity.

Globally, product innovation is focussed on sustainable/"green" products such as organics, plastic free and reusable products which are being promoted to reduce the burden of waste generation due to single-use products in the category. According to the article 'Making Menstrual Products Eco-friendly', published by Plastic Oceans International in February 2021, worldwide nearly 45 billion menstrual products are used every year, and on average 4,125 plastic bags are used by a pad user to dispose of the pads over a lifetime. Therefore, reusable menstrual cups, washable period underwear and pads are some of the solutions gaining traction in the feminine care products segment.

The category is also in decline in most developed markets due to various forms of contraception and early onset of menopause which reduces the flow or stops menstruation. In South Africa and Africa, affordability is driving innovation into reusable sanitary pads and period underwear in the lower LSM/SEM and sustainability is driving adoption in the upper LSM/SEM. However, the middle LSM/SEM and the majority of the market continues to use traditional formats with growth in multiple-format usage driving overall category growth. A barrier to reusable sanitary products is the initial cost outlay and the challenges many consumers have in cleaning the products hygienically.

PART VI – BUSINESS OF THE PREMIER GROUP

1. **BUSINESS OVERVIEW**

Premier is a leading CPG company in Southern Africa that has expanded its portfolio from a traditional milling and baking (**"Millbake"**) business to include a groceries business ("**Groceries and International**"). Premier's Millbake business comprises operations and distribution facilities throughout South Africa, Lesotho and eSwatini, operating bakeries, maize and wheat mills supported by an extensive distribution capability. Premier's Groceries and International business comprises a portfolio of sugar confectionery products, home and personal care (**"HPC"**) products, beverages, and a diversified product portfolio in Mozambique through the Companhia Industrial da Matola (**"CIM"**) business. CIM is a subsidiary in the Group. It is 98% held by Prem-Cap Investments Proprietary Limited, which is 100% held by Premier. The Groceries and International business operates sugar confectionery manufacturing sites producing a wide range of sugar confectionery products in South Africa; an HPC manufacturing site producing intimate care, menstrual and cotton wool products in South Africa; HPC offices in the United Kingdom; a beverage manufacturing site producing maize and grain-based nutritional beverages in eSwatini; as well as manufacturing sites producing milling products, biscuits, pasta and animal feeds in Mozambique. The Groceries and International business exports into markets within the broader SADC region, the Middle East, Ireland, other European Union markets and the United States of America through established distribution partners. Premier also imports products from China, Taiwan, India and Europe under its own brands to offer consumers a wider range of branded products to meet their specific requirements.

Premier employs over 8,100 permanent and contracted employees across owned sites and operates 13 bakeries, 7 wheat mills and 3 maize mills. The company has an installed milling capacity per annum of approximately 980,000 tonnes of wheat, 680,000 tonnes of maize, and an installed baking capacity of 747 million loaves of bread and delivers approximately 1.7 million loaves of bread a day to over 45,000 customers, 363 days a year. Premier operates 30 owned manufacturing sites and 25 distribution depots, spanning South Africa, eSwatini, Lesotho and Mozambique. ZAR5.0 billion in capital expenditure from FY2012 to FY2021 has culminated in a robust and technologically advanced operating platform, which can be further leveraged to enter new CPG categories.

Premier's two reporting business units produce a wide range of products:

- Millbake includes bread, sandwich squares (individually packaged, pre-sliced toasted bread), maize, wheat, rice, samp (dried corn kernels that have been pounded and chopped until broken), quick cook samp, instant maize porridge, maize rice, maize flour, wheat flour, corn flour, baking powder, pasta and value-added baking mixes. A significant proportion of Millbake products are supplied to the informal market – with more than 60% of Premier's Millbake sales derived from this market.
- Groceries and International includes sugar confectionery, a business that has an extensive range of products including *inter alia*, marshmallows, jellies, chews, gums, compressed sweets, boiled lollipops and sweets, liquorice, chocolate coated gums, and peanut brittle. Premier has further enhanced its strong market position in sugar confectionery brands, with synergies from the acquisition of the business of Mister Sweet, concluded in June 2021. This acquisition should deliver synergies and these are expected to fully materialise in the years ending 31 March 2023 and 2024. The HPC portfolio includes sanitary pads, non-applicator and applicator tampons, liners, maternity pads, breast pads, reusable applicators and menstrual cups, a broad range of cotton tips, pads, balls and rolls, and plastic gloves. The balance of the Groceries and International business includes nutritional beverages, as well as biscuits, pasta, rice and animal feeds produced and sold by Premier's Mozambique subsidiary Companhia Industrial da Matola.

Premier produces and markets iconic South African brands such as Snowflake, Blue Ribbon, BB Bakeries, Star, Mister Bread, Iwisa, Nyala, Super Sun, Invicta, Impala, Manhattan, Super C, Mister Sweet, Champion toffee, Rascals, Candy Tops, Frutus, Lil-lets, Vulco and Dove cotton wool; as well as leading brands in Mozambique which include CIM, Florbela, Favorito, Polana, Top Score, Celeste, Dourado, Sunblest and Blue Ribbon (imported from eSwatini); and in eSwatini brands which include SUB, Mister Bread, Blue Ribbon, Iwisa, Bakers Pride and Ligugu and Mandla Mageu. According to DataOrbis market share data by value for the 12 months to August 2022, Premier has an approximate 24% market share in bread, 32% market share in flour, 20% market share in maize, 18% market share in total sugar-based confectionery (rising to a 20% market share within Premier's defined segments comprising gums and jellies, marshmallows, chews, compressed and boiled sweets, toffees and liquorice) and an 18% market share in feminine care in South Africa. Notably, in respect of the bread category for the 12 months to August 2022, Premier held the market leading position in the Western Cape (37%), and the second largest market share in KwaZulu-Natal (30%) and the Eastern Cape (34%), respectively (Source: *DataOrbis)*. Since 2012, the coastal regions have been a strong focus for Premier's success in the bread market, and Premier's baking business is now on the path to delivering its strategy to expand its inland market share as the Group recently commissioned a new Pretoria-based bakery and mill to better service the inland region.

Premier's leading consumer brands are marketed to consumers using bespoke trade, shopper, and consumer marketing tools in various media channels. The brands are active on trade broadsheet, outdoor media, radio and television, print, various in-store media and on social media. Well-branded and informative packaging forms the core of Premier's brand communication strategy direct to the shopper. During COVID-19, Premier actively redirected marketing spending into various initiatives which benefitted the communities that Premier serves, increasing the visibility of its products.

One of Premier's key strengths is its route to market capability using a fleet of 1,059 (912 owned, 147 third party) bakery vehicles delivering bread to over 45,000 customers, 363 days a year. For the balance of the product portfolio, Premier distributes its sugar confectionery and HPC brands to the retail, wholesale, general trade, buy-to-use and out-of-home and export sales channels through its strategically situated distribution centres and its fully owned fleet, accounting for 40% of deliveries, with the remainder distributed through third parties. The 4,890 sales and merchandising contracted service providers call on 5,400 stores daily to ensure Premier's products are visible and available for consumers to purchase.

In FY2022, Premier generated revenue of ZAR14.5 billion and Adjusted EBITDA of ZAR1.5 billion. The Millbake and Groceries and International businesses contributed 82% and 18%, respectively, to Premier Group revenue. Despite high commodity prices and pandemic-led headwinds, Premier delivered strong financial results over the three-year period to FY2022. Revenue grew by a CAGR of over 15% alongside a strengthening of margins driven by volume and market share growth, a recovery in the Cape Town bakery and CIM business and active cost management and operational efficiencies undertaken by management. Adjusted EBITDA grew by a 20% CAGR over the 3-year period. Over the past three financial years, Millbake has outperformed as management has proactively managed price increases and volumes, successfully passing on inflationary increases to the consumer despite a challenging trading environment. In FY202, the Millbake division delivered revenue growth of 12.5% to ZAR11.9 billion, comprising volume growth of 6.0% and average price inflation of 6.5%. Adjusted EBITDA, excluding head office costs, for Millbake grew by 32% to ZAR1.4 billion in FY2022 with margins expanded by 170bps to 11.7%. Groceries and International's robust performance was driven by significant capital expenditure, brand loyalty and product expansion. In FY2022, the Groceries and International division increased revenue by 35% to ZAR2.7 billion, underpinned by a 238% increase in Sugar Confectionery revenue to ZAR763 million, with revenue from Mister Sweet contributing ZAR540 million for the 10 months since its acquisition; a 6% increase in HPC revenue to ZAR651 million; and a 10.4% increase in CIM's revenue to ZAR1.2 billion for the period.

Premier delivered a strong performance for 1H FY2023, despite extraordinarily high commodity prices, loadshedding and other cost inflation pressures. Revenue for the Millbake business increased by 25.8% to ZAR7.2 billion in 1H FY2023 (1H FY2022: ZAR5.8 billion), with volumes in bread, wheat and breakfast categories growing despite the impacts of loadshedding on the division and price increases being passed through to the market. Millbake EBITDA increased by 15.2% to ZAR760 million in 1H FY2023 with the EBITDA margin contracting by 90 basis points to 10.6%. Revenue for the Groceries and International business increased by 19.8% to ZAR1.5 billion in 1H FY2023 (1H FY2022: ZAR1.2 billion), supported by: (i) robust performance in the sugar confectionery category, with growing sales volumes underpinning increases in revenue, gross profit and EBITDA, (ii) strong trading in home and personal care and CIM; and (iii) continued brand loyalty and product expansion. The home and personal care and CIM businesses showed good trading through the six months to 30 September 2022, with strong margin management and well-controlled costs driving gross profit and EBITDA increases in both businesses. Groceries and International EBITDA increased by 25.1% to ZAR112 million in 1H FY2023, with margins expanding by 30 basis points to 7.5%.On 2 November 2022, Premier FMCG (Premier's South African operating entity), refinanced its long-term debt and increased its debt by ZAR1.04 billion. Of this, ZAR950 million has been distributed to Premier shareholders in the form of a pre-IPO distribution, with the remaining ZAR90 million retained as cash on the Premier balance sheet. This increased debt will result in a leverage ratio of 2.0x and bring Premier's leverage ratio in line with historic leverage multiples.

During January 2023, the Group made a capital repayment of ZAR294 million on the revolving credit facility from the cash that was generated from operations, reducing the leverage ratio to 1.9x as at 31 January 2023.

(see "PART XVI – MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS" for further detail).

The following figures are a summary of Premier's financial performance over the past 3 years extracted from historical financial information:

	Unit	FY2020	FY2021	FY2022	1H FY2022	1H FY2023
Revenue	ZAR million	11,048	12,526	14,538	7,001	8,731
Millbake	ZAR million	9,051	10,547	11,870	5,755	7,239
Groceries and International	ZAR million	1,996	1,979	2,668	1,246	1,492
Revenue growth	%		13.4%	16.1%		24.7%
Adjusted EBITDA*	ZAR million	1,032	1,099	1,490	709	821
Millbake	ZAR million	919	1,053	1,388	660	761
Groceries and International	ZAR million	185	122	200	90	112
Corporate	ZAR million	(72)	(76)	(97)	(41)	(52)
Adjusted EBITDA margin	%	9.3%	8.8%	10.3%	10.1%	9.4%
Operating profit/(loss)	ZAR million	(6)**	685	877	491	604
Operating profit margin	%	(0.1%)	5.5%	6.0%	7.0%	6.9%
Profit after tax	ZAR million	(626)	67	278	183	400
Profit after tax margin	%	(5.7%)	0.5%	1.9%	2.6%	4.6%
Capital Expenditure	ZAR million	374	463	481	211	215
Millbake	ZAR million	259	398	420	175	171
Groceries and International	ZAR million	112	65	54	30	39
Corporate	ZAR million	3	0.5	7	6	6
Free cash flow conversion:						
Including expansionary capital expenditure	%	39.6%	73.0%	44.4%	34.2%	53.1%
Excluding expansionary capital expenditure	%	55.5%	96.7%	66.8%	54.7%	61.1%

* Adjusted EBITDA defined as earnings before interest, tax, depreciation, amortisation, and impairment losses.

** Impacted by impairment losses of ZAR631 million, primarily relating to the write-down in the investment in CIM for property, plant and equipment and the write-down of various trademarks and goodwill.

Premier is led by a strong and experienced management team that think and act like owners of the business. The management team has a proven track-record of acquiring and integrating new businesses successfully and are supported by a strong executive and middle management unit. The management team's incentives are aligned to the realisation of Premier's growth strategy, and they are committed to Premier through an incentive structure to 2027. Management is participating in the Offer by purchasing Offer Shares from Brait for up to ZAR20 million at the Offer Price.

2. HISTORY

Premier was founded in July 1824, with the opening of Attwell's Bakery in Cape Town, and has a corporate history spanning close to 200 years. Following the founding of Attwell's Bakery, Baumann's Bread and Biscuits (now known as BB Bakeries) was established in Durban in 1852. In 1884, new mills were erected in Port Elizabeth (now known as Gqeberha), and the well-known Snowflake brand was registered. In 1891, Attwell's Bakery merged with the Port Elizabeth Steam Mill Company to form the South African Milling Company Limited (SA Milling). In 1913, Marks and Co. and Premier Roller Flour Mills merged to become Premier Milling. In 1964, Premier Milling merged with SA Milling, establishing Premier Food Industries Limited (Premier Food Industries) in 1984 to become one of the largest listed conglomerates in South Africa by the late 1980's.

In 1998, General Food Industries Limited (Genfood) purchased Premier Food Industries, delisting it from the JSE, merging into Premier Foods Limited (Premier Foods). In 2004, the Foundation for African Business and Consumer Services (FABCOS) acquired a 74% controlling interest in Premier Foods, with Genfood maintaining a 26% stake. Consequently, Premier Foods' management team at the time acquired the business through a management buy-out that was supported by private equity funds under the management of Brait S.E (now Brait PLC).

In 2011, the listed investment group, Brait S.E. (now Brait PLC) acquired a majority stake in the business, following which Premier was strategically repositioned to become a leading CPG company, expanding from its traditional focus on maize, wheat, and bread into a broader portfolio of product categories. Since Brait's investment, Premier has made several meaningful acquisitions (see page 48 below).

In 2020, Premier began to prepare itself for a listing on the JSE in line with Brait's stated strategy to maximise value through the realisation of its existing assets in the portfolio over the next five years and to return capital to its shareholders.

3. OPERATIONAL PLATFORM

Premier's algorithm for success is predicated on the business driving daily flawless execution alongside a systematic focus on being the lowest cost producer in the Millbake category. This allows Premier to operate competitively in an operationally demanding environment, characterised by volatile commodity prices. Continuous investment in the operational platform and business model has driven consistent and robust financial performance, resulting in Premier being one of the leading CPG platforms in the markets in which it operates, with further capability to scale. The distinct competitive strengths derived from Premier's operational platform include:

- **Technologically advanced facilities**

  Premier's continued investment in upgrades have ensured state-of-the-art, technologically advanced production facilities which have enabled it to operate a low-cost production model while maintaining high quality.

- **Competitive operational platform**

  Premier's modern and scalable operational platform differentiates it through size, logistics and scale to reach the entire market, street by street, to effectively compete in one of the largest food categories.

- **Human capability and agilit**y

  Premier's experienced leaders, with collectively over 65 years at Premier, have invested in people and fostered a high-performance corporate culture throughout the business.

- **Trusted brand portfolio**

  Premier has built a diversified portfolio of several market-leading brands, built on consistent top-quality delivery, and complemented by strategic private label partnerships to sustainably increase Premier's overall market share.

As a result, Premier has the capacity and ability to grow within the South African market, unlocking future growth potential within the communities it has earned the right to operate in.

4. KEY INVESTMENT HIGHLIGHTS

Premier is a highly attractive investment opportunity, within the food producers' sector, differentiated by consistently strong financial and operational performance and a scalable platform. Premier believes that the following key strengths contribute to its success and distinguish it from its competitors:

- Premier is well positioned as a sector CPG leader within the Sub-Saharan African market;
- Premier is the largest unlisted South African essential foods business in the market (Source: *Euromonitor, Staple Foods in South Africa, Dec 2021 and Mail & Guardian, SA's Food Security – Premier Helping to Feed the Nation, Oct 2022*);
- Premier has a track record of withstanding input cost pressures in a rising inflationary environment;
- Premier has a consistent track record of superior financial performance;
- Premier's continued capital expenditure investment has delivered fully integrated, best-in-class facilities;
- Premier has identified growth vectors to bolster its leading market position and support future success; and
- Premier has a highly skilled and experienced management team.

4.1 **Premier is well positioned as one of the leading CPG players within the broader South African market**

Premier operates in a competitive and operationally demanding sector, which requires the business to manage volatile soft commodity prices and to deliver perishable products to the end consumer daily. Premier's success to date has been predicated on the business driving daily flawless execution, through a systematic focus on being the lowest cost producer in the Millbake category.

The diversified nature of Premier's CPG platform provides a strong outlook for growth; however, it is the core Millbake business that has been structured to drive Premier's return on invested capital ("**ROIC**") through improving regional dynamics and continued excellence in execution.

Premier has a market-leading, diversified brand portfolio containing numerous trusted brands built on consistent top-quality delivery. Premier excels in easy to consume, value for money defensible staple foods, with its known and trusted national and regional Millbake brands leading across the bread, maize, wheat, and samp categories in South Africa, giving Premier exposure to all LSM/SEM segments, including the higher growth lower and middle segments. Premier differentiates on quality and cost.

The South African bread market is large and defensive, underpinned by essential spending, which accounts for the majority of total household spending in Southern Africa (Source: *BMR Standard Bank Research & Nielsen Shoppergraphics Q4 2020*). Bread is a staple food source accounting for approximately 7% of total food spend. Bread is the most convenient of all ready-to-eat staple foods and does not require further processing by the consumer, unlike alternatives such as rice, pasta and potatoes, which require more time and energy to prepare for consumption. As such, cross-substitution into alternatives to bread is low.

There is a proven ability to differentiate through taste, softness/freshness, branding and superior product quality in the bread category. The industry has high barriers to entry because of high-volume throughput and the need for consistent quality, superior logistics required to service the informal market and the integrated operations that are necessary to operate nationally. This has resulted in an attractive margin, large category food business in South Africa, with balanced supply and demand dynamics, as well as limited dependence on supermarket retailers given the broad range of consumers and potential sales channels and high level of cash sales. The bread category is characterised by product differentiation and high barriers of entry and has demonstrated defensive growth delinked from GDP cycles as evidenced through COVID-19. In a robust defensive growth sector, Premier is outperforming and is well positioned to benefit from the strong industry fundamentals given that Millbake accounts for 82% of revenue.

National bread sales in the South African market increased from ZAR27.4 billion in 2017 to ZAR36.3 billion in 2021 with a 7.2% CAGR. Premier's Millbake revenue from FY2020 to FY2022 has grown at almost twice the rate of the market, with a CAGR of 15%. Over the same period, Adjusted EBITDA CAGR was 23% with Adjusted EBITDA margins expanding from 10.2% in FY2020 to 11.7% in FY2022.

Premier is a leader in the bread business, with ambitions to achieve the number one position in South Africa. Premier's trusted bread brands cumulatively held the third largest market share (24%) in South Africa's total bread market for the 12 months to August 2022 (Source: *DataOrbis)*, underpinned by a 9% growth in the volume of bread supplied by Premier within the market. Premier has a leading position in the South African informal bread market, with over 60% of its Millbake sales derived from the informal market.

The success of Premier's bread brands is underpinned by the "Premier Way," which prescribes meaningful stakeholder engagement and earning the right to operate within communities, with Blue Ribbon specifically working to ensure strong brand awareness through ongoing promotional campaigns and community engagement.

Premier leads the bread market in the Western Cape with a 37% market share and is ranked second in KwaZulu-Natal and the Eastern Cape with bread market shares of 30% and 34% respectively for the 12 months to August 2022 (Source: *DataOrbis*). Premier holds the number one position and the leading bread market share in eSwatini (as per management's estimates of share of shelf) Historically, Premier has been underrepresented in the inland region, South Africa's largest bread market, with a 17% share for the 12 months to March 2022 (Source: *DataOrbis*). To address this Premier has invested ZAR500 million into its new state-of-the-art, integrated mill and bakery in Pretoria to support the 'inland strategy'. The new mill and bakery significantly lowers the cost of servicing the inland region and is expected to improve bread quality. The first line at the Pretoria mill and bakery began operations in March 2022, with the second line beginning operations in September 2022. Following the commissioning of the Pretoria mill and bakery, Premier's Middleburg bakery was shut in May 2022, and Premier plans to mothball a further two smaller bakeries that currently service the inland region in due course. This results in a small overall capacity increase for Premier in the inland region but is anticipated to result in a significant improvement in bread quality and a material reduction in costs from operating a single state-of-the-art, integrated Millbake site situated in Pretoria. Going forward, Premier can re-plant and re-commission the mothballed bakeries should it require additional capacity. Demonstrating the effectiveness of this strategy, Premier's bread market share in the inland region has increased to 18% for the 12 months to August 2022 (Source: *DataOrbis*).

Premier has pursued a strategy of producing and supporting regional maize meal brands within the South African maize category, where Premier's total market share increased from 19% for the 12 months to March 2022 to 20% for the 12 months to August 2022 (Source: *DataOrbis*), reflecting the regional strength of Premier's Iwisa brand in Gauteng, the strength of the Invicta, Impala and Super Sun brands in South Africa's northern provinces, and the strength of the Nyala brand in KwaZulu-Natal.

For the 12 months to August December 2022, Premier held a 32% market share within the flour category and 41% in cake mixes produced by Premier's 135-year-old, consumer-favourite Snowflake brand.

Within sugar confectionery, Premier's brands, including the Mister Sweet and Manhattan businesses, collectively held an 18% value market share for the 12 months to August 2022 (Source: *DataOrbis*), which saw Premier ranking second overall within the South African branded sugar confectionery market. Premier held a 20% market share within its refined sugar confectionery segments (gums and jellies, marshmallows, chews, boiled and compressed sweets, toffees and liquorice) for the 12 months to August 2022 (Source: *DataOrbis).*

In addition, for the 12 months to August 2022, Premier's HPC brand, Lil-lets SA held an approximate 18% value market share in the South African feminine care market (Source: *DataOrbis*), comprising various menstrual sanitary products, making Premier the third largest business within this market.

Premier's brand portfolio is complemented by strategic private label partnerships which sustainably increase Premier's overall share of market, optimise efficiencies in production and route to market, as well as strengthen customer relations. Currently, the primary private label products produced by Premier for national retail chains in South Africa are its sandwich square product, mageu and sugar confectionery products. The acquisition of Mister Sweet significantly increased Premier's sugar confectionery private label participation, with approximately 73% of its total private label revenue in FY2022 contributed by sugar confectionery products.

Premier is set to continue to gain market share, fueling medium-term growth, on the back of:

- **In-house innovation**

  Premier is focused on superior product innovation in core competencies, strategic partner onboard and world-class implementation of improved molecules.

- **Lowest cost producer initiative**

  Bakeries in Western Cape, Eastern Cape, Durban and eSwatini are integrated with dedicated wheat mills on site, which improves the quality and lowers production costs.

- **Logistics strength**

  Premier has developed long-term know-how in navigating logistical routes resulting in supply chain efficiencies.

- **Research and development**

  Premier is prioritising bakery equipment and process control upgrades and has been focused on developing its bespoke recipe for white bread to ensure leading quality and is now focused on improving its brown bread offering.

Brand strength research confirms that Premier holds the number one position in the Western Cape and is on par with its competitors in the Eastern Cape and KwaZulu-Natal. The research demonstrates that inland brand strength has improved relative to competitors and is running ahead of Premiers market share. Improved brand strength and current low market share in the inland region provides Premier with an opportunity to expand into the inland region and grow volumes while maintaining margins.

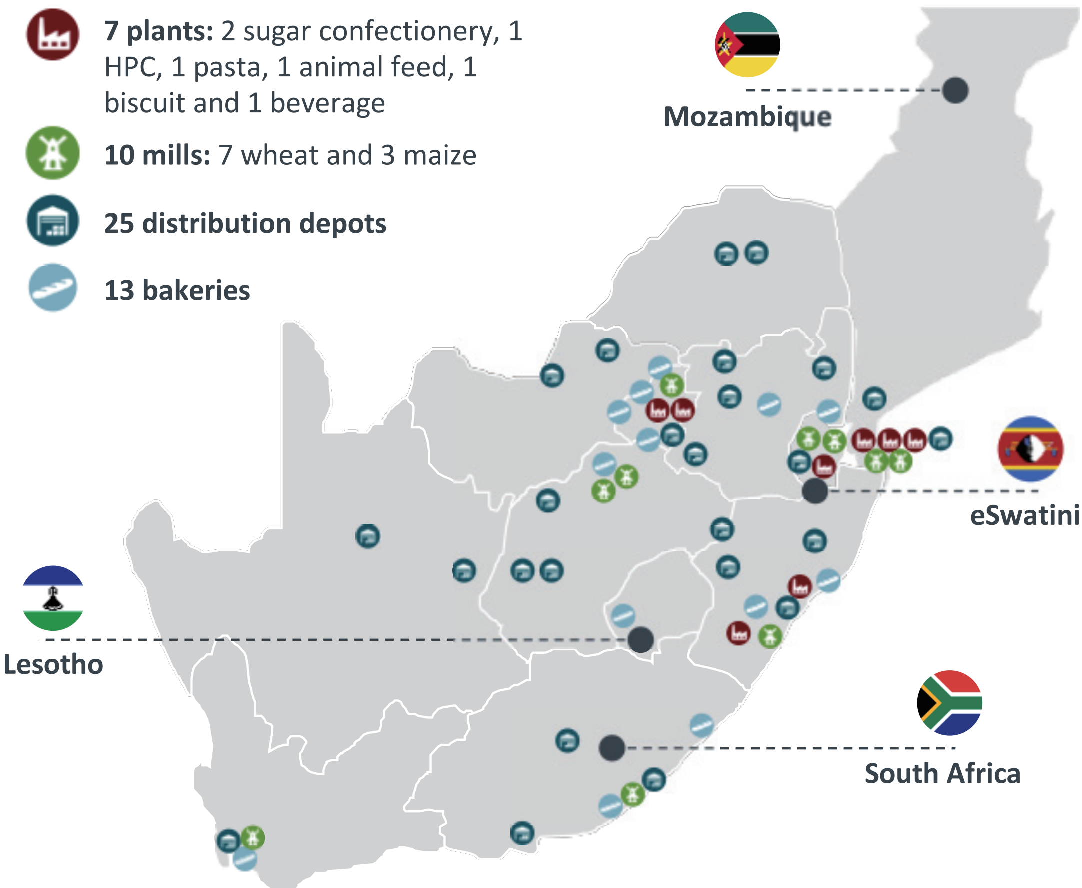
4.2 **Premier is the largest unlisted South African essential foods business in the market *(Source: Euromonitor Report, December 2021)***

Premier is a truly scaled CPG business

Premier's 13 bakeries, 7 wheat mills and 3 maize mills, producing its market-leading bread brands across South Africa, eSwatini and Lesotho, have an installed milling capacity of 980,000 and 680,000 tonnes of wheat and maize, respectively, per annum. Approximately 54% of the flour that is produced by Premier is used internally to supply its bakeries. For FY2022, total bread product capacity was at 747 million loaves per annum. These operations are supported by 16 dedicated bread distribution depots, including one satellite depot in eSwatini and a fleet of 1,059 owned and third-party bakery trucks to provide bread deliveries to over 45,000 customers via 975 routes, 363 days a year. Premier distributes brands in the remainder of its product portfolio through nine mixed-use distribution depots across South Africa, eSwatini, Lesotho and Mozambique, using a fleet of 87 Premier owned trucks, bakkies (light pickup trucks), buses and tankers.

Premier's strength and a key component of Premier's operational platform is its integrated distribution network, containing strategically situated distribution centres as well as dedicated bakery and milling fleets.

Premier produces and markets iconic South African brands such as Snowflake, Blue Ribbon, BB Bakeries, Star, Mister Bread, Iwisa, Nyala, Super Sun, Invicta, Impala, Manhattan, Super C, Mister Sweet, Champion toffee, Rascals, Frutus, Lil-lets, Vulco and Dove cotton wool; as well as leading brands in Mozambique that include CIM, Florbela, Favorito, Polana, Top Score, Celeste, Dourado Sunblest and Blue Ribbon (imported from eSwatini); and in eSwatini which include SUB, Iwisa, Bakers Pride and Ligugu, Mandla Mageu, Mister Bread and Blue Ribbon.



The diversified nature of Premier as a CPG platform provides a strong outlook for growth; however, it is the core Millbake business that has been structured to drive Premier's ROIC through improving regional dynamics and continued excellence in execution.

Premier has scaled through successfully assessing, acquiring, and integrating value-accretive businesses

Premier has developed a core competency in assessing, acquiring, and integrating acquisitions successfully. Premier has a track record of achieving efficiencies and cost savings from capital expenditure programmes and has proven its ability to grow through value accretive bolt-on acquisitions. This has provided Premier with a platform to scale operations further, as well as a distinct competitive advantage in an industry with significant barriers to enter (namely its large asset base, national distribution footprint and long-standing customer relationships).

Across the broader Premier Group, Premier has invested approximately ZAR5.2 billion in capital expenditure from 2012 to the end of September 2022 to create a sophisticated manufacturing and distribution footprint across Southern Africa. In addition, Premier has invested ZAR2.7 billion in 11 bolt-on Millbake and CPG acquisitions. Adjusted EBITDA grew by 24% per annum from FY2011 to FY2022.

During the six months ended 30 September 2022, capital expenditure of c.ZAR215 million was incurred, comprising ZAR66 million of expansionary capital expenditure and ZAR149 million of maintenance capital expenditure. The Group also acquired a bakery in the Western Cape region of South Africa for a purchase consideration of R30 million.

In line with its strategy and to achieve its strategic objectives, Premier applies clear criteria in assessing potential acquisitions, and the 11 completed acquisitions were made from over 70 potential acquisitions investigated. These are based on, *inter alia*, size and market position of the target business, the ability to extract cost savings by combining with Premier's existing operations (e.g. Premier's logistics and distribution and sales functions), and compatibility with Premier's existing portfolio.

Premier's philosophy is to fully integrate acquisitions into its core business to align new businesses with Premier's culture, management systems and controls and strategy. Further detail on Premier's recent acquisitions since 2012 are set out below:

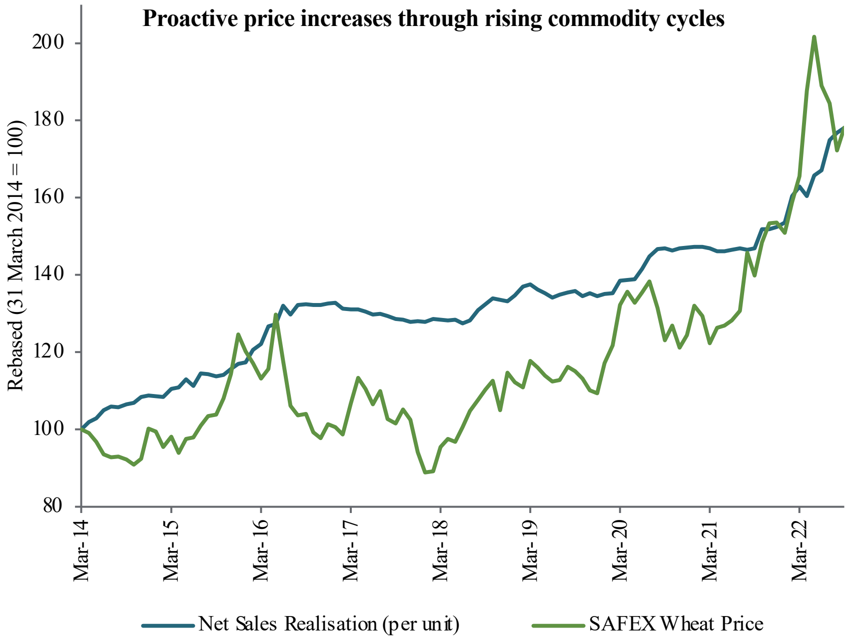
Date	Acquisition overview
February 2012	Acquired a controlling stake in the two leading bakeries in eSwatini, Swaziland United Bakeries and Mister Bread, and created Premier Swazi Bakeries
May 2013	Acquired Manhattan and Super C to enter the sugar confectionery sub-categories of gums and jellies, marshmallows, and compressed tablets in South Africa
November 2013	Acquired Star Bakeries in the Eastern Cape, a South African province where Premier did not have a bakery and was underrepresented, giving Premier a national bread footprint in South Africa through the 'Mister Bread' and 'Star' brands
November 2013	Acquired the Lil-lets South Africa and United Kingdom businesses, expanding into personal care and expanding the Premier footprint geographically
April 2014	Acquired Ngwane Mills, the largest wheat and maize miller in eSwatini, to supply and complement Premier Swazi Bakeries' operations
March 2015	Acquired Mister Bread Milling, a flour mill in the Eastern Cape
March 2015	Acquired La Femme, a Durban based business that manufactures tampons for Lil-lets in KwaZulu-Natal
March 2015	Acquired a controlling stake in Companhia Industrial da Matola S.A. (CIM), the leading food producer in Mozambique, with a diversified product range including maize, wheat, pasta, biscuits and animal feeds
January 2018	Acquired Swazi Mahewu, the largest mageu producer based in eSwatini
June 2021	Acquired the Mister Sweet sugar-based confectionery business to unlock cost savings and synergies with Premier's existing confectionery portfolio
May 2022	Acquired Outeniqua Bakery, a regional bakery based in George in the Western Cape to expand Premier's footprint within the southern area of the province

4.3 **Track record of withstanding input cost pressures in a rising inflationary environment**

Premier has a demonstrable track record of proactively managing price increases and volumes in the face of soft commodity price increases. Premier has a hedging strategy in place, which it has consistently applied over the last 10 years. This enables Premier to maintain its targeted margins and is a core competency and competitive advantage.

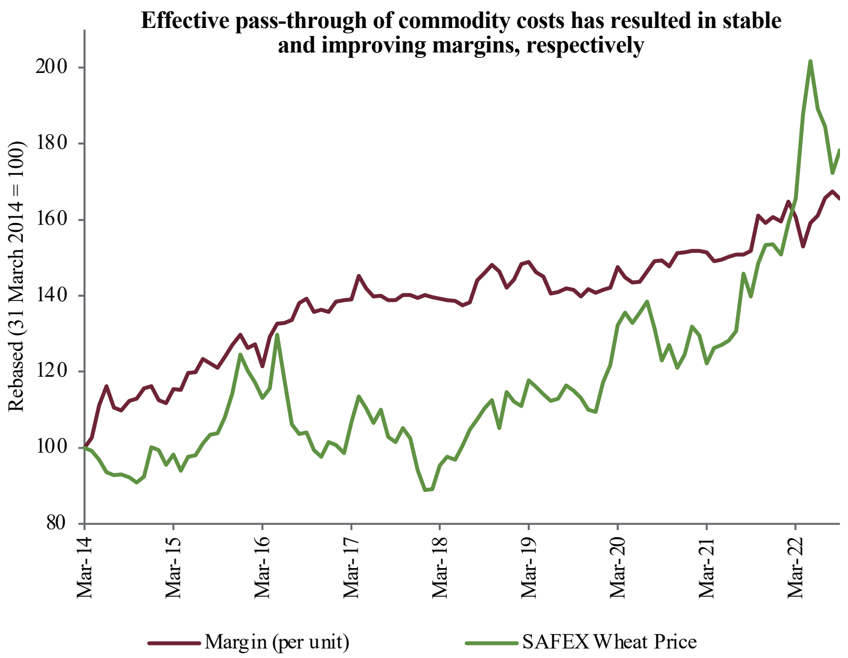
The graphs set out below demonstrate Premier's ability to maintain margins (both in the formal and informal markets) across business cycles, where the average annual revenue per loaf of bread realised by Premier consistently increased in line proportionately with wheat price increases, where wheat is a key raw material required to produce bread. Premier's brand power allows management to proactively increase prices through rising commodity cycles, as demonstrated in prior cycles of FY2016 and FY2020, while maintaining its volumes.

Furthermore, Premier has a track record of procuring wheat and maize at competitive prices. In order to ensure sufficient supply of maize and wheat, Premier enters into forward supply contracts. Premier has consistently applied its grain procurement policy, which is designed to give enough price certainty to effect price increases into the market before increases impact margins. None of the wheat procured by Premier is from the Black Sea region, which has been impacted by the Russian invasion of Ukraine, and thus Premier is confident of its security of supply.



Source: Bloomberg, Company Data (data to 30 August 2022)

Premier's brand power allows management to increase prices through rising soft commodity cycles,

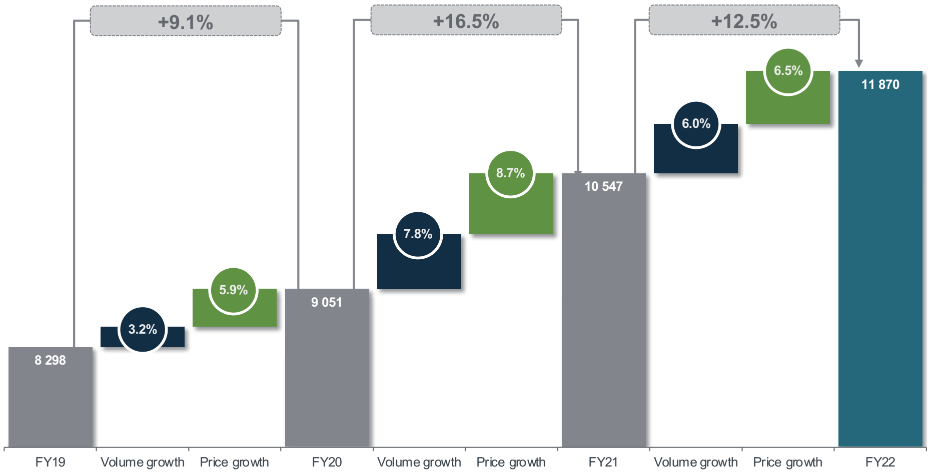


as demonstrated in prior cycles of FY2016 and FY2020, with muted impacts on volumes.

Source: Bloomberg, Company Data (data to 30 August 2022)

Through rising soft commodity cycles, Premier margins have remained stable with continued improvement, highlighting an effective pass through of commodity costs. Over the period, margin enhancement has been a result of volume growth and cost management. Active management of margins in inflationary environments is effectively managed by a procurement strategy of managing input costs to have line of sight to pass through price increases to the consumer, cost management and improvement in efficiencies.

- Over the past eight financial periods, Premier has exhibited strong financial metrics in the bread division despite numerous commodity price surges, without having to give up volume growth at the expense of margin preservation.



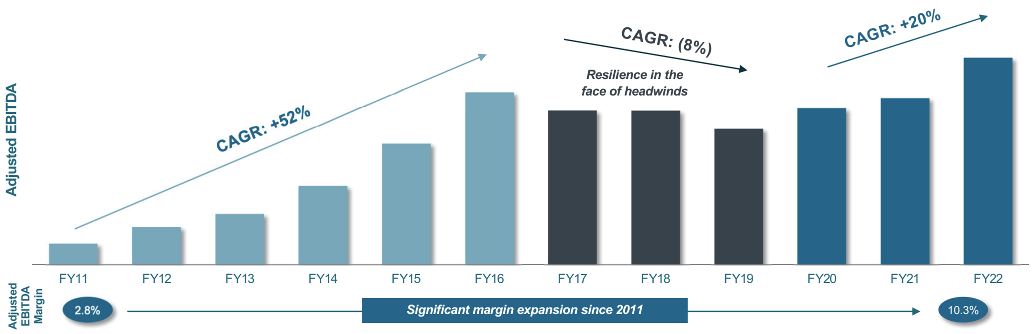
Premier employs several self-help levers to specifically manage commodity inflation and input cost volatility, including:

- focusing on margin management and fiscal discipline during a cyclically soft commodity price inflation environment;
- focusing on sustainably optimising manufacturing and operational costs to remain the lowest cost producer in the market;
- managing working capital and liquidity particularly to wholesalers with lower credit quality; and
- undertaking value enhancing acquisitions and strategic investments to unlock operational cost savings- such as the new Pretoria mill and bakery which is expected to significantly lower the cost of servicing the inland region by FY2023.

Premier implemented a grain procurement policy in 2012 and utilises hedges to obtain comfort and certainty on commodity input costs but does not engage in any speculative hedge trading. Premier normally hedges for a period of between 8 to 16 weeks, which provides sufficient time for Premier to effect price changes in the market. Furthermore, hedges are held on the books of Premier's grain suppliers and thus Premier does not require any liquidity to manage daily margin calls. Physical tonnages are secured in advance, without pricing, to secure supply.

4.4 Consistent track record of superior financial performance

Premier has a compelling long-term track record of superior financial performance and return on invested capital. Premier's business model has remained robust over the years, displaying resilience and flexibility against a challenging macroeconomic backdrop and challenging operating environment driven by soft commodity inflation and inflationary cost pressures.



Premier experienced a period of significant growth from FY2011 to FY2016, which was defined by corporate acquisitions and substantial investment into the Millbake category. During this period, Premier upgraded all coastal and eSwatini bakeries, expanded into a broader CPG business with sugar confectionery and feminine hygiene offerings, and grew its capabilities within the chosen geographies of eSwatini and Mozambique. Premier saw Adjusted EBITDA increase at a 52% CAGR over this period.

From FY2017 to FY2019, Premier experienced a period of muted growth, driven by record high maize prices during South Africa's worst drought in 100 years, the impact of industrial action on the Cape Town bakery in FY2019, and the macroeconomic collapse in Mozambique affecting the CIM business. Notwithstanding a turbulent operating environment, Premier demonstrated resilience in its business model and saw operational performance remain resilient in the face of headwinds, with Adjusted EBITDA declining from approximately ZAR1.0 billion for FY2017 to ZAR897 million for FY2019. During this period, several strategic and operational decisions were made to position Premier for long-term sustainability, including active cost management to reset the cost base and tactical product pricing in the maize portfolio to reset margins to gain volumes. During this time, Premier approved the multi-year investment to build its new Pretoria bakery that is designed to drive cost savings and improved bread quality for Premier to service the inland region of South Africa.

Despite the impact of COVID-19 and of high commodity prices on the CPG industry, Premier's performance rebounded strongly from FY2020 onwards, further demonstrating the resilience of its business model. Premier's improved performance has been driven by active cost management and operational efficiencies, volume and market share growth and the recovery in the Cape Town Bakery and CIM business. Premier benefited from being well-positioned to supply trusted staple foods in a difficult consumer environment. Premier saw Adjusted EBITDA grow at a 20% CAGR over the three-year period to FY2022.

Over the past three financial years, Premier has expanded its offering in its Groceries and International business including through, amongst other initiatives, the acquisition of Mister Sweet which had a significant impact on the revenue of this division in FY2022. In part, as a result of this acquisition, revenue for the Groceries and International business increased by 35% to ZAR2.7 billion in FY2022, in comparison to the ZAR2.0 billion revenue for the division in FY2021.

Premier is largely able to recover price increases through price adjustments to the end products, but such price adjustments generally have a time lag between implementation and impact on Premier's financial performance. Historically, Premier has been able to successfully pass on additional costs incurred due to price fluctuations in maize and wheat prices as well as foreign exchange rate fluctuations without materially impacting the volume of bread and maize meal sold. However, the above cannot be assured should there be material increases in inflation over a short period of time.

In FY2023, Premier introduced further price increases in response to increases in wheat and fuel prices. This is expected to create a buffer, enabling margins to remain stable relative to the margins achieved in the FY2022, while revenue is expected to increase substantially, buoyed by higher prices.

Premier has a strong record of profitability and growth, having successfully scaled and optimised the business through both organic and acquisitive growth over time. Notably:

- Since 2011, Premier's revenue and Adjusted EBITDA have grown at CAGRs of approximately 10% and 24% respectively;
- Premier has a high proportion of fixed costs and operational leverage in the business, with a sizable platform to enter new CPG categories; and
- Premier achieved strong cash flow generation, with approximately ZAR2.0 billion in excess cash returned to Shareholders since 2011.

4.5 **Continued capital expenditure investment has delivered fully integrated, best-in-class facilities**

Premier has industry leading facilities, with targeted investment over time which has resulted in fully integrated, sophisticated operations. From 2011, to the end of September 2022, Premier invested approximately ZAR5.2 billion in capital expenditure projects to create a well-established manufacturing and distribution footprint with state-of-the-art technology across Southern Africa, ensuring that its core facilities are fully invested. Significant investment in the Millbake business over the last decade has resulted in fully integrated bakeries across the Western Cape, Eastern Cape, KwaZulu-Natal, Gauteng and eSwatini with dedicated wheat mills on site, improved quality and reduced costs. With the most recent investment of ZAR500 million into a new Pretoria-based bakery and mill, 11 of Premier's bakeries have been upgraded in the last 10 years. Premier also owns the largest maize mill for human consumption globally.

Over the last three financial years, Premier has averaged a capital expenditure spend as a percentage of revenue of approximately 3.5%.

Premier's notable capital expenditure programme and investments are set out below:

Year of investment	Capital expenditure programme
2013	• Kroonstad maize mill upgrade
2014	• Durban bakery plant upgrade
2015	• Vereeniging wheat warehouse extension • Kroonstad maize warehouse extension
2016	• Pretoria wheat warehouse extension
2017	• Cape Town new bakery plant • Durban new wheat mill • Kroonstad extrusion plant • Pinetown bakery property • Durban bakery plant upgrade • Sugar confectionery plant upgrade • Cape Town wheat mill upgrade
2018	• Pretoria Squares plant • East London bakery upgrade • Potchefstroom bakery upgrade • Pinetown bakery plant upgrade • CIM biscuit plant • CIM feeds and mill plant upgrade
2019	• Vereeniging bakery plant upgrade
2020	• Durban site upgrade • eSwatini bakery upgrade • Acquired HPC manufacturing site in Durban
2021	• Lesotho bakery upgrade • Hard boiled candy plant commissioned • HPC pads line commissioned
2022	• Pretoria new bakery and mill

Premier's operations are supported by well-invested information technology (IT) systems and logistics capabilities. Premier's IT capability is a key driver behind its integrated operations. Premier leverages key partner solutions, buying customisable working software and using cloud technology over on-premises solutions, to maximise the speed of continuous system improvement while minimising development and infrastructure costs. Premier's partnership with Microsoft underpins its agile operating systems, cloud infrastructure and business data analytics. Premier is taking steps to automate existing systems and improve data insights and analysis by investing in automation and artificial intelligence, with Premier's existing business intelligence systems currently being extended with Microsoft predictive intelligence tools.

Following on from the success of Premier's integration into electronic data interchange with its key customers, Premier has undertaken an ongoing project to move the procurement process to an electronic data format, alongside a Premier supplier portal to reduce duplicate document handing, improve accuracy and create key insights for Premier and its suppliers. Premier is also extending customer automation by using artificial intelligence to perform document recognition, which allows for automated capture of documents such as remittances. Premier has also introduced facial recognition systems to replace touch biometric access at its physical sites and in its time recording and IT systems.

Premier expects ongoing growth in the segments in which it operates and will continue to invest in expansion. Management expects its capital expenditure programme to average approximately ZAR450 million per year from FY2023 to FY2027. This includes both expansionary and maintenance capital. The majority of Premier's planned expansionary capital expenditure spend over the next two years is expected to be applied to upgrade and expand the Mthatha bakery plant in FY2023 and the Aeroton bakery plant in FY2024. Upgrades to the Mthatha bakery have already commenced and are expected to be completed before the end of FY2024, while the Aeroton bakery upgrades are expected to commence in July 2023, and to be completed 18-24 months later.

Continuous investment in the platform and business model has driven consistent and robust financial performance, resulting in Premier being one of the leading CPG platforms with further capability to scale. A measurable track record of improving growth is further enhanced by the agility and entrepreneurial attitude embedded within the workforce.

4.6 Identified growth vectors to bolster Premier's leading market position and support future success

The following criteria are in place to unlock future growth in Premier's core business via organic growth:

Focus area	**Envisaged objectives**
Portfolio optimisation	• Growth of the core business • Optimise the routes to market to build scale and efficiencies • Expansion of the product basket • Leverage the strategic brands
Market position	• Achieve top two and three position in Premier's respective channels and categories respectively • Attain greater than 20% category market share
Geography	• Grow Premier's offering nationally • Expand into the SADC region or the rest of Africa • Expand into additional investment geographies via exports or distributors and third-party suppliers
Synergies and benefits	• Leverage the current warehousing and distribution route to market • Leverage sales and merchandising for cost savings & volume growth • Provide critical mass to the informal route to market • Ensure procurement benefits because of scale • Optimisation of known technologies and processes • Ensure value creation through category growth, market penetration and innovation

4.7 Highly skilled and experienced management team

Premier's Senior Management team is comprised of 8 experienced senior operational executives, committed to ESG principles, who collectively have 65 years of experience working within Premier. The Senior Management team has significant industry experience, with core competencies including corporate acquisitions, finance, accounting, strategy, marketing, sales, human resource management and ESG reporting. In addition, the Senior Management Team understands how to execute strategy in the "Premier Way" with a proven track record of acquiring and successfully integrating new businesses. Premier's Senior Management Team is responsible for cultivating an agile, high-performance culture. These key executives are further supported by strong divisional management teams across the business, who are empowered to run their operations daily and execute in line with stated strategic objectives and plans.

Premier's Senior Management Team remains strategically aligned through material equity ownership in Premier, with no sale of management equity at Admission. Furthermore, the management incentive structure commits the Senior Management Team to Premier until 2027. Management incentives are aligned to the realisation of Premier's growth strategy, encouraging continuous strategy development and sustainable value creation from management. The majority of the current Senior Management team have been with Premier for more than 8 years, underscoring their commitment to the Group.

Premier's strategic Board composition sees experienced non-Executive Directors bringing a depth of industry experience and technical expertise being supported by a new cohort of independent non-Executive Directors who will provide further expertise and Board independence.

5. **STRATEGY**

5.1 **Overarching business strategy**

Premier pursues its purpose to ensure that its products and employees make a difference in the everyday lives of consumers through "The Premier Way" to:

<table>
<tr><th>Responsibility and commitment</th><th>Focus area</th><th>Measure of success</th></tr>
<tr><td rowspan="4">Unlock future growth</td><td>• Optimise and grow the Core business</td><td>• Innovation (process, product, capability)
• Improved efficiency and costs</td></tr>
<tr><td>• Deliver attractive margin returns and growth</td><td>• Gross margin
• EBIT margin</td></tr>
<tr><td>• Deliver attractive investor returns</td><td>• Return on invested capital</td></tr>
<tr><td>• Deliver growth on the Core</td><td>• MC contribution growth
• EBIT growth</td></tr>
<tr><td rowspan="3">Earn the right to operate in communities</td><td>• Protect the health and safety of employees and consumers</td><td>• Proactive compliance
• Health and safety scores
• Disabling Injury Frequency Rate
• Consumer safety
• Occupational health compliance</td></tr>
<tr><td>• Pursue Sustainable Development goals</td><td>• Limit impact on the planet</td></tr>
<tr><td>• Pursue purpose through social upliftment and a more inclusive organization</td><td>• Build employee engagement and equity within communities through Premier's brands
• B-BBEE Scorecard compliance</td></tr>
<tr><td rowspan="6">Grow together to be the best</td><td rowspan="6">• Develop Premier's people</td><td>• Improved leadership strength</td></tr>
<tr><td>• Functional competence at all levels</td></tr>
<tr><td>• Retain critical staff</td></tr>
<tr><td>• Performance management processes entrenched</td></tr>
<tr><td>• Become a great place to work</td></tr>
<tr><td>• Promote diversity and inclusiveness to inspire employees with a sense of belonging to make a meaningful contribution</td></tr>
<tr><td rowspan="8">Be brilliant at the basics</td><td rowspan="6">• Fit for purpose products</td><td>• Value for money</td></tr>
<tr><td>• Right product in the right place</td></tr>
<tr><td>• Continuous improvement</td></tr>
<tr><td>• Consistent quality</td></tr>
<tr><td>• Product and service availability</td></tr>
<tr><td>• Returns reduction</td></tr>
<tr><td>• Processes and cross-functional efficiencies</td><td>• Specific to the operation</td></tr>
<tr><td>• Continuous Improvement</td><td>• Annual target</td></tr>
</table>

The Premier Way underpins the leadership and communication philosophy within the business to execute on strategy and build the employee value proposition.

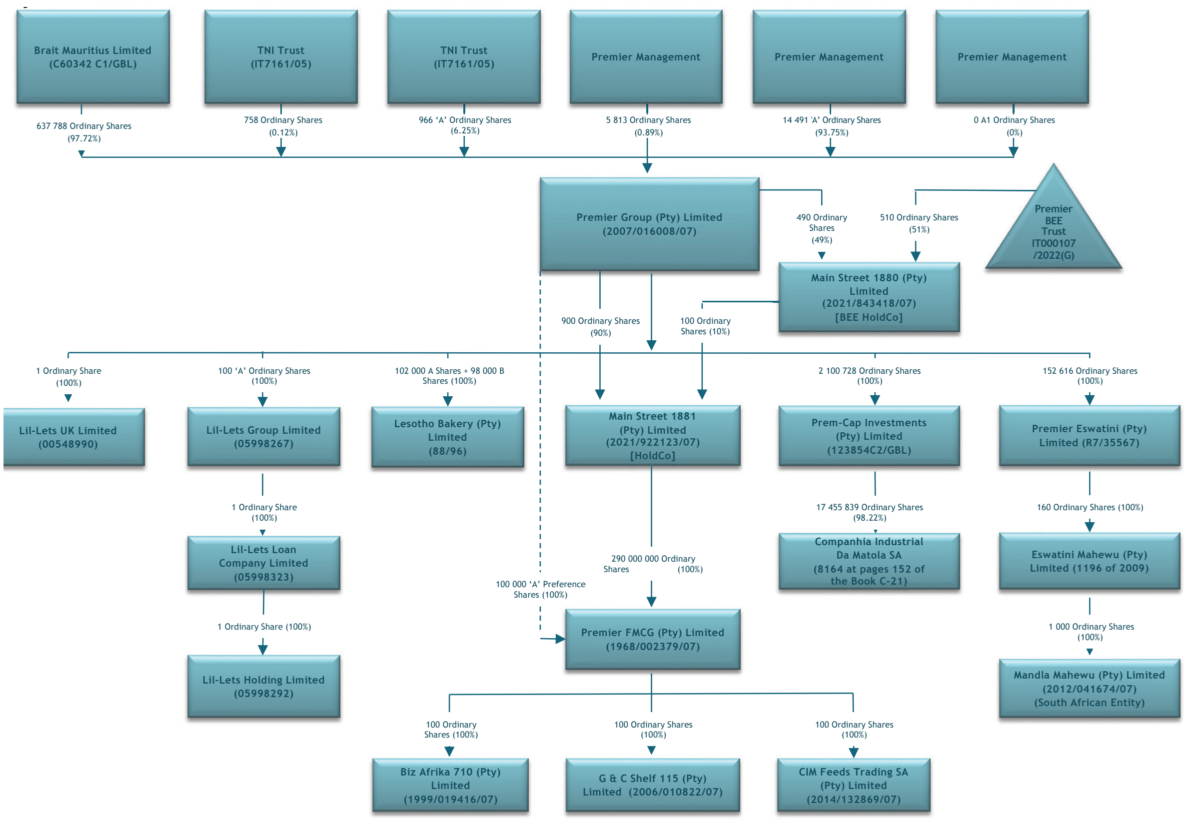
Premier operates in a high-performance growth culture with corporate and operational business scorecards focused on driving growth. Premier measures the execution of its strategies and its performance on a quarterly basis and adapts plans and tactics where necessary. This ensures that Premier remains agile and relevant in its dynamic business environment.

6. **PRE-LISTING PREMIER GROUP STRUCTURE**

Key features of Premier's pre-listing group structure are discussed in more detail below:

- **B-BBEE transformation**

  In terms of the ownership transaction that was implemented during May 2022, the BEE Trust acquired an effective 5.1% interest in the ordinary share capital of Premier FMCG. The beneficiaries of the Premier BEE Trust are nominated black people who are managers of Premier FMCG or Holdco and its direct and indirect subsidiaries from time to time or their families or relatives, or black people who live in the communities in which the Group trades or operates. To facilitate the transaction, Premier subscribed for preference shares in Premier FMCG equal to the fair value of Premier FMCG's ordinary shares prior to the transaction.



- **Management ownership**

  In addition to the Ordinary Shares that are owned by Senior Management and former management, Premier has created A Ordinary Shares and A1 Ordinary Shares that have been subscribed for by Senior Management and former management which convert to Ordinary Shares in 2027 based on the relative value of the Ordinary Shares at that date (net of a notional finance cost equivalent to prime less 1%). In aggregate, Senior Management members have invested ZAR59.9 million to acquire their Ordinary Shares, A Ordinary Shares and A1 Ordinary Shares and in addition have received interest bearing loans from Premier to acquire the Ordinary Shares. The value of the A Ordinary Shares and A1 Ordinary Shares is dependent on the performance of the business and the value of the A Ordinary Shares and A1 Ordinary Shares is targeted to grow to ZAR400 million – ZAR500 million over the next 5 years, which when converted into Ordinary Shares would result in management's aggregate shareholding increasing from 1.39% to between 2.5% -3.5% of Premier's Ordinary Shares in issue. Prior to any conversion into Ordinary Shares, the A Ordinary Shares and A1 Ordinary Shares also entitle their holders to their *pro rata* share of all distributions declared by Premier. Details of the determination of this distribution are set out in "PART XI – Incorporation and Share Capital".

7. **NATURE OF BUSINESS**

Premier is a multi-brand, multi-category, and multi-channel company, that has an annual turnover of ZAR14.5 billion (in FY2022), employing over 8,100 permanent and contract employees in various operations. Premier operates 13 bakeries, 7 wheat mills, 3 maize mills, and 7 manufacturing plants across the region producing a broad range of sugar confectionery products, feminine hygiene products, biscuits, animal feeds, pasta and mageu. These products are distributed to customers via 25 distribution depots situated in South Africa, eSwatini, Mozambique and Lesotho. Premier also has a Lil-lets sales office situated in the UK that exports into the Middle East, Ireland, the USA and other EU markets. Premier's Millbake and Groceries and International business operations contribute 82% and 18% to revenue, respectively, and 87% and 13% to Adjusted EBITDA, respectively. Premier's products are sold across retail, wholesale, general trade, exports, and buy-to-use/out-of-home use channels.

Premier's products produced and supplied by each business are classified into various product categories and sub-categories. Premier views a product category as a distinct manageable group of products that customers, and consumers perceive to be inter-related or substitutable in meeting customer or consumer needs. Premier's method of categorising its products enables it to develop strategies for each of its product categories to unlock category and brand growth and assists Premier to analyse customers and trends, identify and realise market opportunities, understand and manage competition in the marketplace and report its financial results. This method of analysis is in line with CPG industry practices. The understanding of market segments that Premier gains through this categorisation allows it to manage its product offering to target particular market segments.

The Group is structured into two reporting units, being Millbake, which comprises the South African, Lesotho and eSwatini milling and baking operations, and Groceries and International.

7.1 **Millbake**

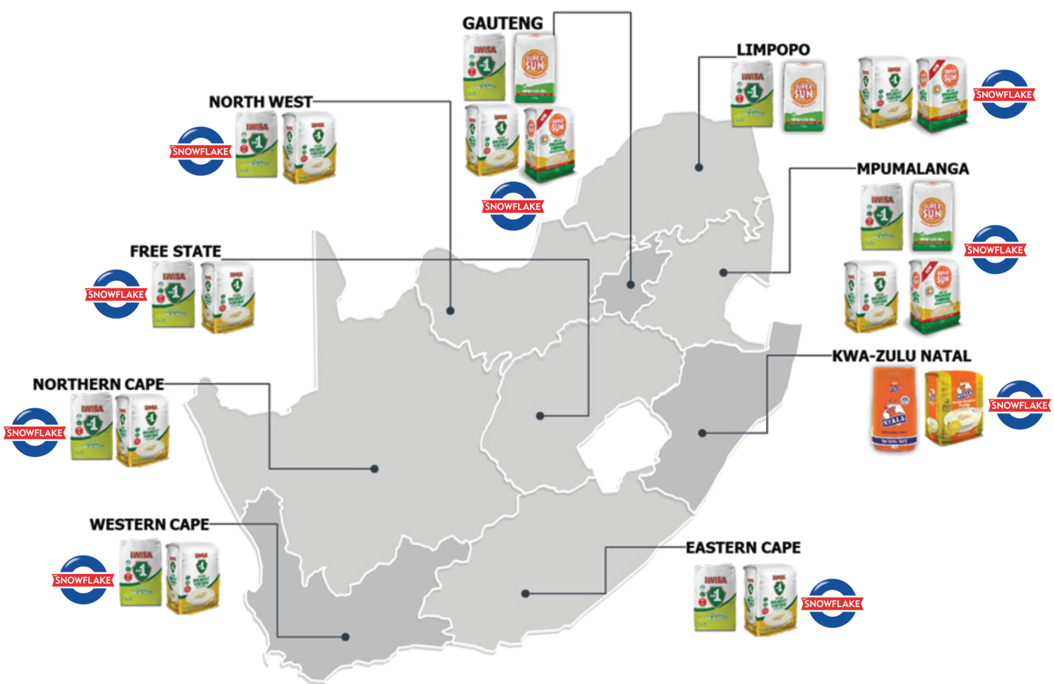
Millbake contributed 82% and 87% to FY2022 Premier Group revenue and EBITDA respectively.

Milling products are grain-based carbohydrates for consumers and buy-to-use customers and includes complementary products such as baking aids (corn flour, custard and baking powder) and concentrates. The category includes maize meal, samp, maize rice, maize flour, wheat flour and convenience products such as instant maize breakfast porridge and premixes/baking mixes.

Approximately 54% of the wheat flour produced by Premier is supplied to its bakeries. This integration of Premier's wheat milling, and its bakeries is facilitated by the co-location of its wheat mills on the same sites as its major bakeries in Cape Town, East London, Durban, Pretoria and eSwatini. This high level of integration within Millbake is a core differentiator for Premier as it ensures consistent quality flour is used in the baking process and supports Premier's low-cost production, as there are no transport costs of the flour to these bakeries.

The majority of milling products, approximately 74%, are sold to Premier's ten key customers being the Shoprite Checkers Group, Massmart, Industrial, Spar, Elite Star Trading, Big Save, Choppies, various independent bakeries, Pick n' Pay Group and Best Buy Foods.

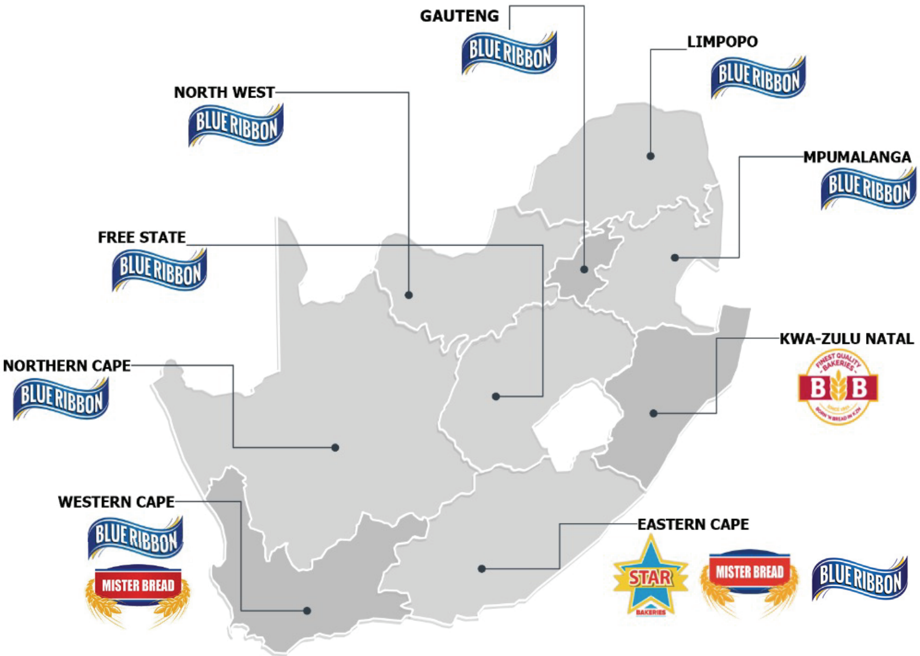
Below is a summary of the geographic presence of Premier's key wheat and maize brands in South Africa:



Included in Millbake are Premier's baking products which include bread products, such as pan-baked white bread, brown bread and speciality loaf range of wholewheat bread and duo bread (a combination of brown and white), value added baked goods such as squares and soft-baked confectionery products (for example muffins, queens cakes, chelsea buns and snowballs) that have a short shelf life of less than 8 days.

Baking products are sold directly to the informal trade, the formal retail trade and buy-to-use (for example, canteens, catering companies etc.) customer segments.

Below is a summary of the geographic presence of Premier's key bakery brands in South Africa:



7.2 **Groceries and International**

Groceries and International, which contributed 18% and 13% to FY2022 Premier Group revenue and Adjusted EBITDA, respectively, comprises:

- Sugar confectionery, which includes, inter alia, marshmallows, jellies, chews, gums, compressed sweets, boiled lollipops and sweets, liquorice, chocolate coated gums, and peanut brittle. Top end grocery and drug retail holds the largest value contribution as a percentage of sugar confectionery sales.
- Home and personal care, with a product range that includes sanitary pads, tampons, liners, maternity pads and breast pads, intimate care wipes and washes, cotton tips/buds, puffs, rounds, rolls, pleats, baby buds, ear buds and facial wipes. Premier owns two HPC brands that compete within different sub-segments:
  - Lil-lets, a manufacturer and marketer of an extensive range of intimate feminine care products, including applicator and non-applicator tampons, pads, liners and other intimate feminine care products, with both organic and reusable formats available. Lil-lets products are within the top 3 brands across all formats in the market, with Lil-lets non-applicator tampons being the market leader in both South Africa and the United Kingdom. Lil-lets UK sells a broad range of Lil-lets branded feminine care and maternity products sourced from a global third-party supply chain while Lil-lets SA manufactures and/or insources a range of Lil-lets branded feminine care and maternity products. Lil-lets is sold in the broader SADC region, the UK, Ireland, Cyprus, and the UAE with a recent entry into the USA through a partnership with Amazon.
  - Dove Cotton, a cotton wool brand, operates within the general personal care category and includes any cotton wool products for cosmetic use that are designed to clean and care for all skin types and ages. Dove Cotton is South Africa's number one cotton wool brand. The brand offers pure and gentle personal cleaning and caring products. From cosmetic to medical care, Dove cotton wool products are made from pure organic certified cotton, which is responsibly sourced, containing no harsh chemicals or ingredients and is not tested on animals. Dove's value proposition, entailing being kinder to skin, kinder to animals and kinder to the planet, is a key differentiator from its competitors.

- Nutritional Beverages, comprises a maize-based beverage called Mageu/Mahewu/Amahewu as well as a multigrain beverage which is a value-added range extension of Mageu. The products are manufactured in eSwatini and sold under Premier's brands (Iwisa, Super Sun, Nyala and Mandla) in South Africa, eSwatini and Botswana, as well as contracted private label brands in South Africa. Premier eSwatini is based in two separate sites in Matsapha in eSwatini and its operations comprise two businesses including Millbake and Mageu. The trade in eSwatini is mostly comprised of retail sales with many of the SA retail chains operating within the market. Approximately 60% of Premier's eSwatini sales are to retail chains.
- CIM, is based on a single, integrated site in Matola in Maputo in Mozambique and comprises an animal feed mill, a biscuit plant with 4 lines for dry and cream biscuits, a pasta plant, a wheat and maize mill, and a rice packing plant for rice which is imported in bulk and packed locally. Pan baked bread is imported from eSwatini and sold in the Mozambique market under the Blue Ribbon brand. Approximately 70% of sales are to the informal market via independent wholesalers. The retail sales in the market are mostly to SA retailers or independent retailers.

Below is an overview of the brands of the various business units in the Groceries and International product category:

Sugar confectionery

Nutritional beverages

HPC

UK	SA

CIM

Wheat	Maize	Biscuits	Pasta and Rice	Feeds

7.3 **Private label**

Private label is a driver of future growth for Premier through optimising efficiencies in production and route to market, as well as strengthening customer relations. With a strategy and resource dedicated to driving growth of private label, Premier is engaging with retailers to supply private label branded products within sugar confectionery, Millbake, HPC and beverages. The key strategic drivers behind a private label strategy are to attract new users, drive profitable volumes, and build longer term partnerships. To achieve these, Premier is focused on category opportunity mapping across tiers, profitable cost to serve, selected partner collaboration, and growth in existing channels. Premier intends to embark on profitable and sustainable strategic private label partnerships that:

- increase Premier's total market share;
- optimise production efficiencies;
- increase the forward share of Premier's basket; and
- ensure alignment with Premier's growth plans.

The acquisition of Mister Sweet in June 2021 allowed Premier to expand its Private Label offering within sugar confectionery, with the category contributing 73% of Premier's private label revenue in H2 2022. Within the same period, the Millbake (including sandwich squares) and beverages categories contributed 18% and 9% towards Premier's private label revenue, respectively.

Prominent retail chains, such as Woolworths, Spar, Pick n Pay, Shoprite/USave and PEP are customers of Premier's private label business.

8. SALES CHANNELS AND CUSTOMERS/TRADE PARTNERS

8.1 Sales Channels, Customers and Trade Partners

Premier distributes its brands to the retail, informal, convenience, ecommerce, and industrial segments via strategically situated distribution centres and an owned fleet of vehicles.

Premier's sales strategy is geared towards developing profitable category leadership in targeted channels and customers. The strategy is underpinned by continuous development and improvement across three core pillars, namely:

- customer centricity;
- optimised route to market; and
- execution excellence.

Premier benefits from and enjoys a diverse customer base both within South Africa and internationally.

Premier is a leading, branded (and in some categories private label) supplier of a broad range of products. Premier has extensive and strong relationships with trade partners, an experienced sales management team who has implemented customer plans, promotional calendars, and structured calling cycles at multiple levels. These relationships have been in place for an extended period and Premier has historically had a low staff turnover within the sales management team. Premier has long standing relationships with most of its customers. To develop further and cultivate these relationships, high-contact engagement strategies are undertaken at various levels as well as strategic initiatives, trading terms, broadsheet advertising and in-store promotional materials.

Premier has an extensive customer base across the formal and informal channels with a well-established sale and merchandising and key account infrastructure driving business growth. Premier has recently concluded various agreements with service providers to enhance their overall customer strategy, most notably a recent switch to Pack n Stack Proprietary Limited for field merchandising services in formal retail sector. This will provide Premier with additional in-store merchandisers, as well as significant cost savings from FY2023 onwards.

Premier constantly monitors bread input prices to ensure that it is able to increase bread prices timeously when input prices increase. Ahead of increases in the price of its Millbake products, Premier limits the quantity that customers can order to the level at which customers normally order to limit stockpiling ahead of price increases.

A breakdown of Premier's sales channels, the respective customers serviced through each channel and the contribution made by each channel to overall sales revenue is provided below:

Sales channel	Customers	% of total sales FY2022
Retail (grocery and pharmacy chains)	Shoprite Checkers Group Pick n Pay Group Spar Group Clicks Group Dis-Chem Boxer Other Retail (for example, Woolworths, PEP, fuel retail forecourts)	35.3%

Sales channel	Customers	% of total sales FY2022
Wholesale (chains, buying groups and independent)	Massmart Kit Kat Cash and Carry Independent Cash & Carry Independent Buying Consortium Unitrade Management Services Elite Star Trading Best Buy Choppies Trade Port Other wholesale (for example, ATM, BIG SAVE Group)	30.0%
General trade	Various independent traders	26.0%
Buy-to-Use/Out-of-Home	Food Services Industrial National Bakeries Independent Bakeries	7.3%
Exports	Botswana Namibia Zambia Zimbabwe Other Exports (for example, Malawi, Shoprite Exports, Pick n Pay Exports)	1.4%

9. MARKETING

Premier FMCG is the corporate brand with the strategy to build the employee value proposition for current and future employees and a trusted business partner with suppliers, other service providers and major customers. The Premier Way underpins the culture within the business and the various ESG initiatives further entrench the corporate brand. The corporate brand has a presence in digital media (Premier website, LinkedIn) and other relevant industry publications. Premier's supplier and customer relationships are built on reliable service, consistent product quality, and long standing and trusted business relationships.

Premier's branded products are the consumer facing brands, that have a clear brand positioning, brand purpose and strategy that guides which category and sub-segments each brand operates in, what innovation is relevant for the brand, which target market the brand is positioned for and what the communication messaging is. The consumer facing brands have touchpoints across the entire shopper journey and are actively engaged in community and sustainability initiatives. The ultimate objective is to build brand equity that endures over time, building strong relationships with consumers with relevant communication and innovation to ultimately grow market share and extends the brands across adjacent sub-segments within a category.

In prior periods of economic weakness, consumers have maintained their share of spend in consumer staples and groceries focusing on essential food items, foregoing non-essentials. Premier is well diversified across the consumer basket, with market leading positions in categories that are in demand as well as those with low private label traction staple foods, convenience, and groceries. Regional brand strategies and targeted channel strategies ensure product availability, accessibility, and affordability.

Premier's product portfolio and marketing strategies cater for all LSM/SEM group as shown below:

		LSM 1–4 SEM Supergroup 1 (SEM 1L-2L)	**LSM 5–6 SEM Supergroup 2 (SEM 2H-3H) and SEM Supergroup 3 (SEM 4L-7L)**	**LSM 7–8 SEM Supergroup 4 (SEM 7H-9L)**	**LSM 9–10 SEM Supergroup 5 (SEM 9H-10H)**
Premier coverage	Bread	x	x	x	x
	Flour	x	x	x	
	Maize	x	x	x	
	Mixes and Baking aids			x	x
	Sugar confectionery	x	x	x	x
	Feminine care	x	x	x	x
	Cotton wool		x	x	x
	Beverages (Mageu)	x	x		

Premier's brand appeal to a wide range of LSM / SEMs is discussed below:

Category	**Brand**
Millbake	• Blue Ribbon is associated with taste, trust and heritage, appealing to mid and higher LSMs (SEM 4-10) in Gauteng and the Western Cape with increased salience earned from in-store marketing activities, and digital marketing activities • BB Bread has a strong association with consumers within the Kwa-Zulu Natal region a broad LSM (4-10)/SEM (2-10) appeal and appeals to consumers in all LSMs/SEMs but predominantly mid-higher LSM (SEM 2-10) • Star is associated with trust and value and is a home favourite brand in the Eastern Cape appealing to lower LSMs/SEMs, however, to compete outside of price, marketing strategies must be unique to drive differentiation • Mister Bread is associated with value and appeals to lower LSMs /SEMs in the Eastern Cape, however, to stand out from competitors, marketing strategies are geared towards taste and fill perceptions with promotions and in-store material • Snowflake is associated with "Too Fresh to Flop" scratch and convenient baking solutions for all LSMs/SEMs across the country. Snowflake is a trusted heritage brand within the home baking category • Iwisa is an inland super maize brand appealing to mid to lower LSMs/SEMs. The brand is known for its whiteness and innovation into other maize-based products which has enabled the brand to gain traction in other regions • Nyala is a heritage maize brand, trusted by generations in the Kwa-Zulu Natal. region The brand appeals to mid to lower LSMs/SEMs and is available in all trading channels • Super Sun is associated with nourishing super maize by mid to lower LSMs/SEMs within the Pretoria and Limpopo regions
Sugar confectionery	• Champion toffees appeal to lower LSMs/SEMs, promising good value for money • Candy Tops appeals to lower LSMs/SEMs, marketed with a focus on value and affordability • Frutus and Super C appeal to mid and higher LSMs (SEM 2-10) with marketing geared towards health-conscious consumers • Mister Sweet, Manhattan and Rascals appeal to mid and higher LSMs/SEMs with marketing activities emphasizing the unique experience

HPC	• Lil-lets and Dove appeal to mid and higher LSMs (SEM 2-10) with marketing geared towards consumer education and building trust, emphasising the environmental benefits of organic and reusable formats	

Premier's leading consumer brands are marketed to consumers using typical trade, shopper, and consumer marketing tools in the various media channels. The brands are active on trade broadsheet, outdoor media, radio and television, print, various in-store media and on social media. Well-branded and informative packaging forms the core of Premier's brand communications strategy direct to the shopper. The Premier Way underpins the marketing culture within Premier, with a strong presence in communities fostered by regular community engagement to further entrench Premier's consumer brands.

Premier's marketing strategy is geared towards developing strategic brands, executional excellence, and innovation in the core business to unlock category and brand growth for Premier. The strategy is underpinned by continuous development and improvement across four key pillars, namely:

- category and brand excellence;
- shopper marketing excellence;
- innovation excellence; and
- brand communication and equity building.

An embedded culture of high performance, continuous improvement and community engagement, combined with an acute focus on food safety and best in class execution, positions the Premier team for success.

10. OPERATIONS, INVENTORY AND SUPPLY CHAIN

10.1 Operations, Inventory and Supply Chain Management

Premier's operations, inventory and supply chain management is geared towards ensuring that it has enough desired finished products available to meet the needs of customers and consumers. The following pillars ensure that it does this successfully:

Pillar	Description
Centralised procurement	• Premier's centralised Group procurement function consolidates Premier's requirements and secures supply through accredited and approved suppliers • Ad hoc procurement for site specific supplies will be done at site, following Premier Group SOP's and procurement practices • All Premier Group services such as IT, marketing and promotional materials are procured by established systems and controls via approved vendors
Demand driven replenishment	• This approach tracks and promotes the flow of products through the supply chain • The premise of demand driven replenishment is that once an item is consumed at the end point, the system triggers a request for a replenishment from the supply point
Buffer management	• Due to demand inconsistencies, sufficient stock needs to be maintained at certain points in the supply chain to ensure sufficient stock cover called buffer management • The buffer stock acts as a shock absorber against variants in the system and assists in simplifying the management of the entire supply chain across the business from raw materials, packaging components, local and imported materials, work in progress and finished stock, including stock held in Premier and customer warehouses
Hub and spoke model	• Premier's supply chain is designed on a hub and spoke model • Most of the stock is kept close to the supply point, in centralised warehouses, and can respond quickly to demand dubbed the Premier Warehouse Hub buffer stock • This ensures that stock levels throughout the supply chain are kept to a minimum

Pillar	Description
Daily monitoring	• Daily monitoring via a simple flag system enables management to focus on key metrics such as stock volumes, allowing for the timeous detection of insufficient or excess stock in the supply chain

In addition, a well-established capital expenditure and repairs and maintenance policy is in place with relevant authority levels. Major capital expenditure investment is reviewed and approved by the executive and the Board. Plant blueprints are in place specifying approved equipment, and materials that can be supported by internal and external suppliers for installation, commissioning, and ongoing maintenance.

11. MANUFACTURING

11.1 Production Capabilities, Capacity and Accreditation

Premier operates 30 manufacturing facilities across South Africa, eSwatini and Mozambique, certified and accredited by recognised authorities to protect the health and safety of employees and ensure food safety. In addition, some of Premier's manufacturing facilities are equipped with boreholes, reservoirs, and treatment plants on site, enabling Premier to continue operations in the event of municipal water supply disruptions. Operations at Premier's bakeries and confectionery plants are supported by generators in the event of electricity supply disruptions, with the installation of solar energy underway.

Facility type	No.	Location(s)	Production capabilities	Production scope	Installed capacity	Accreditation
Maize Mill	3	South Africa eSwatini Mozambique	1 extrusion plant	Super Maize, Samp, Maize Rice, Special Maize, Braai Pap, Instant Porridge and Maize Flour	680,000 tonnes per annum	FSSC 22000 (excluding Mozambique)
Wheat Mill	7	South Africa eSwatini Mozambique	6 mills adjacent to bakeries 2 value-added production lines	Wheat Flour, Cake Flour, Bread Flour, Self-Raising Flour, Digestive Flour, Whole Wheat and Baking Powder	980,000 tonnes per annum	FSSC 22000 (excluding Mozambique)
Bakery	13	South Africa eSwatini Lesotho	16 bread production lines 4 value-added baked goods lines	White and Brown Panned Bread Loaves, Squares, and Baked Confectionery (scones, muffins etc.)	747 million loaves per annum	FSSC 22000
Sugar and Chocolate Confectionery Plant	2	South Africa	Candy manufacturing, etc.	Gums and jellies, marshmallows, fruit and mint chews, toffees, boiled candies and lollies, compressed candies and panned candies (chocolate etc.)	42,000 tonnes per annum	FSSC 22000
Home and Personal Care Plant	1	South Africa	6 tampon lines 1 pad line 7 manufacturing hubs for sourcing	Tampons, Pads and Cottonwool products	382 million sticks per annum (Non-Applicator tampons, Applicator tampons and Pads)	ISO 9001 BRCS certified
Beverage Plant	1	eSwatini	Mageu and multigrain capability Plastic capability for range extension	Mageu and Multigrain	22 million litres per annum	FSSC 22000

Facility type	No.	Location(s)	Production capabilities	Production scope	Installed capacity	Accreditation
Pasta Plant	1	Mozambique	2 Long goods lines and 1 short goods line	Spaghetti and Cotovello and Macaroni	12,827 tonnes per annum	ISO9001
Animal Feed Plant	1	Mozambique	1 Monogastric line and 1 Ruminant line	Monogastric and Ruminant feeds in mash and pellet format	Monogastric: 63,648 tonnes per annum and Ruminant: 71,885 tonnes per annum	No accreditation (HACCP standards in place)
Biscuit Plant	1	Mozambique	3 Dry Biscuit lines and 1 Cream Biscuit line	CIM cream biscuits and CIM dry biscuits	15,840 tonnes per annum	ISO9001

12. WAREHOUSING AND DISTRIBUTION CAPABILITIES

Premier's operations are supported by 25 distribution depots and satellite depots across South Africa, eSwatini and Mozambique, a fleet of 1,059 owned and third-party bakery trucks and a fleet of 87 owned milling trucks, bakkies and tankers.

Bread produced by Premier's 13 bakeries across South Africa, eSwatini and Lesotho is distributed daily, directly from bakeries or through dedicated bakery depots in outlying regions. The remainder of Premier's product portfolio is distributed through distribution depots and third-party managed satellite depots in South Africa, Mozambique and eSwatini. Premier efficiently utilises its warehousing capacity with the ability to add additional storage as required.

Premier has close to 70,000 pallet spaces across South Africa, Mozambique and eSwatini, excluding bread, which is distributed directly from bakeries and dedicated bakery depots. In addition, Premier can access incremental pallet space to its supply chain without significant capital expenditure.

Premier's warehousing capabilities and capacity are set out below, excluding bread, which is distributed directly from bakeries and dedicated bakery depots:

Warehousing	Pallet space
Premier owned warehousing (South Africa)	61 508
Premier owned warehousing (Mozambique)	2 872
Premier owned warehousing (eSwatini)	1 614
Third party warehousing (South Africa)	3 865
Total	**69 859**

13. FINANCIAL MANAGEMENT

Premier is exposed to, *inter alia*, the following financial risks because of a volatile operating environment that requires the delicate management of cash and available funding sources, as well as input price costs:

- liquidity risk;
- interest rate risk; and
- market risk,

Premier has put several measures in place to manage these risks. When it comes to managing liquidity risk, Premier ensures that it has sufficient cash and available funding through borrowing facilities to meet obligations when due and to manage peaks and troughs of the business cycle. Furthermore, management monitors rolling cash flow forecasts of the Group's liquidity reserves comprising debt, undrawn borrowing facilities and cash and cash equivalents. Cash flow forecasts are compiled in accordance with external regulatory requirements and maintaining debt finance covenants. As at 30 September 2022, Premier had access to undrawn facilities of c. ZAR800 million (FY2022: ZAR948 million; FY2021: ZAR1.2 billion; FY2020: ZAR968 million)

Premier is exposed to interest rate risk arising from borrowings. Premier manages this risk by monitoring interest rates on a regular basis and engaging in discussions with financial institutions to obtain the optimum interest rates.

Premier is exposed to forward supply contract price risk which arises from being subject to raw material price fluctuations caused by factors such as supply conditions, weather, economic conditions, and other external factors. As most of Premier's revenue is derived from baking and milling activities, the prices of wheat and maize play a significant role in the results of operations and financial condition. To ensure a sufficient supply of maize and wheat, Premier enters into forward supply contracts. The Group has developed a comprehensive risk management process to facilitate, control and to monitor these risks. The procurement of grain takes place in terms of specific mandates given by the Senior Management team. Position statements are prepared on a daily basis and these are monitored by management and compared to the mandates. The Board has approved and monitors the risk management process, counterparty limits, controlling and reporting structures.

14. PRODUCT INNOVATION, INTELLECTUAL PROPERTY ("IP") AND INFORMATION TECHNOLOGY ("IT") AND INFORMATION SECURITY

A. Product Innovation

Product innovation and improvement are an important part of Premier's business. Premier's research and development ("**R&D**"), and marketing departments are centralised and organised to coordinate the innovation and development process, including ensuring that Premier's business remains agile and responsive to dynamic consumer preferences for better quality and healthier product options. Premier believes that innovation is one of the main ways its business is able to differentiate from competitors, answer market needs and improve the quality of its product offerings, thus allowing Premier to generate comfortable margins.

Premier continues to monitor market trends, technological developments and invest in R&D and appropriate plant and equipment to enhance Premier's position in product innovation, technological development, improved quality and brand building to allow the business to meet growing consumer demands.

Further investment in market research and technical know-how is expected to position Premier strategically to capitalise in areas of product innovation and development that will enhance Premier's position as one of the leading consumer goods companies.

Premier believes that sustained investment in brand building, brand execution and product innovation to grow brand equity with shoppers, consumers and communities will result in greater returns and enhanced capitalisation of consumer trends.

In addition to seizing the opportunity to expand into a broader CPG business through traditional M&A, such as the Mister Sweet acquisition, Premier constantly reviews and updates its product range to keep up with consumers' changing needs and preferences. Premier's innovation policy focuses on ensuring that Premier continues to be well-positioned to supply trusted staple foods even in a weak consumer environment, and despite commodity cycles.

The table below lists and describes some of Premier's significant innovations:

Category	Product	Brand	Launch date
Bakeries	Sandwich squares launch	Blue Ribbon	2016
		BB Bakery Squares	2017
	Wholewheat	Blue Ribbon BB Bakeries	2018
	Duo	Blue Ribbon BB Bakeries	2019 2021
	Health Squares launch	Blue Ribbon BB Bakeries	2020 2021
	Private Label launches	Spar Freshline Bread Woolworths Thins Spar Stackers	2019 2019 and 2021 2021

Category	Product	Brand	Launch date
Milling	Instant Maize launch	Iwisa Nyala Super Sun	2017 2018 2018
	Parboiled Samp	Iwisa	2017
	Baking Aids - baking powder, custard powder, cornflour	Snowflake	2018
	Value added Flour Mixes	Snowflake	2018
	5-in-1 Flour Mixes	Snowflake	2021
HPC (SA and UK)	Intimate feminine care range update + Powder launch	Lil-lets	2018
	Dove eco buds (paper sticks)	Dove Cotton	2020
	Organics range (tampons, pads, liners)	Lil-lets	2018-2020
	Re-usable range (cup, applicator)	Lil-lets	2020-2021
	Maternity range (maxi pad, ultra pad, breast pad)	Lil-lets	2018-2020
	Night pads	Lil-lets	2018
	Incontinence pads	Lil-lets	2022
Confectionery	Bubbles (jelly tots)	Manhattan	2016
	Panned Mints	Manhattan	2016
	Fruit Chews	Manhattan	2016
	Individually wrapped Super C	Super C	2016
	Jelly Beans	Manhattan	2017
	Flavoured Marshmallows	Manhattan	2017
	Fruit Pastilles	Manhattan	2018
	Speckled Eggs	Manhattan	2018
	Boiled Candy and Pops	Manhattan and Super C	2019
	Dome Jubes	Manhattan	2020
CIM	Instant Maize porridge	Top Score	2016
	Panned Bread (350g and 700g)	Blue Ribbon	2016
	Rice	Sublest Duorado	2017
	Pao complete mix	Favorita	2017
	Cream Biscuits and extensions	CIM	2017-2022
	Animal Feed re-branding and innovation	Fepro	2017
	Animal Feeds household	Madrugador	2018
	Pasta exports	Sunblest	2018
	Baking Aids - baking powder, custard powder	Florbella	2019

Category	Product	Brand	Launch date
Beverages	Mageu	Iwisa Nyala Super Sun	2018 2019 2019
	Multigrain Beverage	Crystal Valley Ubrand	2020 2022
	Multigrain Beverage	Iwisa Power Up	2022
	Mageu Sachets	Iwisa	2020-2021

Premier's R&D teams also work closely with its marketing, supply chain and procurement teams, including strategic suppliers, in identifying trends, developing new products, and modifying existing products for all its product lines, enabling it to quickly and efficiently respond to changing consumer needs. The research and development teams are also important to the launch of new products, where they work with the marketing team to ensure a smooth product launch. Regular ideation workshops are facilitated by the marketing teams to develop new product concepts which pass through an extensive research and evaluation process to assess consumer acceptance and financial feasibility.

In some categories, extensive competitor benchmarking and consumer sensory analysis is undertaken to ensure constant renovation of product formulations to offer the best quality to the market. In bread, this includes colour, shape, resilience, softness and crumb structure. Weekly competitor bread technical benchmarking takes place as well as annual consumer benchmarking, in all regions. Premier's multidisciplinary development approach has led to proprietary capsule technology which, together with innovative manufacturing technology, is the basis for its high-quality product lines comprising many product variants.

Premier believes it has remained at the forefront of product innovation and improvement by focusing on investing in its integrated, sophisticated facilities to ensure the production of quality products while reducing running costs. Premier's purchasers and product managers collectively carry out Premier's efforts in the area of product improvement.

B IP AND IT AND INFORMATION SECURITY

Premier regards its proprietary products, brands, domain names, trade names, copyrights, trademarks, patents, trade secrets, confidential information, business data, similar IP and agreements with its employees, customers, suppliers and other parties as critical components of its businesses.

Premier believes that it has taken, and will continue to take, appropriate available legal steps to protect its IP. It has trade marks (registered and pending) in jurisdictions where it conducts, or may in the future conduct, business.

At an operations level, Premier has an extensive trade mark portfolio in other countries where Premier may export or trade. When Premier acquires a business, Premier generally takes transfer of the trademarks and other IP of the target business. This allows Premier to build its IP portfolio. The management of Premier's trademarks is controlled and administered by Premier's head office, specifically the legal department.

Some of the Group's major trademarks include the following:

Trade Mark	Business/Brand	Jurisdiction
IWISA	Millbake/Groceries and International	Angola, Australia, Botswana, DRC, European Union, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, New Zealand, Seychelles, South Africa, eSwatini, Tanzania, Uganda, United Arab Emirates, United Kingdom, Zambia, Zimbabwe
NYALA	Millbake/Groceries and International	Australia, Botswana, DRC, European Union, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, eSwatini, Tanzania, Uganda, United Arab Emirates, United Kingdom, Zambia, Zimbabwe

Trade Mark	Business/Brand	Jurisdiction
SUPER SUN	Millbake	Australia, Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, eSwatini, United Arab Emirates, Zambia, Zimbabwe
CIM	Groceries and International	Botswana, Namibia
BB	Millbake	Mozambique, South Africa, eSwatini, Namibia
BLUE RIBBON	Millbake	Botswana, Lesotho, Mozambique, Namibia, OAPI, South Africa, eSwatini, Zambia, Zimbabwe
MISTER BREAD	Millbake	South Africa, eSwatini
STAR BREAD	Millbake	South Africa
MANHATTAN	Groceries and International	Botswana, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Seychelles, South Africa, United Arab Emirates, Zambia, Zimbabwe
SUPER C	Groceries and International	Lesotho, Madagascar, Malawi, Namibia, Seychelles, South Africa, eSwatini, United Kingdom, Zambia, Zimbabwe
RASCALS	Groceries and International	Australia, Botswana, Kenya, Mozambique, Namibia, Russia, eSwatini, Zambia, Zimbabwe
CHAMPION	Groceries and International	Angola, Namibia, South Africa, Botswana
MISTER SWEET	Groceries and International	South Africa, Kenya, Namibia, Russia
FRUTUS the Group	Groceries and International	South Africa
IMPALA	Millbake	Angola, Australia, Botswana, DRC, European Union, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, eSwatini, Tanzania, Uganda, United Arab Emirates, United Kingdom, Zambia, Zimbabwe
INVICTA	Millbake	Australia, Botswana, DRC, European Union, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, eSwatini, Tanzania, Uganda, United Arab Emirates, United Kingdom, Zambia, Zimbabwe
NYALA	Millbake/Groceries and International	Australia, Botswana, DRC, European Union, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, eSwatini, Tanzania, Uganda, United Arab Emirates, United Kingdom, Zambia, Zimbabwe
SUPER SUN	Millbake	Australia, Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, eSwatini, United Arab Emirates, Zambia, Zimbabwe

Trade Mark	Business/Brand	Jurisdiction
DOVE Class 03: Cotton wool for cosmetic use Class 03: Cotton wool products including but not limited to rolls, pleats, puffs, rounds, squares, tips and buds. Class 03: Cotton wool rolls, pleats, puffs, rounds, squares, tips and buds for cosmetic use.	Groceries and International	South Africa
LIL-LETS	Groceries and International	Botswana, Burundi, DRC, Ethiopia, Gambia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Nigeria, OAPI, Rwanda, Sierra Leone, South Africa, eSwatini, Tanzania, Uganda, Zambia, Zanzibar, Zimbabwe
SNOWFLAKE	Millbake	Angola, Botswana, DRC, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, eSwatini, Tanzania, Uganda, Zambia, Zimbabwe
PREMIER BRAAIPAP	Millbake	Botswana, DRC, Namibia
S.U.B logo	Groceries and International	eSwatini, Mozambique
SUNBLEST	Groceries and International	Lesotho, Tanzania, Zimbabwe
CROWN SELECT	Groceries and International	Namibia, Tanzania, Zimbabwe, Ghana
TOP SCORE	Groceries and International	Mozambique – owned by CIM

Most of the trademarks in Premier's portfolio, including all its major brands, are covered by trademark registrations in the markets in which it operates. Trademark registrations generally can be renewed indefinitely provided the trademarks are in use. Premier actively registers, renews, protects and maintains its major trademarks. Premier plans to use all of its major trademarks, and plans to renew the registrations for such trademarks, at least for as long as Premier continues to use them.

In addition, Premier owns several domain names that are associated with its businesses. Some of these domain names host operational websites in respect of certain businesses while others do not and are instead used for email services and the like. Premier's domain names are renewed on an annual basis.

The increasing growth of online transacting and commensurate evolving consumer preferences mean that information security is becoming increasingly important for Premier. Premier has taken several steps to secure its information as well as the information of its consumers, customers and employees.

Furthermore, Premier has made substantial progress towards compliance with the POPI Act. In this regard, Premier has appointed and registered an information officer with the Information Regulator in South Africa in terms of the POPI Act; Premier has received a completion letter in respect of which WDigital affirms that the Maturity Assessment in respect of Premier is substantially complete; and Premier has produced a comprehensive POPIA manual which contains, amongst other things, a template compliance form for all business areas and subsidiaries of Premier (for the purposes of conducting a Data Protection Impact Assessment); a copy of Premier's Binding Corporate Rules; a copy of Premier's Retention Policy; and a template Consent clause to be given to job applicants and to be used in employment contracts with new employees. Premier has also concluded agreements with appropriate data protection provisions with a number of Operators that process personal information on behalf of Premier such as suppliers including call centres, outsourced payroll administrators, marketing database companies, recruitment agencies, psychometric assessment centres, document management warehouses, external consultants, credit bureau and persons who clear the payment instructions of Premier's clients.

In addition, the POPI manual contains a copy of Premier's PAIA manual (which complies with section 51 of PAIA read together with the POPI Act); and several privacy policies which all comply with the notification requirements in terms of section 18 of the POPI Act. In addition, Premier FMCG has undertaken to provide training and awareness sessions to employees on information security on a regular basis.

Premier also relies on its IT systems and processes for reliable and efficient running of its business, including payroll, ordering, warehouse management, access controls, resource planning, reporting systems and health and safety management. Premier's key IT systems include the following:

IT Systems	**Business/Brand**	**Jurisdiction(s) registered**
ERP System	Microsoft Dynamics	South Africa
Payroll/HR	Sage People	South Africa
Line Of Business Systems	Premier FMCG	South Africa
Business Intelligence	Microsoft Analytics	South Africa
Demand Planning	Symphony/Cargo Carriers	South Africa
Access Control/Time Management	Jarrison Time	South Africa
Customer Relationship Management	Microsoft Dynamics	South Africa
Health and Safety	Microsoft Dynamics	South Africa
Server Hosting	Teraco	South Africa
Cloud Servers	Microsoft Azure	South Africa/Northern Europe
Web Sites	Microsoft Azure	South Africa/Northern Europe
Personal Productivity	Microsoft 365	South Africa/Northern Europe
IT Call Management	Marvel/Netsurit	South Africa
Agile Project Management	Microsoft DevOps	South Africa/Northern Europe

Premier's IT teams are focused on maintaining the stability and security of Premier's IT systems, including compliance with applicable information security laws in South Africa. In this regard, Premier's POPI manual states that Premier will designate specific individuals to monitor compliance with information security standards within each business area. The POPI manual also states that training and awareness sessions for employees on information security will be conducted on a regular basis. It also provides that Premier FMCG has undertaken to ensure that any Operators that process personal information on Premier's behalf will implement the security measures required in terms of the POPI Act; and, in the event that personal information has been compromised, or if there is a reasonable belief that a compromise has occurred, Premier (or any Operator processing personal information on its behalf) will comply with the Cyber Security Policy which Premier has produced, in terms of which Premier has undertaken to keep all personal information secure against the risk of loss, unauthorised access, interference, modification, destruction or disclosure and to conduct regular risk assessments to identify and manage all reasonably foreseeable internal and external risks to personal information under its control; and to appoint a third party specialist to secure the integrity of the personal information under its control.

Further, Premier's IT capability is a key driver behind its integrated operations. Premier has one of the largest teams of GP Dynamics consultants in South Africa, with most upgrades, new functionalities and systems delivered in-house. Premier also leverages key partner solutions, buying customisable working software and using cloud technology over on-premises solutions, to maximise the speed of continuous system improvement while minimising development and infrastructure costs. Premier's partnership with Microsoft underpins its agile operating systems, cloud infrastructure and business data analytics. Premier intends to automate existing systems and improve data insights and analysis by investing in automation and artificial intelligence in the short-term.

A. ENVIRONMENTAL, SOCIAL AND GOVERNANCE ASPECTS OF PREMIER'S OPERATIONS

Overview and key considerations

"Doing what is right" is the premise of Premier's business philosophy, the Premier Way. Premier recognises that it has a responsibility to care for and protect its people, the planet and the communities in which it operates, minimising the potential impact its activities may have on the planet and enhancing its competitiveness by building a sustainable business. In line with this philosophy, Premier has defined a sustainability vision which is: "*To earn the right to operate in our communities by being mindful of our responsibility to society and the planet*". Premier has a proud history of building iconic brands that deliver quality, affordable products that make a real difference in the lives of its consumers, and of serving the communities in which it operates. Its many corporate social responsibility programmes and its mission of "Growing Together" remains a strategic focus. Climate change is a pressing reality, and food security and affordability are at increasing risk from the effects of severe climate change as the availability, affordability and quality of raw materials are impacted globally. Premier has responded by committing to significantly reduce its environmental footprint. It is prioritising the reduction of energy, water and waste, whilst remaining focused on its strategy of creating value for stakeholders through delivering quality products and contributing to society's need for food security, nutrition and dignity.

Sustainability Strategy

Premier's sustainability strategy, developed through companywide consultation, comprises 4 pillars: "Our People, Our Products, Our Planet and Our Communities", which provides the framework for Premier's sustainability goals. The company believes these goals are achievable and equips Premier with the opportunity to make a difference as well as growing its competitive advantage through innovation and continuous improvement. To facilitate the achievement of these goals, Premier commits a commensurate capital expenditure budget annually to its sustainability programmes. Each of the pillars is aligned to several of the UN Sustainable Development Goals (SDGs) which serve to reinforce the intended impact.

Corporate Governance

In line with Premier's business philosophy, the company strives to be a responsible corporate citizen, operating with rigorous adherence to the governance requirements of the King IV Code and other regulatory industry bodies. The company aims to operate ethically and in a transparent manner, remaining accountable to all its stakeholders and promoting a fair and equitable work environment for its large and diverse workforce. The company intends to publish a sustainability report during 2023, detailing progress on its sustainability strategy, and in line with the JSE disclosure guidelines and the Integrated Reporting Framework. Premier's Social and Ethics Committee is mandated by the Board to oversee the management of and provide strategic guidance with respect to ESG risks and opportunities. The company is committed to maintaining a Board with the requisite competencies that are also diverse from a race, age and gender perspective.

B. COMMITMENT TO SUSTAINABLE BUSINESS PRACTICES

Our People

Premier people are the heartbeat of the organisation, and Premier takes pride in striving to be an employer of choice which aims to attract, develop, and retain valued employees who share in Premier's vision. Premier's workforce is diverse, but unified through a shared set of common values, which are rooted in dignity and equality. Premier believes that a team that is diverse in gender, race, age, experience, skills and culture brings with it a value add which can be optimised for the benefit of the company. In addition, providing a safe working environment for its employees and promoting their wellbeing is a strategic priority. To maintain a safe and compliant working environment, an integrated Risk Management Programme has been implemented to facilitate compliance with all applicable Health and Safety legislation and best practice in the CPG industry. Transformation and gender equality is a business imperative, realised through initiatives such as the B-BBEE share scheme and skills development programmes that empower and facilitate upward mobility. Providing full and productive employment, job satisfaction and recognition through skills development, education bursaries, talent management and growth opportunities are further key to Premier's success. Investment in other skills development, such as proactive on-the-job training, mentorship and coaching for performance improvement, is a priority for the business to ensure relevance and agility. Approximately 47% of employees were covered by a collective bargaining agreement in FY2022.

Our Products

Premier prioritises ensuring food safety and security to provide access to quality, nutritious food to its consumers. Premier aims to ensure that all products produced in its facilities and marketed under its brands do no harm or place its employees and/or consumers at risk in any way. In order to execute on this, Premier aims to comply with all appropriate certification, accreditation and regulatory requirements including on-pack claims where relevant and to provide transparency on its ingredients for consumer protection and information. Premier also aims to ensure equity, inclusiveness and protection in marketing communications.

Premier strives to improve access to nutritional food products and sanitary protection by providing consumers with a choice of products, available in diverse trade outlets at affordable price points and for food products to be fortified as per regulations. Premier constantly aims to improve its product offering to meet evolving consumer needs.

Our Planet

As a manufacturing company dependent on natural capital, responsible production and consumption is critical to Premier's sustainability and to ensure continued food security and affordability.

Climate change is a global challenge in terms of scale, urgency and complexity of the action required. Premier has committed to reducing the impact of its operations through the promotion of cleaner business practices and to adapt and strengthen its resilience to the impact of climate change on its operations and the availability of its energy and raw material requirements.

The reduction of fossil fuels required in the production and distribution of Premier's products is a material focus for the business. Working towards a sustainable future while continuing to grow the business requires investment in improved and/or alternative energy sources. Energy is consumed throughout the supply chain and opportunities exist to reduce the impact at various touch points. Premier is registered as per the Carbon Tax Act No 15 of 2019 and Customs and Excise Act No 91 of 1964 and it continues to monitor and reduce its Scope 1 and 2 greenhouse gas emissions where possible.

Premier continues to identify and execute on projects that reduce the amount of water required to produce its products that facilitate the use of waste and recycled water, including, where necessary, the installation of water effluent management systems.

Premier also participates in the Extended Producer Responsibility Programme assisting with waste management. The company measures and benchmarks its waste indicators to set targets for sustainable waste reduction or elimination. Premier is cognisant of the need to reduce plastic usage, and balances this need with customer experience, particularly within the context of South African society and food safety, evaluating the overall value chain and knock-on implications of such decisions. Premier has defined policies and position statements supporting certified sustainable suppliers of essential ingredients which are environmentally sensitive.

Our Communities

Premier's brand purpose is "*to nourish and empower communities to grow together*". Premier aims to promote healthy nutrition and health awareness amongst its consumers through on-pack communication, sizable food donations and other relevant outreach programmes in targeted communities. Premier continuously strives to provide a choice of more nourishing food products to add value to consumers' lives.

Upliftment and empowerment programmes are also a focus for Premier's community engagement. Premier believes education is the future of South Africa and its education initiatives aim to address one of the deepest needs in communities throughout the country – the right to earn a living and the opportunity to do so. Premier invests in several skills development projects including CEO bursaries, study assistance, management and supervisory development programmes, on-the job training, apprenticeships and learnerships. Various Enterprise Supplier Development projects have been undertaken to uplift communities in the same way. Premier's sanitary protection products, which are also distributed via many CSI initiatives aim to help alleviate period poverty and improve access to education by reducing missed school days.

With more than 30 operations across its operating markets, employing over 8,100 people from local communities, Premier's operations play a pro-active role in disaster management, food security, community clean ups and facilities upgrades.

15. **KEY PERSONNEL**

Premier's Senior Management Team is comprised of 8 experienced senior operational executives, committed to ESG principles, who collectively have 65 years of experience working within Premier. The Senior Management Team has significant industry experience, with core competencies including corporate acquisitions, finance, accounting, strategy, marketing, sales, human resource management and ESG reporting See "PART VIII – Directors, Senior Management and Corporate Governance" for more detail.

Personnel	**Background (Experience)**
Jacobus Johannes Gertenbach (Chief Executive Officer, Executive Director)	• Joined Premier in 2011, with more than 20 years' experience in the financial services industry • Previously spent 6 years in the investment team at Brait and 7 years in restructuring, turnaround, and consulting in the USA • M.Com, CA (SA)
Fritz Grobbelaar (Chief Financial Officer, Executive Director)	• Appointed in August 2021, with 17 years' experience in senior financial roles across various industries including manufacturing and agri processing • Previously spent 6 years as the chief financial officer of Country Bird Holdings before joining RCL Foods as the Commercial Director for Rainbow Chicken and Epol Feeds • CA (SA)
Gavin Campbell (Managing Executive: Milling, Groceries and Africa)	• Joined Premier in 2013 and has more than 30 years' experience in the CPG market • Previously, spent 12 years at Tiger Brands in the Grains business and more recently as a business development executive for Central and West Africa • IMM Dip, MBA
Siobhan O'Sullivan (Managing Executive: HPC, Group Strategy & Marketing)	• Joined Premier in 2013 and has more than 30 years' experience in marketing in the CPG industry • Previously held various marketing positions at Rainbow Farms, Tetra Pak, Tiger Brands and Adcock Ingram • B.Com, BusEcon(Hons), MBA
Danie Simpson (Managing Executive: Bakeries)	• Joined Premier in 2012 after more than 30 years in bakery management at Tiger Brands • N. Dip. Manufacturing Management, EDP
Julian Singonzo (Managing Executive: Environmental, Social & Regulatory)	• Joined Premier in 2013 as a Bakeries Sales Executive and has more than 23 years' CPG experience • Previous roles include: 4 years at Tiger Brands as a General Sales Manager in bakeries, 2 years as a Regional Sales Manager at Brandhouse, 9 years at SABMiller in various sales roles • Nursing Dip, B Personnel Leadership (Hon), MBA (Entrepreneurship), EDP
Anastasia Sodalay (Managing Executive: Human Resources)	• Joined Premier in 2021 and has over 15 years' experience in both operational management and human resources, at an executive level across various organisations such as TFG, Edcon, Mondi Group, and Homechoice PLC • B.Sc
Arnouw van der Schyf (Managing Executive: Group Sales)	• Joined Premier in 2001 and has more than 20 years' experience in various customer and national sales positions in the CPG industry with Premier and Tiger Brands • B.Com

16. **BOARD OF DIRECTORS**

Premier's management team is supported by a diverse and knowledgeable board of directors in line with the Company's MOI, applicable legislation and regulatory requirements and the King Code. The Board comprises 7 non-Executive Directors and 1 alternate Director, 4 of whom are independent. See "PART VIII – Directors, Senior Management and Corporate Governance" for more detail.

17. BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Premier recognises the regulatory environment in which it operates, including certain obligations arising from the Department of Trade and Industry's B-BBEE policies.

Premier remains committed to help rectifying the imbalances that exist because of South Africa's racially segregated past and fully supports and accepts its responsibility to comply with the Employment Equity Act, 55 of 1998. Premier is also committed to achieving a diverse and inclusive working environment where employees can thrive.

Premier therefore undertakes to continually redress the inequalities present with regards to race, gender, and disability in its employee base and to accelerate the normalisation of this position through its ongoing commitment to:

- ensuring that its workforce represents Southern African demographics in terms of race, gender, and disability at all levels;
- actively driving internal promotion opportunities through structured development programmes and career planning;
- encouraging the recruitment of black management talent into Premier; and
- incentivising and rewarding senior managers to achieve the targets set:
  - All divisions have effective employment equity development plans which are submitted to the authorities on a regular basis and progress is monitored at divisional Board level: and
  - Comprehensive internal training programmes are in place at all levels with particular emphasis on closing the skills gap at skilled technical and professionally qualified levels.

Premier continues to make progress on B-BBEE and has implemented several measures in recent years, with additional measures planned for the future. These measures include working towards transforming all levels of management, basic skills development plans and focus on unemployed learnerships, apprenticeships and junior management development. Furthermore, Premier is prioritising procurement from suppliers who are making progress in terms of transformation. Premier has established black ownership in its South African operations in the form of a BEE Trust. Furthermore, Premier contributes towards socio-economic development through various initiatives. The target has been determined at 1.5% of net profit after tax. After the planned transformation and empowerment initiatives, Premier FMCG reached a level 5 B-BBEE contribution level in May 2022. See "PART VII – B-BBEE Restructuring" below for further details of Premier's B-BBEE Restructuring.

18. REGULATORY ENVIRONMENT

The production of Premier's products requires high levels of governance to meet stakeholder expectations and requirements relating to quality and safety, occupational health and safety and environmental management and asset care. To ensure maintenance of high standards and proper governance in this regard, Premier's businesses effectively manage this at an operational level through supply chain policies largely based on International Organisation for Standardisation (ISO) standards.

Premier believes that each business adheres by these high standards and best practices, which are woven into the fabric of operations, and maintain and continually develop them in accordance with each individual business' relevant organisational risks, context, size and complexity of operations. There are a number of key factors that enable Premier's businesses to achieve this:

obligatory compliance with legal requirements as well as certain standards and certifications by accredited certification bodies;

- obligatory compliance with clearly articulated and well-documented operations policies;
- structured standardised monthly management reporting on operations;
- clearly defined exception reporting based on defined set of exceptions;
- scheduled annual management site reviews;
- integrated governance, risk and compliance management solutions for health and safety and product quality and digital maintenance management systems for providing Premier oversight; and
- defined levels of authority for supply chain decision-making based on risk assessment and corporate policy.

Further, Premier is subject to the highly regulated South African food segment requirements pertaining to restricting certain labelling practices since the issuance of The South African Food Labelling Regulations (R146/2010) which were published in the Government Gazette, in March 2010 (Health Department of South Africa). This ensures that Premier's manufacturing businesses are only allowed to make claims if certain stipulated criteria are met, i.e., producers will need to ensure that the functionality and value proposition of products are reached. In this regard, descriptive labelling and technologically advanced packaging are required to allow products to retain their freshness and natural or enhanced features.

In addition to the legislative framework, two membership-based industry associations, namely the CGCSA and the ARB provide additional oversight from a self-regulation perspective. The CGCSA leads voluntary initiatives (e.g. the Healthy Food Options Industry Initiative) to support the manufacture of, and facilitate access to, foods and non-alcoholic beverages that contribute to a healthy diet as part of a healthy lifestyle. The ARB is responsible for implementing an advertising code created by the CGCSA aimed at ensuring advertisements are legal, truthful, and prepared in a responsible manner.

The Competition Commission of South Africa ("**Commission**") has, in 2022, launched an enquiry into alleged excessive pricing practices by staple foods producers. In this regard, the Commission requested certain information from the Company. The Company has duly responded to the Commission's request and as at the Last Practicable Date no further correspondence in this regard has been received from the Commission. Premier has increased its prices in the past 18 months as a result of inflationary and other pressures affecting the cost of supply. Consequently, it has had to increase its prices in order to protect its margins. Management is of the firm view that its pricing practices are reasonable and justifiable in the context of the current economic environment. Furthermore, Premier operates in a highly competitive market where any excessive pricing immediately results in material losses in market share.

19. EMPLOYEES, TRADE UNIONS AND COLLECTIVE BARGAINING

Premier understands the importance of people to the success of its businesses, with each business unit continuously striving to add strategic value to Premier through the attraction, retention, and development of talented personnel at all levels. Premier regards employee relations as a Premier Group function, with support provided by the HR function at an individual business unit and site level. Premier's people strategy is geared towards ensuring the best talent possible across Premier, and is underpinned by four key pillars, namely:

- entrenching habits via the Premier way;
- enhancing employee engagement;
- developing excellence in junior and middle management; and
- employee level competency development

19.1 Permanent employees and contracted service providers

Premier had approximately 7,632 permanent employees(*) and approximately 505 contracted employees across its operations as of March 2022. Including contracted service providers, Premier employs the services of over 13,000 people.

Business unit	Total Permanent Headcount	Production and Distribution	Sales and Marketing	Other	Contracted Service Providers(x)
CIM Mozambique	**573**	431	35	107	0
Lesotho	**225**	107	87	31	0
eSwatini Bakery	**352**	179	133	40	75
eSwatini Mill	**136**	47	10	79	42
eSwatini Mahewu	**51**	32	8	11	5
Lil-lets UK	**17**	0	9	8	0
Premier SA	**6,278**	2,771	2,180	1,327	383
TOTAL	**7,632**	**3,567**	**2,462**	**1,603**	**505**

(*) *Contracted employees are not included in total permanent headcount*

19.2 Employee value creation model

Premier operates an employee value creation model which aims to align and integrate individual and organisational value creation. The framework provided to Premier employees to facilitate value creation comprises six core principles which employees must consider in all activities. Through this model, which is closely aligned to the fundamental "Premier Way" of operating, Premier positions its employees to aid in the creation of value and the achievement of the overarching goals of Premier.

19.3 Employee incentive schemes

Premier has both short-term and long-term incentive schemes to reward permanent employees with variable pay amounts. Other incentives, including sales incentives, are applied on a discretionary basis.

Executive Directors and Senior Management employees are eligible for both short-term and long-term incentives, with rewards appropriately linked to Premier's performance metrics, including net company value and divisional EBITDA, in addition to personal performance metrics. Other employees are eligible for short-term incentives only, with rewards linked to both personal performance and site-specific performance metrics, such as site EBITDA, based on the employee's role.

All permanent employees are rewarded for personal performance relative to a rating threshold, where a multiplier based on the differential between the threshold and rating achieved to encourage high performance across Premier.

19.4 Trade unions and collective bargaining

Premier conducts trade union negotiations at a business unit and site level across Premier with support from a central Premier Group labour relations specialist. Premier negotiates multi-year wage agreements with respective trade unions.

As of January 2022, approximately 47% of Premier's employees were represented by trade unions, with the Food and Allied Workers Union (FAWU) representing the greatest proportion of Premier's staff.

19.5 Industrial Action

Premier has experienced limited instances of industrial action over the last 5 years, primarily brought on by wage disputes, including the following incidents:

- In September 2018, employees at the Durban Mill and Durban Bakery engaged in protected strike action for 15 days due to wage disputes.
- In November 2018, employees at the Cape Town Millbake site engaged in a protected strike, lasting 3 months, due to a wage dispute. The financial impact of this strike in FY2019 was approximately ZAR150 million in terms of direct expenses related to managing the safety and security of the site, continuing to supply the market with product and recovery of the lost business and brand reputation post the strike.
- In October 2020, employees at the Pretoria Bakery engaged in protected strike action, lasting for one month, due to wage disputes.
- In April 2021, employees at the Aeroton Bakery engaged in a single day unprotected strike to convey medical aid and bonus demands.
- In April 2021, employees at the Vereeniging Bakery engaged in a one-and-a-half-day unprotected strike in response to changes to working conditions.

All the above actions have been resolved and, except for the Cape Town industrial action, had no material impact on the operations and financial performance of Premier, given the diversified nature of the business model.

19.6 Pension and provident funds

Premier offers its employees benefits across both Pension and Provident Funds. The funds are subject to different rules, contribution rates and benefit structures to members. Premier's main Pension Fund is provided by Sanlam, while the main Provident Fund is provided by Momentum. Premier operates a defined benefit pension plan for its Lil-lets subsidiary in the United Kingdom. The plan is funded through payments to trustee-administered funds. The scheme provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on the members' length of service and their salary in the final years leading up to retirement.

20. PROPERTIES

Details of the immoveable properties owned and leased by Premier are summarised in "ANNEXE 10 – Principal Immovable Properties Held or Occupied". Premier operates from over 52 sites, has over 18 lease agreements in place and owns over 34 properties. The locations of certain facilities are strategic in nature to best optimise the supply chain and their operations. Premier follows a policy of ensuring that it owns all its manufacturing sites.

PART VII – B-BBEE RESTRUCTURING

RATIONALE

The B-BBEE Act and the General Codes are the framework for implementation of the South African government's policy to alleviate the economic divide in South African society as a result of historical discrimination.

While Premier and its South African subsidiaries do not have a legal obligation to meet any minimum score under the General Codes, there are generally commercial imperatives to maximise one's score thereunder. Similarly, putting in place measures to achieve the objectives of the B-BBEE Act and the General Codes is generally regarded as good corporate practice in South Africa.

The Group explored options to achieve compliance with the General Codes, pursuant to which it implemented the B-BBEE Restructuring. This restructuring was completed on 6 May 2022.

Per the General Codes, there are three "priority elements" and to the extent that a measured entity does not meet the sub-minimum requirements of each of these, they are automatically downgraded by one level on their B-BBEE scorecard.

One of these "priority elements" is "ownership", with the sub-minimum requirement for "ownership" being 40% of net value (i.e., 40% of the 8 points based on the time-based graduation factor as provided in Annexe 100 (E) of the General Codes ("**Ownership Sub-Minimum**")).

The Group considered the appropriate requirements of the General Codes and the B-BBEE Act, as well as Premier FMCG's existing ownership structure and resolved to implement the B-BBEE Restructuring at the Premier FMCG level. The implementation of the B-BBEE Restructuring improved the "ownership" element of Premier FMCG's B-BBEE scorecard in order to ensure that the Group met the Ownership Sub-Minimum.

Post-implementation of the B-BBEE Restructuring, Premier FMCG has a level 5 B-BBEE rating.

The B-BBEE Restructuring introduced a B-BBEE shareholding at Premier FMCG level via the introduction of Holdco, BEECo and the BEE Trust. As a result of the B-BBEE Restructuring, BEECo holds 10% of Holdco and Holdco holds 100% of the ordinary share capital of Premier FMCG. It is intended that, in time, BEECo will declare dividends up to the Company and the BEE Trust, to the benefit of the BEE Trust beneficiaries.

RESTRUCTURING STEPS

The B-BBEE Restructuring involved the following material steps:

Pre-Transaction Steps:

- On 23 March 2022, in accordance with Regulation 31 of the Companies Act, the Ordinary Shares in the Company and in Premier FMCG were converted from par value to no par value Ordinary Shares
- On 3 May 2022, the Company's authorised share capital was amended by:
  - the creation of 50,000 A1 Ordinary Shares; and
  - the increase of its Ordinary Share Capital from 500,000 to 1,000,000.
- Certain members of management subscribed for a total of 23,060 A1 Ordinary Shares as further set out in "PART XI – Incorporation and Share Capital.
- On 30 March 2022, the Company's preference Share terms were amended to include a conversion right in terms of which, inter alia, the preference Shares could be converted into Ordinary Shares in the share capital of the Company.
- On 31 March 2022, in terms of section 48(2)(a) of the Companies Act, the Company repurchased 1,860 Ordinary Shares from Premier FMCG for a nominal repurchase consideration of ZAR1.00.
- On 3 May 2022, Premier FMCG's authorised share capital was amended by the creation of 20,000 000 class 'A' preference shares.

Brait Transaction Steps:

- On 4 May 2022, the 963 preference shares held by Brait in the share capital of Premier were converted into 122 521 Ordinary Shares in the Company by means of a share conversion.
- On 4 May 2022, in terms of a sale of claim agreement, Brait disposed of the shareholder loan owed to it by Premier FMCG to the Company for a purchase consideration of ZAR1, 492, 390, 800, being the face value of the shareholder loan. The Company settled the purchase consideration by issuing 102 165 Ordinary Shares to Brait.

Implementation Steps:

- On 4 May 2022, Premier FMCG unbundled its shares in Lesotho Baker Proprietary Limited (Lesotho) and Lil-Lets Group Limited (UK) to the Company in terms of an "unbundling transaction" as contemplated in section 46 of the Income Tax Act and section 46 of the Companies Act.

- On 6 May 2022, by means of a sale of shares agreement, Premier FMCG disposed of its shareholding in Lil-Lets UK Limited to the Company for a purchase consideration of GBP1.00.
- On 30 August 2021, a new private company, BEECo, was incorporated, with the Company and a newly established B-BBEE trust, the BEE Trust, acquiring 49% and 51% of its issued share capital respectively. In addition, another new private company, Holdco, was incorporated, the BEECo initially holding 100% of its issued share capital.
- On 6 May 2022, Premier FMCG distributed an amount of ZAR6,638,886,000 to the Company, which was left outstanding on loan account in favour of Premier (the "Dividend Claim"). Simultaneously, the Company subscribed for 100,000 class 'A' preference shares in Premier FMCG for a subscription price equal to the face value of the Dividend Claim.
- On 6 May 2022, by means of an asset for share transaction, the Company disposed of its ordinary shares in Premier FMCG to Holdco in exchange for the issue of 90% of Holdco's ordinary share capital. Subsequent thereto, BEECo's holding in Holdco reduced from 100% to 10%.

Operation of the BEE Scheme:

- In due course, certain Black People (as defined in the B-BBEE Act) will be admitted as discretionary beneficiaries of the BEE Trust. Holdco will apply the dividend proceeds it receives from Premier FMCG from time to time to declare a dividend to the Company and BEECo. In turn, BEECo will declare dividends to the Company and the BEE Trust, the latter of which will distribute the dividends it receives to its beneficiaries. As at the Last Practicable Date, no beneficiaries have yet been appointed.
- The beneficiaries of the BEE Trust will at all times be Black People who are managerial members of Premier FMCG or Holdco 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 and/or operates and/or in which their employees and managerial members reside.

PART VIII – DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

This part provides a description of the Directors and Senior Management of the Company. A description of the Major Subsidiary's Directors is set out in "ANNEXE 9 – The Major Subsidiary and its Directors'.

Directors

The Directors as at the Last Practicable Date are set out in the following table:

Name, age and nationality	Address	Position	Date of appointment and term of office
Cornelius Johannes Roodt, 64, South African	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Independent Non-Executive Director and Chairman	4 October 2011 (appointed Chairman 10 April 2013)
Jacobus Johannes Gertenbach, 51, South African	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Executive Director and CEO of Premier FMCG	1 April 2021 (joined Premier on 1 May 2011)
Fritz Grobbelaar, 44, South African	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Executive Director and CFO of Premier FMCG	2 August 2021
Rolf Mark Hartmann, 48, South African	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Non-Executive Director	27 July 2007
Peter Robert Nainby Hayward Butt, 50, British	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	On 11 November 2022 became the Alternate Director to Rolf Mark Hartmann	11 March 2020
Jonathan Matthews, 48, South African/British	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Non-Executive Director	11 March 2020
Harish Ramsumer, 62, South African	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Independent Non-Executive Director	9 May 2022
Wandile Sihlobo, 32, South African	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Independent Non-Executive Director	22 June 2021
Iaan van Heerden, 51, South African	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Non-Executive Director	22 June 2021
Faith Nondumiso Khanyile, 55, South Africa	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Independent Non-Executive Director	1 November 2022

Further details of the Directors of the Company, including information as to their other directorships held in the past five years, are set out in "ANNEXE 7 – Other Directorships and Partnerships held by the Directors and Senior Management and Contracts of the Directors and Senior Management of the Company".

See "ANNEXE 12 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary" for extracts from the MOI containing details of terms of office of Directors.

A brief biography of each of the current Directors is set out below:

Chairperson
Cornelius J Roodt (Independent non-Executive Director and Chairman)

Cornelius is a chartered accountant with nearly 40 years post qualification experience. His professional experience includes being a partner at PwC from 1987 to 1996, with the first 6 years acting as audit partner of mainly JSE listed companies and the last 3 years as a corporate finance partner involved in mergers and acquisitions, JSE and Nasdaq listings, capital raisings and project finance and due diligence projects. Cornelius has had experience since 1996 as chief executive officer and Executive Director of both JSE listed and private companies. He has served as an independent non-Executive Director and Chairman of the Board of JSE listed and Nasdaq listed companies, as well as private companies. Cornelius has served as the chief executive officer of First Lifestyle Holdings Limited and as director of the Kelly Group Limited and Stellar Capital Partners Limited and has more than 25 years' experience in the food industry.

Executive Directors
Jacobus Johannes Gertenbach (CA (SA)) (Chief Executive Officer) ("Kobus")

Kobus is the CEO. Kobus joined Premier in 2011 with more than 20 years' experience in the financial services industry. Prior to joining Premier, Kobus spent 6 years in the investment team at Brait and 7 years in restructuring, turnaround and consulting in the USA. His function is to ensure organizational direction and leadership and is directly accountable to the Board of Directors. Kobus is a qualified CA (SA) and holds a BCompt (Hons), Accounting and Finance from the University of the Free State. Kobus also has an MCom from Rand Afrikaans University.

Fritz Grobbelaar (CA (SA)) (Chief Financial Officer)

Fritz is the CFO. Fritz is a qualified CA (SA) and studied BCom, Accounting and Finance at the University of the Free State. He has 17 years' experience in senior financial roles across various industries including manufacturing and agri-processing. Prior to joining Premier, Fritz spent 6 years as the Chief Financial Officer of Country Bird Holdings and subsequent to that was the Commercial Director at RCL Foods Limited for Rainbow Chickens and Epol Feeds. Fritz leads the finance, IT, legal, business intelligence, procurement, and logistics functions at Premier.

Non-Executive Directors
Rolf Mark Hartmann (CA (SA))

Rolf is a graduate of the University of the Witwatersrand, where he obtained a Bachelor of Accounting (Honours). He is currently a partner in the Large Equity Fund team at Ethos. Rolf joined the previous investment advisor to Brait in September 2003 where his responsibilities included managing investments in tourism, consumer products and outsourcing in listed and unlisted entities. When Brait appointed Ethos as its investment adviser on 1 March 2020, Rolf joined Ethos. Rolf is currently a non-Executive Director of companies within Premier Group, Vertice Medtech Holdings Group and Echotel Group. Rolf, a chartered accountant CA (SA), previously worked at Insinger de Beaufort corporate finance in London, after qualifying at Deloitte in Johannesburg.

Jonathan Matthews (CA (SA), CFA)

Jonathan has been working in private equity since 2006, initially with Actis for 8.5 years and then with Ethos. He has led and invested in several different businesses in South Africa and on the rest of the African continent, across a range of sectors, including Consumer, Logistics, Financial Services and Industrials. Jonathan is the Managing Partner of the Ethos Africa business and also has responsibilities in the Ethos Large Equity Fund. Prior to Jonathan's career in Private Equity, he worked for 4 years in corporate finance at Standard Bank and Dresdner Kleinwort Wasserstein in London. Jonathan is a qualified CA (SA) and CFA and studied a B.Bus Sci, Finance (Hons) at the University of Cape Town.

Peter Robert Nainby Hayward-Butt (MsC Agric, Bsc Agric) (on 11 November 2022 became the Alternate Director to Rolf Hartmann)

Peter joined Ethos in 2016 and is currently a Partner at Ethos and is the chief executive officer of JSE-listed Ethos Capital and the lead partner advising Brait PLC. Prior to joining Ethos, he was the Co-Head of Investment Banking at RMB between 2006 and 2014. Peter was responsible for the conceptualisation and establishment of RMB Morgan Stanley (and was the chairperson of that company), which has become the leading stock broking business in South Africa. Peter was the lead adviser on many of South Africa's largest mergers and acquisitions and equity capital markets transactions and has advised most of the large private equity firms in

South Africa. He was a member of the executive management board at RMB and was a member of the bank's Investment Committee which was responsible for the bank's private equity and principal investing. Prior to RMB, Peter was head of Mergers and Acquisitions Advisory for ABN AMRO Asia based in Hong Kong, prior to which he worked in corporate finance for ABN AMRO and Baring Brothers in London. Peter holds a Bachelor of Science degree in Agricultural Economics from the University of Natal and a Master of Science in Development and Agricultural Economics from Oxford University.

Iaan Van Heerden (BLC, LLB, LLM, H-Dip International Tax)

Iaan is a commercial lawyer by training and has more than 20 years relevant experience (specifically in banking, mergers and acquisition, finance, corporate law and regulatory matters). He practiced as an attorney, notary and conveyancer, whereafter he joined Arthur Andersen in 1999. He remained with KPMG for 5 years after its merger with Arthur Anderson, advising many JSE Top-40 and multi-national clients and headed the Johannesburg Corporate Tax business until his resignation in 2007. Iaan joined Rand Merchant Bank's Corporate Finance division in 2007 as a senior executive and subsequently served as an Investment Banking Director. Iaan is a co-founder of Oryx Partners, which has since 2019 managed Dr Christo Wiese's family office and is a strategic business partner of the Wiese family's core businesses. Iaan is currently a non-executive director of *inter alia* Invicta Holdings Ltd and Genfin Holdings Proprietary Limited.

Wandile Sihlobo (BSc, MSc Agricultural Economics)

Wandile is the Chief Economist of the Agricultural Business Chamber of South Africa (Agbiz) and the author of "Finding Common Ground: Land, Equity, and Agriculture". He is a Senior Lecturer Extraordinary at the Department of Agricultural Economics at Stellenbosch University and a Visiting Research Fellow at the Wits School of Governance, University of the Witwatersrand. He holds a Bachelor of Science degree in Agricultural Economics from the University of Fort Hare and a Master of Science degree in Agricultural Economics from Stellenbosch University. Wandile was appointed as a member of President Cyril Ramaphosa's Presidential Economic Advisory Council in 2019, having served on the Presidential Expert Advisory Panel on Land Reform and Agriculture from 2018. He is also a member of the Council of Statistics of South Africa (Stats SA) and a Commissioner at the International Trade Administration Commission of South Africa (ITAC). Wandile is also a Trustee at Stellenbosch Trust, and a board member at the Bureau for Food and Agricultural Policy (BFAP), Grabouw Development Agency, and Seriti Institute. Wandile is a columnist for Business Day, The Herald and Farmers Weekly magazine.

Harish Ramsumer (CA (SA))

Harish is a chartered accountant CA (SA) and an experienced business leader who retired as a partner from PWC on 30 June 2021. He was an audit partner for 33 years, the last 8 of which he managed the PwC KwaZulu Natal (KZN) assurance practice. Harish holds a Bachelor of Commerce and post graduate Diploma in Accounting from the University of Durban Westville and served his articles of clerkship at Deloitte and Touche from 1982 until 1986. He joined MSGM Masuku Jeena as a manager in 1986, and progressively worked his way upwards until he was appointed as a partner in 1988, where he served as a member of the MSGM Masuku Jeena executive committee until the merger with PwC in 2003.

Harish joined PwC on 1 July 2003 as an assurance Partner. Between 2013 and 2021, Harish successfully managed a team of over 300 partners and employees in his capacity as the KZN Assurance Practice Leader and during his tenure, grew the PwC KZN business across a variety of industry sectors. Harish was a member of PwC's Africa Assurance Strategic and Africa Assurance Executive Committees and previously served as a member of the PwC Southern Africa Governing Board. Harish worked as the signing partner and relationship partner on various large corporate and JSE listed entities including RCL Foods Limited (formerly Rainbow Chicken Limited), Hulamin Limited, Beige Holdings Limited and The Spar Group.

Faith Nondumiso Khanyile (BA (Hons) Economics, MBA Finance, HDIP Tax)

Faith has over 25 years executive experience in the financial services sector (corporate and investment banking, private and public investing, private equity and impact investing). She spent 12 years in senior and executive positions at Standard Bank, Corporate and Investment Bank (CIB) from 2001 to 2013. From October 2013 to April 2022, Faith was the CEO and founding member of WDB Investment Holdings (WDBIH), one of the leading women-owned and led investment companies in South Africa. Faith has been serving on the boards of publicly listed, private and not-for-profit companies for the past 20 years in financial services, business services, manufacturing, information technology and education sectors. Faith is currently the non-executive director of JSE listed Discovery Limited, the JSE Limited and Bidvest Group Limited. She completed her BA Economics (Honours) and MBA at Wheaton College and Bentley Graduate School of Business, respectively, in the USA. She also completed an HDIP Tax from the University of Johannesburg in 2005 and participated in the Columbia University (New York) Executive Leadership Programme in the latter part of 2007.

Senior Management

The Senior Management Team as at the Last Practicable Date are set out in the following table:

Name, age and nationality	Address	Position	Date of appointment
Gavin Campbell, 55, South African	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Managing Executive: Milling, Groceries and Africa	2 May 2013
Siobhan Mary O'Sullivan, 57, South African	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Managing Executive: HPC, Group Strategy & Marketing	1 November 2013
Danie Simpson, 57, South African	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Managing Executive: Bakeries	1 November 2012
Julian Ndoyisile Singonzo, 54, South African	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Managing Executive: Environmental, Social & Regulatory	5 March 2013
Anastasia Sodalay, 45, South African	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Managing Executive: Human Resources	1 May 2021
Retha Stoltz, 53, South African	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Executive: Legal & Company Secretary	1 September 2011
Arnouw Van der Schyf, 50, South African	Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090	Sales Director Group Sales Executive	1 August 2011

Directors' declarations

There are no family relationships between any Directors, between any members of Senior Management of the Company, or between any Directors and members of Senior Management of the Company.

None of the Directors, Senior Managers or the Directors of the Major Subsidiary:

- have been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;
- have been Directors with an executive function of any company put under, or proposed to be put under, any business rescue plans, or that is or was the subject of an application for business rescue, any notices in terms of Section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangements with creditors generally or any class of creditors, at the time of such event or within the 12 months preceding any such event;
- have been partners in a partnership that was the subject of any compulsory liquidation, administration or partnership voluntary arrangement, at the time of such event or within the 12 months preceding any such event;
- have entered into any receiverships of any asset(s) or of a partnership where such Directors are or were partners during the preceding 12 months;
- have been publicly criticised by a statutory or regulatory authority, including recognised professional bodies, or been disqualified by a court from acting as a Director of a company or from acting in the management or conduct of the affairs of any company;
- have been convicted of any offence resulting from, or involving, dishonesty, fraud, theft, forgery, perjury, misrepresentation or embezzlement committed by such person;

- have been removed from an office of trust, on the grounds of misconduct, involving dishonesty; or
- have been the subject of any court order declaring him delinquent or placing him under probation in terms of Section 162 of the Companies Act and/or Section 47 of the Close Corporations Act, No. 69 of 1984, or been disqualified by a court to act as a Director in terms of Section 219 of the Companies Act, No. 61 of 1973.

Appointment, Qualification, Remuneration and Borrowing Powers of Directors

"ANNEXE 12 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary" also sets out extracts of the relevant provisions of the Company MOI, regarding:

- the qualification, appointment, terms of office and remuneration of Directors;
- the borrowing powers of the Company exercisable by the Directors. The borrowing powers may be varied by an amendment to the Company MOI;
- powers enabling Directors to vote on a proposal, arrangement or contract in which they are materially interested and to vote on the remuneration to themselves or any member of the Board; and
- retirement of Directors by rotation.

"ANNEXE 12 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary" sets out extracts of the relevant provisions of the memorandum of incorporation of the Major Subsidiary regarding:

- the qualification, appointment and remuneration of Directors; and
- the borrowing powers exercisable by the Directors of the Major Subsidiary. The borrowing powers may be varied by amendment to the memoranda of incorporation of the Major Subsidiary.

Other than the Major Subsidiary and except for the borrowing powers of Companhia Industrial da Matola S.A and Premier eSwatini Proprietary Limited no other Subsidiary has any borrowing powers that are material to the Company. The borrowing powers of Companhia Industrial da Matola S.A and Premier eSwatini Proprietary Limited allow them to borrow in excess of ZAR50 million but they cannot borrow without approval from the Company and Premier FMCG as well as certain of the Group's lenders.

The Directors' borrowing powers have not been exceeded since the Company's incorporation, and there have not been any exchange control or other restrictions on the borrowing powers of the Company or any of its Subsidiaries, other than restrictions generally applicable under the Exchange Control Regulations or otherwise in terms of the law.

There are no restrictions on the Company's borrowing powers and the business of the Company shall be managed by its Board, which may exercise all the powers of the Company. There are no other material limitations on the borrowing powers of the Group.

Remuneration of Directors

In accordance with the JSE Listings Requirements, the table below discloses all remuneration and benefits paid or accrued as payable during the year by the Company or any member of the Group, directly or indirectly, or proposed to be paid by the Company, in their capacity as Directors or in any other capacity, whether determined by the Company MOI or not.

The item described as "Expense allowance & other" does not form part of the calculation of total income received. This is the travel allowance, medical aid and fringe benefits.

Fritz Grobbelaar's remuneration for FY2022 reflected in the table below is an annual amount pro-rated for 8 months as he was only appointed as CFO on 2 August 2021.

Remuneration/fees received by Directors from Premier FMCG FY2021 (ZAR '000)

Director	Basic Salary	Directors' fees	Sign on bonus/ long service bonus	Travel allowance	Medical aid	Fringe benefits – fuel card & other	Expense allowance & other	Group incentive	Company contribution retirement fund	Total income received
Jacobus Johannes Gertenbach (CEO) – was CFO at time	4,364	–	–	96	–	13	–	2,710	131	7,314

Remuneration/fees received by Directors from the Company FY2021 (ZAR'000)

Director	Basic Salary	Directors' fees	Sign on bonus/ long service bonus	Travel allowance	Medical aid	Fringe benefits – fuel card & other	Expense allowance & other	Group incentive	Company contribution retirement fund	Total income received
Cornelius Johannes Roodt (Independent non-Executive Director	–	575	–	–	–	–	–	–	–	575

Remuneration/fees received by Directors from Premier FMCG FY2022 (ZAR'000)

Director	Basic Salary	Directors' fees	Sign on bonus/ long service bonus	Travel allowance	Medical aid	Fringe benefits – fuel card & other	Expense allowance & other	Group incentive	Company contribution retirement fund	Total income received
Jacobus Johannes Gertenbach (CEO)	5,635	–	8	96	–	20	–	3,329	169	9,257
Fritz Grobbelaar (CFO)	2,791**	–	2,727	72	54	36	–	225	84	5,989

** *Fritz Grobbelaar's remuneration for FY2022 reflected in the table below is an annual amount pro-rated for 8 months as he was only appointed as CFO on 2 August 2021.*

Remuneration/fees received by Directors from the Company FY2022 (ZAR'000)

Director	Basic Salary	Directors' fees	Sign on bonus/ long service bonus	Travel allowance	Medical aid	Fringe benefits – fuel card & other	Expense allowance & other	Group incentive	Company contribution retirement fund	Total income received
Cornelius Johannes Roodt (Independent non-Executive Director	–	601	–	–	–	–	–	–	–	601

Post-Admission, the Directors' remuneration and benefits payable during by the Company or any member of the Group, directly or indirectly, or proposed to be paid by the Company, in their capacity as Directors or in any other capacity, whether determined by the Company MOI or not, will increase by the following amounts:

Increase in remuneration received by Directors Post-Admission (ZAR'000)

Director	Basic Salary	Directors' fees	Sign on bonus/ long service bonus	Travel allowance	Medical aid	Fringe benefits – fuel card & other	Expense allowance & other	Group incentive (possible maximum earnings)	Company contribution retirement fund	Total income received
Jacobus Johannes Gertenbach (CEO)	1,533	–	–	–	–	20	–	7,921	47	9,513
Fritz Grobbelaar (CFO)	601	–	–	36	27	36	–	4,500	64	4,022

Remuneration/fees to be received by Directors from Premier FMCG Post-Admission (ZAR'000)

Director	Basic Salary	Directors' fees	Sign on bonus/ long service bonus	Travel allowance	Medical aid	Fringe benefits – fuel card & other	Expense allowance & other	Group incentive (possible maximum earnings)	Company contribution retirement fund	Total income received
Jacobus Johannes Gertenbach (CEO)	7,188	–	–	96	–	20	–	11,250	216	18,770
Fritz Grobbelaar (CFO)	4,914	–	–	108	81	36	–	4,725	147	10,011

Executive Directors will be paid by Premier FMCG and non-Executive Directors will be paid by the Company. The fees to be paid to non-Executive Directors following Admission are set out below.

Directors' interests

As at the Last Practicable Date, the Directors, including Directors who have resigned in the preceding 18 months (and their associates), will hold the following direct and indirect beneficial interests in the Shares:

Name	Direct beneficial interest	Indirect beneficial interest	Total beneficial interest	% of issued Share capital
Jacobus Johannes Gertenbach (CEO)	102,600 Ordinary Shares 5,797 A Ordinary Shares 5,730- A1 Ordinary Shares		102,600 Ordinary Shares 5,797 A Ordinary Shares 5,730 A1 Ordinary Shares	0.08% of issued Ordinary Shares 37.5% of issued A Ordinary Shares 24.8% of issued A1 Ordinary Shares
Fritz Grobbelaar (CFO)	9,200 Ordinary Shares 1,032 A Ordinary Sharers 2,000 A1 Ordinary Shares		9,200 Ordinary Shares 1,932 A Ordinary Shares 2,000 A1 Ordinary Shares	0.007% of issued Ordinary Shares 12.5% of issued A Ordinary Shares 8.7% of issued A1 Ordinary Shares
Total	**111,800 Ordinary Shares** **7,729 A Ordinary Shares** **7,730 A1 Ordinary Shares**		**111,800 Ordinary Shares** **7.729 A Ordinary Shares** **7,730 A1 Ordinary Shares**	**0.087% of issued Ordinary Shares** **50% of issued A Ordinary Shares** **33.5% of issued A1 Ordinary Shares**

As at Admission, assuming that the Offer is taken up in full, the Directors, including Directors who have resigned in the preceding 18 months (and their associates), will hold the following direct and indirect beneficial interests in the Shares:

Name	Direct beneficial interest	Indirect beneficial interest	Total beneficial interest	% of issued Share capital
Jacobus Johannes Gertenbach (CEO)	222,600 Ordinary Shares 5,797 A Ordinary Shares 5,730 A1 Ordinary Shares		222,600 Ordinary Shares Ordinary Shares that may be purchased in the Offer at the Offer Price 5,797 A Ordinary Shares 5,730 A1 Ordinary Shares	0.17% of issued Ordinary Shares plus an additional percentage dependent of the number of Ordinary Shares purchased in the Offer at the Offer Price 37.5% of issued A Ordinary Shares 24.8% of issued A1 Ordinary Shares
Fritz Grobbelaar (CFO)	27,800 Ordinary Shares 1,032 A Ordinary Sharers 2,000 A1 Ordinary Shares		27,800 Ordinary Shares Ordinary Shares that may be purchased in the Offer at the Offer Price 1,932 A Ordinary Shares 2,000 A1 Ordinary Shares	0.02% of issued Ordinary Shares plus an additional percentage dependent of the number of Ordinary Shares purchased in the Offer at the Offer Price 12.5% of issued A Ordinary Shares 8.7% of issued A1 Ordinary Shares
Total	**250,400 Ordinary Shares** **7,729 A Ordinary Shares** **7,730 A1 Ordinary Shares**		**250,400 Ordinary Shares** **8,695 A Ordinary Shares** **9,200 A1 Ordinary Shares**	**0.19% of issued Ordinary Shares** **56.3% of issued A Ordinary Shares** **39.9% of issued A1 Ordinary Shares**

None of the Directors have used their Ordinary Shares, A Ordinary Shares or A Ordinary Shares as security, guarantee, collateral or otherwise granting a charge, lien or other encumbrance over the securities.

Other than as set out in "PART XI– Incorporation and Share Capital", there have been no dealings in Shares by any of the Directors and their associates in the period between 31 March 2022 and the Last Practicable Date.

As at the Last Practicable Date, no fees payable in lieu of Directors' fees have accrued or been paid to any third-party during the financial year ending 31 March 2022. The remuneration payable to the CEO and CFO will be varied as a consequence of the Admission as set out in "Remuneration of Directors" above.

The non-Executive Directors will receive fees as Directors as approved by the Board and Shareholders prior to Admission, which will be approved by Shareholders at each annual general meeting after the Admission, but will be reviewed in line with best practice after the Admission. The non-Executive Director fees, exclusive of VAT where applicable, that were proposed for approval by the Shareholders on 11 November 2022 are as follows:

Name	**Annual retainer (ZAR)**	**Per meeting fee (ZAR)**	**No. of scheduled meetings**	**Base fee in relation to no of scheduled meetings (ZAR) (Per meeting fee x No. scheduled meetings)**	**Total fees payable based on no of scheduled meetings (ZAR) (Annual retainer + (Per meeting fee x No. scheduled meetings))***
Board					
Chair	375,000	93,750	4	375,000	750,000
Member	175,000	43,750	4	175,000	350,000
Audit and Risk Committee					
Chair	125,000	31,250	4	125,000	250,000
Member	62,500	15,625	4	62,500	125,000
Remuneration and Nomination Committee					
Chair	100,000	25,000	4	100,000	200,000
Member	50,000	12,500	4	50,000	100,000
Social and Ethics Committee					
Chair	70,000	35,000	2	70,000	140,000
Member	40,000	20,000	2	40,000	80,000

** 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.*

In accordance with the JSE Listings Requirements and the King Code, Shareholders will be entitled to vote annually, on a non-binding advisory basis on the Company's remuneration policy, including the implementation report forming part thereof.

Save as disclosed under "Remuneration of Directors" and "Directors' interests" above, none of the Directors has received any remuneration or benefits from (i) any holding company of the Company, (ii) any Subsidiary or fellow subsidiary of the Company, (iii) any associate of the Company or of any entity included in (i) or (ii), (iv) a joint venture of the Company or an entity included in (i) to (iii), or (v) entities that provided management or advisory services to the Company or any of the entities included in (i) to (iv).

In three years preceding the Last Practicable Date, no payments were made to, or have been agreed to be paid to, any Director of the Company or any company in which he/she is beneficially interested, directly or indirectly, or of which he/she is a Director ("**Associate Company**") or to any partnership, syndicate or other association of which he/she is a member ("**Associate Entity**") either to induce him/her to become, or to qualify him/her as a Director of the Company or otherwise for the services rendered by him/her or by the Associate Company or the Associate Entity in connection with the promotion or formation of the Company.

Directors' interests in transactions

Except for the disclosed service agreements, the B-BBEE Restructuring and a loan advanced to Fritz Grobbelaar to part fund the acquisition of Shares (summarised in "ANNEXE 11 – Material Borrowing, Lending and Material Inter-Company Balances"), no Director of the Company nor any director of any of its Subsidiaries has or had any beneficial interest, directly or indirectly, in any transaction which is, or was, material to the Director and which was effected by the Company during the current financial year or the immediately preceding financial year or in respect of any previous financial year which remains in any respect outstanding or unperformed.

Pursuant to the B-BBEE Restructuring:

- Anastasia Sodalay, Julian Singonzo and Wandile Sihlobo were appointed as trustees of the BEE Trust;
- Fritz Grobbelaar and Danita Kriel were appointed as directors of BEECo and Holdco; and
- Anastasia Sodalay and Julian Singonzo were appointed as directors of Premier FMCG.

The relevant provisions of the Company MOI relating to any power enabling a Director to vote on a proposal, arrangement or contract in which he is materially interested are set out in "ANNEXE 12 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary".

None of the Directors has any potential conflict of interest between their duties to the Group and their private interests.

Share schemes

Premier has both short-term and long-term incentive schemes to reward permanent employees with variable pay amounts. Other incentives, including sales incentives, are applied on a discretionary basis.

Executive Directors and Senior Management employees are eligible for both short-term and long-term incentives in the form of share schemes. See "PART XI – Incorporation and Share Capital", for details of the A Ordinary Shares and A1 Ordinary Shares that were issued as an incentive to management. The short term incentives rewards are linked to Premier's performance metrics, including net company value and divisional EBITDA, in addition to personal performance metrics.

Other employees are eligible for short-term incentives only, with rewards linked to both personal performance and site-specific performance metrics, such as site EBITDA, based on the employee's role. In addition, other senior employees (excluding Executive Directors and Senior Management employees) are entitled to participate in the share appreciation rights scheme. See "ANNEXE 8 – Share Appreciation Rights Scheme" for a summary of the Company's cash-settled share appreciation rights scheme.

CEO and CFO responsibility statements

Each of the Directors, whose names are stated below, hereby confirm that –

a) the annual financial statements and the interim financial statements set out "ANNEXE 1 – Consolidated Historical Financial Information for the Three Years ended 31 March 2022" and "ANNEXE 3 – Condensed Consolidated Interim Financial Information for the Six Months ended 30 September 2021 and 30 September 2022" to this Pre-listing Statement, fairly present in all material respects the financial position, financial performance and cash flows of the Company in terms of IFRS;

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

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

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

e) where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and

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

Jacobus Johannes Gertenbach (the CEO)
Fritz Grobbelaar (the CFO)

CORPORATE GOVERNANCE
Commitment

Premier is committed to principles of sound governance and application of appropriate business ethics and standards in the conduct of its business and affairs. Premier is in compliance with the Companies Act and is operating in conformity with the Company MOI. The Board is committed to the principles of diligence, honesty, integrity, transparency, accountability, responsibility and fairness. The Directors accept full responsibility for the application of these principles to ensure that the principles of good corporate governance are effectively practised throughout the Group. Furthermore, the Board understands and accepts its responsibility to safeguard and represent the interests of the stakeholders of Premier in perpetuating a successful and sustainable business that ensures the achievement of the Group's strategic objectives.

Approach

The Board is responsible for ensuring that Premier complies with all of its statutory and regulatory obligations as specified in the Company MOI, the Companies Act, the JSE Listings Requirements and all other applicable regulatory requirements. The Directors endorse the King Code and recognise the need to conduct the affairs of Premier with integrity and in accordance with generally accepted corporate practices. In discharging this responsibility, the intention is to apply the principles of the King Code in both letter and spirit. The Directors have, to the best of their knowledge, taken steps to ensure compliance with the Companies Act, the JSE

Listings Requirements and the application of the principles of the King Code. A full analysis of the steps taken by the Group to apply the principles in the King Code is set out in "ANNEXE 14 – King Code Register". A full analysis of the steps taken by the Company to comply with the King Code is also available on the Company's website (www.premierfmcg.com).

Appointment and Board Diversity Policy

The Remuneration and Nomination Committee is responsible for making recommendations to the Board on the structure, size and composition of the Board and its committees and succession planning for the Directors and other senior executives. The Remuneration and Nomination Committee is also responsible for evaluating the balance of skills, knowledge and experience on the Board and identifying and nominating suitable candidates.

All Board appointments are made on merit, in the context of the skills and experience the Board as a whole requires for it to be effective. However, the Board recognises and embraces the benefits and need of having a diverse board; particularly the value that different perspectives and experience bring to the quality of Board debate and decision-making. Therefore, the Board strives to ensure an appropriate mix and balance of knowledge, skills, experience, diversity and independence in appointments to the Board, and will continue to work towards achieving an effective and appropriately diverse Board structure.

Premier recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. It understands that a diverse board will include and make beneficial use of varied perspectives and approaches offered by Board members. In this regard, the Board has adopted the diversity policy, a copy of which has been made available on the Company's website for access by all stakeholders. The Board diversity policy promoted broader diversity at Board level, specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. The Company will report on how the Board diversity policy was considered and applied in the nomination and appointment of Directors in its annual report.

All Board and Committee nominations and appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board, as a whole, requires to be effective. In addition, the diversity indicators, which include gender, race, age and culture, are considered in determining the optimum composition of the Board and, when possible, are balanced appropriately. The Board believes that heterogeneous groups add significant value in decision-making and effective risk management. It embraces cultural diversity in its widest form, including, inter alia, religion, sexual orientation, and citizenship. The same diversity indicators are considered when determining whether to re-nominate an incumbent director. Diversity is also considered as part of the annual Board evaluation.

Chairperson and chief executive officer

The Board is chaired by Cornelius Johannes Roodt, an independent non-Executive Director. The Chairperson is responsible for providing leadership to the Board and overseeing its efficient operation and has been tasked with ensuring effective corporate governance practices. Due to the fact that the Chairperson has fulfilled that role for a period in excess of 9 years, The Board will nominate a lead independent director to fulfil the role of the Chairperson should he be conflicted in any matter for deliberation.

The CEO, Jacobus Johannes Gertenbach, is responsible for leading the implementation and execution of the approved strategy, policy and operational planning of Premier, as well as ensuring that the day-to-day affairs of Premier are appropriately supervised and controlled.

Board

The size and composition of the Board is determined by the Shareholders, subject to the Company MOI, applicable legislation and regulatory requirements and the King Code. The Board consists of 2 Executive Directors and 7 non-Executive Directors (excluding Peter Hayward-Butt as the alternate Director), 4 of whom are independent. In accordance with the Board Charter, the Board composition reflects a majority of non-Executive Directors. Pursuant to the abovementioned composition and the policies set out in the Board Charter, no Director has unfettered powers of decision-making.

The Board's responsibilities include providing the Group with clear strategic direction, ensuring that there is adequate succession planning at senior levels, reviewing operational performance and management, reviewing policies and processes which seek to ensure the integrity of the Group's risk management and internal controls.

The Board is ultimately responsible for the management of the Group's business, strategy and key policies and for the financial performance of the Group. The Board is also responsible for approving the Company's financial objectives and targets. In addition, it is the Board's responsibility to ensure compliance with all statutory and regulatory requirements, and in particular, the Companies Act and the JSE Listings Requirements.

The Board determines and approves, from time to time, the levels of authority for the CEO and the various members of Senior Management and the Audit and Risk Committee monitors compliance with these levels of authority. The non-Executive Directors bring an independent view to the Board's decision-making. None of the Directors has a fixed term of appointment and one-third of the non-Executive Directors (or if their number is not three or a multiple thereof, then the number nearest to but not less than one third) are subject, by rotation, to retirement and re-election by Shareholders at least every annual general meeting, in accordance with the Company MOI. Any non-Executive Director whose term of office exceeds nine years will be subject to an annual review by the Board, taking into account his or her performance and independence and a statement as to such Director's independence will be included in the integrated report of the Company. The mandatory retirement age for non-Executive Directors will be 75 years, at which time the Director shall vacate office at the end of the financial year in which that Director turns 75 years old, unless the Board, in its discretion, decides otherwise.

Each Director will be identified and selected by the Board for nomination to Shareholders, as assisted by the Remuneration and Nomination Committee and with reference to the Company's broad Board diversity policy. the recommendation of which shall be subject to final approval by the Board. Directors shall be appointed and removed in accordance with the applicable provisions of the Company MOI, the Companies Act and any other applicable law or regulatory provision.

The Board will comprise a balance of non-Executive Directors and Executive Directors with a majority of non-Executive Directors. The Board will further comprise an appropriate mix of knowledge, skills, experience, diversity and independence to provide the necessary breadth and depth of knowledge and experience to meet the Board's responsibilities and objectives objectively and efficiently, which will annually be assessed by the chairperson of the Board in consultation with the Remuneration and Nomination Committee. The Remuneration and Nomination Committee will follow a transparent and formal process in recommending suitable candidates for the Board's consideration.

The Board should have a minimum of two Executive Directors, being the CEO and the CFO, to ensure that the Board has more than one point of direct interaction with management. The Board will meet as often as required, but at least four times annually. Information relevant to a meeting must be supplied on a timely basis to the Board, ensuring Directors can make informed decisions. The Directors have unrestricted access to information about the Company and its Senior Management and, where appropriate, may seek independent advice on matters within the Board's mandate, at the Company's expense.

Directors and members of Board committees must recuse themselves from discussions and decisions in which they have an interest and the processes as set out in the Companies Act regarding conflicts of interest should be followed.

Board committees

As provided for in the Company MOI and the Board Charter, the Board is supported and assisted by the Audit and Risk Committee, the Remuneration and Nomination Committee, and the Social and Ethics Committee, which have clear mandates and oversight responsibility for various aspects of the Business. The responsibilities delegated to each committee are formally documented in the terms of reference for that committee, which have been approved by the Board and are reviewed at least annually. The current composition of each of the committees is set out below.

Audit and Risk Committee

The Audit and Risk Committee is chaired by Harish Ramsumer, an independent non-Executive Director, and its other members are Rolf Hartmann, a non-Executive Director and Jonathan Matthews, a non-Executive Director. As both Rolf Hartmann and Jonathan Matthews are employed by Ethos, the investment advisor to Brait, the Board intends for Faith Nondumiso Khanyile to replace Jonathan Matthews to provide a different perspective to the Audit and Risk Committee.

Each of the Audit and Risk Committee members have been confirmed as appropriately qualified with sufficient experience and expertise to serve on the Audit and Risk Committee.

Section 94(4)(b) of the Companies Act requires that each member of the Audit and Risk Committee must not be: (i) involved in the day-to-day management of the Company's business or have been so involved at any time during the previous financial year; (ii) a prescribed officer or full-time employee, of the company or another related or inter-related company, or have been such an officer or employee at any time during the previous three financial years; or (iii) a material supplier or customer of the Company such that a reasonable and informed third party would conclude in the circumstances that the integrity, impartiality or objectivity of that director is compromised by that relationship. None of Harish Ramsumer, Rolf Hartmann, Jonathan Matthews or Faith Nondumiso Khanyile falls within any of the restrictions contemplated in section 94(4)(b).

Although Rolf Hartmann has been a Board member for some time, the Board conducted an assessment of his independence and are of the view that he exercises objective judgement and is unlikely to be unduly influenced or biased in decision-making by virtue of any position, association or relationship which he holds. Through his lengthy involvement with the Group, he can make a positive contribution to the Group's performance by being a member of the Audit and Risk Committee. The Audit and Risk Committee is responsible for performing the functions required of it in terms of section 94(7) of the Companies Act. These functions include: (i) nominating and appointing the Company's auditors and ensuring that such auditors are independent of the Company; (ii) determining the auditors' fees and terms of engagement; (iii) ensuring that the appointment of the auditors complies with the provisions of the Companies Act and any other relevant legislation; (iv) determining, from time to time, the nature and extent of non-audit services to be provided by the Company's auditors and to pre-approve any agreement in respect of such services; (v) preparing a report to be included in the annual report of the Company, in compliance with the Companies Act; (vi) dealing with any complaints (whether from within or outside the Company) relating to accounting practices, internal audits of the Company or the content of the Company's financial statements and related matters; and (vii) making submissions to the Board on any matter concerning the Company's accounting policies and financial control.

The non-statutory functions of this committee are to assist the Board in discharging its duties relating to the safeguarding of the assets of Premier, the operation of adequate systems, the formulation of internal controls and control processes and the review and preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards and addressing statutory and regulatory issues, including the nomination for appointment, removal and replacement of the external auditors, with the appointment being subject to the approval by Shareholders at the next annual general meeting. With regard to risk, this committee is to assist the Board to ensure that: (i) the Company has implemented relevant risk management processes that will enhance Premier's ability to achieve its strategic objectives; and (ii) the Company's disclosure regarding risk is comprehensive, timely and relevant.

The Audit and Risk Committee shall normally invite the CEO, the CFO, managers responsible for finance, the head of internal audit and the external audit partners to attend meetings and to make proposals as necessary and may invite the Chairperson of the Board to all Audit and Risk Committee meetings.

The Audit and Risk Committee reviews the expertise, experience and performance of the CFO, Fritz Grobbelaar (who is a full-time Director), annually and reports on whether or not it is satisfied therewith. The Audit and Risk Committee confirms this review by reporting to the Shareholders in the annual report of the Company that it has executed this responsibility. The Audit and Risk Committee has determined that it is satisfied with Fritz Grobbelaar's current expertise, experience and performance as Premier's CFO in the last reporting period. In addition, the Audit and Risk Committee reviews and reports on the expertise, resources and experience of the Company's finance function.

The Audit and Risk Committee meets a quarterly each year. Ad hoc meetings are held to consider special business, as required.

The Company has established appropriate financial reporting procedures, which includes financial reporting procedures of all entities included in the Group IFRS financial statements, to ensure that it has access to all the financial information of the Company to allow the Company to effectively prepare and report on the financial statements of the Company.

The Company has requested the prescribed information in terms of paragraph 22.15(h) of the JSE Listings Requirements from PwC in order to assess its suitability for appointment and that of the designated individual partner prior to Admission.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is chaired by Rolf Hartmann, a non-Executive Director and its other members are Cornelius Johannes Roodt (chairperson of the Board), an independent non-Executive Director and Iaan van Heerden. Jacobus Johannes Gertenbach (the CEO) and Fritz Grobbelaar (the CFO) attend by invitation.

The Board conducted an assessment and determined that it is comfortable for Rolf Hartmann to chair the Remuneration and Nomination Committee as he has extensive knowledge of the business of the Group and his ongoing involvement in the Remuneration and Nomination Committee will be beneficial to the Group from a continuity perspective.

This committee meets at least twice a year prior to scheduled meetings of the Board. The Remuneration and Nomination Committee's responsibilities are to (i) independently review and monitor the integrity of the Group's remuneration policies and implementation thereof; (ii) ensure that the Company remunerates fairly, responsibly and transparently; and (iii) ensure compliance with the statutory duties of the committee as contained in relevant legislation.

In fulfilment of these responsibilities, the Remuneration and Nomination Committee's functions include (i) reviewing executive remuneration and benefits, (ii) ensuring the Directors and Senior Management are fairly and responsibly rewarded for their individual contributions to the Group's overall performance, (iii) reviewing and approving the remuneration for the CEO, CFO and the Senior Management, (iv) reviewing and approving the remuneration and annual salary increase of the Group's company secretary, (v) evaluating the Group's remuneration and benefit competitiveness, (vi) reviewing and approving the overall annual increase pool awarded to the Group employees and monitoring the annual overall salary percentage increases of Senior Management and lower level employees, (vii) approving employment agreements, offers of employment as well as severance agreements for the CEO and the executive leadership team, (viii) reviewing and monitoring the implementation of the Group's incentive, benefits and/or equity-based remuneration plans, and making recommendations to the Board with respect to new incentive, benefits and/or equity-based remuneration plans, (ix) reviewing the potential risk in respect of the Group's remuneration and benefit programmes and policies, (x) annually evaluating and monitoring the Group's remuneration philosophy and practices, (xi) actively engaging with Shareholders on concerns raised in the event the remuneration policy or implementation report, or both, receive an "against" vote of 25% or more of the voting rights exercised at any Shareholders' meeting, and (xii) considering and making recommendations on Board appointments and the diversity profile of the Board.

The Remuneration and Nomination Committee shall recommend the remuneration to be paid to Board members who are non-Executive Directors of the Company for approval by the Shareholders.
The Remuneration and Nomination Committee shall review annually and make recommendations to the Board on the remuneration of non-Executive Directors for approval by the Shareholders, for a period of two years from the date of the general meeting where the remuneration is approved or until such time as the non-Executive Directors' remuneration is amended by way of special resolution of Shareholders, whichever comes first.

The remuneration policy and the implementation report shall be tabled every year for separate non-binding advisory votes by Shareholders of the Company at the annual general meeting. The remuneration policy records the measures that the Board of Directors of the Company commits to take in the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised. In order to give effect to the minimum measures referred to in the King Code, in the event that either the remuneration policy or the implementation report, or both are voted against by Shareholders exercising 25% or more of the voting rights exercised, the Company must in its voting results announcement provide for the following:

a) an invitation to dissenting Shareholders to engage with the Company; and

b) the manner and timing of such engagement.

Social and Ethics Committee

The Social and Ethics Committee is chaired by Wandile Sihlobo, an independent non-Executive Director, and its other members are Rolf Hartmann, and Jonathan Matthews, both non-Executive Directors. The chairpersons of the Remuneration and Nomination Committee shall be a member of the Social and Ethics Committee. Cornelius Johannes Roodt (chairperson of the Board) attends by invitation.

This committee meets at least twice a year prior to scheduled meetings of the Board.

The primary function of the committee is that of monitoring the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice with regard to matters relating to (i) social and economic development, (ii) good corporate citizenship, (iii) the environment, health and public safety, including the impact of the company's activities and of its products or services, (iv) consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws; and (v) labour and employment.

The Social and Ethics Committee of the Company has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act and confirms that there are no instances of material non-compliance to disclose.

Conflicts of interest

In dealing with conflicts of interest, legislation will apply in the first instance. Members of the Board will comply with the Group's Conflicts of Interest Policy, which must be approved by the Board. Directors are obliged to disclose in a timely manner all direct or indirect conflicting and personal financial interests that are held by them and their related and inter-related persons as contemplated in section 2 and section 75 of the Companies Act. Full disclosures should be made in writing and be submitted to the Group's company secretary who will submit it to the Board at the first subsequent Board meeting thereafter. Enduring material conflicts of interest are regarded by the Board as incompatible with the fiduciary duties of Directors.

Any possible conflict of interest shall at all times be declared (in the manner prescribed by law, if applicable, and in the Company MOI as soon as a Director becomes aware of the conflict (and in any event prior to the consideration of the matter to which the conflict relates, at any Board meeting)) and the Director concerned shall not participate in a discussion or vote on the subject matter and will leave the meeting immediately after making the requisite disclosure. In particular, declarations of conflicts involving Board members are submitted to the Remuneration and Nomination Committee for consideration.

Company secretary

Retha Stoltz is an admitted attorney and holds an LLB degree from the University of South Africa and post-graduate diplomas in commercial law from the University of Johannesburg and the University of the Witwatersrand. She is a suitably qualified, competent and experienced company secretary and is appropriately empowered to fulfil her duties with regard to assistance to the Board. The Board is responsible for recommending a suitable candidate for appointment as the company secretary and reviews the competence, qualifications and experience of the company secretary annually and reports on whether or not it is satisfied therewith. The Board has determined that it is satisfied with the company secretary's competence, qualifications, experience, independence and suitability.

The company secretary of the Company is required to provide the Directors, collectively and individually, with guidance as to their duties, responsibilities and powers. The company secretary is also required to ensure that the Directors are aware of all laws and legislation relevant to, or affecting, the Company and to report to the Board any failure on the part of the Company or a Director to comply with the Company MOI, the Group governance framework or other applicable legislation and regulatory requirements. The company secretary acts as an adviser to the Board and plays a pivotal role in ensuring compliance with statutory regulations and the Group governance framework, the induction of new Directors, tabling information on relevant regulatory and legislative changes, and giving guidance to the Directors regarding their duties and responsibilities.

The company secretary is not a Director of the Company and, the Board having specifically considered the matter, has an arm's length relationship with the Board (and this has been the case prior to the Admission), who can also remove the company secretary from office, in accordance with the recommended practice of the King Code. The company secretary assists the Board with the appointment, induction and training of Directors, provides guidance to the Boards' duties and good governance and ensures that Board and Board committee charters are kept up to date. The company secretary prepares and circulates Board papers and assists with obtaining responses, input and feedback for Board and Board committee meetings. Assistance is also provided with regard to the preparation and finalisation of Board and Board committee agendas based on annual work plan requirements. The company secretary assists with the annual evaluations of the Board, Board committees and individual Directors.

The company secretary must certify in the Group's annual financial statements whether the Group has filed required returns and notices in terms of the Companies Act, and whether all such returns and notices appear to be true, correct and up to date, and ensure that a copy of the Group's annual financial statements is sent, in accordance with the Companies Act, to every person who is entitled to it.

The company secretary is also required to ensure that there are minutes of all Shareholders' meetings, and that Directors' meetings and any committee meetings of the Directors are properly recorded in accordance with sections 24(3)(d) and (e) and section 73 of the Companies Act.

Shareholders' communication

In all communications with Shareholders, the Board aims to present a balanced and understandable assessment of the Group's position. This is done through adhering to principles of openness and substance over form and striving to address material matters of significant interest and concern to all Shareholders. The Company will prepare, and distribute to Shareholders, an annual integrated report, as a primary form of communication with Shareholders, in accordance with applicable law.

The Board will encourage Shareholders' attendance at general meetings, and, where appropriate, will provide full and understandable explanations of the effects of resolutions to be proposed. Subject to the applicable law, communication with institutional Shareholders and investment analysts will be maintained through periodic presentations of financial results, one-on-one visits, trading statements and press announcements of interim and year-end results, as well as the proactive dissemination of any information considered relevant to Shareholders and in adherence to the JSE Listings Requirements.

The Board will use its best endeavours to familiarise itself with issues of concern to its relevant stakeholders and should strive to achieve the appropriate balance between the legitimate interests and expectations of the various relevant stakeholder groupings, in its decision-making in the best interests of the Company.

PART IX– PRESENTATION OF FINANCIAL INFORMATION

PRESENTATION OF FINANCIAL INFORMATION

This Pre-listing Statement includes Consolidated Historical Financial Information for the three years ended 31 March 2022 and for the six months ended 30 September 2021 and 30 September 2022, the Independent Report Accountant's reports on the Consolidated Historical Financial Information for the three years ended 31 March 2022 and for the six months ended 30 September 2022, *Pro Forma* Financial Information and the Independent Reporting Accountant's report on the *Pro Forma* Financial Information.

The historical financial information and *pro forma* financial information, in respect of which Independent Reporting Accountant's reports have been issued are attached as "ANNEXE 2 – Independent Reporting Accountant's Audit Report on the Consolidated Financial Information for the Three Financial Years ended 31 March 2022", "ANNEXE 4 – Independent Reporting Accountant's Review Report on the Condensed Consolidated Interim Information for the Six Months ended 30 September 2022" and "ANNEXE 6 – Independent Reporting Accountants Report on the *Pro Forma* Financial Information".

The historical financial information in the Pre-listing Statement is prepared in compliance with IFRS and Interpretations of those standards, as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council.

The Group publishes its financial statements in Rand. All references to "South African Rand", "Rand", "ZAR", "R" or "cents" are to the lawful currency of South Africa. All references to "€", "euro" or "EUR", are to the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the treaty establishing the European Community, as amended. All references to "$", "U.S. Dollars", "US$" or "Dollars" are to the lawful currency of the United States.

Certain financial information presented in this Pre-listing Statement, including in a number of tables, has been rounded to the nearest whole number or the nearest decimal place. Therefore, when presented in a table, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this Pre-listing Statement reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

END-USER, MARKET AND INDUSTRY INFORMATION

Unless the source is otherwise stated, the market, economic and industry data in this Pre-listing Statement constitute the Directors' estimates, using underlying data from independent third parties. The Company has obtained market data and certain industry forecasts used in this Pre-listing Statement from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications, including publications and data compiled by market research provider Euromonitor.

The Company confirms that all third-party data contained in this Pre-listing Statement has been accurately reproduced and, so far as the Company is aware and able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where third-party information has been used in this Pre-listing Statement, the source of such information has been identified.

Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. Similarly, internal surveys, estimates and market research, while believed to be reliable, have not been independently verified, and the Company does not make any representation as to the accuracy of such information and/or the veracity or appropriateness of research methodology, findings or information.

PART X – DIVIDENDS AND DIVIDEND POLICY

Unless otherwise agreed to by the Shareholders in writing, the Company shall, after taking into account all funding requirements and investments that the Board believes may be required for the purposes of maintenance capital expenditure, as set out in the approved budget of the Company for the relevant financial year, declare and pay such dividends (if any) as the Board in its sole discretion may determine from time to time.

The Board recognises the importance of maintaining a consistent dividend policy and will endeavour to avoid volatile swings in the dividend profile by ensuring high-quality medium-term strategic and financial planning.

Premier is targeting a pay-out ratio of 30% to 60% (2.0x to 2.5x times cover) of diluted headline earnings per share from continuing operations considering its targeted leverage ratio (Net Debt/ EBITDA) of approximately 1.5x by the end of FY2025, as well as its cash generation and growth aspirations.

Premier's current intention is to declare a maiden dividend in 2024 post the release of FY2024 full year financial results, to be paid out of retained earnings.

Notwithstanding the above, inflationary and input cost pressures resulting from the current global macroeconomic environment has necessitated Premier to invest in its working capital cycle and, depending on the length of time over which commodity and fuel prices remain at elevated levels, Premier may need to retain flexibility to redirect its cash resources towards operations as required.

As such, the quantum, timing and frequency of future dividends will be at the sole discretion of the Board and will be a function of the profitability and cash resources, investment required in the working capital cycle, pricing and volatility of commodity pricing, targeted growth opportunities and overall strategy of Premier.

All unclaimed dividends or other distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that dividends unclaimed for a period of three years from the date they were declared may be forfeited for the benefit of the Company. There is no fixed date on which entitlement arises and the date of payment will be determined by the Board at the time of declaration, subject to the JSE Listings Requirements. There are no current arrangements under which future dividends are waived or agreed to be waived. Relevant extracts of the Company MOI relating to dividends are set out in "ANNEXE 12 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary".

In terms of South African law, the Company will be entitled to pay a dividend or other distribution to the Shareholders subject to the "solvency and liquidity" test set out in the Companies Act being met and the Company being permitted to do so in terms of the Company MOI.

The Company may revise its dividend policy from time to time.

PART XI – INCORPORATION AND SHARE CAPITAL

INCORPORATION

The Company was registered and incorporated in South Africa on 31 May 2007 under the Companies Act, 1973 as a private company with registration number 2007/016008/07. It was converted from a private company to a public company with effect from 6 June 2022 with registration number 2007/016008/06.

The registered office and head office of the Company is Building 5, Maxwell Office Park, Magwa Crescent West, Waterfall, 2090. There has been no material change in the business or trading objects of the Company since incorporation.

SHARES OF THE COMPANY

Upon incorporation, the authorised share capital of the Company was 4,000 ordinary shares with a par value of ZAR1 each. There have been no consolidations of the securities of the Company since incorporation. On 3 December 2007, the Company's authorised shares were sub-divided, resulting in a total of 500,000 authorised Shares with a par value of ZAR0.01 each.

The following alterations to the Company's share capital have taken place during the three years preceding the Last Practicable Date:

- On 30 September 2020, the Company's authorised shares were amended by creating 25,000 A Ordinary Shares.
- On 25 March 2022, the Company's authorised shares were amended by increasing its authorised Ordinary Shares from 500,000 to 1,000,000 Ordinary Shares.
- On 20 April 2022, the Company's authorised shares were amended by creating 50,000 A1 Ordinary Shares.
- On 20 April 2022, the Company amended the terms of its A Ordinary Shares in order to make provision for holders of A Ordinary Shares to receive cash dividends.
- On 10 August 2022:
  - the Company amended the terms of its A Ordinary Shares and A1 Ordinary Shares to prevent a dilution of the A Ordinary Shares and A1 Ordinary Shares as a result of subdivision of the Company's authorised and issued share capital in a ratio of 200:1. Share terms further amended to make provision for holders of A and A1 Ordinary Shares to receive distributions instead of cash dividends. The details of these share terms are summarised under "SHARE TERMS" below.
  - 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; and
  - the Company's preference shares were cancelled.

As part of the B-BBEE Restructuring, the Ordinary Shares were converted from par value to no par value on 22 March 2022. Accordingly, the entire share capital of the Company is no par value, and the Company does not have a share premium account. Each issued security shall rank *pari passu* in respect of all rights with every other issued security of the same class.

No Shares are, or on the Admission Date are expected to be, held in treasury by the Group.

Under the terms of the Company MOI, the rights of the holders of Shares may be varied only by way of a special resolution of such Shareholders.

Share capital

The authorised and issued share capital of the Company on the Last Practicable Date are as follows:

Authorised share capital on Last Practicable Date	**Issued share capital on Last Practicable Date**
200,000,000 Ordinary Shares	128,905,800 Ordinary Shares
25,000 A Ordinary Shares	15,457 A Ordinary Shares
50,000 A1 Ordinary Shares	23,060 A1 Ordinary Shares

As at the Last Practicable Date, no other class of security is listed on any stock exchange.

The Company has no founders shares or deferred shares.

DESCRIPTION OF SECURITIES

Set out in "ANNEXE 12 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary" are extracts of the relevant provisions of the Company MOI, setting out:

- consents necessary for the variation of rights attaching to Shares;
- voting rights of the Shares;
- rights to dividends, profits or capital or any other rights of the Shares; and
- control over the issue or disposal of the authorised but unissued Shares.

There are no preferential conversion or exchange rights of the Shares, other than the conversion rights applicable to the A Ordinary Shares and A1 Ordinary Shares, which conversion rights are summarised in the "Share Terms", below.

OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES

The Company is not party to any contract or arrangement (or proposed contract or arrangement), whereby an option or preferential right of any kind is (or is proposed to be) given to any person to subscribe for any securities in the Company.

COMMISSIONS, DISCOUNTS, BROKERAGES OR SPECIAL TERMS

No commissions, discounts, brokerages or other special terms have been granted during the three years immediately prior to the Last Practicable Date in connection with the issue or sale of any securities, stock or debentures in the capital of the Company.

AUTHORISATIONS

On 6 June 2022 certain written resolutions were duly passed by Shareholders in accordance with article 17 of the Company's existing memorandum of incorporation, in terms of which, *inter alia*, the Company was converted from a private to a public company.

At a general meeting of the Company duly convened and held at Johannesburg on 11 November 2022 certain resolutions were duly passed by Shareholders, including:

- subsequent to JSE approval, adopting the Company MOI;
- approving the non-Executive Directors' fees;
- authorising, by way of a general authority contemplated in paragraph 5.72 of the JSE Listings Requirements read with section 48 of the Companies Act, the repurchase by the Company or a Subsidiary/Subsidiaries thereof of Ordinary Shares issued by the Company, subject to a maximum of 5% of the issued Ordinary Shares of the Company and compliance with the applicable provisions of the JSE Listings Requirements and the Companies Act; and
- authorising the Company to provide financial assistance, as contemplated by sections 44 and/or 45 of the Companies Act, generally.

SECURITIES ISSUED OR TO BE ISSUED OTHER THAN FOR CASH

Other than in terms of the B-BBEE Restructuring (see "PART VII – B-BBEE Restructuring"), no shares or securities have been issued, within the three years preceding the Last Practicable Date, by the Company other than for cash.

PREVIOUS OFFERS AND ISSUES

Set out below is a summary of the issues or offers of securities of the Company during the three years preceding the Last Practicable Date:

- On 30 September 2020:
  - 145 Ordinary Shares were issued to the TNI Trust for an aggregate subscription price of ZAR1,000,500 at ZAR6,900 per share;
  - 966 A Ordinary Shares were issued to the TNI Trust for an aggregate subscription price of ZAR999,810 at ZAR1,035 per share;
  - 145 Ordinary Shares were issued to Jacobus Johannes Gertenbach for an aggregate subscription price of ZAR1,000,500 at ZAR6,900 per share;
  - 5,797 A Ordinary Shares were issued to Jacobus Johannes Gertenbach for an aggregate subscription price of ZAR5,999,895 at ZAR1,035 per share;
  - 72 Ordinary Shares were issued to Joel Daniel Simpson for an aggregate subscription price of ZAR496,800 at ZAR6,900 per share;
  - 1,932 A Ordinary Shares were issued to Joel Daniel Simpson for an aggregate subscription price of ZAR1,999,620 at ZAR1,035 per share;
  - 1,449 A Ordinary Shares were issued to Arnouw Stefanus van der Schyf for an aggregate subscription price of ZAR1,499,715 at ZAR1,035 per share;

- 1,449 A Ordinary Shares were issued to Siobhan Mary O'Sullivan for an aggregate subscription price of ZAR1,499,715 at ZAR1,035 per share;
- 72 Ordinary Shares were issued to Gavin John Campbell for an aggregate subscription price of ZAR496,800 at ZAR6,900 per share;
- 1,932 A Ordinary Shares were issued to Gavin John Campbell for an aggregate subscription price of 1,999,620 at ZAR1,035 per share.

- On 26 August 2021:
  - 46 Ordinary Shares were issued to Fritz Grobbelaar for an aggregate subscription price of ZAR494,822 at ZAR10,757 per share; and
  - 1,932 A Ordinary Shares were issued to Fritz Grobbelaar for an aggregate subscription price of ZAR8,751,960 at ZAR4,530 per share.
- On 4 May 2022, Brait converted its preference shares held in the Company into 122,521 Ordinary Shares;
- On 6 May 2022, the Company issued 102,165 Ordinary Shares to Brait in exchange for disposal by Brait of the shareholder loan owed to it by Premier FMCG to the Company, for a purchase consideration of ZAR1,492,390,000.
- On 22 June 2022:
  - 87 Ordinary Shares were issued to Julian Singonzo for an aggregate subscription price of ZAR1,270,896 at ZAR14,608 per share;
  - 83 Ordinary Shares were issued to Anastasia Sodalay for an aggregate subscription price of ZAR1,212,464 at ZAR14,608 per share.
- On 24 June 2022:
  - 1,470 A1 Ordinary Shares were issued to TNI Trust for an aggregate subscription price of ZAR14.70 at ZAR0.01 per share;
  - 5,730 A1 Ordinary Shares were issued to Johannes Jacobus Gertenbach for an aggregate subscription price of ZAR57.30 at ZAR0.01 per share;
  - 2,000 A1 Ordinary Shares were issued to Fritz Grobbelaar for an aggregate subscription price of ZAR20.00 at ZAR0.01 per share;
  - 2,610 A1 Ordinary Shares were issued to Joel Daniel Simpson for an aggregate subscription price of ZAR26.10 at ZAR0.01 per share;
  - 2,610 A1 Ordinary Shares were issued to Gavin John Campbell for an aggregate subscription price of ZAR26.10 at ZAR0.01 per share;
  - 2,120 A1 Ordinary Shares were issued to Siobhan Mary O'Sullivan for an aggregate subscription price of ZAR21.20 at ZAR0.01 per share;
  - 2,120 A1 Ordinary Shares were issued to Arnouw Stefanus van der Schyf for an aggregate subscription price of ZAR21.20 at ZAR0.01 per share;
  - 780 A1 Ordinary Shares were issued to Sarel Francois Germishuizen for an aggregate subscription price of ZAR7.80 at ZAR0.01 per share;
  - 1,800 A1 Ordinary Shares were issued to Julian Singonzo for an aggregate subscription price of ZAR18.00 at ZAR0.01 per share;
  - 1,820 A1 Ordinary Shares were issued to Anastasia Sodalay for an aggregate subscription price of ZAR18.20 at ZAR0.01 per share;

Set out below is a summary of the issues or offers of securities of the Major Subsidiary during the three years preceding the Last Practicable Date:

- On 6 May 2022, 100,000 "A" preference shares were issued by the Major Subsidiary to the Company for an aggregate subscription price of ZAR6,638,886,000 at ZAR66.388.86 per share.

All Shares were issued at fair value. Shares were not issued to all securities holders in proportion to their holdings. Identified members of management of the Major Subsidiary were chosen to participate in the future growth of the Company (**"Incentive Scheme"**). In order to facilitate this participation, the Company MOI was amended to create A Ordinary Shares and A1 Ordinary Shares. At the same time as this Incentive Scheme was put in place, management were also provided with the opportunity to subscribe for Ordinary Shares at fair value.

Other than as set out above, there have been no issues or offers for subscription or sale of any Shares or any other securities during the three years preceding the Last Practicable Date by:

- the Company;
- the Company's Major Subsidiary; and/or
- by any Subsidiary where such issues or offers were material to the Company.

Other than the repurchase by the Company of its Ordinary Shares from Premier FMCG for a nominal repurchase consideration, which took place on 31 March 2022, there have been no repurchases of any Shares or any other securities during the three years preceding the Last Practicable Date by:

- the Company;
- the Company's Major Subsidiary; and/or
- by any subsidiary where such repurchases were material to the Company.

SHARE TERMS

Ordinary Shares

Each Ordinary Share in the issued share capital of the Company entitles its holder to:

- be entered into the securities register as the registered holder of an Ordinary Share;
- exercise one vote for every Ordinary Share at every general meeting or annual general meeting, in person or by proxy, on any matter to be decided by Shareholders of the Company (other than matters which are, in terms of the Company MOI or the Companies Act, to be decided solely by the holders of any other class/es of Share(s));
- participate equally with every other Ordinary Share in any distribution (except for payment in lieu of a capitalisation share and any consideration payable by the Company for any of its own shares or for any shares of another company within the same group as contemplated in section 8.1 a(ii) and 8.1 a(iii) of the definition of distribution in the Companies Act) to holders of Ordinary Shares, whether during the existence of the Company or upon its dissolution.

A Ordinary Shares

The A Ordinary Shares have been issued to members of Premier's Senior Management Team in order to incentivise management, by allowing them to participate in the future growth of the Company, until 1 April 2027. The issue of the A Ordinary Shares was not made as part of an ongoing, dilutive share incentive scheme but a 'once off' issue of unlisted shares which are convertible into listed Ordinary Shares in certain circumstances, as set out below.

Upon liquidation of the Company, each A Ordinary Share shall entitle its holder to receive a portion of the net assets of the Company calculated as the portion determined by dividing the net assets by the aggregate number of issued A1 Ordinary Shares, A Ordinary Shares and Ordinary Shares and reducing the portion attributable to the A Ordinary Shares by the notional vendor financing loan ("**NVF Loan"**) per A Ordinary Share (and if the NVF Loan equals or exceeds the net assets that would otherwise have been attributable to such A Ordinary Shares, the holder of such A Ordinary Share shall not share in the net assets).

The NVF Loan in respect of an A Ordinary Share at any date shall be an amount equal to 85% of the Ordinary Share market value on the date on which the A Ordinary Shares are issued plus notional interest thereon which shall accrue daily at prime minus 1% from the date of issue until the conversion date and shall be calculated, capitalised and compounded monthly in arrears.

Each A Ordinary Share confers on its holder the right to receive a cash distribution to be calculated in accordance with the following formula, on each date on which a distribution is authorised by the Board to the holders of Ordinary Shares:

W = (X x Y)/Z

where:

W the cash distribution to be declared and paid in respect of each A Ordinary Share on the distribution date;

X the number of Ordinary Shares that the A Ordinary Shares would automatically convert into, determined, if the distribution date was the conversion date;

Y the total cash distribution to be declared and paid by the Company on the distribution date per Ordinary Share, with the number of Ordinary Shares for purposes of this calculation including the total number of Ordinary Shares that the A Ordinary Shares and A1 Ordinary Shares would automatically convert into if the distribution date was the conversion date, and

Z the total number of "A" Ordinary Shares in issue as at the distribution date.

Each A Ordinary Share Distribution is payable in cash.

The A Ordinary Share terms set out a formula for determining the market value of the A Ordinary Shares at any given date, which formula is as follows:

A = B – C

where:

A the market value per A Ordinary Share;

B the market value of an Ordinary Share at the measurement date (**Ordinary Share Market Value**) which shall be the latest published Brait valuation if the Company remains unlisted or the 7-day volume weighted average share price if Premier is listed on the JSE or any other recognised exchange. In the event of a dispute, the market value of an Ordinary Share shall be determined by an independent valuer (**Independent Valuer**) appointed by agreement between the Board and the relevant holder of A Ordinary Shares), or failing agreement within five business days, appointed by the Company's auditors, provided that in the event of an "NVF Trigger Event": (i) an acquisition by any person other than Brait or Titan (or their respective related persons) of the ability to exercise more than 35% of the voting rights in Premier; or (ii) the disposal of the Group's business and assets to a *bona fide* third party in circumstances requiring shareholder approval in terms of section 112 of the Companies Act, the Ordinary Share Market Value shall be determined with reference to the equity value applicable to such "NVF Trigger Event" divided by the number of Ordinary Shares in issue; and

C the NVF loan amount per A Ordinary Share at the measurement date.

However, the A Ordinary Share terms stipulate that the Ordinary Share Market Value is as defined in "B" in the formula above, provided that if an "Additional Ordinary Shares Issue Event" (defined as an event whereby the Company has undertaken a subdivision of its Ordinary Share capital) has occurred in respect of the A Ordinary Share, the Ordinary Share Market Value shall, strictly for the purpose of determining the market value of the applicable A Ordinary Share in accordance with the above formula, be divided by the "A Ordinary Share Ratio" (defined as the ratio determined by way of dividing the total number of issued Ordinary Shares immediately before the Additional Ordinary Share Issue Event by the total number of issued Ordinary Shares immediately after the Additional Ordinary Share Issue Event).

On 1 April 2027 (or if such date is not a business day, on the immediately following business day) or, if earlier, on the business day immediately preceding the date of (i) implementation of an acquisition by any person other than Brait or Titan (or their respective related persons) of the ability to exercise more than 35% of the voting rights in Premier; or (ii) the disposal of the Group's business and assets to a *bona fide* third party in circumstances requiring shareholder approval in terms of section 112 of the Companies Act., each A Ordinary Share shall automatically convert into such number of Ordinary Shares as is to be determined with reference to the market value of the A Ordinary Share against the Ordinary Share market value. Immediately after conversion, each A Ordinary Share shall rank *pari passu* with each Ordinary Share in every respect and all the provisions of the Company MOI applicable to the Ordinary Shares shall apply.

Each holder of A Ordinary Shares shall be entitled to receive notice of, and to be present at, and the Company shall be obliged to give notice to each holder of A Ordinary Shares of, any general meeting of the Company. However, no holder of A Ordinary Shares shall (in its capacity as such) be entitled to vote, either in person, by representation or by proxy, at any such meeting, unless a resolution of the Company is proposed which affects the preferences, rights, limitations and other terms associated with the A Ordinary Shares. At every general meeting and adjourned general meeting of the Company at which holders of A Ordinary Shares are present and entitled to vote on a matter, the provisions of the Company MOI relating to general meetings shall apply *mutatis mutandis,* all resolutions put to the meeting shall be voted on a show of hands unless a poll is demanded by the chairman, and subject to the provisions of section 37 of the Companies Act, each A Ordinary Share shall carry one vote.

The rights, privileges and restriction attaching to each A Ordinary Share may only be amended by way of a special resolution of the holders of Ordinary Shares adopted in terms of the provisions of the Company MOI and section 37(3)(a) of the Companies Act and the prior written consent of the holders of A Ordinary Shares.

If a holder of A Ordinary Shares wishes to dispose of their A Ordinary Shares, they must deliver to the Board a written offer to dispose of the A Ordinary Shares which shall specify the terms and conditions of the proposed disposal. The Board shall act as agent to procure the sale in accordance with the procedures set out in the A Ordinary Share terms.

A1 Ordinary Shares

The A1 Ordinary Shares were created following the cession of the Brait shareholder loan and the conversion of the preference shares in May 2022 (see "PART VII – B-BBEE Restructuring"), which resulted in the issue of Ordinary Shares to Brait and dilution of other Shareholders in order to rebalance the economics intended through the issue of the A Ordinary Shares to management the Group. The issue of the A1 Ordinary Shares was not made as part of an ongoing, dilutive share incentive scheme but a 'once off' issue of unlisted shares which are convertible into listed Ordinary Shares in certain circumstances, as set out below.

The A1 Ordinary Share terms are the same as the A Ordinary Share terms, including in respect of rights to dividends, voting rights, conversion rights and rights on liquidation of the Company, except that the

A1 Ordinary Share terms make reference to an "NVF A1 Loan" as opposed to the NVF Loan referred to in the A Ordinary Shares, which is defined as an amount equal to the Ordinary Share market value on the date on which the A Ordinary Shares are issued plus notional interest thereon which shall accrue daily at prime minus 1% from the date of issue until the conversion date and shall be calculated, capitalised and compounded monthly in arrears.

SHAREHOLDING

Major and controlling Shareholders

As at the Last Practicable Date, to the best of the Directors' knowledge and belief, the following Shareholders have beneficial interests in 5% or more of the issued Shares of the Company:

Shareholder name	% of Ordinary Shares held	Number of Ordinary Shares held
Brait	98.9%	127,557,600
Total	**99%**	**127,557,600**

Shareholder name	% of A Ordinary Shares held	Number of A Ordinary Shares held
JJ Gertenbach	37.5%	5,797
F Grobbelaar	12.5%	1,932
JD Simpson	12.5%	1,932
GJ Campbell	12.5%	1,932
SM O'Sullivan	9.4%	1,449
AS Van Der Schyf	9.4%	1,449
TNI Trust (Tjaart Kruger (previous CEO of Premier) is a beneficiary of the TNI Trust)	6.2%	966
Total	**100%**	**15,457**

Shareholder name	% of A1 Ordinary Shares held	Number of A1 Ordinary Shares held
JJ Gertenbach	24.8%	5,730
F Grobbelaar	8.7%	2,000
JD Simpson	11.3%	2,610
GJ Campbell	11.3%	2,610
SM O'Sullivan	9.2%	2,120
AS Van Der Schyf	9.2%	2,120
J Singonzo	7.8%	1,800
A Sodalay	7.9%	1,820
TNI Trust (Tjaart Kruger (previous CEO of Premier) is a beneficiary of the TNI Trust)	6.4%	1,470
Total	**96.6%**	**23,060**

As at the Last Practicable Date, Brait was the controlling Shareholder of the Company.

As at Admission, assuming that the Offer is taken up in full and the Overallotment Option is exercised, Brait will hold 60,667,968 Ordinary Shares, constituting 47.1% of the issued Ordinary Shares. Titan will hold 24,184,658 Ordinary Shares, constituting 18.8% of the issued Ordinary Shares and, pursuant to the Cession of Voting Rights Agreement, will hold voting rights to an additional 17.0% of the Ordinary Shares and so, in aggregate, Titan will hold 35.8% of the voting rights to the Ordinary Shares.

PART XII – TAXATION

*The following summary describes certain tax consequences in connection with the acquisition, ownership and disposal of Shares. This summary is based on the current provisions of the Income Tax Act, and the prevailing practice adopted by the South African Revenue Service (“**SARS**”) published in writing prior to the date hereof. In the case of persons who are Non-residents of South Africa for income tax purposes, this summary should be read in conjunction with the provisions of any applicable double tax agreement between South Africa and their country of residence. The summary is intended as a general guide only and is not comprehensive or determinative and should not be regarded as tax advice. Accordingly, if you are in any doubt about your tax position you should consult an appropriate independent professional adviser.*

SOUTH AFRICAN TAXATION

Taxation issues

The following is a summary of the material South African tax consequences in connection with the acquisition, ownership and disposal of Offer Shares. The following summary is not a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, purchase, own or dispose of the Offer Shares and does not cover tax consequences that depend upon your particular tax circumstances or jurisdictions outside of South Africa. This summary is only a general discussion, and it is not a substitute for tax advice.

The discussion in this section is based on current South African law. Changes in the law may alter the tax treatment of the Offer Shares, as applicable, possibly on a retrospective basis. It is recommended that you consult your own tax adviser about the consequences of purchasing, holding, disposing of the Offer Shares, as applicable, in your particular situation.

Residence-based system of taxation

South Africa applies a residence-based system of taxation in terms of which residents of South Africa are taxed on their world-wide income including capital gains, whereas non-residents are taxed only on income and certain capital gains sourced in South Africa.

Individuals

An individual will be a resident of South Africa for tax purposes if:

- such individual is “ordinarily resident” in South Africa. This term is not defined in the Income Tax Act and therefore its meaning is determined according to guidelines established by the Courts. Generally, a person’s ordinary residence will be “the country to which he would naturally and as a matter of course return from his wanderings; as contrasted with other lands it might be called his usual or principal residence and it would be described more aptly than other countries as his real home”; or
- the requirements of the physical presence test are met. This is determined with reference to the number of days spent by the individual in South Africa over a successive six-year period. In order to trigger residency, the person must be physically present in South Africa for more than 91 days in aggregate during the relevant year of assessment as well as for more than 91 days in aggregate during each of the five years of assessment preceding such year of assessment. In addition, the person must have been physically present in South Africa for more than 915 days in aggregate during those five preceding years of assessment. If the person is physically outside South Africa for a continuous period of at least 330 full days, the person will be deemed not to be a resident from the day on which the person so ceased to be physically present in South Africa.

A person’s residence status for exchange control purposes may be different to that person’s residence status for tax purposes.

Legal persons (company, close corporation and trust)

As regards legal persons, a resident is defined in the Income Tax Act as any person which is incorporated, established or formed in South Africa or which has its place of effective management in South Africa. “Place of effective management” is not a defined concept. However, reference can be made to “Income Tax Interpretation Note: No 6 (issue 2) – Resident: Place of Effective Management (Companies)” issued on 3 November 2015 which details the approach that may be adopted by the South African Revenue Service to the interpretation of the concept. Accordingly, a company’s “place of effective management” is the place where key management and commercial decisions that are necessary for the conduct of its business as a whole are in substance made. This interpretation is consistent with the OECD’s commentary on the term.

General proviso regarding treaty resident persons

The Income Tax Act excludes from the definition of resident all persons (legal or natural) that are deemed to be exclusively resident in another country in terms of the application of an agreement for the avoidance of double taxation to which South Africa is a party.

Dividend definition

A dividend is broadly defined as meaning any amount transferred or applied by a company that is a resident for the benefit or on behalf of any person in respect of any share in that company, whether that amount is transferred or applied: (i) by way of a distribution made by; or (ii) as consideration for the acquisition of any share in, that company. However, a dividend does not include any amount so transferred or applied to the extent that the amount so transferred or applied (i) results in a reduction of the contributed tax capital of the company, (ii) constitutes shares in the company, or (iii) constitutes a general repurchase by the company of its shares listed on the JSE.

Contributed tax capital, in its basic form, will comprise amounts received by or accrued to a company as consideration for the issue of a particular class of its shares. This would therefore typically be share capital and share premium (excluding any portion thereof which comprises capitalised reserves).

Dividend income

Dividends declared by a South African company are generally exempt from income tax in the hands of the recipient, but there are various anti-avoidance provisions and other specific provisions that deny the income tax exemption in relation to certain dividends with the result that they are treated as ordinary income. The position of non-resident Shareholders will depend on the tax legislation applicable to them.

Dividends Tax

Dividends tax in South Africa ("**Dividends Tax**") is a withholding tax that is levied on the payment of any amount by way of a dividend, subject to certain exemptions. Dividends Tax is triggered by the payment of a dividend and is levied at the rate of 20%. While the company paying the dividend has the obligation to withhold the Dividends Tax, the liability for the tax is that of the beneficial owner of the dividend.

There are various exemptions available in respect of Dividends Tax, subject to meeting administrative formalities within prescribed timeframes. The most notable exemption is in respect of dividends paid to a beneficial owner that is a South African resident company, pension fund or provident fund. An exception to this general principle is where a dividend consists of a distribution in specie, resulting in the liability for the Dividends Tax falling on the company itself, which means that it may not withhold the tax from the dividend payment.

Furthermore, where a dividend is paid to a non-resident of South Africa, the rate of Dividends Tax may be reduced to as low as 0% under the provisions of an applicable double taxation treaty, subject to meeting administrative formalities within prescribed timeframes.

Disposal of Shares

The disposal of the Offer Shares will give rise to either a capital or revenue receipt or accrual in the hands of the taxpayer. As dealt with further below, capital gains are subject to a lower effective tax rate than revenue amounts. This is because only a portion (the inclusion amount) of a capital gain is included in a taxpayer's taxable income and then subjected to normal income tax.

In determining whether the amount derived from the disposal of such Offer Shares is of a capital or revenue nature, regard should be had to section 9C of the Income Tax Act, which in general deems any amounts received or accrued from the disposal of shares to be capital in nature if the taxpayer immediately prior to such disposal had been the owner of that share for a continuous period of at least three years, subject to certain exclusions.

Where section 9C is not applicable to particular shares, then the capital or revenue nature of the amount derived from the disposal of the shares must be determined by applying the common law tests that the South African courts have formulated, among other things, the intention of the holder of the shares in acquiring, holding and disposing of the shares. Profits derived from the disposal of South African shares held as long-term investments are generally regarded as profits of a capital nature.

Subject to certain relief under double taxation agreements, if a non-resident Shareholder trades in South African shares, such non-resident Shareholder could be subject to South African income tax if the proceeds from the disposal are from a South African source, which would be the case if the asset (Share) is attributable to a permanent establishment of that non-resident in South Africa.

Capital Gains Tax

Residents of South Africa are subject to tax on capital gains as levied in accordance with the Income Tax Act ("**CGT**") in respect of gains made on the disposal of their world-wide assets.

Non-residents (subject to potential relief under double taxation agreement) will incur a liability for CGT only in relation to the disposal of certain assets, namely immovable property situated in South Africa, assets of a South African permanent establishment or if the non-residents hold at least 20% of the shares in a South African company where 80% or more of the market value of the assets of that company are attributable to South African immovable property.

Tax rates

The following table sets out the normal income tax rates applicable to certain taxpayers, the prescribed portion of a capital gain that would be included in a taxpayer's taxable income, and, consequently, the effective rate at which capital gains are taxed.

Type of taxpayer	Statutory income tax rate on taxable income	Prescribed portion of the capital gain included in taxable income	Maximum effective rate on capital gains
Individuals	max marginal rate of 45%	40%	18%
Special trusts	max marginal rate of 45%	40%	18%
Trusts (other than special trusts)	45%	80%	36%
Companies (prior to change in rate)	28%	80%	22.4%

Corporate tax

For some companies, the corporate tax rate is presently 28% of taxable income. The corporate tax rate for companies with years of assessments ending on or after 31 March 2023 will be reduced to 27% and the effective capital gains tax rate will be 21.6%.

Securities transfer tax

The Shares will be listed on the JSE. Securities Transfer Tax is imposed in respect of the transfer of listed shares (including the cancellation or redemption of a share) at the rate of 0.25% of the taxable amount of such shares being the higher of the market value or consideration given for the shares, determined in terms of the STT Act, 25 of 2007 (as amended). The definition of "transfer" excludes the issue of a share and hence no Securities Transfer Tax is payable on the issue of a share.

PART XIII – EXCHANGE CONTROL

Exchange controls are imposed on South African residents in terms of the Exchange Control Regulations. FinSurv is responsible for the day-to-day administration of the exchange controls. FinSurv has a wide discretion which discretion is, however, not exercised arbitrarily but is based upon a set of norms and is subject to the policy guidelines laid down by the Minister of Finance, Director General, Finance, and SARB. The Exchange Control Regulations and the Currency and Exchanges Manual for Authorised Dealers are collectively referred to as "**Exchange Control Rules**" herein.

Certain South African banks have been appointed to act as authorised dealers (as defined by the Exchange Control Rules) in foreign exchange (each an **"Authorised Dealer"**). Authorised Dealers may buy and sell foreign exchange, subject to conditions and within limits prescribed by FinSurv.

The Authorised Dealers are also required to assist FinSurv to administer the Exchange Control Rules. All applications to FinSurv are required to be made through an authorised dealer. The Currency and Exchanges Manual for Authorised Dealers sets out the conditions, permissions and limits applicable to the transactions in foreign exchange which may be undertaken by authorised dealers, as well as details of related administrative responsibilities.

The Exchange Control Rules provide for restrictions on exporting capital from the CMA (comprising South Africa, the Republic of Namibia, the Kingdom of Lesotho and the Kingdom of eSwatini). Transactions between residents of the CMA, on the one hand, and corporations and persons whose normal place of residence, domicile or registration is outside of the CMA, on the other hand, are subject to these Exchange Control Rules.

Currency and shares are not freely transferable from South Africa to any jurisdiction outside the geographical borders of South Africa or jurisdictions outside of the CMA. These transfers must comply with the Exchange Control Rules as described below. The Exchange Control Rules also regulate the acquisition by former residents and non-residents of the Offer Shares.

A non-resident may purchase the Offer Shares. All payments in respect of purchases of Shares by non-residents must be made through an authorised dealer in foreign exchange. Such non-residents should seek advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable an application to be made in response to delivered Offer Shares.

Share certificates issued in respect of Offer Shares purchased by non-residents will be endorsed "non-resident" in accordance with the Exchange Control Rules. Holders of Uncertificated Shares will have their statements endorsed "non-resident" and their accounts at their CSDP or broker annotated accordingly.

Provided that the relevant share certificate is endorsed "non-resident" or the relevant account of the Shareholder at the CSDP or broker is annotated accordingly, there is no restriction under the Exchange Control Rules on the payment to a non-resident Shareholder of cash dividends from the distributable profits of the Company in proportion to the Shareholder's percentage holding of Offer Shares (**"Cash Dividends"**). Payments to non-resident Shareholders of other dividends and distributions by the Company (including special dividends, dividends in specie and capitalisation issues) require the consent of FinSurv.

Cash Dividends and any proceeds from the sale of Offer Shares by non-resident Shareholders may be freely transferred out of South Africa, subject to being converted into a currency other than Rand or paid for the credit of a non-resident Rand account.

The Company is not, and does not expect to be immediately after Admission, an affected person for the purposes of the Exchange Control Regulations. The Company will be an affected person if 75% or more of its voting power, capital or earnings is, directly or indirectly, controlled by non-residents. If the Company becomes an affected person, Cash Dividends may be freely paid to non-residents as described above, provided that the payment will not cause the Company to be placed in an over-borrowed position in terms of the Exchange Control Regulations.

Exchange Control Regulations

The following summary is intended as a guide, and is therefore not comprehensive. Shareholders who have any queries regarding the appropriate action should contact their own professional advisers without delay.

In terms of the Exchange Control Regulations and as defined in the Currency and Exchanges Manual for Authorised Dealers:

- "resident" means any person (i.e. a natural person or legal entity) who has taken up permanent residence, is domiciled or registered in South Africa. For the purpose of the Authorised Dealer Manual, this excludes any approved offshore investments held by South African residents outside the CMA. However, such entities are still subject to exchange control rules and the Exchange Control Regulations; and
- non-resident means a person, (i.e. a natural person or a legal entity) whose normal place of residence, domicile or registration is outside the CMA; and

In the case of a natural person any person that has permanently left South Africa before 26 February 2021, or who has been living abroad for 5 (five) or more years, including an immigrant that holds a permanent residence permit but opted not to obtain a barcoded South African ID, will be deemed non-resident with an obligation to update their South African Revenue Service (SARS) profile within 12 months.

The tax residency status will determine how domestic assets are treated in the cases of residents who have ceased tax residency.

Shareholders who are uncertain as to whether they are residents, non-residents or South African non-tax residents (emigrants), are advised to approach their relevant Authorised Dealer if they left the country prior to 01 March 2021 if subsequent to that date SARS to request confirmation.

South African non-tax residents (emigrants)

Any share certificates that may be issued by the Company to South African non-tax residents will be endorsed "non-resident" in accordance with the Exchange Control Regulations.

In respect of South African residents who formally emigrated prior to 1 March 2021, Uncertificated Shares and/or securities will be credited directly to their emigrant share accounts at the CSDP or Broker controlling their remaining portfolios and an appropriate electronic entry will be made in the relevant register reflecting a "non-resident" endorsement. The CSDP or Broker will ensure that the emigrant adheres to the Exchange Control Regulations.

Any Offer Shares and/or securities issued in Certificated Form, Cash Dividends and residual cash payments based on emigrants' Offer Shares and/or securities controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their assets. Elections by emigrants must be made through the authorised dealer in foreign exchange controlling their assets, pursuant to formalising the Shareholder's emigration prior to 1 March 2021.

Residents outside of the CMA

Any share certificates that may be issued by the Company to non-residents of the CMA will be endorsed "non-resident" in accordance with the Exchange Control Regulations.

Uncertificated Shares and/or securities will be credited directly to their non-resident share accounts at the CSDP or Broker controlling their portfolios and an appropriate electronic entry will be made in the relevant register reflecting a "non-resident" endorsement. The CSDP or Broker will ensure that the non-resident adheres to the Exchange Control Regulations.

Cash Dividends and residual cash payments due to non-residents are freely transferable from South Africa, subject to being converted into a currency other than Rand or paid for the credit of a non-resident Rand account.

SARB approval for the Offer and Admission

The Admission and the issuance of the Pre-listing Statement has been approved by the Company's Authorised Dealer in terms of the Currency and Exchanges Manual for Authorised Dealers.

PART XIV – SELLING RESTRICTIONS

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Ordinary Shares. This section should be read together with the "Important Information" section of this Pre-listing Statement.

THIS PRE-LISTING STATEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION OR REQUIRE PREMIER (AS DEFINED BELOW) TO TAKE ANY FURTHER ACTION.

No action has been taken or will be taken in any jurisdiction by the Company, Brait or the Joint Bookrunners that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Pre-listing Statement or any other material relating to the Company or the Offer Shares, in any jurisdiction where action for that purpose is required. Accordingly, no Offer Shares may be offered or sold directly or indirectly, and neither this Pre-listing Statement nor any other Offer material or advertisements in connection with the Offer Shares may be distributed or published, in or from any jurisdiction except in compliance with any applicable laws and regulations of any such jurisdiction. Persons into whose possession this Pre-listing Statement comes should inform themselves about and observe any such restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws or regulations of any such jurisdictions.

If an investor receives a copy of this Pre-listing Statement, the investor may not treat this Pre-listing Statement as constituting an invitation or offer to the investor of the Offer Shares, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if the investor receives a copy of this Pre-listing Statement or any other Offer materials or advertisements, the investor should not distribute the same in or into, or send the same to any person in, any jurisdiction where to do so would or might contravene local securities laws or regulations.

If an investor forwards this Pre-listing Statement or any other Offer materials or advertisements into any such jurisdictions (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this section.

Subject to the specific restrictions described below, investors (including, without limitation, any investors' nominees and trustees) wishing to accept, sell, or purchase Offer Shares must satisfy themselves as to full observance of the applicable laws and regulations of any relevant jurisdiction, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdictions.

Investors who are in any doubt as to whether they are eligible to purchase, or subscribe for, Offer Shares should consult their professional adviser without delay.

None of the Company, Brait or the Joint Bookrunners accepts any legal responsibility for any violation by any person, whether or not a prospective investor in any of the Offer Shares, of any such restrictions.

This Pre-listing Statement is not for distribution, directly or indirectly, in or into Australia, Canada, Japan or the United States (including its territories and dependencies, any state of the United States and the District of Columbia), or for the account or benefit of, U.S. persons (as defined in Regulation S under the US Securities Act).

Notice to investors in South Africa

This Pre-listing Statement does not, nor does it intend to, constitute a "registered prospectus" or "advertisement", as contemplated by the Companies Act; and no prospectus has been filed with CIPC in respect of the Offer. As a result, this Pre-listing Statement does not comply with the substance and form requirements for a prospectus set out in the Companies Act, and has not been approved by, and/or registered with, CIPC. The Company's Authorised Dealer and the JSE have approved this Pre-listing Statement. The Company's Authorised Dealer has also approved the listing of the Ordinary Shares on the Main Board of the JSE.

The information contained in this Pre-listing Statement constitutes factual information as contemplated in Section 1(3)(a) of the FAIS Act and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Ordinary Shares or in relation to the business or future investments of the Group is appropriate to the particular investment objectives, financial situations or needs of a prospective investor, and nothing in this Pre-listing Statement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. The Group is not a financial services provider licensed as such under the South African FAIS Act.

Notice to investors in member states of the EEA

This Pre-listing Statement has been prepared on the basis that all offers of the Offer Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the EEA, from the requirement to produce a prospectus for offers of the Offer Shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which are the subject of the private placement contemplated in this Pre-listing Statement should only do so in circumstances in which no obligation arises for the Company, or the Joint Bookrunners to produce a prospectus for such offer. Neither the Company, nor the Joint Bookrunners have authorised, nor do they authorise, the making of any offer of Offer Shares through any financial intermediary, other than offers made by the Joint Bookrunners that constitute the final placement of Offer Shares contemplated in this Pre-listing Statement.

In relation to each Relevant Member State, an offer to the public of any Offer Shares which is the subject of the Offer contemplated by this Pre-listing Statement may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Offer Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- by the Joint Bookrunners to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Sponsor; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall require the Company or the Joint Bookrunners to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this legal notice, the expression an “offer to the public” in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Notice to investors in the United Kingdom

In the United Kingdom, this Pre-listing Statement has not been approved by an authorised person and is directed only at, and addressed solely to, persons who: (i) are qualified investors, as defined in the Prospectus Directive, who have professional experience in matters relating to investments and who fall within Article 19(5) of the “Order” and/or are high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (ii) persons to whom it may otherwise be lawfully communicated (all such persons together being referred to as “Relevant Persons”). This Pre-listing Statement is directed only at Relevant Persons and must not be acted on or relied upon in the United Kingdom by persons who are not Relevant Persons. Any investment or investment activity to which this Pre-listing Statement relates is available in the United Kingdom only to Relevant Persons and will be engaged in only with such persons.

Notice to investors in the United States

The Offer is not being made, and the Offer Shares are not being offered, in the USA. The Offer Shares are being offered and sold only outside the USA in reliance upon Regulation S and have not been, nor will they be, registered under the US Securities Act, or any securities laws of any state of, or other jurisdiction in, the USA. This Pre-listing Statement may not be distributed or forwarded in or into the USA. The Offer Shares have not been recommended, approved or disapproved by the US Securities and Exchange Commission, any other federal or any state securities commission in the USA or any other USA regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offer Shares nor the accuracy or adequacy of this Pre-listing Statement. Any representation to the contrary is a criminal offence in the USA.

Notice to investors in Affected Jurisdictions

This document constitutes a Pre-listing Statement and has been prepared in accordance with the JSE Listings Requirements in connection with the Admission and the Offer. There is no offer to the public (or a section thereof) and the Offer referred to in this Pre-listing Statement, which comprises an Offer for Sale by Brait to the offerees to whom the Offer will specifically be addressed, does not constitute, nor is it intended to constitute, a public offering in any jurisdiction and is only addressed to persons to whom the Offer may lawfully be made. In addition, this document is not a prospectus, or an advertisement in relation to the any offer to the public, and has not and will not be registered as a prospectus or registered at all with the CIPC or with any regulator in any other jurisdiction.

The Offer will only be made (i) to offerees, who, subject to certain conditions, comprise selected institutional investors in South Africa (within the ambit of section 96(1)(a) of the Companies Act) and (ii) to selected persons in South Africa in respect of whom the total contemplated acquisition cost for Offer Shares is not less than ZAR1 000 000 per single addressee acting as principal (within the ambit of section 96(1)(b) of the Companies Act), and to selected institutional investors to whom the Offer may be specifically addressed and only by whom the Offer will be capable of acceptance in other jurisdictions outside the United States in offshore transactions, as defined in and in reliance on, Regulation S. The Offer and the distribution or possession of this Pre-listing Statement in jurisdictions other than South Africa may be restricted by law, and a failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this Pre-listing Statement and the Offer do not constitute an offer to issue or sell, or a solicitation of an offer to subscribe for or purchase, any securities in or from any jurisdiction in which such offer or solicitation would be unlawful, including, without limitation, in or from any Affected Jurisdiction. To the extent that this Pre-listing Statement may be sent to any Affected Jurisdiction, it is provided for information purposes only. Persons in Affected Jurisdictions may not accept the Offer. No person accepting the Offer should use the mail of any such Affected Jurisdiction nor any other means, instrumentality or facility in such Affected Jurisdiction for any purpose, directly or indirectly, relating to the Offer. The Company reserves the right, but shall not be obliged, to treat as invalid any transfer of Offer Shares, which appears to the Company or its advisers or agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction (including any Affected Jurisdiction); or if the Company believes (in its discretion) or its advisers or agents believe that the same may violate applicable legal or regulatory requirements; or if the Company believes (in its discretion) that it is prohibited or unduly onerous or impractical to transfer any Offer Shares to any persons in any jurisdiction outside South Africa. Persons into whose possession this Pre-listing Statement comes, including persons in Affected Jurisdictions, must inform themselves about and observe any such restrictions. Save as specifically set out herein, no actions have been taken, including, without limitation, obtaining any approvals, authorisations or exemptions, that would permit a public offering of Offer Shares to occur outside South Africa. Prospective investors, including persons in Affected Jurisdictions, should not treat the contents of this Pre-listing Statement as advice relating to legal, taxation, investment or any other matters and should consult their own professional advisers concerning the consequences of their acquiring, holding or disposing of Offer Shares.

PART XV – ADDITIONAL INFORMATION

RESPONSIBILITY

The directors of the Company, whose names are set out in "PART VIII – Directors, Senior Management and Corporate Governance" of this Pre-listing Statement, collectively and individually accept full responsibility for the accuracy of the information given in this Pre-listing Statement and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Pre-listing Statement false or misleading, confirm that they have made all reasonable enquiries in this regard and confirm that this Pre-listing Statement contains all information required by the JSE Listings Requirements and by law.

SUMMARY OF THE COMPANY MOI AND CERTAIN EXPLANATORY STATEMENTS IN RESPECT OF APPLICABLE LAW AND REGULATION AFFECTING SHAREHOLDERS

The information below contains a summary of the Company MOI and certain explanatory statements in respect of applicable law and regulations affecting Shareholders. The information below, as well as the extracts of the Company MOI set out in "ANNEXE 12 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary" do not constitute legal advice, and do not purport to be exhaustive of Shareholders' rights in terms of applicable law and have been inserted for Shareholders' information purposes only.

The Company MOI, adopted by a special resolution of the Company passed on 11 November 2022, contains, *inter alia*, provisions to the following effect:

Powers

Section 19(1)(b) of the Companies Act provides that a company has the powers and capacity of a natural person or individual of full capacity except to the extent that a juristic person is incapable of exercising any such power, or having any such capacity, unless the Company MOI provides otherwise. There are no restrictions on the powers or objects of the Company in the Company MOI and they are therefore unrestricted. The Company MOI does not contain any special conditions applicable to the Company as contemplated in section 15(2)(b) or (c) of the Companies Act. No special resolution contemplated in section 20(2) or section 20(6) of the Companies Act to ratify any action which is contrary to the JSE Listings Requirements shall be proposed to the Shareholders unless otherwise agreed by the JSE.

Rights attaching to shares

The Ordinary Share, A Ordinary Share and A1 Ordinary Share terms detailed in the Company MOI set out the voting rights applicable to each class of Share.

At a meeting of shareholders, voting may either be by show of hands or by polling (as decided by the chairperson, subject to the rights, preferences and limitations applicable to the relevant class of Shares), provided that if the Companies Act or the notice convening the meeting requires a particular motion to be voted on by polling, it shall not be competent for voting on such motion to be conducted by show of hands. Any person who is present at the meeting, whether as a Shareholder or as a proxy for a Shareholder or as representative of a Shareholder, shall be entitled, on a show of hands, to one vote, irrespective of the number of voting rights that the Shareholder or proxy or representative would otherwise be entitled to exercise, and on a poll, to exercise the number of voting rights associated with the Shares held by such Shareholder, which voting rights shall be determined in accordance with the preferences, rights, limitations and other terms of the Shares, as set out in the Company MOI. In accordance with section 63(7) of the Companies Act, a polled vote must be held on any particular matter to be voted on at a meeting if a demand for such a vote is made by- (a) at least five persons having the right to vote on that matter, either as a Shareholder or a proxy representing a Shareholder; or (b) a person who is, or persons who together are, entitled, as a Shareholder or proxy representing a Shareholder, to exercise at least 10% of the voting rights entitled to be voted on that matter.

A Shareholder may, at any time by written proxy appointment which complies with the Company MOI and the Companies Act, appoint any individual, including an individual who is not a Shareholder of the Company, as a proxy to participate in, and speak and vote at, a Shareholders Meeting on behalf of the Shareholder or to vote on Shareholder resolution.

While any of the Shares are listed on the JSE, the record date for the purposes of determining Shareholder rights (including the right to participate in and vote at a Shareholders' meeting) will be determined in accordance with the JSE Listings Requirements.

Joint holders

Where there are joint registered Shareholders of any Share, any one of such persons may exercise all of the voting rights attached to that Share at any meeting, either personally or by proxy, as if he were solely entitled thereto. If more than one of such joint holders are present at any meeting, the person present whose name stands first in the securities register of the Company in respect of such Share shall alone be entitled to vote in respect thereof. The Company is entitled to refuse to register more than five persons as the joint holders of a Share.

Distributions

Subject to the provisions of the Companies Act and the Company MOI, the Board may declare any distributions that are payable to Shareholders registered at a date which shall be after the date of declaration or the date of confirmation of the dividend, whichever is the later, and which is a date after the date of publication of the announcement of the declaration of the dividend or date of confirmation of the dividend, whichever is the later.

Unless otherwise agreed to by the Shareholders in writing, the Company shall, after taking into account all funding requirements and investments that the Board believes may be required for the purposes of maintenance capital expenditure, as set out in the approved budget of the Company for the relevant financial year, declare and pay such dividends (if any) as the Board in its sole discretion may determine from time to time.

The Board shall endeavour to avoid volatile swings in the dividend profile by ensuring high-quality medium-term strategic and financial planning.

All distributions shall comply with the JSE Listings Requirements.

No repayment of capital to a Shareholder may be made on the basis that such repaid capital may again be called up again by the Company.

Any distribution:

- which is unclaimed, must be retained by the Company in trust until claimed by the Shareholder concerned, subject to the applicable laws of prescription;
- shall not bear interest against the Company,

provided that any dividends or other distributions that remain unclaimed for a period of three years from the date they were declared may be forfeited for the benefit of the Company. There is no fixed date on which entitlement arises and the date of payment will be determined by the Board at the time of declaration, subject to the JSE Listings Requirements.

Issue of Shares

Any Ordinary Resolution or Special Resolution required by any other provision of article 10 of the Company MOI may authorise the Directors to issue unissued Shares, and/or grant options to subscribe for unissued Shares as the Directors in their discretion may deem fit, provided that such corporate action(s) has/have been approved by the JSE and are subject to the JSE Listings Requirements.

Notwithstanding anything in article 10 of the Company MOI to the contrary, the Board's authority to issue unissued Shares shall only be limited by the provisions of the Companies Act and the JSE Listings Requirements.

Variation of rights

The Company MOI may be altered or amended in the manner set out set out in section 16, 17 or 152(6)(b) of the Companies Act, subject to the provisions contemplated in section 16(1)(c) of the Companies Act, provided that:

- for as long as the Ordinary Shares are listed on the JSE any amendment must be submitted to the JSE for approval before such amendments are submitted to the relevant Shareholders for approval;
- any amendment to the Company MOI must be approved by a special resolution of the holders of Ordinary Shares, save if such an amendment is ordered by a court in terms of section 16(1)(a) and 16(4) of the Companies Act;
- if there is more than one class of Shares in issue, and if the amendment relates to the variation of any preferences, rights, limitations and/or any other class of Shares in issue other than the Ordinary Shares, such amendment must first be approved by a special resolution by the holders of the Shares in that class at a separate meeting of such Shareholders, prior to the abovementioned approval. In the circumstances contemplated above, the holders of the relevant Shares shall in addition be allowed to vote at the general meeting or annual general meeting of the holders of the Ordinary Shares at which the amendment is proposed. However, the holders of any securities other than the Ordinary Shares and any special shares created for the purposes of black economic empowerment (special shares) shall not be entitled to vote on any resolution taken by the Company save as expressly provided for in the Company MOI. For so long as this is required by the JSE Listings Requirements, in instances where Shareholders other than holders of Ordinary Shares and holders of special shares are allowed to vote at general meetings or annual general meetings, their votes may not carry any special rights or privileges and they shall be entitled to one vote for each share that they hold, provided their total voting rights at a general meeting or annual general meeting may not exceed 24.99% of the total voting rights of all Shareholders at such meeting. For purposes of clarity and as provided in section 37(3)(a) of the Companies Act, the holders of the A Ordinary Shares and/or A1 Ordinary Shares shall not be entitled to vote, either in person, by representation or by

proxy, at any meeting of Shareholders unless a resolution of the Company is proposed which affects the preferences, rights, limitations or other terms associated with the A Ordinary Shares or A1 Ordinary Shares respectively;

- the preferences, rights, limitations or any other terms of any class of Shares must not be varied in response to any objectively ascertainable external fact or facts as provided for in Sections 37(6) and 37(7) of the Act and the powers of the Board are limited accordingly.

Despite anything to the contrary in the Company MOI, every issued Share has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share.

Disclosure of interests in shares

Section 122(1) of the Companies Act requires a person to notify the Company within three business days after that person acquires a beneficial interest in any class of securities issued by the Company, as a result of which that person holds a beneficial interest amounting to 5% or any whole multiple of 5% of that class of issued securities. A beneficial interest, when used in relation to a company's securities, means the right or entitlement of a person (through ownership, agreement, relationship or otherwise, alone or together with another person) to (i) receive or participate in any distribution in respect of the company's securities, (ii) exercise or cause to be exercised, in the ordinary course, any or all of the rights attaching to the company's securities, or (iii) dispose or direct the disposition of the company's securities, or any part of a distribution in respect of the securities, but excludes any interest held by a person in a unit trust or collective investment scheme in terms of the Collective Investment Schemes Control Act.

In addition, a person must notify the Company if that person disposes of a beneficial interest in a class of securities of the Company, as a result of which that person no longer holds a beneficial interest in securities amounting to a particular multiple of 5% of the issued securities of that class.

The above requirements apply to a person irrespective of whether (i) the person acquires or disposes of any securities directly or indirectly or individually or in concert with any other person or persons, or (ii) that person holds the stipulated percentage of securities alone, or in aggregate together with any related or inter-related person, and any person who has acted in concert with any person.

The Company must file a notice it receives in terms of section 122 of the Companies Act with the TRP and report the information to the holders of the relevant class of securities, unless the notice concerned a disposition of less than 1% of the class of securities. In addition, the JSE Listings Requirements provides that a listed company that has received a notice in terms of section 122 of the Companies Act must, within 48 hours of receipt of such notice, publish the information in the notice on SENS, save in respect of notices received related to a disposal of less than 1% of the relevant class of securities.

General meetings

The Company shall convene annual general meetings of its Shareholders from time to time in accordance with the provisions of the Companies Act and the JSE Listings Requirements.

The Company must deliver notice of each Shareholders meeting to:

- all Shareholders as of the record date for receiving notice of that Shareholders meeting;
- the JSE, at least 15 business says before that Shareholders meeting is to begin; and
- simultaneously with delivery of any such notice, announce such notice through SENS.

A Shareholders' meeting may not begin unless sufficient Shareholders being not less than three in number are present at such meeting who are entitled to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting.

The consideration of matter to be decided at the meeting shall not begin or continue unless sufficient Shareholders (being not less than three in number) are present at the meeting (or represented by proxy) who are entitled to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on that matter.

Directors' appointments, retirements and removals

The Board shall comprise not less than four and not more than 20 Directors.

Subject to the provisions detailed below, the Shareholders shall be entitled at a general meeting of the Company to elect all of the Directors (and 50% of their alternates) for the time being and from time to time, by a separate ordinary resolution with respect to each such Director and each alternate. The Shareholders further have the right to nominate persons for appointment as Directors; but no individual Shareholder has a direct appointment right.

The Board may appoint a person who satisfies the requirements for election as a Director to fill any vacancy and serve as a Director of the Company on a temporary basis until the earlier of the date of the next annual general meeting of the Company and the date on which the vacancy has been filled by election. During that period any person so appointed has all of the powers, functions and duties, and is subject to all of the liabilities, of any other Director of the Company. The Board may also at any time by resolution of the Board terminate the appointment of such a person as Director.

Subject to the Companies Act, the Board may appoint a person who satisfies the requirements for election as a Director to serve as an additional Director of the Company until the date of the next annual general meeting of the Company. During that period any person so appointed has all of the powers, functions and duties, and is subject to all of the liabilities, of any other Director of the Company. The appointment of that person as a Director will terminate at the next annual general meeting of the Company, unless that person is elected as a Director at that annual general meeting. The Board may also at any time by resolution of the Board terminate the appointment of such a person as Director. The Board may nominate such a person for election at such next annual general meeting.

The Board may appoint, from time to time, one or more employees of the Company and/or any subsidiary of the Company as executive Directors of the Company. Such an executive Director shall be appointed on such terms and conditions as to remuneration and otherwise as may be determined from time to time by a disinterested quorum of the Board.

The Directors shall retire from office in accordance with the following provisions:

- the mandatory retirement age for non-Executive Directors shall be 75 years, at which time the Director shall vacate office at the end of the financial year in which that Director turns 75 years old, unless the Board, in its discretion, decides otherwise;
- at each annual general meeting, Directors comprising one third of the aggregate number of Directors (excluding the CEO and any other Director who is an Executive Director) or, if their number is not three or a multiple thereof, then the number nearest to but not less than one third of the aggregate number of Directors (excluding the CEO and any Director who is an Executive Director) shall retire from office;
- the Directors to retire shall exclude any CEO and any Executive Director and shall be 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 unless those Directors agree otherwise between themselves;
- any Director appointed as such by the Directors after the conclusion of the Company's preceding annual general meeting shall retire from office at the conclusion of the annual general meeting held immediately after his appointment unless he is re-elected as a Director at that annual general meeting.

A retiring Director is eligible for re-election and may be re-elected (without having to be nominated for election).

No person other than a retiring Director shall be eligible for election as a Director at any annual general meeting unless the Directors nominate or recommend such person for election in accordance with the Company MOI.

A Director may be employed in any other capacity in the Company or as a Director or employee of a company controlled by or a subsidiary of the Company, on such terms and conditions as to remuneration and otherwise as may be determined from time to time by a disinterested quorum of Directors.

Alternate Director

Provided that the number of alternate Directors appointed by Directors does not, in the aggregate, exceed the number of alternate Directors elected in a general meeting, any Director shall have the power to nominate another Person approved by the Board to act as alternate Director in his place during his absence or inability to act as such Director and on such appointment being made, the alternate Director shall, in all respects, be subject to the terms and conditions existing with reference to the other Directors of the Company. A Person may be appointed as alternate to more than one Director. Where a Person is alternate to more than one Director or where an alternate Director is a Director, he shall have a separate vote, on behalf of each Director he is representing in addition to his own vote, if any.

Directors' meetings

The Board may meet, adjourn and otherwise regulate its meetings as it thinks fit, provided that, in accordance with section 73(2) of the Companies Act, any Director shall be entitled to convene or direct the Person so authorised by the Board to convene a meeting of the Board.

The Directors shall from time to time appoint a Director to act as chairperson of the Board and appoint one or more Directors to act as deputy chairperson/s of the Board, to remove that chairperson or deputy chairperson from his post, with or without nominating a replacement.

The quorum requirement for a meeting of Directors shall be a majority of the total number of Directors then in office. If at any postponed meeting a quorum is not present within 30 minutes after the time appointed for the commencement of that meeting, then, notwithstanding the provisions of section 73(5)(b) of the Companies Act, the Directors present shall be deemed to constitute a quorum and shall be sufficient to vote on any resolution which is tabled at that meeting.

Each Director has one vote on a matter before the Board.

A majority of the votes cast on a resolution is sufficient to approve that resolution and, in the case of a tied vote, the chairperson shall not have a casting vote and the matter being voted on fails.

A resolution that could be voted on at a Board meeting may instead be submitted for consideration to each Director and voted on in writing by Directors entitled to exercise voting rights on that matter. Such a resolution will have been adopted if it has been supported in writing by the requisite majority of the Directors in person who are entitled to exercise voting rights on the resolution proposed (provided that each Director has received notice of the matter to be decided), and, if so adopted, such a resolution will have the same effect as if it had been adopted at a Board meeting.

Directors' interests in contracts

If a Director has a personal financial interest (as contemplated in section 75 read with section 1 of the Companies Act, being a material direct economic interest) in respect of a matter to be considered at a meeting of the Board, or knows that a related person has a personal financial interest in the matter, that Director must disclose the interest and its general nature before the matter is considered at the meeting. The Director must further disclose to the meeting any material information relating to the matter, and known to the Director and may disclose any observations or pertinent insights relating to the matter if requested to do so.

A Director must, if present at a meeting, leave the meeting immediately after making any disclosure of a personal financial interest that the Director or a related person of the Director has and must not take part in the consideration of the matter. While absent from the meeting, the Director will be regarded as being present at the meeting for the purpose of determining whether sufficient Directors are present to constitute the meeting, but will not be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted.

Such a Director must not execute any document on behalf of the Company in relation to the matter unless specifically requested or directed to do so by the Board.

Directors' fees and expenses

The Company may pay remuneration to the Directors for their service as Directors in accordance with a special resolution approved by the Shareholders within the previous two years.

The Directors shall be paid all their travelling, subsistence and other expenses properly incurred by them in in the execution of their duties as Directors (including attending meetings of the Board or of the Board committees), provided that such expenses shall first have been authorised or ratified by the majority of disinterested Directors at a meeting of such Directors at which the majority of such Directors were present.

Any Director who is required to devote special attention to the business of the Company, travel or reside outside the Republic for the purpose of the Company; or otherwise perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director may be paid such extra remuneration or allowances (either in addition to or in substitution for any other remuneration to which he may be entitled to as a Director), as a disinterested quorum of the Board may from time to time determine.

Directors' liabilities

The Company shall be entitled, to the extent permitted in terms of the Companies Act, to advance expenses to a Director and/or directly or indirectly indemnify a Director in respect of the defence of legal proceedings arising out of the Director's service to the Company and to indemnify a Director in respect of any liability. The Company may further purchase insurance to protect a Director against any liability or expenses for which the Company is permitted to indemnify a Director or to protect the Company against any contingency, including any liability for which it may indemnify a Director and any expenses that it is permitted to advance to a Director or for which it is permitted to indemnify a Director.

The same applies, *mutatis mutandis*, in respect of any former Director, any alternate Director, any prescribed officer or a member of any committee of the Board.

Borrowing powers

The Directors may from time to time exercise all of the powers of the Company to borrow for the purposes of the Company such sums as they think fit and to secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of any securities, mortgage or charge upon all or any of the property or assets of the Company.

The Company is obliged to indemnify the Directors against (and pay to each Director, on demand by that Director, the amount of) any loss, liability, damage, cost (including all legal costs reasonably incurred by the Director in dealing with or defending any claim) or expense (**Loss**) which that Director may suffer as a result of any act or omission of that Director in his capacity as a Director; provided that:

- this indemnity shall not extend to any loss:
  - against which the Company is not permitted to indemnify a Director by section 78(6) of the Act; or
  - arising from any gross negligence or recklessness on the part of that Director; or
  - arising from any loss of or damage to reputation; or
  - in the event and to the extent that the Director has recovered or is entitled and able to recover the amount of that Loss in terms of any insurance policy (whether taken out or paid for by the Company or otherwise),

and Directors shall not be entitled to recover the Losses referred to above from the Company. All losses other than those referred to above are referred to herein as **Indemnified Losses**;

- each Director's right to be indemnified by the Company in terms of the MOI shall exist automatically upon his/her becoming a Director and shall endure even after he/she ceases to be a Director until he/she can no longer suffer or incur any Indemnified Loss;
- a Director's right to be indemnified by the Company shall be subject to the terms and conditions prescribed in the insurance policy contemplated above;
- if any claim is made against a Director in respect of any Indemnified Loss, then:
  - the Director shall not admit any liability in respect thereof and the Director shall notify the Company of any such claim within a reasonable time after the Director becomes aware of such claim, in order to enable the Company to contest such claim. Notwithstanding the foregoing provisions, the Company's liability in terms of this indemnity shall not be affected by any failure of the Director to comply with the relevant article in the MOI, save in the event and to the extent that the Company proves that such failure has resulted in the Indemnified Loss being greater than it would have been had the Director complied;
  - the Company shall, at its own expense and with the assistance of its own legal advisers, be entitled to contest any such claim in the name of the Director until finally determined by the highest court to which appeal may be made (or which may review any decision or judgment made or given in relation thereto) or to settle any such claim and shall be entitled to control the proceedings in regard thereto; provided that:
    - the Director shall (at the expense of the Company and, if the Director so requires, with the involvement of the Director's own legal advisers) render to the Company such assistance as the Company may reasonably require of the Director in order to contest such claim;
    - the Company shall regularly, and in any event on demand by the Director, inform the Director fully of the status of the contested claim and furnish the Director with all documents and information relating thereto which may reasonably be requested by the Director;
    - the Company shall consult with the Director prior to taking any major steps in relation to or settling such contested claim and, in particular, before making or agreeing to any announcement or other publicity in relation to such claim;
    - the Company shall not make any admission of wrongdoing on behalf of the Director without the Directors' express consent therefor;
- to the extent that any Indemnified Loss consists of or arises from a claim or potential claim that the Company might otherwise have had against the Director, then the effect of this indemnity shall be to prevent the Company from making such claim against the Director, who shall be immune to such claim, and such claim shall therefore be deemed not to arise;
- if the relevant articles in the MOI relating to indemnification and insurance or Directors are amended at any time, no such amendment shall detract from the rights of the Directors in terms of such articles in respect of any period prior to the date on which the resolution effecting such amendment is adopted by the Shareholders;
- this indemnity shall not detract from any separate indemnity that the Company may Sign in favour of the Director.

Mandatory takeover bids, squeeze-outs and sell-out rules

The Company will be subject to the provisions of Chapter 5 of the Companies Act (which regulates fundamental transactions, takeovers and offers) and the Takeover Regulations, including the provisions regarding mandatory offers, compulsory acquisitions and squeeze outs.

Under section 123 of the Companies Act, if (i) the Company re-acquires any of its voting securities (in terms of a repurchase or a scheme of arrangement) or a person acting alone has (or 2 or more related or inter-related persons, or 2 or more persons acting in concert, have) acquired a beneficial interest in voting rights attached to any securities issued by the Company, such that (ii) before that acquisition a person was (or persons, as contemplated, were) able to exercise less than 35% of the voting rights attached to securities of the Company; and (iii) as a result of that acquisition, together with any other securities of the Company already held by the person (or persons), they are able to exercise at least 35% of all the voting rights attached to securities of the Company, then, within one business day after the date of the acquisition, the person(s) in whom the voting rights vest must give notice to the holders of the remaining securities, offering to acquire any such remaining securities. A written offer to acquire the remaining securities on terms determined in accordance with the Companies Act and the Takeover Regulations must be delivered to the holders of the remaining securities within one month after the notice.

As at the Last Practicable Date all the Shareholders (other than Brait) have consented to the acquisition by Titan and its related parties of more than 35% of the voting rights attached to all securities issued by Premier, and have waived their rights to a mandatory offer. On 3 March 2023, the TRP granted Titan and its related parties an exemption from the obligation to make a mandatory offer in terms of section 119(6) of the Companies Act in relation to its acquisition of more than 35% of the voting rights attached to all securities issued by Premier on account of the Cornerstone Investment and Underwriting Agreement and the Cession of Voting Rights Agreement.

As a consequence of the acquisition by Titan of the Titan Cornerstone Investment Shares, and its acquisition of voting rights from Brait under the Cession of Voting Rights Agreement, from Admission, Titan and its related parties will be entitled to exercise more than 35% of the voting rights attached to all securities issued by Premier.

Investors are advised that Titan and its related parties will not be obliged to make a mandatory offer in terms of section 123 of the Companies Act if they acquire any further Shares following Admission.

Under section 124(1) of the Companies Act, if, within four months after the date of an offer for the acquisition of any class of securities of the Company, that offer has been accepted by the holders of at least 90% of that class of securities, other than any such securities held before the offer by the offeror, a related or inter-related person, or such persons acting in concert, or a nominee or Subsidiary of any such person or persons, then within two months, the offeror may notify the holders of the remaining securities of the class and after giving notice, the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer. Within 30 days after receiving such a notice, a person may apply to court for an order that the offeror is not entitled to acquire the applicant's securities of that class or imposing conditions of acquisition different from those of the original offer.

If an offer for the acquisition of any class of securities of the Company results in the acquisition by the offeror or a nominee or Subsidiary of the offeror, or a related or inter-related person of any of them, individually or in aggregate, of sufficient securities of that class such that, together with any other securities of that class already held by that person, or those persons in aggregate, they then hold at least 90% of the securities of that class, then the offeror must notify the holders of the remaining securities of the class that the offer has been accepted to that extent and within three months after receiving such a notice, a person may demand that the offeror acquire all of the person's securities of the class concerned. The offeror will be entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.

The Company's securities will also be subject to the comparable and partial offer procedures in the Companies Act. Under section 125(2) of the Companies Act, if (i) the Company re-acquires any of its voting securities of a particular class or one or more particular classes (in terms of a repurchase or a scheme of arrangement) and, as a result, a person or a number of related persons hold securities of the Company entitling the person or persons to exercise more than 35% of the general voting rights associated with all the issued securities of the Company, or (ii) a person acting alone, or two or more persons acting in concert, make an offer for any securities of the Company, which, if accepted, could result in a person, or a number of related or inter-related persons holding securities of the Company entitling the person or persons to exercise more than 35% of the general voting rights associated with all issued securities of the Company, that person or those persons acting in concert must make a comparable offer to acquire securities of each class of issued securities of the Company.

Fundamental transactions

The Company will further be subject to the provisions of Chapter 5 of the Companies Act, which regulate fundamental transactions. The fundamental transactions provided for in Part A of Chapter 5 comprise (i) a disposal of all or the greater part of the assets or undertaking of a company, (ii) an amalgamation or merger, and (iii) a scheme of arrangement.

The Company may only dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking or implement an amalgamation or a merger or scheme of arrangement, if the transaction has been approved by a special resolution of the Shareholders in compliance with section 115 of the Companies Act.

Despite a special resolution having been adopted, a fundamental transaction will require court approval if the resolution approving it was opposed by at least 15% of voting rights exercised on the resolution and any person who voted against the resolution demands (within five business days after the vote) that the Company seeks court approval, or, alternatively, where the court grants leave to a person who voted against the resolution to apply for a review of the transaction. If a resolution requires approval by a court, the Company must either apply to the court for approval, bearing the costs of the application, or treat the resolution as a nullity.

The court may set aside such a resolution only if it is manifestly unfair to any class of holders of the Company's securities or if the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Companies Act, the Company MOI or any applicable rules of the Company or any other significant and material procedural irregularity.

In addition, an amalgamation or merger must comply with the requirements under section 113 of the Companies Act, in terms of which (i) the amalgamating or merging parties must enter into a written agreement which sets out the terms and means of effecting the amalgamation or merger and other prescribed matters, (ii) the Board and the board of every other amalgamating or merging company must reasonably believe that each proposed amalgamated or merged company will satisfy the solvency and liquidity test upon implementation of the amalgamation or merger agreement, and (iii) a notice of the amalgamation or merger must be given to every known creditor of the Company.

A scheme of arrangement must comply with the further requirements under section 114 of the Companies Act, in terms of which the Company will be required to appoint an independent expert, who satisfies the requirements in the Companies Act, to prepare a report on the scheme of arrangement to the Board and cause the report to be distributed to all the Shareholders. A scheme of arrangement includes any arrangement between the Company and the holders of any class of its securities, by way of, inter alia, (i) a consolidation of securities of different classes, (ii) a division of securities into different classes, (iii) an expropriation of securities from the holders, (iv) exchanging of any of its securities for other securities, (v) a re-acquisition by the Company of its securities, or (vi) a combination of these methods.

In the event of a disposal of all or the greater part of the assets or undertaking of the Company, the assets must be fairly valued, as calculated in the prescribed manner, as set out in section 112 of the Companies Act.

As long as the Company is a public company it will be a regulated company for purposes of Chapter 5 of the Companies Act and the Takeover Regulations. As a regulated company, the Company may not implement any fundamental transaction as contemplated above, unless the TRP has issued a compliance certificate in respect of the transaction in terms of section 119(4)(b) of the Companies Act or exempted the transaction in terms of section 119(6) of the Companies Act.

Shareholder appraisal rights

If a special resolution to enter into a fundamental transaction, as contemplated above, or to amend the Company MOI is adopted, the holder of any voting rights in the Company is entitled to seek relief in terms of section 164 of the Companies Act if that person (i) notified the Company in advance of the Shareholder's intention to oppose the resolution, (ii) was present at the meeting and voted against that resolution, and (iii) in the case of a resolution amending the Company MOI, holds shares of a class that is materially and adversely affected by the amendment. If a Shareholder complies with the aforementioned requirements and all the procedural requirements, the Shareholder may demand that the Company pay the Shareholder the fair value for all the shares of the Company held by that Shareholder in accordance with section 164 of the Companies Act.

Special resolutions

In terms of section 65(11) of the Companies Act, the Company requires the prior approval of the Shareholders by way of special resolution to:

- amend the Company MOI, to the extent required by the Companies Act, and to ratify a consolidated revision of the Company MOI;
- ratify actions by the Company or the Board in excess of their authority;
- issue shares or securities or grant rights in certain circumstances;
- authorise the Board to grant financial assistance as contemplated in sections 44 and 45 of the Companies Act;
- approve a decision of the Board for a re-acquisition of the Company's shares if (i) any shares are to be acquired by the Company from a Director or prescribed officer, or a person related to a Director or prescribed officer, and (ii) considered alone or together with other transactions in an integrated series of transactions, it involves the acquisition by the Company of more than 5% of the issued shares of any particular class of the Company's shares;
- authorise the basis for compensation to the Directors;
- approve the voluntary winding up of the Company;
- approve an application to transfer the registration of the Company to a foreign jurisdiction;
- approve any proposed fundamental transaction, to the extent required by Part A of Chapter 5 of the Companies Act; or
- revoke a resolution that gave rise to Shareholders' appraisal rights under section 164.

For a special resolution to be approved, it must be supported by at least 75% of the voting rights exercised on the resolution.

INFORMATION ON THE MAJOR SUBSIDIARY

Details of the Company's Major Subsidiary are set out in "ANNEXE 9 – The Major Subsidiary and its Directors".

PRINCIPAL IMMOVABLE PROPERTIES HELD OR OCCUPIED

Details of the principal immovable properties held, occupied or leased by the Company and its Major Subsidiary are set out in "ANNEXE 10 – Principal Immovable Properties Held or Occupied". Except for Fritz Grobbelaar, who is a director of G and C Shelf 115 Proprietary Limited ("**G&C Shelf**") (which is wholly owned by Premier FMCG), none of the Directors has any material interest in any of the immovable properties held, occupied or leased by the Company or its Major Subsidiary. Lease Agreements between G&C Shelf and Premier FMCG are considered to be related party agreements. G&C Shelf is wholly owned by Premier FMCG and both are indirect subsidiaries of Premier. In addition, Fritz Grobbelaar is a director of Premier, Premier FMCG and G&C Shelf.

PROPERTY ACQUIRED OR TO BE ACQUIRED

"ANNEXE 13 – Material Acquisitions and Disposals" sets out the material acquisitions of property by the Company or its Major Subsidiary or by any subsidiary where the acquisitions were material to the Company.

As at the date of this Pre-listing Statement there are no proposed material acquisitions by the Company or its Major Subsidiaries or any other Subsidiary where the acquisition will be material to the Company of any property (as envisaged in the JSE Listings Requirements), and there are no options to acquire any such property.

DISPOSAL OF PROPERTY

The Group has not disposed of any material property in the three years preceding the Last Practicable Date and is not currently contemplating any material disposals.

THIRD PARTY MANAGEMENT

Other than in respect of sales and merchandising in South Africa, transportation for distribution, distributors in Botswana, Namibia, Zambia, Zimbabwe and Malawi, advertising, promotions, communications agencies for brand materials and campaign executive, manufacturers of liners, maxi pads, maternity pads, breast pads, facial wipes, intimate feminine care for SA and manufacturers of full range for Lil-lets UK, the Group does not outsource and procure any functions or services externally to and from third parties. The Group's business, or any part of it, is not managed, or proposed to be managed, by any third party under a contract of management.

MATERIAL COMMITMENTS

Other than as disclosed in the Consolidated Historical Financial Information ("ANNEXE 1 – Consolidated Historical Financial Information for the Three Years ended 31 March 2022" and "ANNEXE 3 – Condensed Consolidated Interim Financial Information for the Six Months ended 30 September 2021 and 30 September 2022"there are no material commitments of the Group as at the Last Practicable Date. The Group has no authorised commitments which are not contracted for.

MATERIAL LEASE PAYMENTS, COMMITMENTS AND CONTINGENT LIABILITIES

Other than as disclosed in "ANNEXE 1 – Consolidated Historical Financial Information for the Three Years ended 31 March 2022" and "ANNEXE 3 – Condensed Consolidated Interim Financial Information for the Six Months ended 30 September 2021 and 30 September 2022" and "ANNEXE 11 – Material Borrowing, Lending and Material Inter-Company Loans" and as set out in the table below, there are material commitments of the Company and the Group as at the Last Practicable Date. There are no material contingent liabilities of the Company and the Group as at the Last Practicable Date.

Details of material borrowings:

Material Commitment	Entity	Amount owing on 31 March 2022 R'000	Date on which obligations arose	To whom obligations owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Maturity date	Nature of any/ all security held
FirstRand Bank Limited – Facility A	Premier FMCG	360,000	9-Dec-19	FirstRand Bank Limited	JIBAR plus 2.35% to 2.85%	Interest is paid quarterly	9-Dec-24	Premier Group Limited: A South African law pledge and cession in securitatem debiti of all the shares, securities and other ownership interests and claims of the Parent in and against any entity (including any member of the Group, but excluding any Dormant Subsidiary for so long as it remains one) from time to time. A South African law cession in securitatem debiti of all the Parent's: • first ranking interests in the claims (present and future) it has or may acquire against any person, including those against its trade debtors, from time to time. • rights, title and interest in and to all bank accounts (including all cash balances standing to the credit of those bank accounts), from time to time; • rights, title and interest in and to all cash and cash equivalent investments held by it; Insurances taken out by or for the benefit of the Parent or any member of the Group, from time to time, and all the proceeds receivable under those Insurances at any time. An eSwatini law pledge and cession in securitatem debiti of all the shares, securities, other ownership interests and claims of the Parent in and against any entity incorporated in eSwatini (including Premier eSwatini) from time to time.

Material Commitment	Entity	Amount owing on 31 March 2022 R'000	Date on which obligations arose	To whom obligations owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Maturity date	Nature of any/all security held
								A Mauritian law pledge over all the shares, securities, other ownership interests of the Parent in and against Prem-Cap Investments from time to time.
								A Mauritian law pledge of receivables over all the sums, rights, titles and interest of the Parent, in, to and under any shareholder loans advanced or to be advanced to Prem-Cap Investments.
								Premier FMCG (Pty) Ltd:
								An English law share charge over all the shares, securities and other ownership interests it holds in and against Lil-Lets UK, from time to time.
								An English law assignment of all the claims it has or may acquire, from time to time, against Lil-Lets UK.
								A Lesotho law pledge and cession over all the shares, securities and other ownership interests it holds, from time to time, in any entity in Lesotho (including Lesotho Bakery).
								A Lesotho law cession of all the claims it has or may acquire, from time to time, against any entity in Lesotho (including Lesotho Bakery).
								A South African law pledge and cession in securitatem debiti of all the shares, securities and other ownership interests the Borrower holds in any entity in South Africa (including G&C Shelf and NCI, but excluding the Dormant Subsidiaries for so long as they remain Dormant Subsidiaries) from time to time.

Material Commitment	Entity	Amount owing on 31 March 2022 R'000	Date on which obligations arose	To whom obligations owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Maturity date	Nature of any/ all security held
								A South African law cession in securitatem debiti of all its first ranking interests in all (present and future) claims (including shareholder and management claims), trade debtors and, to the extent capable of cession, all other claims it has or may acquire from any person, from time to time. A registered hypothec of, inter alia,: • the "Lil-Lets", "Doves", "Supersun", "Iwisa", "Snowflake", "Blue Ribbon", "Manhattan", "Super C" and "BB Bread" trademarks; • all trademarks which contribute 1% or more towards the annual turnover of the Borrower during the previous 12 month-period, determined with reference to the most recent audited annual financial statements of the Borrower delivered pursuant to clause 22.1.1 (Financial Statements); and • related Intellectual Property Rights which the Lenders require to be hypothecated. A South African law cession in securitatem debiti of all its rights and claims in respect of bank accounts maintained in South Africa (including all cash balances standing to the credit of those bank accounts), applicable Insurances taken out by or for the benefit of the Borrower or any member of the Group (including all the proceeds receivable under those Insurances), all cash and cash equivalent investments held by it and any trademarks, from time to time. A first-ranking special notarial bond over the movable property of the Borrower specified by the Facility Agent.

Material Commitment	Entity	Amount owing on 31 March 2022 R'000	Date on which obligations arose	To whom obligations owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Maturity date	Nature of any/ all security held
								A general notarial bond over the movable property of the Borrower.
								A mortgage bond over each of the following immovable properties of the Borrower:
								Erf 7760 Kroonstad Ext 11 held under Title Deed Number T13159/1998 owned by the Borrower (formerly known as Premier Foods Limited);
								Erf 61 Selosesha-IA held under Title Deed Number T18146/2007 owned by the Borrower (formerly known as Premier Foods Limited);
								Erf 143 Aeroton Ext 10 held under Title Deed Number T49153/1990 owned by the Borrower (formerly known as Premier Foods Limited);
								Erf 144 Aeroton Ext 10 held under Title Deed Number T49153/1990 owned by the Borrower (formerly known as Premier Foods Limited);
								Erf 15381 Cape Town held under Title Deed Number T6527/1993 owned by the Borrower (formerly known as Premier Foods (Pty) Limited);
								Erf 3959 Middelburg Ext 11 held under Title Deed Number T87809/1992 owned by the Borrower (formerly known as Premier Foods Limited);
								Erf 1466 Vereeniging Ext 1 held under Title Deed Number T88188/1992 owned by the Borrower (formerly known as Premier Foods (Pty) Limited);

Material Commitment	Entity	Amount owing on 31 March 2022 R'000	Date on which obligations arose	To whom obligations owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Maturity date	Nature of any/ all security held
								Remaining Extent of Erf 269 Potchindustria held under Title Deed Number T91475/1992 (VA10635/2005 and VA3692/2012) owned by the Borrower (formerly known as Premier Foods (Pty) Limited); Erf 398 Hermanstad held under Title Deed Number T17486/1992 owned by the Borrower (formerly known as Premier Foods (Pty) Limited); Erf 502 Duncanville held under Title Deed Number T96840/1992 owned by the Borrower (formerly known as Premier Foods (Pty) Limited); Remaining Extent of Erf 224 Potchindustria held under Title Deed Number T97244/1992 owned by the Borrower (formerly known as Premier Foods (Pty) Limited); Remaining Extent of Erf 175 Waltloo held under Title Deed Number T35608/2016 owned by the Borrower; Erven 2427 Potsdam and 9697 (a portion of Erf 2427) Potsdam held under Title Deed Number T3137/2016 owned the Borrower; Erf 9, Tunney Industrial, Tunney, Elandsfontein held under Title Deed Number T11312/2014 owned by the Borrower (formerly known as Premier Foods Proprietary Limited); and Erf 18659 Umtata, Zamakulumgisa Industrial Site, Mthatha held under Title Deed Number T617/2016 owned by the Borrower.

Material Commitment	Entity	Amount owing on 31 March 2022 R'000	Date on which obligations arose	To whom obligations owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Maturity date	Nature of any/ all security held
								Brait Mauritius Limited A South African law cession in securitatem debiti of all the claims of Brait Mauritius Limited against the Borrower from time to time.
Standard Bank of South Africa Limited	G & C Shelf 115	193,253	9-Dec-20	Standard Bank of South Africa Limited	Prime less 0.70%	Interest is paid quarterly	30-Nov-25	First continuing covering mortgage bonds passed by the Borrower in favour of the Lender over the Erf10033-34 Sydney Road, Durban, Erf 8204 and 8234 Sydney Road, Durban, Erf 15396 Salt River Cape Town, and Portion 2 of Erf 2675, Pinetown; in the amount of R257,460,000 (two hundred and fifty seven million four hundred and sixty thousand Rand) respectively;
								Guarantee and indemnity agreement entered into by the Guarantor and the Lender, dated 6 November 2015, as security for all obligations and indebtedness of the Borrower to the Lender from time to time, arising from the Finance Documents limited to an amount of R50,000,000 (fifty million Rand). Cession in security agreement in terms of which the Borrower ceded to the Lender all of its rights in and to all income generated from the Existing Properties; Cession in security agreement in terms of which the Borrower ceded to the Lender, all of its rights in and to all and any insurance policies (including any amended and replacement policies) relating to the Existing Properties;
FirstRand Bank Limited – Facility B	Premier FMCG	1,200,000	9-Dec-19	FirstRand Bank Limited	JIBAR plus 1.4% to 1.9%	Interest is paid quarterly	9-Dec-24	Refer to security listed under FirstRand Bank Limited – Facility A

Material Commitment	Entity	Amount owing on 31 March 2022 R'000	Date on which obligations arose	To whom obligations owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Maturity date	Nature of any/ all security held
FirstRand Bank Limited – Facility C	Premier FMCG	300,000	1-Jun-21	FirstRand Bank Limited	JIBAR plus 2.5% to 3.0%	Interest is paid quarterly	9-Dec-24	Refer to security listed under FirstRand Bank Limited – Facility A
Standard Bank of eSwatini	Premier eSwatini	80,000	30-Jul-21	Standard Bank of eSwatini	Prime plus 0.45%	Interest is paid quarterly	31-Jul-26	Continuing covering mortgage bond for SZL40,000,000 over the remaining extent of Lot 576 Matsapha Town, Manzini eSwatini Limited District, with bond number 104/2012. Continuing covering mortgage bond for SLZ6,000,000 over Lot 239 and Lot 240 Matsapha Town with bond number 103/2012. Continuing covering mortgage bond for SLZ10,000,000 over Lot 239 and Lot 240 Matsapha Town with bond number 103/2012 (consolidated or to be consolidated into Lot 1003) Subordination of shareholders' loans in the name of Premier Group Limited registration number 2007/016008/07. Cession over book debt. Cession of insurance policies providing full cover for the bonded properties respectively and the hypothecetated movable assets; and Deed of hypothecation over movable assets, including inventory acquired as part of the acquisition of the milling assets of Ngwane Mills, excluding the raw components of the inventory for SZL 25,000,000 and a Deed of Hypothecation over such assets for an amount of SZL45,000,000.

Material Commitment	Entity	Amount owing on 31 March 2022 R'000	Date on which obligations arose	To whom obligations owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Maturity date	Nature of any/ all security held
First National Bank of eSwatini Limited	Premier eSwatini	80,000	30-Jul-21	First National Bank of eSwatini Limited	Prime plus 0.45%	Interest is paid quarterly	31-Jul-26	Subordination of shareholders' loans in the name of Premier Group Limited registration number 2007/016008/07. Continuing covering mortgage bond for SZL 15,200,000 over Lot 239 and Lot 240 Matshapa Town (consolidated or to be consolidated into Lot 1003). Second ranking cession of insurance policies providing full cover for the bonded properties respectively and the hypothecated movable assets. Deed of Hypothecation over movable assets, excluding raw components of the inventory for SZL 70,000,000.

Other than as set out in the “ANNEXE 1 – Consolidated Historical Financial Information for the Three Years ending 31 March 2022” and “ANNEXE 3 – Condensed Consolidated Interim Financial Information for the Six Months ended 30 September 2021 and 30 September 2022” and “ANNEXE 10 – Principal Immovable Properties Held or Occupied” and as set out in the table below, there are no material lease payments payable by the Company as at the Last Practicable Date.

Details of material lease payments:

Material Commitment	Date on which obligation arose	To whom obligation owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Period of all obligations	Nature of any/ all security held	Current fair value of security and method of valuation	If obligation unsecured, reasons therefor
Lease of Unit “A” 15 Platina Crescent New Era Springs property	1-Dec-21	Ulricol (PTY) LTD	ZAR51 750 p/m, including VAT. Monthly rent escalated at 8% per annum	Not applicable	Lease commenced 01 December 2021 and expires on 30 November 2024.	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of Warehouse 5A and Office 1A, 2A Lessing Street, Estoire (Erf No 231 Estoire, Bloemfontein);	1 September 2019	Vogue Warehouse Proprietary Limited	ZAR48 000 p/m	Not applicable	Lease commenced in September 2019 and expires on 31 August 2023.	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of Portion 6 of ERF 221 Empangeni situated in the City of uMhlathuze Administrative District of Natal Province of Kwa-Zulu Natal property	13 January 2017	PEG Investments CC	ZAR70,457.21 p/m excluding VAT. Monthly rent escalated at 8% per annum.	Not applicable	Lease commenced on 13 January 2017, and it is extended to expire on 31 October 2023.	The leased assets are effectively ceded as security	Not applicable	Not applicable

Material Commitment	Date on which obligation arose	To whom obligation owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Period of all obligations	Nature of any/ all security held	Current fair value of security and method of valuation	If obligation unsecured, reasons therefor
Lease of Erf 2290 Kokstad property	1 October 2022	Fortibix Properties CC	ZAR74,750.00 p/m including VAT Monthly rent escalated at 8% per annum.	Not applicable	Lease commenced on 1 October 2022 and expires/ is renewable on 30 September 2027	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of Stand No. 2958, Kwaggafontein, Section C, Mpumalanga, 0458 property	31 January 2021	Mbuyisa Enterprise Proprietary Limited	ZAR17,148.64 (exclusive of VAT)	Not applicable	Lease commenced on 31 January 2021 and expired on 30 September 2022. Agreement was then renewed for another 12 months	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of Portion 001 of Erf 3183, Ladysmith also known as 88a Bloukrans Street Erf 12153 Ladysmith also known as 38 Piet Retief Street, Ladysmith	1 September 2022	Carlstoun Properties (Pty) Ltd	ZAR15,456 including VAT The lease shall escalate at 8% on each anniversary of the lease.	Not applicable	Term is from 1 September 2022 until 31 August 2023.	The leased assets are effectively ceded as security	Not applicable	Not applicable

Material Commitment	Date on which obligation arose	To whom obligation owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Period of all obligations	Nature of any/ all security held	Current fair value of security and method of valuation	If obligation unsecured, reasons therefor
Lease of Lords View Industrial Park, Allendale Road, Midrand, 1619; Premier FMCG Distribution Centre — Lords View	18 May 2018	Equites Property Fund Limited	ZAR1,706,053,16 p/m including VAT Monthly rent escalated at 8% per annum.	Not applicable	Lease commenced on 18 May 2018 and expires/ is renewable on 17 May 2030.	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of Erf 15405, Paterson Street, Newcastle, 2940	1 October 2021	AYD Property Holdings (Pty) Ltd	ZAR44 000. 00	Not applicable	Lease commenced on 1 October 2021 and expires on 31 September 2028.	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of Erf 4035 Korsten at 18 Lindsay Road, Port Elizabeth	1 March 2020	Lindeighteen Property Trust	ZAR77 724.87 p/m excluding VAT Monthly rent escalated at 8% per annum.	Not applicable	Lease commenced on 1 March 2020 and expires on 28 February 2023. Lease has been extended to June 2027.	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of Warehouse A, on Erf number 476, 2 Portland Road, Pietermaritzburg. Kwa-Zulu Natal	1 December 2017	Purplewood Investments CC	ZAR28 000 including VAT	Not applicable	Lease commenced on 1 December 2017 and was renewable on 1 December 2022. Lease was extended to 1 December 2027	The leased assets are effectively ceded as security	Not applicable	Not applicable

Material Commitment	Date on which obligation arose	To whom obligation owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Period of all obligations	Nature of any/ all security held	Current fair value of security and method of valuation	If obligation unsecured, reasons therefor
Lease of Erf 2105 Pietersburg ext 8, Local Municipality, 55 Goud Street, Mona Polokwane	1 September 2018	A.R. Menzies Family Trust	ZAR46 283, 83 p/m excluding VAT Monthly rent escalated at 8% per annum.	Not applicable	Lease commenced on 1 September 2018 and expires/is renewable on 31 August 2024.	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of 29 Stephenson Road, Queen Industria, Queenstown, 5320	1 February 2020	Agapi Trust	R60 000 excluding VAT The rental shall escalate on each anniversary of the commencement date of the Extension with the first escalation being 1 February 2021, at the rate of 7.5%.	Not applicable	Lease commenced on 1 February 2020 and expires/is renewable on 31 January 2025.	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of Erf 1889, Portion 1 of Erf 1889 Richards Bay Extension 9, Registration Division GV, Province of KwaZulu-Natal	1 April 2021	Ensign Shipping and Logistics (Proprietary) Limited	ZAR1 785 549,17 p/m	Not applicable	Lease commenced on 1 April 2021 and expires on 31 March 2024	The leased assets are effectively ceded as security	Not applicable	Not applicable

Material Commitment	Date on which obligation arose	To whom obligation owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Period of all obligations	Nature of any/ all security held	Current fair value of security and method of valuation	If obligation unsecured, reasons therefor
Lease of Vanadium street 12A, Rustenburg Industrial Area, Stand 2222, Portion one of Ext 9, Workshop, Offices	1 June 2021	Ruscon Investments CC	ZAR63 339.62 p/m including VAT This will increase to ZAR68 406.79 (including VAT) on 1 June 2023.	Not applicable	Lease commenced on 1 June 2021 and expires/is renewable on 31 May 2024.	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of 38 Piet Retief, 88A Bloukrans Road, Vryburg	1 April 2021	Noordwes du Preez Eiendomme	ZAR26 300. 00	Not applicable	Lease commenced on 1 April 2021 and is a month by month lease	The leased assets are effectively ceded as security	Not applicable	Not applicable
Building 5, Maxwell Office Park, Waterfall City	1 June 2014	Attacq Waterfall Investment Company	ZAR114.85 per square meter	Not applicable	Lease commenced on 1 June 2014 and expires/is renewable on 31 May 2024.	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of 12th Street, King Mswati Avenue East,	1 January 2022	Anlean Properties Pty Ltd	E127 200	Not applicable	Lease commenced on 1 January 2022 and expires on 31 December 2023	The leased assets are effectively ceded as security	Not applicable	Not applicable

Material Commitment	Date on which obligation arose	To whom obligation owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Period of all obligations	Nature of any/ all security held	Current fair value of security and method of valuation	If obligation unsecured, reasons therefor
Lease of Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	1 September 2021	Blenheim Court Limited	£4,500.00 p/m (excluding VAT The amount will increase by 2% from the end of month until the End Date.)	Not applicable	Lease commenced on 1 September 2021 and expires on 31 July 2023	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of Portion 2 of Erf 2675, Pinetown	1 April 2021	G & C Shelf 115 Pty Ltd	ZAR482,865 per month with an escalation of 8% on each anniversary date	Not applicable	Lease commenced on 1 April 2021 and expires/is renewable on 31 March 2026	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of Erf 15396, Salt River, Cape Town	1 April 2021	G & C Shelf 115 Pty Ltd	ZAR357,197 per month with an escalation of 8% on each anniversary date	Not applicable	Lease commenced on 1 April 2021 and expires/is renewable on 31 March 2026	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of Erf 8204 and 8234 Sydney road, Durban	1 April 2021	G & C Shelf 115 Pty Ltd	ZAR2,192,128 per month with an escalation of 8% on each anniversary date	Not applicable	Lease commenced on 1 April 2021 and expires/is renewable on 31 March 2026	The leased assets are effectively ceded as security	Not applicable	Not applicable

Material Commitment	Date on which obligation arose	To whom obligation owed	Interest and payment terms	If interest in arrears, last date of payment and extent of arrears	Period of all obligations	Nature of any/ all security held	Current fair value of security and method of valuation	If obligation unsecured, reasons therefor
Lease of Erf 10033 Sydney road, Durban	1 April 2021	G & C Shelf 115 Pty Ltd	ZAR665,502 per month with an escalation of 8% on each anniversary date	Not applicable	Lease commenced on 1 April 2021 and expires/is renewable on 31 March 2026	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of Erf 2252, Wentworth	1 April 2021	G & C Shelf 115 Pty Ltd	ZAR899,987 per month with an escalation of 8% on each anniversary date	Not applicable	Lease commenced on 1 April 2021 and expires/is renewable on 31 March 2026	The leased assets are effectively ceded as security	Not applicable	Not applicable
Lease of Erf 24971, George	1 October 2022	G & C Shelf 115 Pty Ltd	ZAR135,000 per month with an escalation of 8% on each anniversary date	Not applicable	Lease commenced on 1 October 2022 and expires/is renewable on 30 September 2027	The leased asset are effectively ceded as security	Not applicable	Not applicable

FINANCIAL INFORMATION

The Consolidated Historical Financial Information

The Consolidated Historical Financial Information as at and for the years ended 31 March 2020, 2021 and 2022 and for the six months ended 30 September 2021 and 30 September 2022 is set out in "ANNEXE 1 – Consolidated Historical Financial Information for the Three Years ended 31 March 2022" and "ANNEXE 3 – Condensed Consolidated Interim Financial Information for the Six Months ended 30 September 2021 and 30 September 2022". The Consolidated Historical Financial Information should be read together with the Independent Reporting Account's Reports thereon as set out in ANNEXE 2, ANNEXE 4 and ANNEXE 6.

The comparative information for the statement of financial position, statement of profit or loss and other comprehensive income, changes in equity and cash flows, and related explanatory notes, for the period ended 30 September 2021 ("**comparative information**") has not been audited or reviewed by the Company's external auditors. The comparative information has been included for purposes of providing useful context to a consideration of the reviewed interim financial information for the period ended 30 September 2022. As the Company's external auditors have not expressed any form of assurance conclusion on the comparative information, it should not be relied upon to the same extent as the reviewed interim financial information for the period ended 30 September 2022. The Directors take responsibility for the comparative information.

The *Pro Forma* Financial Information of the Group

The *Pro Forma* Financial Information of the Group, the preparation of which is the responsibility of the Directors, is set out in "ANNEXE 5 – *Pro Forma* Financial Information".

The *Pro Forma* Financial Information of the Group should be read in conjunction with the Independent Reporting Accountants' Report thereon set out in ANNEXE 6 to this Pre-listing Statement.

The *Pro Forma* Financial information is prepared in accordance with the JSE Listings Requirements, the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants using policies that comply with IFRS and that are consistent with those that apply to the results of the Group for the year ended 31 March 2022.

The *Pro Forma* Financial Information of the Group has been prepared for illustrative purposes only and because of its nature it may not fairly present the Group's financial position, changes in equity and results of operations or cash flows, or the effect and the impact of the Offer and Admission on the Group going forward.

Independent Reporting Accountant's Confirmation

The Independent Reporting Accountants have provided confirmation to the JSE that they have reviewed this Pre-listing Statement and that the contents herein are not contradictory to any of the information contained in any of their reports issued for JSE purposes.

LOAN CAPITAL AND MATERIAL LOANS

Details of the material borrowings of the Group as at the Last Practicable Date are set out in "ANNEXE 11 – Material Borrowing, Lending and Material Inter-Company Balances" to this Pre-listing Statement.

The Company has no debentures in issue as at the Last Practicable Date. No restrictive funding arrangements have been entered into by the Company, its Major Subsidiary, or by any Subsidiaries where such restrictive funding arrangements are material to the Company.

Neither the Company nor any of its Subsidiaries has any material loans receivable outstanding as at the date of this Pre-listing Statement.

Details of loans furnished by the Company and its Subsidiaries to or for the benefit of any Director or manager or any associate of any Director or manager of the Company as at the date of this Pre-listing Statement are set out in "ANNEXE 11 – Material Borrowings".

Other than as set out in "ANNEXE 11 – Material Borrowing, Lending and Material Inter-Company Balances", there are no material inter-company financial or other transactions as at the Last Practicable Date.

INTERESTS OF ADVISERS AND PROMOTERS AND AMOUNTS PAID OR PAYABLE TO PROMOTERS

As at the Last Practicable Date, none of the advisers, as set out in "PART I – Corporate Information" of this Pre-listing Statement, holds any Shares or (other than pursuant to their obligations under the Placement Agreement) has agreed to acquire any Shares.

The Group has not paid any amount and no amount (in cash or otherwise) is payable to any promoters (not being a Director or officer of the Company) or to any partnership, syndicate or other association of which the promoter was a member during the three years preceding the date of this Pre-listing Statement.

No promoter, Director or officer of the Company has any material beneficial interest, direct or indirect, in the promotion of the Company or any property acquired or to be acquired by the Company out of the proceeds of the Offer or during the three years preceding the date of this Pre-listing Statement.

LITIGATION

Other than the matters below, there are no legal or arbitration proceedings, including any such proceedings that are pending or threatened of which the Company is aware that have, or may have, had in the recent past, being at least the previous 12 months preceding the Last Practicable Date, a material effect on the Group's financial position. For further information on legal and regulatory matters and related developments and considerations, see "PART IV – Risk Factors" of this Pre-listing Statement.

Notwithstanding the above, the Group believes that the fraud matter disclosed below is of a significant nature, being either potential reputational risk or where the quantum involved is in excess of ZAR50 million. Litigation is subject to uncertainty, however, the Group has been advised that it has reasonable prospects of success, valid defences to the pending litigation against it, as well as valid bases for appeal in the event of adverse verdicts. The Group may, however, enter into settlement discussions in particular matters if it believes that it is in the Group's best interests to do so.

Fraud Matter

During 2020, the Company discovered that the senior credit controller of the Company had defrauded the Company in amount of approximately ZAR106 million between 2017 and 2020, through the payment of fictitious invoices by the Company to an entity wholly-owned by the employee. The employee has subsequently been dismissed and a criminal prosecution is being pursued by the National Prosecuting Authority. The Company filed a claim under its commercial crime insurance coverage in order to recoup a portion of the amount lost by the Company as a result of the fraud. The claim was rejected by the insurer and the Company is now pursuing legal action against the insurer in respect of such claim. Following the rejection and legal action against the insurer, the insurer has settled with Premier in the amount of R18.975 million. The other matters are ongoing.

MATERIAL CONTRACTS

As at the Last Practicable Date, other than the Placement Agreement and the Titan Cornerstone Investment and Underwriting Agreement referred to in "PART II – Particulars of the Offer", the agreements referred to in "PART VII – B-BBEE Restructuring" and the agreements relating to the material acquisitions and disposals as set out in "ANNEXE 13 – Material Acquisitions and Disposals" to this Pre-listing Statement, there are no material contracts, being restrictive funding arrangements and/or a contract entered into (whether verbally or in writing) otherwise in the ordinary course of business carried on, or proposed to be carried on, by the Company or its Subsidiaries during the two years preceding the Last Practicable Date, or at any time but containing an obligation or settlement that is material to the Company or its Subsidiaries.

As at the Last Practicable Date, the Company and its Subsidiaries have not entered into any agreements relating to the payment of technical, administrative or secretarial fees nor are they party to any material restraint or trade payments or any agreements in terms of royalties.

The principal terms of the service agreements entered into between the Directors and Senior Management with the Company and its Major Subsidiary are set out in "ANNEXE 7 – Other Directorships and Partnerships Held by the Directors and Senior Management and Contracts of the Directors and Senior Management of the Company". Summaries of the service agreements entered into during the three years preceding the Last Practicable Date are available for inspection as set out in the paragraph below.

GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAWS

The Group does not benefit from any government protection or investment encouragement law affecting its business.

WORKING CAPITAL STATEMENT

The Directors are of the opinion that:

1. the Company and the Group will be able to pay its debts in the ordinary course of business for a period of 12 months after the date of this Pre-listing Statement;

2. the assets of the Company and the Group will exceed the liabilities of the Company and the Group for a period of at least 12 months after the date of this Pre-listing Statement. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the Company's latest audited annual financial statements;

3. the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of at least 12 months after the date of this Pre-listing Statement; and

4. the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of at least 12 months after the date of this Pre-listing Statement.

MATERIAL CHANGES TO FINANCIAL OR TRADING POSITION

There have been no material changes in the financial or trading position of the Group since 30 September 2022.

PROSPECTS

The opinion of the Directors as to the prospects of the business of the Group are set out in "PART XVI– Management's Discussion and Analysis of the Financial Conditions and Results of Operations".

EXPENSES

The following table sets out the total estimated expenses paid or payable by the Company in respect of the Admission.

Nature of expense	Payable to	ZAR'000
Joint Global Coordinator and Joint Bookrunner	RMB	– See note
Sponsor	RMB	–
Joint Global Coordinator and Joint Bookrunner	Standard Bank	See note
Joint Bookrunner	Investec	See note
South African Legal Advisor to the Company	DLA Piper	10,037
South African Legal Advisor to the Joint Global Coordinators, Joint Bookrunner and Stabilisation Manager	Webber Wentzel	2,500
International Legal Advisor to the Joint Global Coordinators and Joint Bookrunner	Linklaters	5,327
Independent Reporting Accountants and Auditors	PwC	3,100
Documentation inspection fees	JSE	109
Listing fees	JSE	1,000
Transfer secretaries	Computershare	800
Strate fees	Strate	2,000
Printing, publication and distribution	Ince	346
Other	–	200
Contingency	–	–
Total estimated expenses and fees (excl. private placement fees)		25,419

Note: Fees payable to the Joint Bookrunners in connection with the private placement of the Offer Shares will be paid by Brait (not the Company) and are determined in accordance with the provisions of the Placement Agreement. Assuming all of the Offer Shares are placed and total gross proceeds of ZAR2,298,381,700 are raised (excluding the Titan Cornerstone Investment Shares and the Underwritten Shares purchased pursuant to the Cornerstone Investment and Underwriting Agreement), the maximum fees payable by Brait to the Joint Bookrunners in respect of the private placement are expected to amount to approximately ZAR57,5 million.

The Company has not incurred any preliminary expenses (within the meaning of the JSE Listings Requirements) over the three financial years preceding the Last Practicable Date.

CONSENTS

The Independent Reporting Accountant whose reports are included as "ANNEXE 2 – Independent Reporting Accountant's Audit Report on the Consolidated Historical Financial Information for the Three Financial Years ended 31 March 2022", "ANNEXE 4 – Independent Reporting Accountant's Review Report on the Condensed Consolidated Interim Financial Information for the Six Months ended 30 September 2022" and "ANNEXE 6 – Independent Reporting Accountant's Report on the *Pro Forma* Financial Information" has given and has not, prior to publication, withdrawn its written consent to the inclusion of its reports in the form and context in which they appear.

Each of the Company's advisers, whose names appear in the "Corporate Information and Advisers" section of this Pre-listing Statement, have consented in writing to act in the capacities stated and to their names appearing in the Pre-listing Statement, and have not withdrawn their consent prior to the publication of the Pre-listing Statement.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office and the Sponsor's offices set out in "PART I – Corporate Information" during Business Hours from the date of issue of this Pre-listing Statement until the Admission Date and shall also be available on the Company's website, www.premierfmcg.com and/or through a secure electronic manner at the election of the person requesting such inspection:

a) the Company MOI;

b) Brait's unaudited interim results announcement and presentation published on 14 November 2022;

c) the Major Subsidiary MOI;

d) the Consolidated Historical Financial Information as of and for the financial years ended 31 March 2022, 31 March 2021 and 31 March 2020 and for the six months ended 30 September 2021 and 30 September 2022;

e) the reports of the Independent Reporting Accountant dated 16 November 2022, which are included as "ANNEXE 2 – Independent Reporting Accountant's Audit Report on the Consolidated Historical Financial Information for the Three Financial Years ended 31 March 2022", ANNEXE 4 " – Independent Reporting Accountant's Review Report on the Condensed Consolidated Interim Financial Information for the Six Months ended 30 September 2022" and "ANNEXE 6 – Independent Reporting Accountant's Report on the *Pro Forma* Financial Information to this Pre-listing Statement;

f) a signed copy of this Pre-listing Statement;

g) the written consents of each of the legal advisers, the auditor and Independent Reporting Accountant, the Joint Bookrunners, the Stabilisation Manager, and Sponsor named in this Pre-listing Statement to act in those capacities;

h) the written consent of the auditors and Independent Reporting Accountant to the publication of their reports included as "ANNEXE 2 – Independent Reporting Accountant's Audit Report on the Consolidated Historical Financial Information for the Three Financial Years Ended 31 March 2022", ANNEXE 4 " – Independent Reporting Accountant's Review Report on the Condensed Consolidated Interim Financial Information for the Six Months ended 30 September 2022" and "ANNEXE 6 – Independent Reporting Accountant's Report on the *Pro Forma* Financial Information" and references thereto in the form and context in which they are included in this Pre-listing Statement;

i) the Pre-Launch Commitments;

j) copies of the material contracts referred to in "Material contracts" above; and

k) summaries of the service agreements with Directors and Senior Management referred to in "ANNEXE 7 – Other Directorships and Partnerships held by the Directors and Senior Management and Contracts of the Directors and Senior Management of the Company".

By order of the Board

Signed at Johannesburg on behalf of each of the directors of the Company in terms of a written resolution of the Board authorising him to do so on their behalf.

Jacobus Johannes Gertenbach

Chief Executive Officer

PREMIER GROUP LIMITED

10 March 2023

PART XVI – MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion and analysis summarises the significant factors affecting the results of operations and financial conditions of the Group for the financial years ended 31 March 2020, 2021 and 2022, and the six months ended 30 September 2021 and 2022. The following should be read in conjunction with, and is qualified in its entirety by reference to, the Consolidated Historical Financial Information of the Group and the related notes which were prepared in accordance with IFRS and are included in ANNEXE 1 – Consolidated Historical Financial Information for the Three Years ended 31 March 2022 and "ANNEXE 3 – Condensed Consolidated Interim Financial Information for the Six Months ended 30 September 2021 and 30 September 2022" The following discussion may contain forward-looking statements based on assumptions about the Group's future performance that involve risk and uncertainties. The Group's earnings in the future may differ substantially from the expectations included in these forward-looking statements, including for the reasons discussed in "Part IV – Risk Factors", the disclaimer "Forward-looking Statements" and "Part IX – Presentation of Financial Information".

1. **OVERVIEW**

Founded in 1824, Premier is a leading CPG company in Southern Africa with a portfolio in traditional milling and baking businesses (Millbake), as well as complementary groceries segments. Premier's Millbake business comprises operations and distribution facilities throughout South Africa, Lesotho and eSwatini, operating bakeries, and maize and wheat mills supported by an extensive distribution capability. Premier's groceries business (Groceries and International) comprises a portfolio of sugar confectionery products, HPC products (in both South Africa and the United Kingdom), beverages, and a diversified product portfolio in Mozambique through the Companhia Industrial da Matola (CIM) business.

Premier produces and markets iconic South African brands such as Snowflake, Blue Ribbon, BB Bakeries, Star, Mister Bread, Iwisa, Nyala, Super Sun, Impala, Manhattan, Super C, Mister Sweet, Champion toffee, Rascals, Candy Tops, Lil-lets, Dove cotton wool; as well as leading brands in Mozambique.

According to Data Orbis for FY2022, Premier had approximately 25% market share in the formal bread market, 27% in flour, 19% in each of maize and sugar-based confectionery (in Premier's defined market) and 18% in feminine care in South Africa. Notably, Premier's baking component of the Millbake business has the market leading position in the Western Cape, and the second largest market share in KwaZulu-Natal and in the Eastern Cape. Since 2012, the coastal regions have been a strong focus for Premier's success in the bread market, and Premier's baking business is now on the path to delivering its strategy to expand its inland market share as the Group has recently opened a new Pretoria-based bakery and mill to better service the inland region.

As at FY2022, Premier employed over 8,100 permanent and contracted employees across owned sites and operates 13 bakeries, 7 wheat mills and 3 maize mills. The company has an installed milling capacity per annum of approximately 980,000 tonnes of wheat, 680,000 tonnes of maize, and an installed baking capacity of 747 million loaves of bread. Premier operates 30 owned manufacturing sites and 25 distribution depots, spanning South Africa, eSwatini, Lesotho and Mozambique. ZAR5.0 billion in capital expenditure since 2012 has culminated in a robust and technologically advanced operating platform, which can be further leveraged to enter new CPG categories.

One of Premier's key strengths is its route to market capability using a fleet of 1,059 bakery vehicles delivering approximately 1.7 million loaves of bread a day to over 45,000 customers 363 days a year. For the balance of the product portfolio, Premier distributes its sugar confectionery and HPC brands through its strategically situated distribution centres and its fully owned fleet, with the remainder distributed through third parties – 4,890 sales and merchandising contracted service providers call on 5,400 stores daily.

In FY2022, Premier generated revenue of ZAR14.5 billion (Millbake: 82%, Groceries and International: 18%) and Adjusted EBITDA of ZAR1.5 billion. Despite high commodity prices and pandemic-led headwinds, Premier delivered strong financial results over the three-year period to FY2022, with revenue having grown by a CAGR of over 15% alongside a strengthening of margins, driven by volume and market share growth, and active cost management and operational efficiencies undertaken by management.

Premier's growth trend continued in the six months ended 30 September 2022, despite extraordinarily high commodity prices, loadshedding and other cost inflation pressures. During 1H FY2023, Premier generated revenue of ZAR8.7 billion (Millbake: 83%, Groceries and International: 17%) and EBITDA of ZAR821 million.

2. FACTORS AFFECTING THE PREMIER GROUP'S RESULTS OF OPERATIONS

The results of Premier's operations continue to be affected by a number of factors which, at times, are not under the control of the Group and its Board. This section sets out certain factors Premier believes have affected the results of operations over previous financial periods and could affect its results of operations in the future.

2.1 Macroeconomic considerations to Premier's key operating environments

In FY2022, South Africa accounted for 84% of the Group's revenue, while operations in Lesotho, eSwatini, Mozambique and the United Kingdom accounted for the remaining 16%.

- **South Africa**

  South Africa is a large, diversified, and advanced economy, underpinned by a wealth of natural resources and a diversified industrial base. South African economic performance has been muted in recent years, largely driven by structural constraints and the heightened job losses and delayed investment by government and corporates alike through the COVID-19 pandemic. Notwithstanding the prolonged effects of the pandemic, as well as the impact of the period of civil unrest experienced during July 2021, South Africa recorded growth in GDP of 4.9% in 2021 according to Stats SA.

  The medium-term growth outlook for South Africa has improved moderately according to National Treasury which projects 2022 to be the year in which the economy returns to pre-pandemic production levels. The SARB has also revised its 2022 and 2023 GDP forecasts to 1.9% and 1.4% respectively as of September 2022, driven primarily by stronger than expected growth in 2021, and higher commodity export prices.

  South Africa has a highly urbanised population with a fast-growing youth population. According to Stats SA's mid-year population estimates for 2021, South Africa's youth population amounted to approximately 34% of the total population.

  The economic outlook remains vulnerable to global macroeconomic shifts and political risks. A South African economic recovery over the near to medium-term is based on continued commitment by government to fiscal consolidation and a normalisation in global commodity prices (particularly oil prices, supporting an improved inflation outlook).

- **Mozambique**

  Mozambique is a country endowed with ample arable land, water, energy, as well as mineral resources and newly discovered natural gas offshore, three deep seaports, and a relatively large potential pool of labour. In 2020, Mozambique experienced its first economic contraction in almost three decades (1.2% contraction in GDP) as external demand for Mozambican exports fell, lockdown measures disrupted supply chains and depressed domestic demand for goods and services, and Liquified Natural Gas (LNG) investments were delayed.

  Growth prospects are more positive for the medium-term with GDP growth expected to average at c. 5.5% between 2022 and 2024, driven in particular by LNG projects starting to produce. Higher domestic growth and international demand for commodities are expected to generate more tax revenues and support resumption of the fiscal consolidation process. The longer-term outlook for the country remains positive largely due to accelerating urbanisation, growing formalisation of the retail market, and Mozambique's sizeable population, particularly young adults, providing a large addressable market for consumer goods.

  Maputo is the capital of Mozambique and is approximately 550kms from Johannesburg, South Africa. As South Africa's neighbour and a large consumer market, Mozambique is a natural growth opportunity for a South African domiciled business.

- **United Kingdom**

  The United Kingdom is a key economic hub within the European region. According to the IMF, the United Kingdom had a nominal GDP per capita of USD47,200, with an inflation rate of approximately 2.6% as at the end of 2021. The United Kingdom has a population of approximately 67.5 million people.

  According to PwC, as of September 2022, the United Kingdom economy has struggled to deliver growth with most expenditure categories shrinking except business investment. The United Kingdom growth outlook has deteriorated with annual real GDP expected to average between 3.1% and 3.6% in 2022, followed by two years of slow (or even negative) real GDP growth. The inflation outlook for the United Kingdom is highly uncertain with analysis suggesting headline inflation could peak at anywhere between 13% to 22% in 2023, depending on the outlook for energy prices. According to Fitch Solutions, real household spending is forecast to grow by 4.2% in 2022, with the outlook more cautious for the UK consumer in light of elevated inflation and stalled real wage growth. There is considerable uncertainty regarding the trajectory of inflation given the structurally tight labour market post-Brexit, the persistence of pandemic-related supply chain issues, and surging energy prices in response to the Russia-Ukraine conflict. There is also a risk that the Bank of England will have to tighten monetary policy more rapidly than envisaged, with knock-on implications for growth in consumer spending. As a result, it is expected that spending will be directed primarily towards essential items including food and non-alcoholic drinks, and utilities. Spending on essential items was expected to make up approximately 54.3% of total household spending budgets in 2022, declining to 53.2% by 2026.

2.2 **Input cost pressures and a rising inflationary environment**

Rising inflation has continued to characterise the global macroeconomic backdrop, with South Africa being no exception. In addition, global commodity prices (of which wheat and maize are key input materials for Premier) have seen increased pressure and volatility as a result of international economic events, including the Russian invasion of Ukraine and the subsequent impact on the global supply chain. The uncertain outlook for inflation, movements in commodity prices and the resulting pressure on Premier's input costs are some of the most significant factors affecting Premier's results and operations.

In circumstances where rising commodity cycles have been prevalent through prior financial periods (including FY2016 and FY2020), Premier has demonstrated a proven ability to proactively manage product price increases, with muted negative impacts on volumes through these periods. Premier has been able to effectively pass through the commodity costs, realising an increase in the average annual revenue per loaf of bread in line with wheat price increases, a key raw material. As a result, Premier has achieved stable margins, with enhancement through the cycle as a result of volume growth and cost management.

Over the past eight financial years, Premier has exhibited strong financial metrics in the bread division. In FY2022, revenue in Millbake (which comprised 82% of total revenue generated over the period), increased by 12.5%, comprising volume growth of 6.0% over the period and average price inflation of 6.5%.

Premier employs several self-help levers to effectively manage input cost volatility through inflationary periods and, with proactive management of these key inputs, believes that it can continue to successfully manage margins and volumes should similar macroeconomic scenarios arise in the future:

- Premier has a track record of procuring wheat and maize at attractive prices;
- None of the wheat procured by Premier is from the Black Sea region (currently impacted by the Russian invasion of Ukraine) and thus Premier is confident of its security of supply going forward;
- Margin management and fiscal discipline remains a key management focus in soft commodity price inflation environments, where effort is placed on continually optimising manufacturing and operational costs in order to remain the lowest cost producer in the market;
- Working capital and liquidity is well-managed, with careful attention paid to wholesalers with lower credit quality;
- The current grain procurement policy, implemented in 2012 provides comfort and certainty on commodity input costs without engaging in any speculative hedge trading; and
- Premier will continue to undertake value-enhancing acquisitions and strategic investments to unlock operational cost savings (e.g. the new Pretoria mill and bakery which is expected to significantly lower the cost of servicing the inland region during FY2023).

2.3 **Growth in Premier's market share of bread and the 'inland strategy'**

At the core of the Group is the Millbake business, that has been structured to drive Premier's ROIC through improving regional dynamics and continued excellence in execution, driven by a portfolio of known and trusted national and regional brands leading across the bread, maize, wheat, and samp categories in South Africa. According to data from Fitch Solutions, bread is a staple food source accounting for approximately 7% of total food spend in South Africa. Premier aims to differentiate itself against other market players through quality, availability and cost.

Premier's Millbake revenue grew at a CAGR of 15% from FY2020 to FY2022, with Adjusted EBITDA growing at a CAGR of 23% over the same period and Adjusted EBITDA margins expanding from 10.2% in FY2020 to 11.7% in FY2022.

Premier holds the third largest formal bread market share in South Africa, but is the largest baker by volume in aggregate including its informal market share. Premier's trusted bread brands cumulatively held a 26% market share of South Africa's total bread market as at FY2022 – up from

24% at the end of FY2021 (per SAGIS). Premier has a leading position in the South African informal bread market, with over 60% of its Millbake sales derived from the informal market.

Historically, Premier has been underrepresented in the inland region, South Africa's largest bread market, with a 12% share as of February 2022. To address this, Premier has invested ZAR500 million into its new state-of-the-art, integrated mill and bakery in Pretoria to support the 'inland strategy'. The new mill and bakery significantly reduce the cost of servicing the inland region and is expected to improve bread quality. Furthermore, Premier continues to focus on developing its bespoke recipes to ensure leading quality – there is a proven ability to differentiate through taste, softness/freshness, branding and superior product quality in the bread category.

In a robust defensive growth sector, Premier is outperforming, and is well-positioned to benefit from the strong industry fundamentals and its own strategy and innovation.

2.4 **Inorganic expansion and acquisitions**

Over the past 10 years, Premier has invested ZAR2.7 billion in 10 completed bolt-on acquisitions which have added to the strength and diversification of the Premier portfolio and had a positive impact on the Group's operations and financial condition. Potential acquisitions are assessed against clear criteria and considered based on the size and market position of the target business, the ability to extract cost savings by combining with Premier's existing operations (e.g. through Premier's logistics and distribution and sales functions), and compatibility with Premier's existing portfolio. Premier's philosophy is to fully integrate acquisitions into its core business to align new businesses with Premier's strategy, culture, management systems and controls.

During FY2022, Premier acquired the business of Mister Sweet, a sugar confectionery business, for ZAR419.1 million, adding revenue of ZAR540 million and EBITDA of ZAR61.8 million for the FY2022 financial year. The acquisition makes Premier one of the largest sugar confectionery manufacturers in South Africa, offering a full range of sugar-based confectionery brands, and has contributed to the long-term strategy of category growth through innovation, brand leverage and operational efficiencies. The full benefit of the Mister Sweet acquisition is expected to be realised in FY2023 and FY2024, with significant synergies expected to be achieved including procurement cost savings (raw materials and packaging), labour, merchandising and logistics.

For additional information, please refer to Note 35 (Acquisition of businesses) to ANNEXE 1 – Consolidated Historical Financial Information for the Three Years ending 31 March 2022 and to ANNEXE 13 – Material Acquisitions and Disposals.

On 1 May 2022 (during 1H FY2023), the Company acquired 100% of the issued share capital of Biz Afrika 710 (Pty) Ltd, a bakery in the Western Cape region of South Africa, for a purchase consideration of R30 million. The acquisition added revenue of ZAR35 million and EBITDA of ZAR4.6 million during the 1H FY2023 period.

2.5 **Continued capital expenditure investment**

Premier's continued capital expenditure investment has allowed it to deliver fully integrated, best in-class facilities which ensure that the Group remains competitive through increased capacity and continued efficiencies.

Since 2011, Premier has invested approximately ZAR5.0 billion in capital expenditure projects to create a well-established manufacturing and distribution footprint, with state-of-the-art technology across Southern Africa. Significant investment in the Millbake business over the last decade has resulted in fully integrated bakeries across the Western Cape, Eastern Cape, KwaZulu-Natal, Gauteng and eSwatini with dedicated wheat mills on site, leading to improved quality and reduced costs.

Over the last three financial years, Premier undertook various key capital expenditure projects, with the average capital expenditure as a percentage of revenue of approximately 3.5% per annum. Notable capital expenditure programmes and investments over this period are set out below:

- 2020: the upgrades made to both the Durban site and the eSwatini bakery;
- 2021: the upgrade of the Lesotho bakery, the commissioning of the hard-boiled candy plant and the commissioning of the HPC pads line; and
- 2022: the commissioning of the new Pretoria bakery and mill.

With the most recent investment into a new Pretoria-based bakery and mill, 11 of Premier's 13 bakeries have been upgraded or commissioned in the last 10 years.

Premier expects ongoing growth in the segments in which it operates and will continue to invest in expansion to ensure the execution of its strategy of becoming a leading CPG platform, with further capability to scale in the future.

For additional information on the Group's capital expenditure history, please refer to paragraph 4.5 of the Key Investment Highlights and Note 10 (Operating Segments) to ANNEXE 1 – Consolidated Historical Financial Information for the Three Years ending 31 March 2022.

2.6 **Expansion of the private label offering**

The South African CPG market continues to see increased competition, which has a direct impact on the Group's ability to operate within the environment and produce strong operational performance. In order to continue increasing market share sustainably and improve financial performance, Premier has sought to diversify its revenue stream by complementing its diversified portfolio of market-leading brands with a strategic private label partnership.

Private label strategies seek to specifically target entry-level products where branded offerings are less relevant, and incremental manufacturing of private label/dealer-own brand products allows for the utilisation of available spare manufacturing capacity to maintain overall economies of scale for the producer.

Currently, the primary private label products produced by Premier for national retail chains in South Africa are its sandwich squares, mageu and sugar confectionery products. The acquisition of Mister Sweet significantly increased Premier's sugar confectionery private label participation, with approximately 73% of its total private label revenue now emanating from this business. The balance of private label revenue was made up of Millbake (18%) and beverages (9%).

Premier continues to engage with retailers to supply private label branded products within its sugar confectionery, Millbake, HPC and beverages segments, with the intention to build profitable and sustainable private label partnerships that increase Premier's total market share, optimise production efficiencies, increase the forward share of Premier's basket and ensure alignment with Premier's growth plans.

2.7 **The impact of consumer spending patterns**

Premier's industry is directly exposed to macroeconomic conditions, which have affected the disposable income and spending patterns of consumers as a whole. Global supply chain constraints and rising fuel prices driven by the elevated oil price are expected to create significant margin pressure for a number of South African corporates and lead to widespread increases in the price of goods, directly impacting levels of household disposable income amongst consumers.

Additionally, the COVID-19 pandemic and related lockdown measures implemented by governments globally over the past two years have influenced consumer spending patterns as well as business operations.

In South Africa, the staples category (which includes cooking oils, sugar and key carbohydrates such as bread, maize, rice, pasta and samp) contributes a significant proportion of spend (18.1% as at March 2022, *Source: Kantar for the 12 months to March 2022*), particularly within lower LSM levels indicating the importance of the category to consumers with limited disposable incomes. Performance of this defensive and essential category has proven to be robust through prior economic cycles, and more recently again through the COVID-19 period, where the total South African bread volume growth trend remained intact.

Premier, a Millbake focused business, is a prominent player in South Africa's staples category and would expect to benefit from any future sector growth and category spend allocation:

- the products of the grain milling sector are the primary ingredients of South Africa's staple foods, namely maize meal and bread where a number of these end products are currently zero-rated for VAT purposes in South Africa;
- bread is the second most important provider of energy in the national diet: across the formal and informal market, bread sales have shown strong growth over the past 5 years (CAGR of 7% between 2017 and 2021, according to Fitch Solutions) and this growth is expected to continue over the medium-term; and
- generally, the South Africa bread market is expected to continue to deliver growth over the long-term driven primarily by bread's value for money offering, bread's easy to consume nature, changing consumer lifestyles, increased snacking and indulgence consumption, improving standards of living, and rising demand for multi-grains or whole wheat products. Unlike in first world countries, bread remains aspirational for a large part of the South African population and any increase in economic prosperity drives a disproportionate increase in bread consumption.

2.8 **Foreign exchange rate fluctuations**

Premier reports its consolidated financial results in South African Rand. However, as a result of certain input materials into the business, together with certain Subsidiaries and divisions operating in alternate local currencies, Premier's operational results are, and will continue to be, affected by exchange rate fluctuations between South African Rand and other currencies in which it transacts.

Based on current operations, the foreign currencies predominantly traded in by Premier are USD, EUR, CNY and GBP. Furthermore, the price of two of the Group's largest input costs, wheat and maize, are determined in USD and therefore any deterioration in the Rand:USD exchange rate has a significant impact on the price paid by Premier for wheat and maize and contributes further to the margin management and fiscal discipline required by Premier.

Premier manages exchange rate exposures by utilising foreign exchange contracts in terms of its risk management policy. Historically, Premier has been able to successfully pass on additional costs incurred due to price fluctuations in maize and wheat prices as well as foreign exchange rate fluctuations without materially impacting the volume of bread and maize meal sold.

The below table summarises Premier's revenue exposure outside of South Africa over the past three full financial periods:

ZAR'000	**FY2020**	**FY2021**	**FY2022**
Sale of goods from operations in South Africa	8,965,199	10,365,022	12,158,692
Sale of goods from operations outside South Africa	2,082,357	2,160,631	2,379,119
Total	**11,047,556**	**12,525,653**	**14,537,811**

In the FY2022 year, Premier generated ZAR2,379 million in revenue from sources outside of South Africa, representing 16.4% of total revenue and a 10.1% increase on FY2021. Approximately 11% of this revenue contribution is from operations in the United Kingdom and serves as a partial hedge to earnings of the Company in periods of currency volatility.

3. CURRENT TRADING AND PROSPECTS OF PREMIER

3.1 **Material operational changes**

The following highlights the material operational changes within Premier's business from 1 April 2022 to 30 September 2022.

Most notably, the new Pretoria Bakery (which was commissioned in 2022) reached full production levels during the 1H FY2023 period. The Pretoria Bakery has been designed to drive cost savings and improved bread quality for Premier, and to support the Group's 'inland strategy' in servicing the inland region of South Africa.

The Mister Sweet business and Outeniqua Bakery (Biz Afrika 710 (Pty) Ltd acquisition) were fully integrated into Premier, with c.ZAR50m in synergies and efficiencies realised in 1H FY2023 from sugar confectionery and a change in sales and merchandising providers.

During the first half of the 2023 financial year, Premier also successfully achieved and was awarded its Level 5 B-BBEE rating.

3.2 **Outlook**

Certain statements in this section, including in particular the unaudited financial targets described below, constitute forward-looking statements. These forward-looking statements are not guarantees of future financial performance and our actual results could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including, but not limited to, those described under "Forward-Looking Statements" and "Risk Factors". Investors are strongly urged not to place undue reliance on any of the statements set forth below. The Group can give no assurance that the targets and outlook described below will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those described below.

The Group intends to pursue its goal of increasing its position within the broader CPG industry in South Africa, with a relevant position in other geographies over the medium- to long-term.

The Group is targeting continued strong growth, despite the impact of commodity price increases and cost inflation in the short-term, given their proven ability to proactively manage product price increases, with muted impacts on volumes, through prior inflationary periods of this nature.

Premier will continue to focus on internal cost saving initiatives, the extraction of synergies, the elimination of waste and the delivery of material operational efficiencies across both manufacturing and the logistics and distribution channels.

Management expects continued momentum in revenue growth in line with the past three years. Due to Premier's exposure to volatile soft commodity prices, Premier's management focuses on managing gross profit margins to achieve average organic growth in gross profit of over 7% per annum, and target Adjusted EBITDA margins of greater than 10%.

In order to continue to drive growth and support maintenance across the business, management believes that the Group's capital expenditures will be broadly in line with historic levels Management expects its capital expenditure programme to range between approximately ZAR480 million in FY2023, ZAR600 million in FY2024 and FY2025 and thereafter averaging ZAR500 million per year (including both expansionary and maintenance capital). The majority of Premier's planned expansionary capital expenditure spend over the next two years is expected to be applied to upgrade and expand the Mthatha bakery plant in FY2023 and FY2024 and the Aeroton bakery plant in FY2024 and FY2025.

During this period, management also expects net working capital to be broadly in line with historic levels and aims to achieve a free cash flow conversion of greater than 66%.

3.3 **Target capital structure and dividend policy**

- **Capital structure**

  Premier's objective is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future development needs of the business. As at 31 March 2022, the Company's leverage ratio (Net Debt/Adjusted EBITDA) was 1.6x.

  On 2 November 2022, Premier FMCG (Premier's South African operating entity), refinanced its long-term debt and increased its debt by ZAR1.04 billion. Of this, ZAR950 million has been distributed to Premier shareholders in the form of a pre-IPO distribution, with the remaining ZAR90 million retained as cash on the Premier balance sheet. The refinancing terms are summarised in paragraph 7.3 of this Part. This increased debt resulted in a leverage ratio of 2.0x, in line with historic leverage multiples.

  During January 2023, the Group made a capital repayment of ZAR294 million on the revolving credit facility from the cash that was generated from operations, reducing the leverage ratio to 1.9x as at 31 January 2023.

  Given Premier's expected growth in medium-term operational cash and the imperative to retain balance sheet flexibility in support of the Company's growth strategy, a more conservative target capital structure has been considered. The Company is targeting an indicative leverage ratio of c.1.5x by the end of FY2025, with Premier's dividend policy providing the ability to meaningfully de-gear over the next 2 financial years.

- **Dividend policy**

  Premier and its Board recognise the importance of maintaining a consistent dividend policy and will endeavour to avoid volatility in the dividend profile, together with ensuring sufficient available cash for growth reinvestment within the Company. Inflationary and input cost pressures from the current global macroeconomic environment have required Premier to adequately invest in its working capital cycle, and while commodity and fuel prices remain at elevated levels, Premier may need to retain flexibility to redirect cash resources towards operations as required.

  Considering the above, the quantum, timing and frequency of dividend declarations will be at the sole discretion of the Board and will be a function of the profitability and cash resources, targeted growth opportunities and the overall Premier strategy.

  Accordingly, Premier intends targeting a pay-out ratio of 30% to 60% (2.0x to 2.5x times cover) of diluted headline earnings per share from continuing operations. The Company's current intention is to declare a maiden dividend following the release of its FY2024 results, which dividend will be pro-rated for the period commencing from the Admission Date to the end of the FY2024 financial year.

4. **KEY PERFORMANCE METRICS**

The Group monitors several key metrics in order to track the financial and operating performance of the business. The following figures are a summary of Premier's financial performance:

	FY2020	FY2021	FY2022	1H FY2022	1H FY2023
Financial metrics (ZAR million)					
Revenue	11,048	12,526	14,538	7,001	8,731
Revenue growth (%)		13.4%	16.1%		24.7%
Adjusted EBITDA	1,032	1,099	1,490	709	821
Operating profit/(loss)	(6)	685	877	491	604
Margins (%)					
Adjusted EBITDA margin	9.3%	8.8%	10.3%	10.1%	9.4%
Operating profit margin	(0.1%)	5.5%	6.0%	7.0%	6.9%
Free cash flow conversion:					
Including expansionary capital expenditure	39.6%	73.0%	44.4%	34.2%	53.1%
Excluding expansionary capital expenditure	55.5%	96.7%	66.8%	54.7%	61.1%
Other key metrics					
Return on Invested Capital (%)		11.5%	14.8%	12.9%	14.9%
Leverage ratio (x)	2.4x	1.9x	1.6x	2.1x	1.4x

5. **OVERVIEW OF THE PREMIER GROUP'S RESULTS OF OPERATIONS FOR THE YEAR ENDED 31 MARCH 2022, WITH COMPARISON TO THE YEARS ENDED 31 MARCH 2021 AND 2020**

5.1 **Results of operations for the year ended 31 March 2022, with comparison to the years ended 31 March 2021 and 2020**

ZAR'000	FY2020	FY2021	FY2022
Revenue from contracts with customers	11,047,556	12,525,653	14 537,811
Cost of sales	(7,324,078)	(8,346,357)	(9,748,182)
Gross profit	**3,723,478**	**4,179,296**	**4,789,629**
Other operating income	18,886	17,896	16,839
Credit loss allowances reversed/(raised)	(21,739)	(105,956)	14,208
Impairment losses	(631,368)	–	(130,069)
Sales and marketing expenses	(1,258,365)	(1,307,929)	(1,529,890)
Distribution expenses	(642,588)	(691,967)	(806,229)
Administration expenses	(1,194,579)	(1,406,355)	(1,477,140)
Operating profit/(loss)	**(6,275)**	**684,985**	**877,348**
Finance income	5,773	4,920	4,712
Finance costs	(663,560)	(511,059)	(467,928)
Profit/(loss) before tax	**(664,062)**	**178,846**	**414,132**
Income tax (expense)/credit	37,927	(111,388)	(136,414)
Profit/(loss) for the year	**(626,135)**	**67,458**	**277,718**

Reconciliation from operating profit/(loss) to Adjusted EBITDA:

ZAR'000	FY2020	FY2021	FY2022
Operating profit/(loss)	(6,275)	684,985	877,348
Impairment losses	631,368	–	130,069
Depreciation and amortisation	406,632	413,982	482,827
Adjusted EBITDA	**1,031,725**	**1,098,967**	**1,490,244**

- **Revenue**

Revenue for the 12 months ended 31 March 2022 was ZAR14.5 billion, a 16% improvement on FY2021. Over the past three financial periods, revenue has grown at a CAGR of over 15% primarily as a result of volume and market share growth, proactive price adjustments and a recovery in the Cape Town bakery and CIM business. Additionally, FY2022 revenue was bolstered by the contribution of the Mister Sweet acquisition from 1 June 2021.

- **Gross profit**

As the majority of the Group's revenue is derived from Millbake, the prices of wheat and maize play a significant role in driving cost of sales and therefore the Group's gross profit and ultimate financial condition. As a result, in FY2022 cost of sales increased by 16.8% and gross margins contracted by 42 basis points. Cost of sales has also increased as a result of increase in revenue.

- **Cost analysis**

Premier's total costs for the year ended 31 March 2022 comprised variable costs of 66.8%, and fixed costs of 33.2%. The total cost breakdown includes cost of sales (72%), sales and marketing expenses (11%), distribution expenses (6%) and admin expenses (11%).

Notable movements in costs for FY2022 included:

Sales and marketing expenses

- A once-off fee to exit the previous merchandising contract. Premier made a strategic decision to move to Pack 'n Stack towards the end of FY2022 with significant cost savings forecasted for FY2023;
- Expenditure on new types of baskets and dollies for the new Pretoria bakery project; and
- The remaining increase of 15.1% is driven by increased sales volumes and the additional product portfolio from the Mister Sweet acquisition

Distribution expenses

- A 16.5% increase in distribution expenses following the same trend as the increase in revenue, together with fuel price increases

Administration expenses

- A 5.0% increase in administration expenses, broadly in line with inflationary movements

Staff costs

- A 13.4% increase in staff costs is mainly attributable to the Mister Sweet acquisition; and
- Once-off retrenchment costs in FY2022 largely as a result of the Group optimising operations for the new Pretoria bakery project

Premier's operations are supported by well-invested information technology (IT) systems and logistics capabilities. Premier's IT capability is a key driver behind its integrated operations and cost optimisation. Premier leverages key partner solutions, buying customisable working software and using cloud technology over on-premises solutions, to maximise the speed of continuous system improvement while minimising development and infrastructure costs.

As a result of the continued investment in capital expenditure made by Premier over the last 10 years, depreciation and amortisation make up a significant contribution to the total costs analysis on an annual basis.

	FY2020	**FY2021**	**FY2022**
Depreciation and amortisation (ZAR'000)	406,632	413,982	482,827
As a % of revenue	*3.7%*	*3.3%*	*3.3%*

- **Impairment losses**

For each of Premier's CGUs, sensitivity tests are performed on a 10% change in the revenue growth rate, percentage operating cost increase, terminal growth rates and discount rates used in the underlying impairment tests in the current and preceding financial years. In the FY2022 year, the Group recognised an impairment loss of ZAR130 million, with no impairments in the comparable period. Over the past three financial periods, Premier has recorded the following impairment losses:

ZAR'000	FY2020	FY2021	FY2022
Impairment losses	**631,368**	**–**	**130,069**
– Property, plant and equipment	148,503	–	9,127
– Goodwill	337,804	–	18,950
– Trademarks	145,061	–	101,992

In FY2020, impairment losses were recognised for the:

i. Millbake CGU, in the context of a tough trading environment for the milling business;

ii. HPC CGU, due to the probability of realising the value of the intangibles being marred by economic changes affecting consumer spending patterns;

iii. sugar confectionery CGU, due to volume driven poor performance through the COVID-19 pandemic; and

iv. groceries CGU in Mozambique; as a result of the overall macroeconomic headwinds facing Mozambique in 2020 (including natural disasters and the national debt crisis) which had a significant negative impact on the performance of the CGU.

In FY2022, impairment losses were recognised for the:

i. sugar confectionery CGU, as a result of consumers having less disposable income to spend on luxury goods such as sugar confectionery products; and

ii. beverages and HPC CGUs, due to reduced sales volumes which have not recovered since the start of COVID-19 and significant pressure on margins in the respective markets.

- **Operating Profit**

Operating Profit for the 12 months ended 31 March 2022 was ZAR877 million, an increase of 28% on FY2021.

- **Adjusted EBITDA**

Adjusted EBITDA for the 12 months ended 31 March 2022 was ZAR1.5 billion, a 35.6% increase on FY2021. An Adjusted EBITDA margin of 10.3% represents a 1.5% margin expansion over FY2021. On a like-for-like basis, Adjusted EBITDA grew by 30.0% while the Mister Sweet acquisition added a further 5.6%.

Despite the impact of COVID-19, rising commodity prices and inflationary cost pressures on the broader CPG industry, Premier's performance has rebounded strongly since FY2020. Premier's improved performance has been driven by active cost management and operational efficiencies, volume and market share growth and the recovery in the Cape Town Bakery and CIM business. As a result, Premier has seen Adjusted EBITDA grow at a 20% CAGR over the three-year period to FY2022.

Over the years, Adjusted EBITDA has been supported by Premier's continued investment in capital expenditure, which has had a direct impact on the 24% per annum growth in Adjusted EBITDA between FY2011 to FY2021.

5.2 **Overview of divisional performance for the year ended 31 March 2022, with comparison to the years ended 31 March 2021 and 2020**

The table below sets out a summary of key financial information by division (Millbake and Groceries and International) for Premier's financial performance over the past 3 years:

ZAR'000	FY2020	FY2021	FY2022
Revenue			
Millbake	9,050,660	10,546,909	11,869,815
Groceries and International	1,996,896	1,978,744	2,667,996
Total revenue	11,047,556	12,525,653	14 537,811
Revenue (% contribution)			
Millbake	82%	84%	82%
Groceries and International	18%	16%	18%

ZAR'000	FY2020	FY2021	FY2022
Adjusted EBITDA			
Millbake	919,179	1,053,121	1,387,866
Adjusted EBITDA margin (%)	*10%*	*10%*	*12%*
Groceries and International	185,399	121,510	199,697
Adjusted EBITDA margin (%)	*9%*	*6%*	*7%*
Corporate office	(72,853)	(75,664)	(97,319)
Total Adjusted EBITDA	1,031,725	1,098,967	1,490,244
Capital expenditure			
Millbake	258,615	397,869	419,593
Groceries and International	111,915	64,812	54,036
Corporate office	3,156	498	7,348
Total capital expenditure	373,686	463,179	480,977

- **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.

Revenue for the Millbake business increased by 12.5% to ZAR11.9 billion in FY2022 (FY2021: ZAR10.5 billion), while Adjusted EBITDA grew by 31.8% to ZAR1.4 billion (FY2021: ZAR1.1 billion).

Over the past three financial years, Millbake has outperformed as management has proactively managed price increases and volumes, successfully passing on inflationary increases to the consumer despite a challenging trading environment. Revenue in Premier's Millbake business has grown at a CAGR of 15% from FY2020 to FY2022, with Adjusted EBITDA growing at a CAGR of 23% over the same period, supported by margin expansion from 10.2% in FY2020 to 11.7% in FY2022.

The Millbake business continues to show resilient revenue growth as evidenced through the contribution of price/volume mix from FY2020 to FY2022:

	FY2020	FY2021	FY2022
Volume growth	3.2%	7.8%	6.0%
Price growth	5.9%	8.7%	6.5%
Revenue growth	***9.1%***	***16.5%***	***12.5%***

- **Groceries and International**

This segment comprises HPC products, sugar based confectionery products and nutritional beverages. Also included in this segment is Premier's subsidiary in Mozambique which produces diversified products including wheat flour, maize meal, pasta, biscuits and animal feeds.

The robust performance evident in the Groceries and International business has been driven by significant capital expenditure, brand loyalty and product expansion. Over the past three financial years, Premier has expanded its offering in its Groceries and International business including, amongst other initiatives, the acquisition of Mister Sweet which had a significant impact on the revenue of this division in FY2022.

Revenue for the Groceries and International business increased by 34.8% to ZAR2.7 billion in FY2022 (FY2021: ZAR2.0 billion), in part as a result of the Mister Sweet acquisition:

- Revenue for sugar confectionery increased by 237.6% to ZAR763 million (FY2021: ZAR226 million);
- Revenue for beverages decreased by 6.5% to ZAR80 million (FY2021: ZAR85 million);
- Revenue for home and personal care increased by 6.0% to ZAR651 million (FY2021: ZAR614 million); and
- Revenue for CIM increased by 10.4% to ZAR1,174 million (FY2021: ZAR1,063 million).

Adjusted EBITDA in the Groceries and International business grew by 64.3% in FY2022 to ZAR200 million (FY2021: ZAR122 million), which included the effect of the Mister Sweet acquisition in June 2021.

6. OVERVIEW OF THE PREMIER GROUP'S RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022, WITH COMPARISON TO THE SIX MONTHS ENDED 30 SEPTEMBER 2021

6.1 Results of operations for the six months ended 30 September 2022, with comparison to the six months ended 30 September 2021

ZAR'000	1H FY2022	1H FY2023
Revenue from contracts with customers	7,000,776	8,730,702
Cost of sales	(4,677,264)	(6,096,821)
Gross profit	**2,323,512**	**2,633,881**
Other operating income	8,193	10,741
Credit loss allowances reversed/(raised)	(754)	(964)
Impairment losses	–	–
Sales and marketing expenses	(735,187)	(812,497)
Distribution expenses	(403,343)	(462,090)
Administration expenses	(701,841)	(765,113)
Operating profit/(loss)	**490,580**	**603,958**
Finance income	2,314	47,399
Finance costs	(231,535)	(158.922)
Foreign exchange gains on cash and loans of a funding nature	15,802	53,074
Profit/(loss) before tax	**277,161**	**545,509**
Income tax (expense)/credit	(93,963)	(145,655)
Profit/(loss) for the year	**183,198**	**399,854**

Reconciliation from operating profit/(loss) to Adjusted EBITDA:

ZAR'000	1H FY2022	1H FY2023
Operating profit/(loss)	490,580	603,958
Impairment losses	–	–
Depreciation and amortisation	218,873	216,742
Adjusted EBITDA	**709,453**	**820,700**

- **Revenue**

Premier delivered a strong performance for 1H FY2023, despite extraordinarily high commodity prices, loadshedding and other cost inflation pressures.

Revenue for the six months ended 30 September 2022 was ZAR8.7 billion, a 24.7% improvement on 1H FY2022 (ZAR7.0 billion), driven by strong performance across both the Millbake and Groceries and International divisions.

The below table summarises Premier's revenue exposure by geography over the period, with comparison:

ZAR'000	1H FY2022	1H FY2023
South Africa	5,831,501	7,453,947
Outside South Africa	1,169,275	1,276,755
Total revenue	**7,000,776**	**8,730,702**

Revenue generated within South Africa increased 27.8% over the six months ended 30 September 2022, while revenue generated outside of South Africa increased 9.2% over the same period.

- **Operating Profit**

Operating Profit for the six months ended 30 September 2022 was ZAR604 million, an increase of 23.1% on 1H FY2022.

As highlighted in paragraph 5.1, depreciation and amortisation make up a significant contribution to the total costs analysis, but continues to reduce on a proportionate basis:

	1H FY2022	**1H FY2023**
Depreciation and amortisation (ZAR'000)	218,873	216,742
As a % of revenue	*3.1%*	*2.5%*

- **EBITDA**

EBITDA grew by 15.7% on the comparable period, driven by Millbake increasing its EBITDA by 15.2% and Groceries and International EBITDA increasing by 25.1%.

Corporate office costs increased by 28.3% to ZAR52 million compared to 1H FY2022.

- **Operating profit/(loss)**

Operating profit for the six months ended 30 September 2022 grew by 23.1% on prior year to ZAR604 million (1H FY2022: ZAR491 million).

Finance income increased with ZAR45 million to ZAR47 million, mainly attributable to the accrued withholding tax on the preference dividend that was released to profit or loss as it did not become due and payable on the conversion of the preference shares.

Finance costs decreased 31.4% on prior year to ZAR159 million, largely attributable to the shareholder loan that was ceded for equity and the redeemable preference shares that were converted to equity.

6.2 **Overview of divisional performance for the six months ended 30 September 2022, with comparison to the six months ended 30 September 2021**

The table below sets out a summary of key financial information by division (Millbake and Groceries and International) for Premier's financial performance over the periods:

ZAR'000	**1H FY2022**	**1H FY2023**
Revenue		
Millbake	5,754,835	7,238,544
Groceries and International	1,245,941	1,492,158
Total revenue	7,000,776	8,730,702
Revenue (% contribution)		
Millbake	82%	83%
Groceries and International	18%	17%
Adjusted EBITDA		
Millbake	660,391	760,637
Adjusted EBITDA margin (%)	*11.5%*	*10.5%*
Groceries and International	89,617	112,084
Adjusted EBITDA margin (%)	*7.2%*	*7.5%*
Corporate office	(40,555)	(52,021)
Total Adjusted EBITDA	709,453	820,700
Capital expenditure		
Millbake	175,336	170,649
Groceries and International	30,010	38,512
Corporate office	5,992	5,742
Total capital expenditure	211,338	214,903

- **Millbake**

Revenue for the Millbake business increased by 25.8% to ZAR7.2 billion in 1H FY2023 (1H FY2022: ZAR5.8 billion), with volumes in bread, wheat and breakfast categories growing despite the impacts of loadshedding on the division and price increases being passed through to the market.

While there is some lag between input cost increases and the ability to implement price increases, the 27% increase in SAFEX wheat prices for the 12 months to 30 September 2022 has been largely offset through Premier's proactive price management strategy, evident in the below price/volume mix over the period:

	1H FY2022	**1H FY2023**
Volume growth	2.9%	4.5%
Price growth	6.9%	21.2%
Revenue growth	***9.8%***	***25.8%****

* *Summation differences due to rounding*

Millbake EBITDA increased by 15.2% to ZAR760 million in 1H FY2023 with the EBITDA margin contracting by 100 basis points to 10.5%

- **Groceries and International**

Revenue for the Groceries and International business increased by 19.8% to ZAR1.5 billion in 1H FY2023 (1H FY2022: ZAR1.2 billion), supported by:

- robust performance in the sugar confectionery category, with growing sales volumes underpinning increases in revenue, gross profit and EBITDA;
- strong trading in home and personal care and CIM; and
- continued brand loyalty and product expansion.

The home and personal care and CIM businesses showed good trading through the six months to 30 September 2022, with strong margin management and well-controlled costs driving gross profit and EBITDA increases in both businesses.

Groceries and International EBITDA increased by 25.1% to ZAR112 million in 1H FY2023, with margins expanding by 30 basis points to 7.5%.

7. CASH FLOW, LIQUIDITY AND MATERIAL INDEBTEDNESS

7.1 Cash flow

The table below sets out a summary of the Group's net movement in cash flow year ended 31 March 2022 (with comparison to the years ended 31 March 2021 and 2020) and for the six months ended 30 September 2022:

ZAR'000	**FY2020**	**FY2021**	**FY2022**	**1H FY2023**
Net cash inflow from operating activities	329,915	855,264	801,852	381,881
Net cash outflow from investing activities	(372,627)	(485,640)	(971,565)	(208,854)
Net cash inflow/(outflow) from financing activities	232,661	(150,408)	115,998	(116,337)
Net movement in cash and cash equivalents	**189,949**	**219,216**	**(53,715)**	**56,690**
Effect of exchange rate changes on cash and cash equivalents	11,111	5,497	(1,153)	13,530
Total cash and cash equivalents at the end of the year	7,161	231,874	177,006	247,226

- **Net cash flows from operating activities**

Net cash inflow from operating activities decreased by ZAR53 million in the 12 months ended 31 March 2022 to ZAR802 million, primarily as a result of an increase in current tax paid for the year which is partly offset by a decrease in interest paid.

In FY2021, net cash inflow from operating activities increased by 159% (ZAR525 million) to ZAR855 million (FY2020: ZAR330 million).

For the six months ended 30 September 2022, cash generated from operations increased by 35.3% to R622 million, underpinned by the growth in the Group's EBITDA and supported by well managed working capital.

Total net operating working capital stands at ZAR1,198 million in 1H FY2023 (FY2022: ZAR917 million, FY2021: ZAR742 million), which translates to 13.8% of Revenue. Based on management's sensitivity analysis, a ZAR1,000 per ton increase in wheat prices absorbs an additional ZAR94 million to fund working capital.

- **Net cash flows from investing activitie**s

Net cash outflow from investing activities increased by ZAR486 million in the 12 months ended 31 March 2022 to ZAR972 million, primarily the result of the acquisition of the Mister Sweet business, net of cash acquired of R428 million and an increase of ZAR30 million in restricted cash relating to the deposit paid for the acquisition of Outeniqua bakery subsequent to year-end. Capital expenditure increased by ZAR15 million while proceeds from sale of property, plant and equipment decreased by ZAR13 million.

In FY2021, net cash outflow from investing increased 30% (ZAR113 million) to ZAR486 million (FY2020: ZAR373 million).

During the six months ended 30 September 2022, capital expenditure of c.ZAR215 million was incurred, comprising ZAR66 million of expansionary capital expenditure and ZAR149 million of maintenance capital expenditure. The Group also acquired a bakery in the Western Cape region of South Africa for a purchase consideration of R30 million.

- **Net cash flows from financing activities**

Net cash inflow from financing activities increased by ZAR266 million for the 12 months ended 31 March 2022 to ZAR116 million, primarily due to the increase in proceeds additional borrowings of ZAR460 million taken on during the financial period.

In FY2021, net cash outflow from increased 165% (ZAR383 million) to ZAR150 million (FY2020: inflow of ZAR233 million).

7.2 Liquidity

The Group has various facilities available to it from FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa, Investec Bank Limited and The Standard Bank of eSwatini, with total undrawn facilities of ZAR849 million available as at the end of 1H FY2023 (FY2022: ZAR948 million, FY2021: ZAR1.2 billion and FY2020: ZAR968 million).

7.3 Material indebtedness and other material liabilities of the Group

- **Third-party borrowings**

The below table sets out a summary of the Group's third-party borrowings as at 31 March 2022 (with comparison to 2021 and 2020) and as at 30 September 2022:

ZAR'000		FY2020	FY2021	FY2022
Secured bank loans – Term facilities				
- FirstRand Bank Limited – Facility A	ZAR	760,000	600,000	440,000
- Standard Bank of South Africa	ZAR	145,510	218,642	202,247
- Standard Bank of eSwatini – Facility A	SZL	16,250	3,250	*
Secured bank loans – Revolving facilities				
- FirstRand Bank Limited – Facility B	ZAR	1,200,000	1,200,000	1,200,000
- FirstRand Bank Limited – Facility C	ZAR	–	–	300,000
- Standard Bank of eSwatini	SZL	–	–	80,000
- First National Bank of eSwatini Limited	SZL	–	–	80,000
- Standard Bank of eSwatini – Facility B	SZL	63,148	63,024	*
- Standard Bank of eSwatini – Facility C	SZL	30,000	*	*
- Standard Bank of eSwatini – Facility D	SZL	30,000	30,000	*
		2,244,908	**2,114,916**	**2,302,247**
Current portion		411,010	272,670	179,239
Non-current portion		1,833,898	1,842,246	2,123,008

** This facility was fully settled and no balances are outstanding at the reporting date.*

The Group has complied with financial covenants of its borrowing facilities during the current and previous reported financial years.

For additional information, please refer to Note 22 (Borrowings) to ANNEXE 1– Consolidated Historical Financial Information for the Three Years ending 31 March 2022 and details to ANNEXE 11 – Material Borrowing, Lending and Material Inter-Company Balances.

- **Refinanced borrowing facilities**

During November 2022, Premier FMCG, refinanced its long-term debt and increased its debt by ZAR1.04 billion.

On 2 November 2022, the Group refinanced its syndicated borrowing facilities amounting to ZAR1.9 billion and consolidated them into one facility repayable in full in November 2025. The refinancing resulted in an additional ZAR40 million cash inflow.

Furthermore, an additional ZAR1 billion revolving facility was secured resulting in a commensurate increase in borrowings. The ZAR1 billion is repayable in November 2026. ZAR950 million of the proceeds from the additional facility was distributed to shareholders prior to the Company listing on the JSE. The remaining ZAR50 million was retained to fund working capital.

As detailed background to the abovementioned refinancing, on 9 December 2019, Premier FMCG (as borrower and guarantor) and Premier (as guarantor) entered into a senior facilities agreement with FirstRand Bank Limited (acting through its Rand Merchant Bank division) (RMB) (as original lender and facility agent), RMB (as original GBF lender), The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division) (SBSA) (as original GBF lender) and Main Street 1293 (RF) Proprietary Limited. The agreement was amended and restated on both 27 May 2021 and 29 April 2022, bringing in Main Street 1881 Proprietary Limited and Main Street 1880 Proprietary Limited as an additional guarantor and security provider, respectively. On 2 November 2022, the amounts outstanding under the agreements noted above and the parties, together with Investec Bank Limited (acting through its Investment Banking Division: Corporate Solutions) (IBL) entered into an amendment and restatement agreement in terms of which a new bullet term loan facility of ZAR1,900,000,000 and a new revolving credit facility of ZAR1,000,000,000 were established.

During January 2023, the Group made a capital repayment of ZAR294 million on the revolving credit facility from the cash that was generated from operations, reducing the leverage ratio to 1.9x as at 31 January 2023.

- **Shareholder loan**

As at 31 March 2022, the outstanding principal under shareholder loan from Brait was ZAR1,492 million (including capitalised interest). After year-end, Brait ceded its rights to the shareholder loan claim of ZAR1,492 million in exchange for the issue by the Company of an additional 102,165 ordinary shares to Brait Mauritius Limited.

For additional information, please refer to Note 21 (Loan from shareholder) to ANNEXE 1 – Consolidated Historical Financial Information for the Three Years ending 31 March 2022.

- **Redeemable preference shares**

As at 31 March 2022, the outstanding principal under the no-par value, cumulative, redeemable preference shares was ZAR1,790 million (including accrued preference dividends). The repayment of the preference shares has been subordinated in favour of all debt provided by Bank A to the Group.

During the interim period ending 30 September 2022, the Company issued a conversion notice to Brait in terms of the preference share terms notifying Brait that the preference shares, valued at ZAR1,790 million on 31 March 2022, be converted into 122,521 ordinary shares of the Company on 4 May 2022. These preference shares have subsequently been converted, and Premier settled the outstanding loan amount owed by Premier FMCG to Brait by issuing ordinary shares in Premier to Brait.

The cession of the shareholder loans and conversion of the redeemable preference shares resulted in the Brait shareholding increasing from 98.55% to 99.0%. As a result, the preference shares were removed from the capital structure prior to the listing of Premier.

For additional information, please refer to Note 20 (Redeemable preference shares) to ANNEXE 1 – Consolidated Historical Financial Information for the Three Years ending 31 March 2022.

- **Off-Balance Sheet Commitments**

The Group does not have any capital expenditure commitments that management regards as material other than those incurred in the ordinary course of business at the respective balance sheet date, which are not recognized in the Combined Financial Statements.

- **Trade financing facility**

As at 30 September 2022, the trade financing facility balance was ZAR563.0 million. This facility is used by the Group in the normal operating cycle to finance the procurement of grain. The trade financing facility is measured at amortised cost and bears interest at the South African prime lending rate less 1.6% per annum. Repayments equivalent to the grain consumed in the milling process are made within 7 days of consumption. The facility is secured by the purchased commodities stored in the Group's silos and third-party storage facilities.

For additional information, please refer to Note 25 (Trade financing facility) to "ANNEXE 1 – Consolidated Historical Financial Information for the Three Years ending 31 March 2022".

Refer to "ANNEXE 11 – Material Borrowings, Lending and Material Inter-Company Balances" for a summary of the terms and conditions.

- **Defined benefit pension arrangement**

The Group operates a defined benefit pension plan for its subsidiary in the United Kingdom. The plan is funded through payments to trustee-administered funds. A valuation of the scheme is carried out at least once every three years to determine whether the statutory funding objective is met. As part of the process the subsidiary must agree with the trustee of the scheme the contributions to be paid to address any shortfall against the statutory funding objective. The most recent comprehensive actuarial valuation of the scheme was carried out as at 31 March 2022. The scheme has a surplus that is not recognised, on the basis that at reporting date there was no agreement between the Group and the trustee that future economic benefits are available to the Group in the form of a reduction in future contributions or a cash refund.

For additional information, please refer to Note 28 (Defined benefit pension arrangement) to "ANNEXE 1 – Consolidated Historical Financial Information for the Three Years ending 31 March 2022".

8. QUANTITATIVE AND QUALITATIVE DISCLOSURES REGARDING RISK MANAGEMENT

For a detailed description of the Group's management of financial risk (including credit, liquidity, foreign currency, interest rate and price risk), please refer to Note 36 (Financial Instruments and risk management) to ANNEXE 1 – Consolidated Historical Financial Information for the Three Years ending 31 March 2022.

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established an Audit and Risk committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports quarterly to the Board on its activities.

- **Credit risk**

The Group is exposed to credit risk on loans receivable, trade receivables and cash and cash equivalents.

Premier's exposure to credit risk is limited by credit insurance with Lombard Insurance Company Limited: in South Africa this covers the majority of individual trade receivable balances in excess of ZAR100,000, while in eSwatini and the United Kingdom this covers certain individual trade receivable balances.

Credit risk exposure arising on cash and cash equivalents is managed by Premier through dealing with well-established financial institutions of good standing for investment and cash management purposes. No loss allowance has been recognised in respect of the Group's cash and cash equivalents as all cash balances are held with reputable financial institutions and are short-term in nature with no history of default. Premier considers that its cash and cash equivalents have low credit risk based on the external credit ratings of counterparties.

- **Liquidity risk**

Premier manages its liquidity risk by ensuring sufficient cash and availability of funding through an adequate number of borrowing facilities to meet obligations when due. Management monitors rolling cash flow forecasts of the Group's liquidity reserves comprising debt, undrawn borrowing facilities and cash and cash equivalents. Cash flow forecasts are compiled in accordance with external regulatory requirements and maintaining debt finance covenants. As at year-end, Premier had access to undrawn facilities of ZAR849 million (2022: ZAR948 million; 2021: ZAR1.2 billion; 2020: ZAR968 million).

- **Foreign currency risk**

The Group reports its consolidated financial reports in South African Rands however is exposed to foreign currency risk as a result of transactions that are denominated in foreign currencies entered in the normal course of business. Exchange rate exposures are managed utilising foreign exchange contracts in terms of its risk management policy. The foreign currencies predominantly traded in are USD, EUR, CNY and GBP.

- **Interest rate risk**

The Group is exposed to interest rate risk arising from borrowings. Premier manages this risk by monitoring interest rates on a regular basis and engaging in discussions with financial institutions to obtain the optimum interest rates.

The following sensitivity analysis has been prepared indicating the effect on the variable rate financial instruments with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period, on the basis that all other variables remain constant.

Impact on profit or loss (ZAR'000):	**FY2020**	**FY2021**	**FY2022**
1% increase in interest rates	74,320	63,448	61,142
1% decrease in interest rates	(74,320)	(63,448)	(61,142)

- **Price risk**

Forward supply contract price risk arises from Premier being subject to raw material price fluctuations caused by factors such as supply conditions, weather, economic conditions and other factors. The strategic raw materials acquired by the Group include wheat and maize.

Premier has developed a comprehensive risk management process to facilitate, control and to monitor these risks. The procurement of raw materials takes place with terms of specific mandates given by the executive management. Position statements are prepared on a daily basis and these are monitored by management and compared against mandates. The Board has approved and monitors the risk management process, counterparty limits, controlling and reporting structures.

ANNEXE 1: CONSOLIDATED HISTORICAL FINANCIAL INFORMATION FOR THE THREE YEARS ENDED 31 MARCH 2022

Introduction to the Consolidated Historical Financial Information

The historical financial information of Premier for the three years ended 31 March 2022, 2021 and 2020 (the "Historical Financial Information"), set out in this Annexe, has been prepared in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Procurements as issued by the Financial Reporting Standards Council.

The directors of Premier are responsible for the preparation of the Historical Financial Information.

The Independent Reporting Accountant's audit report on the Historical Financial Information is included in "ANNEXE 2 – Independent Reporting Accountant's Audit Report on the Consolidated Historical Financial Information for the Three Financial Years Ended 31 March 2022".

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

Figures in Rand	Note	2022 R'000	2021 R'000	2020 R'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	12	3,658,354	3,344,944	3,279,759
Right-of-use assets	13	217,777	186,863	229,026
Goodwill	14	208,064	227,014	227,014
Intangible assets	14	1,464,984	1,479,703	1,483,898
Loans receivable	15	36,747	27,927	–
Deferred income tax	11	29,705	27,860	37,001
		5,615,631	**5,294,311**	**5,256,698**
Current Assets				
Inventories	16	1,627,939	1,232,471	1,043,267
Loans receivable	15	7,423	6,982	32,824
Trade and other receivables	17	1,375,237	1,156,086	1,453,475
Current income tax receivable		44,850	13,371	9,193
Restricted cash	31	30,000	–	–
Cash and cash equivalents	32	291,295	368,378	87,826
		3,376,744	**2,777,288**	**2,626,585**
Total assets		**8,992,375**	**8,071,599**	**7,883,283**
EQUITY				
Share capital	18	126,879	117,632	106,632
Reserves		(156,932)	(172,584)	(106,191)
Retained income/(Accumulated loss)		20,668	(251,562)	(323,786)
Equity attributable to the equity holders of the Company		(9,385)	(306,514)	(323,345)
Non-controlling interest		3,963	3,657	8,331
Total equity		**(5,422)**	**(302,857)**	**(315,014)**
LIABILITIES				
Non-Current Liabilities				
Loan from shareholder	20	1,492,403	1,512,000	1,582,167
Borrowings	21	2,123,008	1,842,246	1,833,898
Lease liabilities	22	203,501	189,834	213,399
Deferred income tax	11	595,744	638,738	649,248
Employee benefit obligations	23	39,771	33,130	8,758
Redeemable preference shares	19	1,789,751	1,700,366	1,614,783
Tax liabilities	28	43,513	38,809	42,100
		6,287,691	**5,955,123**	**5,944,353**
Current Liabilities				
Employee benefit obligations	23	277,438	227,996	187,748
Trade and other payables	24	1,275,738	954,722	849,169
Trade financing facility	25	463,610	497,234	403,715
Refund liabilities	26	342,522	302,422	294,439
Borrowings	21	179,239	272,670	411,010
Lease liabilities	22	54,936	24,625	27,095
Tax liabilities	28	2,334	3,160	103
Bank overdraft	32	114,289	136,504	80,665
		2,710,106	**2,419,333**	**2,253,944**
Total Liabilities		**8,997,797**	**8,374,456**	**8,198,297**
Total Equity and Liabilities		**8,992,375**	**8,071,599**	**7,883,283**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in Rand	Note	2022 R'000	2021 R'000	2020 R'000
Revenue from contracts with customers	3	14,537,811	12,525,653	11,047,556
Cost of sales		(9,748,182)	(8,346,357)	(7,324,078)
Gross profit		**4,789,629**	**4,179,296**	**3,723,478**
Other operating income	4	16,839	17,896	18,886
Credit loss allowances reversed/(raised)	5	14,208	(105,956)	(21,739)
Impairment losses	5	(130,069)	–	(631,368)
Sales and marketing expenses		(1,529,890)	(1,307,929)	(1,258,365)
Distribution expenses		(806,229)	(691,967)	(642,588)
Administration expenses		(1,477,140)	(1,406,355)	(1,194,579)
Operating profit/(loss)		**877,348**	**684,985**	**(6,275)**
Finance income	6	4,712	4,920	5,773
Finance costs	7	(467,928)	(511,059)	(663,560)
Profit/(loss) before tax		**414,132**	**178,846**	**(664,062)**
Income tax (expense)/credit	10	(136,414)	(111,388)	37,927
Profit/(loss) for the year		**277,718**	**67,458**	**(626,135)**
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement gain/(loss) on defined benefit obligations		4,917	4,380	(4,849)
Deferred tax on remeasurements	10	(1,039)	(856)	820
Total items that will not be reclassified to profit or loss		**3,878**	**3,524**	**(4,029)**
Items that may be reclassified to profit or loss:				
Foreign currency translation reserve		6,592	(66,435)	82,110
Other comprehensive income for the year net of tax		**10,470**	**(62,911)**	**78,081**
Total comprehensive income/(loss) for the year		**288,199**	**4,547**	**(548,054)**
Profit/(loss) attributable to:				
Owners of the Company		277,412	72,132	(626,773)
Non-controlling interest		306	(4,674)	638
		277,718	**67,458**	**(626,135)**
Total comprehensive income/(loss) attributable to:				
Owners of the Company		287,882	9,221	(548,692)
Non-controlling interest		306	(4,674)	638
		288,188	**4,547**	**(548,054)**
Earnings per ordinary share attributable to equity holders of the Company (cents)				
Basic	8	66,105	17,195	(149,433)
Diluted	8	65,737	17,195	(149,433)

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	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
Balance at 1 April 2019	106,632	(182,631)	(5,670)	308,281	226,612	8,975	235,587
Impact of adoption of IFRS 16*	–	–	–	10,453	10,453	–	10,453
Balance at 1 April 2019 (Restated)	106,632	(182,631)	(5,670)	318,734	237,065	8,975	246,040
Loss for the year	–	–	–	(626,773)	(626,773)	638	(626,135)
Other comprehensive income	–	82,110	–	(4,029)	78,081	–	78,081
Transactions recorded with owners in equity	–	–	–	(11,718)	(11,718)	(1,282)	(13,000)
Balance at 1 April 2020	**106,632**	**(100,521)**	**(5,670)**	**(323,786)**	**(323,345)**	**8,331**	**(315,014)**
Profit for the year	–	–	–	72,132	72,132	(4,674)	67,458
Other comprehensive income	–	(66,435)	–	3,524	(62,911)	–	(62,911)
Issue of shares	11,000	–	–	–	11,000	–	11,000
Purchase of treasury shares	–	–	(3,390)	–	(3,390)	–	(3,390)
Transfer between reserves	–	3,432	–	(3,432)	–	–	–
Balance at 31 March 2021	**117,632**	**(163,524)**	**(9,060)**	**(251,562)**	**(306,514)**	**3,657**	**(302,857)**
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)	–	–	–
Balance at 31 March 2022	**126,879**	**(156,932)**	**–**	**20,668**	**(9,385)**	**3,963**	**(5,422)**
Note	18						

* *Refer to note 2 for the impact of the adoption of IFRS 16.*

^ *During the year the Company repurchased 1,860 ordinary shares which one of its subsidiaries held in the Company. Share Capital is reduced with ZAR18.60 which is not shown due to rounding.*

STATEMENT OF CASH FLOWS

Figures in Rand	Note	2022 R'000	2021 R'000	2020 R'000
Cash flows from operating activities				
Cash generated from operations	29	1,415,013	1,422,160	872,166
Finance income		2,250	2,737	23,670
Finance costs		(378,694)	(453,892)	(523,454)
Tax paid	30	(236,717)	(115,741)	(42,467)
Net cash inflow from operating activities		**801,852**	**855,264**	**329,915**
Cash flows from investing activities				
Replacement of property, plant and equipment	12	(147,590)	(203,242)	(209,874)
Expansion of property, plant and equipment	12	(333,387)	(259,937)	(163,812)
Proceeds from disposal of property, plant and equipment		5,133	18,168	52,830
Purchase of intangible assets	14	(38,161)	(40,629)	(47,768)
Payment for acquisition of business, net of cash acquired	34	(427,560)	–	(13,000)
Increase in restricted cash	31	(30,000)	–	–
(Advances)/receipts of loans receivable		–	–	8,997
Net cash outflow from investing activities		**(971,565)**	**(485,640)**	**(372,627)**
Cash flows from financing activities				
Proceeds from issue of shares	18	2,447	11,000	–
Proceeds from borrowings	33	460,000	95,721	680,000
Repayment of borrowings	33	(272,669)	(225,713)	(398,113)
Repayment of short term loan		–	–	(23,000)
Repayment of shareholders loan	33	(19,597)	–	–
Payment of principal portion of lease liabilities	33	(54,183)	(28,026)	(26,226)
Acquisition of treasury shares		–	(3,390)	–
Net cash inflow/(outflow) from financing activities		**115,998**	**(150,408)**	**232,661**
Net movement in cash and cash equivalents		**(53,715)**	**219,216**	**189,949**
Cash and cash equivalents at the beginning of the year		231,874	7,161	(193,899)
Effect of exchange rate changes on cash and cash equivalents		(1,153)	5,497	11,111
Total cash and cash equivalents at the end of the year	32	**177,006**	**231,874**	**7,161**

ACCOUNTING POLICIES

Corporate information

Premier Group Proprietary Limited (the 'Company') is a Company domiciled in South Africa. The consolidated historical financial information of the Group for the years ended 31 March 2022, 2021 and 2020 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is involved in the manufacture, distribution and sale of bread, flour, maize meal, animal feeds and sugar confectionery products, nutritional beverages, feminine hygiene and other personal care products.

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1 Basis of preparation

The consolidated historical financial information in the Pre-listing Statement is prepared in compliance with International Financial Reporting Standards ("IFRS") and Interpretations of those standards, as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the JSE Listings Requirements of the Johannesburg Stock Exchange and the South African Companies Act, 2008.

The consolidated historical financial information has been prepared on the going concern basis as described in note 40 and the historic cost convention, except for items measured at fair value as indicated in the accounting policies described in the notes to the consolidated historical information. These accounting policies are consistent with previous periods, except for the changes as set out in note 2. The consolidated historical financial information are rounded to the nearest thousand, unless otherwise stated.

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

1.2 Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and could affect these returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group ('acquisition date').

The financial statements of the subsidiaries are prepared for the same reporting period applying the Group's accounting policies. Where a Subsidiary has a different reporting period or adopted different accounting policies with that of the Group, the financial statements of the Subsidiary are adjusted in accordance with the Group's reporting period and accounting policies.

All intercompany transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interest in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised within equity. On an acquisition bases, non-controlling interest in the acquiree may initially be measured by either at fair value, or at the non-controlling shareholder's proportion of the net identifiable assets acquired and liabilities assumed. Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

1.3 **Translation of foreign currencies**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated historical financial information is presented in Rands (rounded to thousand), which is the Group's presentation currency and the Company's functional and presentation currency.

The financial results and position of foreign subsidiaries are translated to the presentation currency as follows:

- Assets and liabilities presented are translated at the closing rate at the reporting date.
- Income, expenses and cash flows are translated at average exchange rates during the reporting period.
- All resulting foreign exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ('FCTR'), except to the extent the difference is allocated to non-controlling interests.

1.4 **Covid-19 pandemic**

The COVID-19 pandemic has placed a strain on many businesses in the local, regional and global economies in which the Group operates. Most of the Group's manufacturing and distribution sites were classified as essential services and continued to operate during the lockdown period. Other than occasional supply chain challenges, the COVID-19 impact on most of the Group's operations have not been significant. The protracted lockdown and the further constraints on consumer disposable income did however impact the sugar confectionery and home and personal care cash generating units. A number of health and safety measures were implemented throughout the Group's operations to ensure the well-being of employees. The Group has adopted an agile mindset and continues to monitor the developments surrounding the pandemic across all territories and is updating its risk management practices on a continuous basis.

1.5 **Civil unrest**

The civil unrest that occurred in eSwatini and South Africa in June and July 2021 respectively did not have a significant impact on the Group's performance.

1.6 **Russia-Ukraine war**

The Russia-Ukraine war remains highly volatile making it difficult to assess the medium to long term impact. Given the geopolitical uncertainty resulting from the war and the impact thereof on the global supply chain, South Africa is likely to grow in importance in the near term as a maize exporter given the strong harvest experienced in 2021. The invasion has fuelled global and domestic inflation concerns, driving rising commodity prices across various products, including wheat. Given that a significant proportion of wheat consumed in South Africa is imported, margins on wheat-based products are likely to come under pressure.

Although the Group occasionally imports wheat from the Black Sea area, it has secured wheat volumes until the new domestic wheat harvest season and is monitoring and actively managing the longer-term impact on both security of wheat supply and expected input cost pressures.

2. ADOPTION OF IFRS 16

Application of IFRS 16 Leases

In the 2020 financial year, the Group adopted IFRS 16 Leases with the date of initial application being 1 April 2019. IFRS 16 replaced the previous leases standard, IAS 17 Leases and related interpretations.

IFRS 16 introduced significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the consolidated historical financial information is described below.

The Group applied the practical expedient available in IFRS 16 which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17.

Impact on financial statements

On transition to IFRS 16, the Group recognised an additional R262 million right-of-use assets and R262 million lease liabilities. This, together with the derecognising of operating lease straightline liabilities of R10.4 million and adjustments for deferred tax of R2.9 million were accounted for on transition date.

The following table provides a reconciliation of the difference between operating lease commitments per IAS17 as at 31 March 2019, discounted at the incremental borrowing rate on 1 April 2019, and lease liabilities per IFRS 16 recognised on 1 April 2019.

Reconciliation of previous operating lease commitments to lease liabilities under IFRS 16	**1 April 2019 R'000**
Operating lease commitment at 31 March 2019 as previously disclosed	321,607
Discounted using the incremental borrowing rate at 1 April 2019	(72,732)
Less recognition exemption for:	
Leases of low value assets	(3,069)
Plus: Finance leases previously accounted for under IAS 17	16,399
Lease liabilities recognised at 1 April 2019	262,205

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is 8%.

As a result of adopting IFRS 16, operating profit for the year ended 31 March 2020 has increased by R36.2 million due to the replacement of operating lease expenses. This increase is partly offset by an interest expense on lease liabilities of R19 million and depreciation on right-of-use assets of R34.4 million, effectively resulting in an increase in loss before taxation of R17.6 million.

On the statement of cash flows, lease payments of R36.2 million, previously included in cash generated by operations, have been disclosed as R17.2 million under cash flow from financing activities and R19.0 million as interest paid as cash flow from operating activities. Therefore, effectively resulting in an increase of R17.2 million in cash flow from operating activities and a decrease of R19.0 million in cash flows from financing activities.

Opening retained earnings impact of change in accounting policy

Retained earnings on 1 April 2019 increased with R10.4 million due to the adoption of the IFRS 16 – Leases accounting standard.

3. **REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Premier Group derives revenue from the sale of goods at a point in time which can be disaggregated as follows:

	2022	2021	2020
Revenue by product type	**R'000**	**R'000**	**R'000**
Sale of food products	13,554,583	11,649,568	10,211,048
Sale of personal care products	652,016	615,436	628,332
Sale of animal feeds	331,212	260,649	208,176
Total	**14,537,811**	**12,525,653**	**11,047,556**

	2022	2021	2020
Revenue by geographical region	**R'000**	**R'000**	**R'000**
Sale of goods from operations in South Africa	12,158,692	10,365,022	8,965,199
Sale of goods from operations outside of South Africa	2,379,119	2,160,631	2,082,357
Total	**14,537,811**	**12,525,653**	**11,047,556**

Accounting policy:

Revenue is generated from the sale of bread, flour, maize meal, animal feeds and sugar confectionery products, nutritional beverages, feminine hygiene and other personal care products arising in the ordinary course of the Premier Group's activities. Revenue is recognised when control of the products is transferred, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is therefore recognised at a point in time.

Revenue is measured at an amount that the Premier Group expects to be entitled to in exchange for those goods to the extent that it is highly probable that there will be no significant reversal. Revenue is recognised net of value added tax, returns, rebates, discounts and other allowances and after eliminating sales within the Premier Group. The Premier Group bases its estimates of rebates and settlement discounts on historical trends and the trading terms contained in signed agreements with customers, along with the value of sales which took place during the month. The transaction price might include an element of consideration that is variable on the outcome of future events in the form of settlement discounts and growth rebates. Settlement discounts are deemed variable consideration as a result of the uncertainty as to whether the customer will pay the invoice within the discount period as specified in the trading terms. Growth rebates are deemed variable consideration as a result of the uncertainty as to whether the customer will achieve the growth targets as specified in the trade agreements with customer. The expected settlement value is based on the contractual terms with the customer. Any rebates and allowances not claimed in a three-year period are written back to revenue.

A refund liability for rebates, discounts and other allowances is recognised for the expected amounts payable to customers in relation to sales made until the end of the reporting period.

No element of financing is deemed present as the Premier Group does not expect to have any contracts where the period between the transferring of control of the goods and payment by the customer exceeds one year and accordingly the practical expedient in IFRS 15 has been applied. Payment terms between 0 to 60 days are applicable to the Premier Group.

4. **OTHER OPERATING INCOME**

	2022	2021	2020
Revenue by product type	**R'000**	**R'000**	**R'000**
Rental income	1,719	2,610	3,181
Scrap sales	1,118	376	1,830
Other income	14,002	14,910	13,875
	16,839	17,896	18,886

5. OPERATING PROFIT/(LOSS)

In arriving at operating profit/(loss), the following have been taken into account:

	2022 R'000	2021 R'000	2020 R'000
External auditor remuneration	11,420	8,710	7,848
– audit fees	9,653	8,534	7,694
– other services fees	1,767	176	154
Internal auditors' remuneration	3,917	2,300	2,395
Amortisation on intangible assets	35,290	43,746	38,299
Depreciation on property, plant and equipment	380,910	331,296	328,573
Depreciation on right-of-use assets	66,627	38,940	39,760
Impairment losses (Refer to note 15)	130,069	–	631,368
– property, plant and equipment	9,127	–	148,503
– goodwill	18,950	–	337,804
– trademarks	101,992	–	145,061
Loss on disposal of property, plant and equipment	4,391	8,803	975
Credit loss allowances (reversed)/raised	(14,208)	105,956	21,739
Cost of inventory recognised in cost of sales	8,843,526	7,614,722	6,631,183
Staff costs*	1,978,354	1,743,919	1,577,497
– salaries and wages	1,842,192	1,601,029	1,470,954
– retirement funds and medical aid contributions	125,403	113,773	107,132
– share appreciation rights scheme (Refer to note 24)	10,759	29,117	(589)
Lease charges~	11,264	11,761	10,987
– land and buildings	2,728	5,535	5,428
– equipment	8,536	6,226	5,559

* *Staff costs included in cost of sales amounted to R615 million (2021: R483 million; 2020: R469 million).*

^ *Depreciation included in the cost of sales amounted to R289 million (2021: R248 million; 2020: R224 million).*

~ *Consist of short-term and low-value asset leases.*

Accounting policy:

Employee-related expenditure

Remuneration of employees is charged to profit and loss and recognised as an expense in the period in which the employees render the related service. Further information on benefits provided to employees are set out below.

Short-term employee benefits

Short-term employee benefits include salaries and wages, medical-aid contributions, paid leave, sick leave and incentive bonuses. These benefits are expected to be settled within 12 months after the reporting date.

Long-term employee benefits

Long-term employee benefits, including long service awards and deferred incentive bonuses that are expected to be wholly settled more than 12 months after the end of the reporting period in which the services have been rendered.

Retirement benefits

The Group (except for the UK operation) provides retirement benefits to its full-time employees, by means of monthly contributions to defined contribution retirement funds. The assets of these funds are held in separate trustee administered funds. The Group has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee services in current and prior periods. The Group's contribution to the retirement funds are recognised as an expense in the period in which the employees render the related service. The UK operation has a funded defined benefit plan in place. The assets of this pension plan are managed by third party investment managers and are held in separate trustees administered funds.

6. **FINANCE INCOME**

	2022 R'000	2021 R'000	2020 R'000
Loans receivable	2,462	2,085	3,810
Banks	2,061	2,698	1,770
Other receivables	189	137	193
Total finance income	**4,712**	**4,920**	**5,773**

Accounting policy:

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

7. **FINANCE COSTS**

	2022 R'000	2021 R'000	2020 R'000
Loan from shareholder	153,459	159,403	216,528
Borrowings	145,687	149,711	205,536
Foreign exchange (gains)/losses on cash and loans of a funding nature	(4,854)	44,944	(37,480)
Other payables	3,022	3,118	2,679
Trade financing facility	29,107	27,514	37,378
Lease liabilities	24,921	20,176	22,274
Bank overdraft	22,497	16,105	25,106
Preference dividends	94,089	90,088*	191,539
Total finance costs	**467,928**	**511,059**	**663,560**

* *The decrease in the preference dividends is due to a decrease in the dividend return rate as per the addendum to the preference share subscription agreement between Brait Mauritius Limited and the Company. Refer to note 20 for the considerations regarding the accounting treatment.*

Accounting policy:

Finance costs are recognised in profit or loss by applying the effective interest rate to financial liabilities. Foreign exchange gains and losses that relate to borrowings, cash and cash equivalents and remeasurement of forward-exchange contracts are disclosed in profit and loss within "finance costs".

8. **EARNINGS AND HEADLINE EARNINGS PER SHARE**

	2022		2021		2020	
	Gross R'000	**Net R'000**	**Gross R'000**	**Net R'000**	**Gross R'000**	**Net R'000**
Earnings – attributable to the owners of the Company						
Adjusted for:		277,412	–	72,132	–	(626,773)
Loss on disposal of property, plant and equipment	4,391	4,313	8,803	8,090	975	901
Impairment losses- Property, plant and equipment	9,127	6,362	–	–	148,503	99,185
– Goodwill	18,950	18,950			337,804	337,804
– Trademarks	101,992	73,438			145,061	104,470
Headline earnings		**380,475**		**80,222**		**(84,413)**

8. **EARNINGS AND HEADLINE EARNINGS PER SHARE (CONTINUED)**

Reconciliation of weighted average number of ordinary shares	**2022**	**2021**	**2020**
Issued shares at beginning of year (net of treasury shares)	419,627	419,433	419,433
Effect of treasury shares purchased	–	(161)	–
Effect of ordinary shares issued	27	218	–
Weighted average number of ordinary shares issued (net of treasury shares)	419,654	419,490	419,433
Weighted average number of shares (excluding treasury shares) for calculation of basic earnings per share	419,654	419,490	419,433
Adjusted for:			
Right to convert redeemable preference shares	2,350	–	–
Weighted average number of shares for calculation of diluted earnings per share	422,004	419,490	419,433

	2022	**2021**	**2020**
	Cents	**Cents**	**Cents**
Earnings per share			
Earnings per share	66,105	17,195	(149,433)
Headline earnings per share	90,664	19,124	(20,126)
Diluted earnings per share			
Diluted earnings per share	65,737	17,195	(149,433)
Diluted headline earnings per share	90,561	19,124	(20,126)

Accounting policy

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 Limited.

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 R1.7 million of the preference dividends. The Company has dilutive potential ordinary shares which comprise the right the Company obtained during the current year to convert the redeemable preference shares to ordinary shares of the Company.

9. **OPERATING SEGMENTS**

The table below shows the relationship between the revenue per product type disclosed in note 3 and the revenue per segment.

	Sale of food products	Sale of personal care products	Sale of animal feeds	Total
	R'000	R'000	R'000	R'000
Revenue by segment per product type – 2022				
Millbake	11,869,815	–	–	11,869,815
Groceries and International	1,684,768	652,016	331,212	2,667,996
Total revenue	**13,554,583**	**652,016**	**331,212**	**14,537,811**
Revenue by segment per product type – 2021				
Millbake	10,546,909			10,546,909
Groceries and International	1,102,659	615,436	260,649	1,978,744
Total revenue	11,649,568	615,436	260,649	12,525,653
Revenue by segment per product type – 2020				
Millbake	9,050,660			9,050,660
Groceries and International	1,160,388	628,332	208,176	1,996,896
Total revenue	**10,211,048**	**628,332**	**208,176**	**11,047,556**

Adjusted EBITDA per segment	Adjusted EBITDA 2022 R'000	Adjusted EBITDA 2021 R'000	2020 R'000
Millbake	1,387,866	1,053,121	919,179
Groceries and International	199,697	121,510	185,399
Corporate office	(97,319)	(75,664)	(72,853)
Adjusted EBITDA	**1,490,244**	**1,098,967**	**1,031,725**
Reconciliation from Adjusted EBITDA to operating profit/(loss):			
Adjusted EBITDA	1,490,244	1,098,967	1,031,725
Depreciation and amortisation	(482,827)	(413,982)	(406,632)
Impairment losses	(130,069)		(631,368)
Operating profit/(loss)	**877,348**	**684,985**	**(6,275)**

	Capital expenditure			**Depreciation and amortisation**		
	2022 R'000	**2021 R'000**	**2020 R'000**	**2022 R'000**	**2021 R'000**	**2020 R'000**
Millbake	419,593	397,869	258,615	307,976	278,613	258,469
Groceries and International	54,036	64,812	111,915	113,668	61,377	75,187
Corporate office	7,348	498	3,156	61,183	73,992	72,976
	480,977	**463,179**	**373,686**	**482,827**	**413,982**	**406,632**

9. **OPERATING SEGMENTS (CONTINUED)**

	Non-current assets		
	2022 R'000	**2021 R'000**	**2020 R'000**
South Africa	4,641,464	4,338,609	4,529,325
Outside South Africa	907,715	899,915	690,372
	5,549,179	5,238,524	5,219,697
Loans receivable	36,747	27,927	–
Deferred tax asset	29,705	27,860	37,001
Non-current assets per Statement of Financial Position	**5,615,631**	**5,294,311**	**5,256,698**

Accounting policy:

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 assess the performance of operating segments based on earnings before interest, tax, depreciation, amortisation and impairment losses ('Adjusted EBITDA').

The Group's reportable segments are operating segments that 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 home & personal care products, sugar based confectionery products and nutritional beverages. Also included in this segment is the Group's subsidiary in Mozambique which produces diversified products including wheat flour, maize meal, pasta, biscuits and animal feeds.
- Corporate office: This segment comprises the costs associated to the costs incurred by the Group's corporate office.

The Group accounts for intersegment sales as if the sales were entered into under the same terms and conditions as would have been entered into in a market-related transaction.

10. **INCOME TAX EXPENSE/(CREDIT)**

The total income tax expense/(credit) for the year comprises:

	2022 R'000	**2021 R'000**	**2020 R'000**
Current tax			
South Africa			
– Current period	157,948	76,410	4,964
– Prior period	(1,162)	(4,885)	(1,188)
Foreign			
– Current period	35,854	43,275	28,142
– Prior period	(13)	1,540	724
Withholding tax	13,127	222	8,407
Stamp duty tax		8	195
Total current tax	205,754	116,570	41,244
Deferred tax			
Current year originating and reversing temporary differences	(59,506)	(19,876)	(79,688)
Changes in tax rates	(334)*		
Adjustments to deferred tax in respect of prior years	(9,500)	14,694	517
Total deferred tax	(69,340)	(5,182)	(79,171)
Total tax expense/(credit)	136,414	111,388	(37,927)

* *The South African corporate tax rate for years of assessments ending on or after 31 March 2023 will decrease from 28% to 27%, whereas the United Kingdom's main rate of corporate tax will increase from 19% to 25% with effect from 1 April 2023. Consequently, on consolidation level the net effect on deferred tax as a result of the changes in rates is not significant.*

10. INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

Reconciliation of the tax rate

The income tax expense charged to profit or loss differs from the income tax expense that would apply if all of the Group's profits from different tax jurisdictions had been taxed at the South African corporate tax rate. For South African entities that are in a tax paying position, tax has been provided at 28% (2021: 28%; 2020: 28%). The Group uses the South African tax rate in respect of its tax rate reconciliation as Premier Group Proprietary Limited is domiciled in South Africa and the most significant operations are in South Africa.

	2022	**2021**	**2020**
	%	**%**	**%**
South Africa tax rate	28.0	28.0	28.0
Adjusted for:			
Exempt income – Learnership allowances	(1.4)	(0.9)	0.4
Impairment of goodwill	1.3	–	(14.2)
Depreciation on non-allowance assets	2.3	7.7	(3.4)
Expenditure not in production of income	1.5	7.2	(1.7)
Preference dividends	6.4	14.1	(8.1)
Non-deductible interest	0.1	–	(2.5)
Withholding taxes	3.2	–	(1.3)
Prior year (under)/over provision	(2.6)	6.3	–
Temporary differences not previously recognised	(4.4)	5.7	6.1
Effect of change in tax rates	(0.1)	–	–
Effect of different tax rates in foreign countries	(1.4)	(5.8)	2.4
Effective tax rate	**32.9**	**62.3**	**5.7**

The tax effects relating to items of other comprehensive income are disclosed on the face of the Statement of Profit or Loss and Other Comprehensive Income.

	2022	**2021**	**2020**
	R'000	**R'000**	**R'000**
Remeasurements on defined benefit obligations	1,039	856	(820)

Accounting policy:

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the company and the company's subsidiaries operate and generate taxable income.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using the tax rates that are expected to apply in the period when the liability is settled, or the asset realised based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets and deferred income tax liabilities are only offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Dividend withholding tax

Dividend withholding tax is withheld on behalf of the tax authority on dividend distributions where applicable. A withholding tax expense is recognised by the Group entity that receives dividends from its foreign subsidiary. The withholding tax expense represents the amount of tax withheld on dividends paid by foreign subsidiaries. The amount of tax withheld is paid to the tax authority by the foreign subsidiary that paid the dividend to its holding company.

11. DEFERRED INCOME TAX

Reconciliation of deferred income tax liability:	2022 R'000	2021 R'000	2020 R'000
Balance at the beginning of the year	638,738	649,248	704,898
Movement through profit or loss	(67,846)	(10,655)	(55,660)
Movement through other comprehensive income	401	145	10
Acquired through business combination	24,197	–	
Change in corporate tax rate	254		
Balance at the end of the year	595,744	638,738	649,248

Deferred income tax liability comprises:	2022 R'000	2021 R'000	2020 R'000
Property, plant and equipment	385,197	399,308	419,384
Trademarks	381,922	378,105	378,105
Computed tax losses	–	–	(21,223)
Right-of-use assets and related lease liabilities	(11,346)	(8,357)	(4,812)
Provisions	(155,826)	(124,694)	(98,125)
Payments received in advance	(2,846)	(3,558)	(2,598)
Deferred interest	(1,357)	(2,524)	(21,830)
Other	–	458	347
Total	595,744	638,738	649,248

Reconciliation of deferred income tax asset:	2022 R'000	2021 R'000	2020 R'000
Balance at the beginning of the year	27,860	37,001	10,220
Movement through profit or loss	1,160	(5,473)	27,483
Movement through other comprehensive income	(638)	(711)	830
Change in corporate tax rate	589	–	–
Exchange rate translation	734	(2,957)	(1,532)
Balance at the end of the year	29,705	27,860	37,001

Deferred income tax asset comprises:	2022 R'000	2021 R'000	2020 R'000
Property, plant and equipment	32,891	28,893	46,085
Unrealised exchange differences	(5,165)	(3,422)	(10,910)
Provisions	1,979	2,389	1,826
Total	29,705	27,860	37,001

Accounting policy:

Deferred tax is calculated using the liability method on all temporary differences between the accounting carrying amount and the tax carrying amount of assets and liabilities using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the asset is realised or the liability is settled.

Deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill or if it arises from the initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

12. PROPERTY, PLANT AND EQUIPMENT

2022

	Land	Buildings	Plant and machinery	Furniture and equipment	Vehicles	Capital-in-progress	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 1 April 2021							
Cost	179,383	1,392,152	3,354,399	181,563	535,078	466,087	6,108,662
Accumulated depreciation and impairment	–	(514,279)	(1,761,204)	(114,868)	(373,367)	–	(2,763,718)
Opening carrying amount	179,383	877,873	1,593,195	66,695	161,711	466,087	3,344,944
Additions	–	–	–	–	–	480,977	480,977
Transfers	6,603	116,162	450,478	15,218	89,359	(677,820)	–
Acquired through business combination	9,170	38,603	165,795	–	–	8,800	222,368
Disposals	–	(208)	(2,929)	(496)	(3,015)	–	(6,648)
Exchange translation differences	–	2,126	4,473	40	111	–	6,750
Depreciation	–	(53,228)	(240,572)	(26,148)	(60,962)	–	(380,910)
Impairment loss	–	–	(9,127)	–	–	–	(9,127)
Closing carrying amount	195,156	981,328	1,961,313	55,309	187,204	278,044	3,658,354
Balance at 31 March 2022							
Cost	195,156	1,548,909	3,946,015	183,261	597,219	278,044	6,748,604
Accumulated depreciation and impairment	–	(567,581)	(1,984,702)	(127,952)	(410,015)	–	(3,090,250)
Closing carrying amount	195,156	981,328	1,961,313	55,309	187,204	278,044	3,658,354

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2021

	Land	Buildings	Plant and machinery	Furniture and equipment	Vehicles	Capital work-in-progress	Total
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Balance at 1 April 2020							
Cost	162,570	1,335,377	3,350,085	168,927	489,650	343,623	5,850,232
Accumulated depreciation and impairment	–	(478,954)	(1,688,794)	(94,415)	(308,310)	–	(2,570,473)
Opening carrying amount	162,570	856,423	1,661,291	74,512	181,340	343,623	3,279,759
Additions	–	–	–	–	–	463,179	463,179
Disposals	(1,603)	(1,185)	(19,889)	(525)	(2,323)	–	(25,525)
Transfers	18,416	93,043	165,834	20,723	47,124	(340,715)	4,425
Exchange translation differences	–	(16,623)	(28,744)	23	(254)	–	(45,598)
Depreciation	–	(53,785)	(185,297)	(28,038)	(64,176)	–	(331,296)
Closing carrying amount	179,383	877,873	1,593,195	66,695	161,711	466,087	3,344,944
Balance at 31 March 2021							
Cost	179,383	1,392,152	3,354,399	181,563	535,078	466,087	6,108,662
Accumulated depreciation and impairment	–	(514,279)	(1,761,204)	(114,868)	(373,367)	–	(2,763,718)
Closing carrying amount	179,383	877,873	1,593,195	66,695	161,711	466,087	3,344,944

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2020

	Land	Buildings	Plant and machinery	Furniture and equipment	Vehicles	Capital work-in-progress	Capitalised leased vehicles	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 1 April 2019								
Cost	162,570	1,298,880	3,124,693	163,741	461,563	261,597	35,700	5,508,744
Accumulated depreciation and impairment	–	(384,280)	(1,382,127)	(76,631)	(247,659)	–	(19,301)	(2,109,998)
Opening carrying amount	162,570	914,600	1,742,566	87,110	213,904	261,597	16,399	3,398,746
Additions	–	–	–	–	–	373,686	–	373,686
Disposals	–	(33,936)	(16,299)	(2,118)	(849)	–	–	(53,202)
Transfers	–	50,457	180,647	27,406	33,150	(291,660)	–	–
Exchange translation differences	–	18,072	35,082	741	109	–	–	54,004
Depreciation	–	(48,468)	(182,874)	(32,257)	(64,974)	–	–	(328,573)
Impairment loss*	–	(44,302)	(97,831)	(6,370)	–	–		(148,503)
Impact of adoption of IFRS 16	–	–	–	–	–	–	(16,399)	(16,399)
Closing carrying amount	162,570	856,423	1,661,291	74,512	181,340	343,623	–	3,279,759
Balance at 31 March 2020								
Cost	162,570	1,335,377	3,350,085	168,927	489,650	343,623	–	5,850,232
Accumulated depreciation and impairment	–	(478,954)	(1,688,794)	(94,415)	(308,310)	–	–	(2,570,473)
Closing carrying amount	162,570	856,423	1,661,291	74,512	181,340	343,623	–	3,279,759

* *Refer to note 15 for the disclosure regarding the impairment loss.*

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

	2022	2021	2020
	R'000	R'000	R'000
Property, plant and equipment	56,349	151,856	130,213

A register of freehold land and buildings is available for inspection at the registered office of the Group.

12. **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Accounting policy:

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, except for land which is stated at cost less any accumulated impairment losses. Cost includes expenditure which is directly attributable to the acquisition or construction of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation commences when the asset is available for use as intended by management. Depreciation is calculated on the straight-line method at rates considered appropriate to reduce book values over the useful lives of the assets, as follows:

- Buildings 5 – 50 years
- Plant and machinery 2 – 40 years
- Furniture and equipment 2 – 25 years
- Vehicles 4 – 10 years

The assets' useful lives and residual values are reviewed, and adjusted if appropriate, at least at each financial year-end.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Significant estimates and judgements:

The remaining useful lives and residual values of property, plant and equipment are assessed on an ongoing basis considering factors such as the expected usage, technological obsolescence and the market demand for the products produced by plant and machinery.

13. **RIGHT-OF-USE ASSETS**

2022

	Land and buildings R'000	**Vehicles** R'000	**Total** R'000
Balance at 1 April 2021			
Cost	246,216	20,801	267,017
Accumulated depreciation	(69,162)	(10,992)	(80,154)
Opening carrying amount	177,054	9,809	186,863
Acquired through business combination	11,878	–	11,878
Additions	78,552	7,731	86,283
Disposals	–	(860)	(860)
Exchange translation differences	(131)	371	240
Depreciation	(62,250)	(4,377)	(66,627)
Closing carrying amount	205,103	12,674	217,777
Balance at 31 March 2022			
Cost	321,312	23,736	345,048
Accumulated depreciation	(116,209)	(11,062)	(127,271)
Closing carrying amount	205,103	12,674	217,777

13. RIGHT-OF-USE ASSETS (CONTINUED)

2021

	Land and buildings R'000	Vehicles R'000	Total R'000
Balance at 1 April 2020			
Cost	246,265	41,945	288,210
Accumulated depreciation	(34,400)	(24,784)	(59,184)
Opening carrying amount	211,865	17,161	229,026
Additions	–	3,818	3,818
Disposals	–	(368)	(368)
Transfers	–	(4,425)	(4,425)
Exchange translation differences	(132)	(2,116)	(2,248)
Depreciation	(34,679)	(4,261)	(38,940)
Closing carrying amount	177,054	9,809	186,863
Balance at 31 March 2021			
Cost	246,216	20,801	267,017
Accumulated depreciation	(69,162)	(10,992)	(80,154)
Closing carrying amount	177,054	9,809	186,863

2020

	Land and buildings R'000	Vehicles R'000	Total R'000
Opening carrying amount	–	–	–
Impact of adoption of IFRS 16	245,806	16,399	262,205
Additions	–	4,964	4,964
Disposals	–	(604)	(604)
Exchange translation differences	459	1,762	2,221
Depreciation	(34,400)	(5,360)	(39,760)
Closing carrying amount	211,865	17,161	229,026
Balance at 31 March 2020			
Cost	246,265	41,945	288,210
Accumulated depreciation	(34,400)	(24,784)	(59,184)
Closing carrying amount	211,865	17,161	229,026

During the prior year some lease liabilities were settled, and full ownership of the related leased vehicles was obtained, resulting in the transfer of leased vehicles of R4.4 million from right-of-use assets to owned vehicles under property, plant and equipment.

Right-of-use assets are effectively ceded as security for the concomitant lease liabilities as the rights to the leased assets revert to the lessor in the event of default.

13. **RIGHT-OF-USE ASSETS (CONTINUED)**

Accounting policy:

Right-of-use assets mainly relate to distribution depots, office buildings and leased vehicles. Rental contracts are typically made for fixed periods of 3 to 12 years. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. A right-of-use asset and a corresponding lease liability are recognised at the date at which the leased asset is available for use by the Group.

Right-of-use assets are measured at cost, comprising the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs

Right-of-use assets are subsequently stated at cost less accumulated depreciation and impairment losses.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis and recognised in profit or loss.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise certain IT-equipment and small items of office furniture.

Extension and termination options are included in several property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Most of the extension and termination options held are exercisable only by the Group and not by the respective lessors.

Significant estimates and judgements:

The Group determines the lease term as the non-cancellable term of the lease, together with any periods whereby an option exists to extend or terminate the lease. In making this judgement, the Group evaluates whether it is reasonably certain to exercise the option to renew or terminate the lease term. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The Group considers all relevant factors that create an economic incentive for it to exercise the renewal and the circumstances and facts for each lease, including past experiences. This includes an assessment of the length of time remaining before the option is exercisable, current trading conditions and planned future growth of the business. The Group continuously reassesses the lease term. At the reporting date, no extension options were taken into account in determining the lease term.

14. **GOODWILL AND INTANGIBLE ASSETS**

2022

	Goodwill R'000	**Trademarks R'000**	**Software R'000**	**Total R'000**
Balance at 1 April 2021				
Cost	1,113,691	1,908,853	42,822	3,065,366
Accumulated amortisation and impairment	(886,677)	(456,460)	(15,512)	(1,358,649)
Opening carrying amount	227,014	1,452,393	27,310	1,706,717
Additions	–	–	38,161	38,161
Acquired through business combination	–	86,417	–	86,417
Disposals	–	–	(2,015)	(2,015)
Impairment loss	(18,950)	(101,992)	–	(120,942)
Amortisation	–	–	(35,290)	(35,290)
Closing carrying amount	208,064	1,436,818	28,166	1,673,048
Balance at 31 March 2022				
Cost	1,113,691	1,995,270	37,773	3,146,734
Accumulated amortisation and impairment	(905,627)	(558,452)	(9,607)	(1,473,686)
Closing carrying amount	208,064	1,436,818	28,166	1,673,048

2021

	Goodwill R'000	**Trademarks R'000**	**Software R'000**	**Total R'000**
Balance at 1 April 2020				
Cost	1,113,691	1,908,853	48,303	3,070,847
Accumulated amortisation and impairment	(886,677)	(456,460)	(16,798)	(1,359,935)
Opening carrying amount	227,014	1,452,393	31,505	1,710,912
Additions	–	–	40,629	40,629
Disposals	–	–	(1,078)	(1,078)
Amortisation	–	–	(43,746)	(43,746)
Closing carrying amount	227,014	1,452,393	27,310	1,706,717
Balance at 31 March 2021				
Cost	1,113,691	1,908,853	42,822	3,065,366
Accumulated amortisation and impairment	(886,677)	(456,460)	(15,512)	(1,358,649)
Closing carrying amount	227,014	1,452,393	27,310	1,706,717

2020

	Goodwill R'000	**Trademarks R'000**	**Software R'000**	**Total R'000**
Balance at 1 April 2019				
Cost	1,113,691	1,908,853	34,411	3,056,955
Accumulated amortisation and impairment	(548,873)	(311,399)	(12,375)	(872,647)
Opening carrying amount	564,818	1,597,454	22,036	2,184,308
Additions	–	–	47,768	47,768
Impairment loss	(337,804)	(145,061)	–	(482,865)
Amortisation	–	–	(38,299)	(38,299)
Closing carrying amount	227,014	1,452,393	31,505	1,710,912
Balance at 31 March 2020				
Cost	1,113,691	1,908,853	48,303	3,070,847
Accumulated amortisation and impairment	(886,677)	(456,460)	(16,798)	(1,359,935)
Closing carrying amount	227,014	1,452,393	31,505	1,710,912

14. **GOODWILL AND INTANGIBLE ASSETS (CONTINUED)**

Goodwill and indefinite life trademarks are allocated to the Group's cash-generating units (CGUs) as follows:

2022

	Goodwill	**Trademarks**	**Total**
	R'000	**R'000**	**R'000**
South Africa			
Millbake	152,159	826,226	978,385
Groceries – Home and personal care products	–	243,436	243,436
United Kingdom			
Groceries – Home and personal care products	–	314,173	314,173
eSwatini			
Millbake	55,905	52,983	108,888
Total	**208,064**	**1,436,818**	**1,644,882**

2021

	Goodwill	**Trademarks**	**Total**
	R'000	**R'000**	**R'000**
South Africa			
Millbake	152,159	826,226	978,385
Groceries – Home and personal care products	–	258,310	258,310
United Kingdom			
Groceries – Home and personal care products	–	314,173	314,173
eSwatini			
Millbake	55,905	52,983	108,888
Groceries – Beverages	18,950	701	19,651
Total	**227,014**	**1,452,393**	**1,679,407**

2020

	Goodwill	**Trademarks**	**Total**
	R'000	**R'000**	**R'000**
South Africa			
Millbake	152,159	826,226	978,385
Groceries – Home and personal care products	–	258,310	258,310
United Kingdom			
Groceries – Home and personal care products	–	314,173	314,173
eSwatini			
Millbake	55,905	52,983	108,888
Groceries – Beverages	18,950	701	19,651
Total	**227,014**	**1,452,393**	**1,679,407**

The CGUs are tested annually for impairment, or when an impairment indicator exists.

14. **GOODWILL AND INTANGIBLE ASSETS (CONTINUED)**

The following key assumptions were used in the impairment tests:

	Revenue growth rate %	Operating cost increases %	Terminal growth rate %	Discount rate %	Forecast period years
2022					
South Africa					
Millbake	7.7	7.9	4.8	11.8	5
Groceries – Home and personal care products	10.0	9.9	4.8	11.8	5
Groceries – Sugar Confectionery	12.9	12.0	4.8	11.8	5
United Kingdom					
Groceries – Home and personal care products	5.9	4.3	2.0	8.7	5
eSwatini					
Millbake	6.5	7.7	4.5	16.3	5
Groceries – Beverages	12.2	9.2	4.5	16.3	5
2021					
South Africa					
Millbake	4.9	4.0	4.8	13.0	5
Groceries – Home and personal care products	11.9	3.7	4.8	13.0	5
United Kingdom					
Groceries – Home and personal care products	2.7	1.4	2.0	9.2	5
eSwatini					
Millbake	5.2	6.4	4.8	15.7	5
Groceries – Beverages	11.2	6.9	4.8	15.7	5
2020					
South Africa					
Millbake	5.1	5.6	4.5	12.6	5
Groceries – Home and personal care products	8.7	7.3	4.5	12.6	5
United Kingdom					
Groceries – Home and personal care products	2.8	0.5	2.1	9.4	5
eSwatini					
Millbake	6.0	5.9	6.0	14.5	5
Groceries – Beverages	34.9	27.7	6.0	14.5	5
Mozambique – Groceries	10.1	4.8	6.3	22.1	5

Sensitivity tests were performed on a 10% change in the revenue growth rate, percentage operating cost increase, terminal growth rates and discount rates used in the underlying impairment tests in the current and preceding financial years. For those CGUs not impaired, the outcomes of these sensitivity tests supported that no additional impairments were necessary.

14. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

Based on the calculations performed for the annual impairment tests, the impairment losses on the CGUs recognised for the 2022 financial year are attributable as follows:

2022

	Property, plant and equipment R'000	Goodwill R'000	Trademarks R'000	Total R'000
South Africa				
Groceries – Home and personal care products	–	–	14,874	14,874
Groceries – Sugar confectionery	–	–	86,417	86,417
eSwatini				
Groceries – Beverages	3,452	18,950	701	23,103
Mozambique				
Groceries	5,675	–	–	5,675
	9,127	**18,950**	**101,992**	**130,069**

The impairment losses recognised for the Sugar confectionery CGU are as a result of consumers having less disposable income to spend on luxury goods such as sugar confectionery products.

The impairment losses recognised for the Beverages and the Home and personal care products CGUs are as a result of the sales volumes which have not recovered since the start of COVID-19 and significant pressure on margins in the respective markets.

No impairment losses were recognised during the 2021 financial year.

Based on the calculations performed, the impairment losses on the CGUs recognised for the 2020 financial year are attributable as follows:

2020

	Property, plant and equipment R'000	Goodwill R'000	Trademarks R'000	Total R'000
South Africa				
Millbake	–	20,015	126,262	146,277
Groceries – Home and personal care products	–	283,183	–	283,183
Groceries – Sugar confectionery	–	5,240	13,500	18,740
United Kingdom				
Groceries – Home and personal care products	–	29,366	–	29,366
eSwatini				
Groceries – Beverages	–	–	5,299	5,299
Mozambique				
Groceries	148,503	–	–	148,503
	148,503	337,804	145,061	631,368

The impairment losses in 2020 for the Millbake CGU were recognised in the context of a tough trading environment for the milling business.

The Home and personal care CGU was impaired due to the probability of realising the value of the intangibles being marred by changes in the economy that affected the consumer basket. Consumers in this category were no longer driven by brand loyalty, but rather by affordability.

The Sugar confectionery CGU was impaired due to volume driven poor performance as a result of the changes to the consumer basket in response to the increased cost of living, which did not indicate possible improvement in the foreseeable future periods in the wake of the COVID-19 pandemic.

The Groceries CGU in Mozambique was impaired as a result of the recoverable amount that was lower than the carrying value of the net identifiable assets in the impairment assessment on the Group's cash generating unit based in Mozambique. Consequently, an impairment loss was recognised on property, plant and equipment as there were no remaining goodwill and trademarks associated with the cash generating unit. The macroeconomic meltdown experienced in Mozambique in 2020 was as a result of the cyclones and national debt crisis which had a significant negative impact on the performance of the CGU.

14. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

Accounting policy:

Goodwill arises on the acquisition of a business and is recognised at the acquisition date when the consideration transferred, and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. Goodwill is measured at cost less accumulated impairment.

Goodwill and indefinite life trademarks are allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The groups of CGUs are not larger than operating segments.

The trademarks are considered to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate cash inflows for the respective CGUs based on the essential products that these trademarks represent.

Goodwill and trademarks are tested annually for impairment, or when an impairment indicator exists by comparing the carrying amount of each CGU to its recoverable amount. The recoverable amount of the relevant CGUs is the higher of value-in-use or fair value less cost to sell of the CGU and is within level 3 of the fair value hierarchy. Level 3 of the fair value hierarchy measurement is indicative that inputs were used that are not based on observable market data.

Goodwill and trademarks are carried at cost less accumulated impairment.

Acquired computer software licences are capitalised based on the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (average three years). Software licenses have a finite life and are measured at cost less accumulated amortisation and accumulated impairment losses.

Significant estimates and judgements:

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

15. LOANS RECEIVABLE

	2022 R'000	2021 R'000	2020 R'000
Loans to key management	37,113	34,909	32,824
Loan to executive director	7,057	–	–
	44,170	34,909	32,824

Split between non-current and current portions

	2022 R'000	2021 R'000	2020 R'000
Non-current assets	36,747	27,927*	–
Current assets	7,423	6,982	32,824
	44,170	34,909	32,824

* *During the 2021 financial year certain key management entered into extension of term loan agreements extending the repayment date of the loans to 14 October 2027.*

The loans to key management and the loan to the executive director relate to financial assistance provided to acquire shares in the Company. The loans bear interest at prime less 1%. The loans are secured by the ordinary shares issued and the fair value of the shares exceeds the carrying amounts of the loans. The borrower is liable to settle the loan in full should they leave the Group's employment. The terms of the loans are market related. The loans which are repayable within 12 months after the reporting date have been classified as current.

15. **LOANS RECEIVABLE (CONTINUED)**

Accounting policy:

The loans to key management and the loan to the executive director are measured at amortised cost which represents the initial loan amount, minus the principal repayments, plus cumulative interest using the effective interest method. The loans have been assessed for expected credit losses and did not result in material expected credit losses.

16. **INVENTORIES**

	2022 R'000	2021 R'000	2020 R'000
Raw materials	1,118,840	873,429	747,601
Work-in-progress	40,497	28,198	28,741
Finished goods	402,685	272,696	218,799
Consumable stores	75,078	61,001	54,573
	1,637,100	1,235,324	1,049,714
Provision for obsolete stock	(9,161)	(2,853)	(6,447)
	1,627,939	**1,232,471**	**1,043,267**

Accounting policies:

Raw materials, work-in-progress, finished goods and consumable stores are stated at the lower of cost or net realisable value.

Cost includes all costs incurred in bringing the inventories to its current location and condition and is determined as follows:

– Raw materials and consumable stores: Cost of purchase on a weighted average cost basis.

– Finished goods and work-in-progress: Cost of materials and production overheads directly attributable to the cost of manufacturing such inventories based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost to make the sale.

17. **TRADE AND OTHER RECEIVABLES**

	2022 R'000	2021 R'000	2020 R'000
Financial instruments:			
Trade receivables	1,231,753	1,158,171	1,208,769
Less: Credit loss allowances	(28,437)	(158,038)	(53,813)
Net trade receivables	1,203,316	1,000,133	1,154,956
Deposits	25,308	23,689	23,457
Other receivables	9,482	12,151	44,646
Non-financial instruments:			
VAT	120,762	63,431	84,034
Prepayments	16,369	56,682	146,382
Total trade and other receivables	**1,375,237**	**1,156,086**	**1,453,475**

The fair value of trade and other receivables approximate their carrying value due to the short-term nature of the balances.

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

The other receivables and deposits consist of items which are not considered individually material. In accordance with IFRS 9 these items have been assessed for expected credit loss using the general approach and were found not to be material.

Trade receivables consist of a large number of customers spread across geographical areas. Trade receivables are grouped in classes based on shared credit risk characteristics. The classes of trade receivables identified are as follows:

- South Africa Retail
- South Africa Wholesale
- eSwatini and Lesotho
- Mozambique
- United Kingdom

The customer base for the trade receivables is large and widespread, with a result that there is no specific significant concentration of credit risk to any single counterparty or any group of counterparties with similar characteristics.

Trade receivables do not contain a significant financing component. The Group applies the IFRS 9 simplified approach to measure the loss allowance at an amount equal to the lifetime expected credit loss making use of a provision matrix.

To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and aging buckets. The expected credit losses are calculated using adjusted historical loss rates. The historical loss rates are calculated for each age bucket and are based on the payment profiles of historical sales for customers and associated write-offs over the past two years. The historical loss rates are then adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the outstanding balances. The Group identified the economic outlook of the country in which the customer resides, significant volatility of the local currency as well as the impact of COVID-19 to be the most relevant factors which increase the risk of defaults on customer accounts. The historical loss rates have been adjusted to reflect the expected changes in these factors.

The Group has credit insurance in place for wholesale and retail trade receivables in South Africa which would pay 85% of the outstanding balance, subject to the balance not exceeding the customers insured value. A limited number of customers are covered by insurance for eSwatini and United Kingdom related trade receivables.

The Group has an established credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Creditworthiness, credit limits and insured value of customers are reviewed on an annual basis.

The trade receivable balances are segregated by class for balances covered by credit insurance and those balances which management has specifically provided for based on high risk of default. The segregation is depicted in the table below:

	Gross trade receivables	Insured balances	Balances specifically provided	Balances subject to provision matrix
	R'000	R'000	R'000	R'000
2022 – Segregation of trade receivables				
South Africa – Retail	684,307	(596,460)	–	87,847
South Africa – Wholesale	328,754	(170,409)	(3,617)	154,728
Mozambique	58,708	(17,550)	(3,384)	37,774
eSwatini and Lesotho	112,104	–	(12,211)	99,893
United Kingdom	47,880	(3,477)	(5,681)	38,722
	1,231,753	(787,896)	(24,893)	418,964

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Current R'000	30 days R'000	60 days R'000	90 days R'000	120 plus days R'000	Total R'000
2022 – Balances subject to provision matrix						
South Africa – Retail	58,625	25,048	2,526	219	1,429	87,847
South Africa – Wholesale	137,651	14,757	2,284	36	–	154,728
eSwatini and Lesotho	23,105	12,935	1,470	264	–	37,774
Mozambique	76,749	17,527	1,836	471	3,310	99,893
United Kingdom	28,559	7,830	1,237	399	697	38,722
	324,689	78,097	9,353	1,389	5,436	418,964

	Current %	30 days %	60 days %	90 days %	120 plus days %
2022 – Loss rate					
South Africa – Retail	0.2	0.4	2.5	11.9	14.9
South Africa – Wholesale	0.7	1.5	7.9	17.9	20.4
eSwatini and Lesotho	0.1	0.2	1.2	6.3	7.5
Mozambique	0.3	1.0	6.1	23.9	25.6
United Kingdom	0.1	0.2	1.2	2.7	3.2

	Current R'000	30 days R'000	60 days R'000	90 days R'000	120 plus days R'000	Total R'000
2022 – Expected credit loss						
South Africa – Retail	145	96	64	26	214	545
South Africa – Wholesale	939	228	181	6	–	1,354
eSwatini and Lesotho	41	28	17	7	–	93
Mozambique	226	178	111	112	848	1,475
United Kingdom	15	14	15	11	22	77
	1,366	544	388	162	1,084	3,544

	Gross carrying amount R'000	Total credit loss allowance R'000	Net trade receivables R'000
2022 – Net trade receivables by class			
South Africa – Retail	684,307	(545)	683,762
South Africa – Wholesale	328,754	(4,971)	323,783
eSwatini and Lesotho	58,708	(3,477)	55,231
Mozambique	112,104	(13,686)	98,418
United Kingdom	47,880	(5,758)	42,122
	1,231,753	(28,437)	1,203,316

17. **TRADE AND OTHER RECEIVABLES (CONTINUED)**

	Gross trade receivables	Insured balances	Balances specifically provided	Balances subject to provision matrix
	R'000	**R'000**	**R'000**	**R'000**
2021 – Segregation of trade receivables				
South Africa – Retail	491,426	(404,919)	–	86,507
South Africa – Wholesale	437,592	(247,921)	(134,976)	54,695
eSwatini and Lesotho	65,577	(18,301)	(2,199)	45,077
Mozambique	116,064	–	(12,888)	103,176
United Kingdom	47,512	–	(5,860)	41,652
	1,158,171	(671,141)	(155,923)	331,107

	Current	30 days	60 days	90 days	120 plus days	Total
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
2021 – Balances subject to provision matrix						
South Africa – Retail	68,293	16,930	908	371	5	86,507
South Africa – Wholesale	29,788	16,239	6,556	53	2,059	54,695
eSwatini and Lesotho	25,114	14,702	4,201	868	192	45,077
Mozambique	82,497	17,415	3,264	–	–	103,176
United Kingdom	35,399	1,445	2	13	4,793	41,652
	241,091	66,731	14,931	1,305	7,049	331,107

	Current	30 days	60 days	90 days	120 plus days
	%	**%**	**%**	**%**	**%**
2021 – Loss rate					
South Africa – Retail	0.1	0.2	2.1	7.5	9.7
South Africa – Wholesale	0.2	0.4	7.1	11.9	15.5
eSwatini and Lesotho	0.1	0.2	3.2	5.3	7.0
Mozambique	0.2	0.5	8.6	14.0	18.6
United Kingdom	0.1	0.1	0.8	3.0	3.9

	Current	30 days	60 days	90 days	120 plus days	Total
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
2021 – Expected credit loss						
South Africa – Retail	89	42	19	28	–	178
South Africa – Wholesale	62	64	468	6	320	920
eSwatini and Lesotho	24	26	135	46	13	244
Mozambique	206	82	280	–	–	568
United Kingdom	18	1	–	–	186	205
	399	215	902	80	519	2,115

17. **TRADE AND OTHER RECEIVABLES (CONTINUED)**

	Gross trade receivables	Insured balances	Balances specifically provided	Balances subject to provision matrix
	R'000	R'000	R'000	R'000
2020 – Segregation of trade receivables				
South Africa – Retail	599,774	(457,185)	–	142,589
South Africa – Wholesale	342,056	(267,622)	(24,876)	49,558
eSwatini and Lesotho	62,202	–	(3,382)	58,820
Mozambique	142,229	–	(12,769)	129,460
United Kingdom	62,508	–	(5,563)	56,945
	1,208,769	(724,807)	(46,590)	437,372

	Current	30 days	60 days	90 days	120 plus days	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2020 – Balances subject to provision matrix						
South Africa – Retail	99,504	19,951	19,451	1,851	1,832	142,589
South Africa – Wholesale	21,029	17,998	8,415	350	1,766	49,558
eSwatini and Lesotho	35,527	18,953	1,440	2,257	643	58,820
Mozambique	76,789	47,599	3,891	1,181	–	129,460
United Kingdom	48,241	7,795	652	2	255	56,945
	281,090	112,296	33,849	5,641	4,496	437,372

	Current	30 days	60 days	90 days	120 plus days
	%	%	%	%	%
2020 – Loss rate					
South Africa – Retail	0.4	0.6	4.1	12.8	15.9
South Africa – Wholesale	0.9	1.9	9.9	22.4	26.6
eSwatini and Lesotho	0.4	1.0	5.0	11.2	13.3
Mozambique	1.0	2.3	11.9	26.4	31.9
United Kingdom	0.1	0.2	1.6	5.1	6.4

	Current	30 days	60 days	90 days	120 plus days	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2020 – Expected credit loss						
South Africa – Retail	349	120	794	236	292	1,791
South Africa – Wholesale	179	348	835	78	469	1,909
eSwatini and Lesotho	152	183	71	253	85	744
Mozambique	786	1,104	463	312	–	2,665
United Kingdom	68	19	11	–	16	114
	1,534	1,774	2,174	879	862	7,223

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Gross carrying amount R'000	Total credit loss allowance R'000	Net trade receivables R'000
2020 – Net trade receivables by class			
South Africa – Retail	599,774	(1,791)	597,983
South Africa – Wholesale	342,056	(26,785)	315,271
eSwatini and Lesotho	62,202	(4,126)	58,076
Mozambique	142,229	(15,434)	126,795
United Kingdom	62,508	(5,677)	56,831
	1,208,769	(53,813)	1,154,956

The significant increase in the 2021 loss allowance for South Africa Wholesale trade receivables is mainly attributable to balances specifically provided for as a result of management unveiling fraud perpetrated by a credit controller of the Group. The related customer account became long outstanding with a significant doubt existing at reporting date on the recoverability of the customer account. The matter was still being investigated by management at the 2021 reporting date and therefore only a provision was raised at the 2021 reporting date. Upon finalisation of the investigation it was concluded that these balances were irrecoverable and were therefore written off as uncollectable in the 2022 financial year.

The adjusted historical loss rates relating to the 2020 financial year were high due to the uncertain impact of COVID-19 that existed at the 2020 reporting date. The rates improved in 2021 as a result of the improvement in the macroeconomic factors. The increase in the rates in the 2022 financial year are attributable to the uncertain impact of the Ukraine crisis and rising inflation.

The following table shows the movement in the expected credit loss allowance for trade receivables:

	Balance at the beginning of the year R'000	Movement in loss allowance recognised in profit and loss R'000	Amounts written off as uncollectable R'000	Balance at the end of the year R'000
2022 – Loss allowance reconciliation				
South Africa – Retail	178	367	–	545
South Africa – Wholesale	135,896	(16,380)	(114,545)	4,971
eSwatini and Lesotho	2,443	1,083	(49)	3,477
Mozambique	13,456	859	(629)	13,686
United Kingdom	6,065	(247)	(60)	5,758
	158,038	(14,318)	(115,283)	28,437

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Balance at the beginning of the year	Movement in loss allowance recognised in profit and loss	Amounts written off as uncollectable	Balance at the end of the year
	R'000	R'000	R'000	R'000
2021 – Loss allowance reconciliation				
South Africa – Retail	1,791	(1,613)	–	178
South Africa – Wholesale	26,785	113,462	(4,351)	135,896
eSwatini and Lesotho	4,126	(903)	(780)	2,443
Mozambique	15,434	(776)	(1,202)	13,456
United Kingdom	5,677	1,789	(1,401)	6,065
	53,813	111,959	(7,734)	158,038

	Balance at the beginning of the year	Movement in loss allowance recognised in profit and loss	Amounts written off as uncollectable	Balance at the end of the year
	R'000	R'000	R'000	R'000
2020 – Loss allowance reconciliation				
South Africa – Retail	537	1,254	–	1,791
South Africa – Wholesale	8,863	20,751	(2,829)	26,785
eSwatini and Lesotho	1,869	2,348	(91)	4,126
Mozambique	21,841	(5,527)	(880)	15,434
United Kingdom	868	9,122	(4,313)	5,677
	33,978	27,948	(8,113)	53,813

Accounting policy:

Trade and other receivables, excluding VAT and prepayments, are classified as financial assets subsequently measured at amortised cost. Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are initially recognised at transaction price and subsequently measured at amortised cost less the expected credit loss allowance. Adjustments in the expected credit loss allowance is recognised in profit and loss and separately presented as credit loss allowances reversed/(raised) on the Statement of Profit or Loss and Other Comprehensive Income. Trade and other receivables are written off where there is no reasonable expectation of recovering amounts due and are recognised against the loss allowance.

18. SHARE CAPITAL

During the current year the existing ordinary par value shares were converted to no-par value shares and the authorised share capital was increased by creating an additional 500,000 ordinary no-par value shares. 25,000 'A' Ordinary shares were also created during the current year. An 'A' Ordinary Shareholder shall not be entitled to vote, either in person, by representation or by proxy, at any general meeting unless a resolution is proposed which affects the preferences, rights and limitations associated with the 'A' Ordinary shares.

The Memorandum of Incorporation has been updated accordingly. The unissued shares of the Company are under the control of the directors until the forthcoming annual general meeting.

Authorised	**2022**	**2021**	**2020**
Ordinary shares	1,000,000	500,000	500,000
'A' Ordinary shares	25,000	–	–

Issued and fully paid share capital

Reconciliation of issued share capital – 2022	**Number of ordinary shares**	**Number of 'A' ordinary shares**	**Share capital R'000**
At the beginning of the year	421,487	13,525	117,632
Issue of ordinary shares	46	–	495
Cancellation of treasury shares	(1,860)	–	–
Issue of 'A' ordinary shares	–	1,932	8,752
At the end of the year	419,673	15,457	126,879

Reconciliation of issued share capital – 2021	**Number of ordinary shares**	**Number of 'A' ordinary shares**	**Share capital R'000**
At the beginning of the year	421,053	–	106,632
Issue of ordinary shares	434	–	2,995
Issue of 'A' ordinary shares	–	13,525	8,005
At the end of the year	421,487	13,525	117,632

Reconciliation of issued share capital – 2020	**Number of ordinary shares**	**Number of 'A' ordinary shares**	**Share capital R'000**
At the end of the year	421,053	–	106,632

Accounting policy:

Ordinary shares and 'A' ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

19. REDEEMABLE PREFERENCE SHARES

	2022 R'000	2021 R'000	2020 R'000
963 no-par value, cumulative, redeemable preference shares issued at R1 million per share	963,000	963,000	963,000
Accrued preference dividends	826,751	737,366	651,783
	1,789,751	**1,700,366**	**1,614,783**

10,000 no-par value preference shares are authorised for issue.

The shares are entitled to dividends at the rate of prime less 2% per annum, net of withholding taxes and are redeemable on or before 15 December 2040. The repayment of the preference shares has been subordinated in favour of all debt provided by Bank A to the Group. Refer to note 21.

The preference share terms were amended during the current year to include a right to convert the preference shares into ordinary shares of the Company at the Company's discretion. After year-end the Company issued a conversion notice to the subscribers in terms of the preference share terms notifying the subscribers that the preference shares will be converted into ordinary shares of the Company.

During 2021 the redeemable preference shares were derecognised and recognised again as a result of the addendum to the preference share subscription agreement to reduce the dividend return rate.

Accounting policy:

The Company has the right to serve written notice to the subscribers notifying such subscribers that the preference shares will be converted into ordinary shares in the share capital of the Company. The preference shares are classified as a liability at amortised cost as they are mandatorily redeemable and can be converted to a variable amount of ordinary shares of the Company.

20. LOAN FROM SHAREHOLDER

	2022 R'000	2021 R'000	2020 R'000
Brait Mauritius Limited	1,492,403	1,512,000	1,582,167

The loan bears interest at prime plus 2% and is repayable no later than, 1 March 2030 which is 15 years from the first advance date.

After year-end one of the Group's shareholders, Brait Mauritius Limited ceded its rights to the shareholder loan claim of R1.5 billion in exchange for the issue by the Company of additional 102,165 ordinary shares to Brait Mauritius Limited.

Accounting policy:

Loan from shareholder constitutes a financial liability and is initially recognised at fair value, net of transaction costs incurred and is subsequently stated at amortised cost. The loan is classified as a non-current liability as the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The loan from shareholder is derecognised when the obligation is discharged, cancelled or has expired. The difference between the carrying amount and the consideration paid and payable at maturity date are charged to profit and loss finance expense based on the effective interest rate method.

21. BORROWINGS

	Currency	Interest rate	Maturity date	2022 R'000	2021 R'000	2020 R'000
Secured bank loans – Term loan facilities						
– FirstRand Bank Limited – Facility A	ZAR	JIBAR plus 2.35% to 2.85%	9 December 2024	440,000	600,000	760,000
– Standard Bank of South Africa Limited	ZAR	Prime less 0.7%	30 November 2025	202,247	218,642	145,510
– Standard Bank of eSwatini Limited – Facility A	SZL	Prime plus 0.25%		*	3,250	16,250
Secured bank loans – Revolving loan facilities						
– FirstRand Bank Limited – Facility B	ZAR	JIBAR plus 1.4% to 1.9%	9 December 2024	1,200,000	1,200,000	1,200,000
– FirstRand Bank Limited – Facility C	ZAR	JIBAR plus 2.5% to 3%	9 December 2024	300,000	–	–
– Standard Bank of eSwatini Limited – Bank D	SZL	Prime plus 0.45%	30 July 2026	80,000	–	–
	SZL	Prime plus 0.45%	30 July 2026	80,000	–	–
– Standard Bank of eSwatini Limited – Facility B	SZL	Prime plus 0.4%		*	63,024	63,148
– Standard Bank of eSwatini Limited – Facility C	SZL	JIBAR plus 3.45%		*	*	30,000
– Standard Bank of eSwatini Limited – Facility D	SZL	Prime plus 0.4%		*	30,000	30,000
				2,302,247	**2,114,916**	**2,244,908**
Current portion				179,239	272,670	411,010
Non-current portion				2,123,008	1,842,246	1,833,898

* *This facility is fully settled and no balances are outstanding at the reporting date.*

During the current year the Group successfully renegotiated the terms of the FirstRand Bank Limited – Facility B with the new maturity date being extended to 9 December 2024. The extension of the maturity date did not result in any modification or extinguishment.

Security:

FirstRand Bank Limited: Cession over trade receivables, cash and cash equivalents and insurances of the South African operations. Cession and pledge over all shares, claims, insurances, intellectual property, bank accounts and investments of certain group entities. Registered hypothec of certain trademarks and intellectual property rights with a carrying value of R965 million (2021: R980 million 2020: R980 million). Moveable assets with a carrying value of R1,820 million (2021: R1,687 million; 2020: R1,566 million) are encumbered as security. Mortgage bonds are registered over certain immovable properties.

Standard Bank of South Africa Limited: Mortgage bonds are registered over certain immovable properties of the Group.

Standard Bank of eSwatini Limited and First National Bank of eSwatini Limited: Cession over trade receivables, cash and cash equivalents and insurances of the eSwatini operations. Certain moveable assets with a carrying value of R73 million (2021: R47 million; 2020: R49 million) are encumbered as security. Mortgage bonds are registered over certain immovable properties.

21. **BORROWINGS (CONTINUED)**

Financial covenants:

The Group is required to maintain compliance with the following financial covenant ratios:

	2022	Actual
FirstRand Bank Limited		
Interest cover ratio	>3.00x	6.97
Leverage ratio	<3.00x	1.37
Standard Bank of South Africa Limited		
Interest cover ratio	>2.20x	4.74
Loan to value	<55%	47%
Standard Bank of eSwatini Limited and First National Bank of eSwatini Limited		
Interest cover ratio	>2.50x	10.78
Leverage ratio	<2.25x	1.56

The Group has complied with financial covenants of its borrowing facilities during the current and previous reported financial years.

Guarantees:

Guarantees issued by the bank at year-end amounted to R98 million (2021: R98 million; 2020: R75,1 million). The guarantees mainly relate to a guarantee provided in terms of the trade financing facility.

Accounting policy:

Borrowings constitute a financial liability and are initially recognised at fair value; net of transaction costs incurred and are subsequently stated at amortised cost. The borrowings are classified as a current liability unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The borrowings are derecognised when the obligation is discharged, cancelled or has expired. The difference between the carrying amount and the consideration paid and payable at maturity date is charged to profit and loss as finance costs based on the effective interest rate method.

22. **LEASE LIABILITIES**

The maturity analysis of the lease liabilities are as follows:

Minimum contractual lease payments	**2022**	**2021**	**2020**
	R'000	**R'000**	**R'000**
Within one year	75,897	42,774	44,264
One to two years	71,987	39,508	40,826
Three to five years	87,504	90,454	104,709
More than five years	102,419	127,910	150,884
Undiscounted cashflows	337,807	300,646	340,683
Less: finance charges	(79,370)	(86,187)	(100,189)
Present value of lease liabilities	**258,437**	**214,459**	**240,494**
Long-term lease liabilities	203,501	189,834	213,399
Short-term lease liabilities	54,936	24,625	27,095
Total lease liabilities	**258,437**	**214,459**	**240,494**

Cash outflow for leases	**2022**	**2021**	**2020**
	R'000	**R'000**	**R'000**
Payment of principal portion of lease liabilities	54,183	28,026	26,226
Payment of short-term and low-value asset leases	11,264	11,761	10,987
Payment of interest on lease liabilities	24,921	20,176	22,274
Total cash outflow for leases	**90,368**	**59,963**	**59,487**

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

22. **LEASE LIABILITIES (CONTINUED)**

Accounting policy:

Lease liabilities mainly relate to distribution depots, office buildings and leased vehicles. Rental contracts are typically made for fixed periods of 3 to 12 years. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. A right-of-use asset and a corresponding liability are recognised at the date at which the leased asset is available for use by the Group.

Lease liabilities are measured at the present value of the future lease payments, discounted using the incremental borrowing rate, as in most instances the interest rate implicit in the lease cannot be readily determined. The discount rates applied to the leases for operations in South Africa and Mozambique are 8% and 30% respectively.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments less any lease incentives receivable
- Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability

Lease payments are allocated between the lease liability and finance costs. The finance costs are expensed to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise certain IT-equipment and small items of office furniture.

Significant judgement and estimates:

Refer to note 13 for further details regarding the significant judgement and estimates affecting both lease liabilities and right-of-use assets.

23. **EMPLOYEE BENEFIT OBLIGATIONS**

	2022	**2021**	**2020**
	R'000	**R'000**	**R'000**
Leave obligations	102,863	96,791	99,419
Employee-related incentives	113,989	96,674	54,905
Employee payroll accruals	60,586	34,531	33,424
Share appreciation right Scheme (Refer to note 36)	35,254	27,218	2,450
Defined benefit obligations (Refer to note 27)	4,517	5,912	6,308
	317,209	**261,126**	**196,506**
Non-current liabilities	39,771	33,130	8,758
Current liabilities	277,438	227,996	187,748
	317,209	**261,126**	**196,506**

Accounting policies:

A liability is recognised when an employee is entitled to the benefits as a result of services rendered.

An employee related incentive liability is recognised when the Group has a contractual obligation or a constructive obligation to pay benefits in the future for services rendered during the year. Employees participate in an incentive plan whereby bonuses are paid in respect of achieving certain targets. The incentive bonuses are approved by the remuneration committee.

The Group has a long-term incentive plan where certain employees are granted share appreciation rights ("**SARs**"). The SARs are settled in cash on the exercise date with reference to the increase in the Group's share price from the grant date to the date the employee exercises their right. The SARs are exercisable from the fourth until the eighth anniversary of the date of issue. 50% of the shares vest in the fourth year and a further 50% in the fifth year and can be exercised upon vesting in tranches of either 50% or 100%. All rights will automatically cease if the holder of the appreciation right is not in the employ of the Group at the date of exercise and will be of no value with no payment being due or payable in any way whatsoever.

Employee payroll accruals relate to wages accrued and 13th cheque benefits which employees' structure as part of their cost to company package. The increase in 2022 is partly attributable to restructuring costs accrued.

24. TRADE AND OTHER PAYABLES

	2022 R'000	2021 R'000	2020 R'000
Financial instruments			
Trade payables	1,135,572	849,062	754,530
Accruals	75,156	53,769	47,003
Securities	19,043	18,844	15,103
Non-financial instruments:			
Payroll statutory liabilities	41,050	33,047	32,533
VAT	4,917	–	–
Total trade and other payables	**1,275,738**	**954,722**	**849,169**

Accounting policy:

Trade payables are recognised when the Group becomes a party to the contractual provisions and are initially measured at fair value plus transaction costs, if any. Trade and other payables are subsequently measured at amortised cost. Trade payables are non-interest bearing and are normally settled within 45-day terms.

Securities represents hawker deposits held as collateral which may be applied against hawker's trade receivable accounts which are in default.

25. TRADE FINANCING FACILITY

	2022 R'000	2021 R'000	2020 R'000
Trade financing facility	463,610	497,234	403,715

Accounting policy:

The trade financing facility is used by the Group in the normal operating cycle to finance the procurement of grain. The trade financing facility is measured at amortised cost and bears interest at Prime less 1.6% per annum. Repayments equivalent to the grain consumed in the milling process are made within 7 days of consumption. The facility is secured by the purchased commodities stored in the Group's silos and third-party storage facilities.

26. REFUND LIABILITIES

	2022 R'000	2021 R'000	2020 R'000
Refund liabilities	342,522	302,422	294,439

Accounting policy:

Refund liabilities relate to rebates, discounts and other allowances payable to customers as agreed to in their trade agreements in relation to sales made until the end of the reporting period.

27. DEFINED BENEFIT OBLIGATIONS

Post-retirement medical obligation:

The Group provides post-retirement medical benefits to certain of its current employees and retirees based on the qualifying employee remaining in service up to retirement age in the form of a defined benefit medical plan, principally in South Africa. The post-retirement medical obligation is unfunded and will be financed out of reserves. The obligation represents the present value of the Group's share of the expected contributions to be paid in respect of members using the projected unit credit method. The obligation has been provided for based on an actuarial valuation prepared annually by an independent qualified actuary with the last valuation date being 31 March 2022.

	2022	**2021**	**2020**
Reconciliation of defined benefit obligation	**R'000**	**R'000**	**R'000**
Balance at the beginning of the year	5,912	6,308	6,256
Items recognised in profit or loss			
– Service cost	42	39	47
– Interest expense	553	578	580
Items recognised in other comprehensive income			
– Remeasurements	(1,559)	(517)	(34)
Benefit payments	(431)	(496)	(541)
Balance at the end of the year	**4,517**	**5,912**	**6,308**

The principal actuarial assumptions used in the actuarial valuation are as follows:

	2022	**2021**	**2020**
Key assumptions	**%**	**%**	**%**
Discount rate	10.4	9.8	9.6
Healthcare cost inflation	7.9	7.2	7.1

The sensitivity of the post-retirement medical obligation to changes in the principal assumptions is as follows:

	Impact on obligation		
	Change in assumption %	**Increase in assumption R'000**	**Decrease in assumption R'000**
Discount rate	1.0	(361)	425
Healthcare cost inflation	1.0	420	(366)

Defined benefit pension arrangement:

The Group operates a defined benefit pension plan for its subsidiary in the United Kingdom. The plan is funded through payments to trustee-administered funds. The scheme provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on the members' length of service and their salary in the final years leading up to retirement.

The scheme is managed by an independent trustee appointed by the subsidiary. The trustee has responsibility for obtaining valuations of the scheme, administering benefit payments and investing the scheme's assets. The trustee delegates some of these functions to its professional advisers where appropriate.

A valuation of the scheme is carried out at least once every three years to determine whether the statutory funding objective is met. As part of the process the subsidiary must agree with the trustee of the scheme the contributions to be paid to address any shortfall against the statutory funding objective. The most recent comprehensive actuarial valuation of the scheme was carried out as at 31 March 2022.

27. **DEFINED BENEFIT OBLIGATIONS (CONTINUED)**

The scheme has a surplus that is not recognised, on the basis that at reporting date there was no agreement between the Group and the trustee that future economic benefits are available to the Group in the form of a reduction in future contributions or a cash refund. The amounts recognised in the balance sheet and the movements in the net defined benefit obligation are as follows:

	2022 **R'000**	**2021** **R'000**	**2020** **R'000**
Present value of defined benefit obligation	(618,293)	(736,083)	(694,885)
Fair value of plan assets in respect of defined benefit obligations	688,485	739,508	712,697
Funded status of defined benefit plan	70,192	3,425	17,812
Effective asset ceiling	(70,192)	(3,425)	(17,812)
Net pension asset/(liability)	–	–	–

Reconciliation of fair value of plan assets	**2022** **R'000**	**2021** **R'000**	**2020** **R'000**
Balance at the beginning of the year	739,508	712,697	661,774
Items recognised in profit or loss			
– Service cost	(3,239)	(3,863)	(3,605)
– Interest income	12,994	15,772	17,429
Items recognised in other comprehensive income			
- Remeasurements	30,180	96,618	(57,932)
Benefit payments	(38,526)	(22,922)	(25,299)
Contributions paid by employer	–	–	8,117
Exchange translation differences	(52,432)	(58,794)	112,213
Balance at the end of the year	688,485	739,508	712,697

Major categories of plan assets	**2022** %	**2021** %	**2020** %
Equities	34.8	30.1	50.8
Bonds	37.8	36.2	39.6
Cash	27.4	33.7	9.6
	100.0	100.0	100.0

Reconciliation of defined benefit obligation	**2022** **R'000**	**2021** **R'000**	**2020** **R'000**
Balance at the beginning of the year	(736,083)	(694,885)	(649,795)
Items recognised in profit or loss			
– Interest expense	(12,956)	(15,409)	(17,058)
Items recognised in other comprehensive income			
– Remeasurements	40,031	(106,649)	56,489
Benefit payments	38,526	22,922	25,299
Exchange translation differences	52,189	57,938	(109,820)
Balance at the end of the year	(618,293)	(736,083)	(694,885)

27. **DEFINED BENEFIT OBLIGATIONS (CONTINUED)**

The principal actuarial assumptions used in the actuarial valuation are as follows:

	2022	2021	2020
Key assumption	%	%	%
Discount rate	2.6	2.0	2.4
Consumer price inflation	3.1	2.6	1.9
Pension salary increase (LPI 2.5%)	2.0	1.8	1.6
Mortality	110% of the S3PA tables with CMI 2021 projections using a long-term improvement rate of 1.25% p.a.	110% of the S3PA tables with CMI 2020 projections using a long-term improvement rate of 1.25% p.a.	110% of the S3PA tables with CMI 2019 projections using a long-term improvement rate of 1.25% p.a.

The sensitivity of the defined benefit obligation to changes in the principal assumptions is as follows:

	Impact on obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
	%	R'000	R'000
Discount rate	0.5	(44,965)	50,338
Pension fund cost inflation	0.3	19,949	(19,129)

Through its post-retirement medical obligation and defined benefit pension arrangement, the Group is exposed to several risks, the most significant of which is detailed below:

Investment risk: The scheme holds investments in equities, which have volatile market values and, while these assets are expected to provide real returns over the long-term, short-term volatility can cause additional funding to be required if a deficit emerges.

Interest rate risk: The scheme's liabilities are discounted using market yields on high quality corporate bonds. As the scheme holds assets such as equities, the value of the assets and liabilities may not react to changes in interest rates in the same way.

Inflation risk: A significant proportion of the benefits under the scheme are linked to inflation. Although the scheme's assets are expected to provide some hedging against inflation over the long term, movements over the short term could lead to a deficit emerging.

Mortality risk: In the event that members live longer than assumed a deficit could emerge in the scheme.

Accounting policy:

Actuarial gains and losses arising from experience adjustments and changes to actuarial assumptions, the return on plan assets (excluding amounts included in net interest on the defined benefit liability/(asset)) and any changes in the effect of the asset ceiling (excluding amounts included in net interest on the defined benefit liability/(asset)) are remeasurements that are recognised in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises related restructuring costs or termination benefits.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset and is recognised in profit or loss.

28. TAX LIABILITIES

	2022 R'000	2021 R'000	2020 R'000
Income tax payable	2,334	3,160	103
Withholding tax on preference dividends and interest	43,513	38,809	34,304
Withholding tax on interest	–	–	7,796
	45,847	**41,969**	**42,203**

Accounting policy

Income tax payable represents income tax payable to revenue authorities in South Africa and foreign jurisdictions in which the Group operates.

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

The Group applies the reduced interest withholding tax rate of 10%, based on the double tax agreement between South Africa and Mauritius, on the interest which is payable on the loan from shareholder payable to its foreign shareholder in Mauritius. The withholding tax on interest is recognised in tax liabilities as and when the interest accrues on the loan from shareholder.

29. CASH GENERATED FROM OPERATIONS

	2022 R'000	2021 R'000	2020 R'000
Profit/(loss) before taxation	414,132	178,846	(664,062)
Adjusted for:			
Depreciation and amortisation	482,827	413,982	406,632
Finance income	(4,712)	(4,920)	(5,773)
Finance costs	467,928	511,059	663,560
Defined benefit obligations	3,522	3,984	(4,797)
Impairment of property, plant and equipment	9,127	–	148,503
Impairment of goodwill	18,950	–	337,804
Impairment of trademarks	101,992	–	145,061
Increase in share appreciation rights scheme payable	10,759	29,117	(589)
Loss on disposal of property, plant and equipment	4,391	8,803	975
Credit loss allowances (reversed)/raised	(14,208)	105,956	21,739
Other non-cash items	4,854	(44,944)	37,480
Changes in working capital:			
Inventories	(258,512)	(189,204)	(7,913)
Trade and other receivables	(114,897)	166,528	(297,112)
Employee benefit obligations	46,719	35,899	38,429
Trade and other payables	235,665	105,552	12,474
Trade financing facility	(33,624)	93,519	(46,290)
Refund liabilities	40,100	7,983	86,045
Cash generated from operations	**1,415,013**	**1,422,160**	**872,166**

30. TAX PAID

	2022 R'000	2021 R'000	2020 R'000
Balance at the beginning of the year	10,211	9,090	7,867
Current tax for the year recognised in profit or loss	(205,754)	(116,562)	(41,049)
Net exchange differences	1,342	1,942	(195)
Current tax for the year recognised in profit or loss			
Balance at the end of the year	(42,516)	(10,211)	(9,090)
Total tax paid	**(236,717)**	**(115,741)**	**(42,467)**

Tax paid represents income tax paid to revenue authorities in South Africa and foreign jurisdictions in which the Group operates.

31. RESTRICTED CASH

	2022 R'000	2021 R'000	2020 R'000
Deposit	30,000	–	–

On 1 March 2022 the Group entered into a sale of shares agreement with Biz Afrika to acquire 100% of the issued share capital of Biz Afrika subject to the fulfilment of certain suspensive conditions. At the reporting date there were still some suspensive conditions that had to be fulfilled resulting in the Group not controlling the business at year-end. In terms of the Deposit and Escrow Agreement the Group paid R30 million into an Escrow account as a deposit balance of which will be released to the seller upon certain terms and conditions being met. The most significant is the finalisation of the Biz Afrika financial statements and the approval thereof. The Group is entitled to retain and/or adjust the retention amount of R5 million in respect of any claim the Group may have in terms of the agreement. The retained amount shall be released by no later than 30 June 2022. The balance bear interest at prime minus 4%.

Accounting policy:

Restricted cash comprises of a short-term deposit that is not highly liquid and are accounted for at amortised cost. The deposit balance is subject to certain release conditions and are therefore not available for general use by the Group and are therefore separately shown under current assets as restricted cash on the Statement of Financial Position.

32. CASH AND CASH EQUIVALENTS

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

	2022 R'000	2021 R'000	2020 R'000
Cash on hand	9,807	262	343
Bank balances	281,488	368,116	87,483
Cash and cash equivalents	291,295	368,378	87,826
Bank overdraft	(114,289)	(136,504)	(80,665)
Net cash	177,006	231,874	7,161

Accounting policy:

Cash and cash equivalents include cash on hand, cash at banks and highly liquid investments that are readily convertible to cash. Cash and cash equivalents are measured at cost with balances denominated in foreign currencies being translated at the relevant spot rate at the end of the reporting period. Bank overdrafts are separately shown under current liabilities on the Statement of Financial Position.

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The movements in net debt for the year ended 31 March 2022 are as follows:

	Loan from shareholder R'000	Borrowings R'000	Lease liabilities R'000	Redeemable preference shares R'000	Total R'000
Balance at 1 April 2021	1,512,000	2,114,916	214,459	1,700,366	5,541,741
Cash inflows	–	460,000	–	–	460,000
Cash outflows – capital	(19,597)	(272,669)	(54,183)	–	(346,449)
New leases	–	–	98,161	–	98,161
Finance costs accrued	153,459	145,687	24,921	89,385	413,452
Finance costs paid	(153,459)	(145,687)	(24,921)	–	(324,067)
Balance at 31 March 2022	1,492,403	2,302,247	258,437	1,789,751	5,842,838

The movements in net debt for the year ended 31 March 2021 are as follows:

	Loan from shareholder R'000	Borrowings R'000	Lease liabilities R'000	Redeemable preference shares R'000	Total R'000
Balance at 1 April 2020	1,582,167	2,244,908	240,494	1,614,783	5,682,352
Cash inflows	–	95,721	–	–	95,721
Cash outflows – capital	–	(225,713)	(28,026)	–	(253,739)
New leases	–	–	3,818	–	3,818
Exchange translation differences	–	–	(1,827)	–	(1,827)
Finance costs accrued	159,403	149,711	20,176	85,583	414,873
Finance costs repaid	(229,570)	(149,711)	(20,176)	–	(399,457)
Balance at 31 March 2021	1,512,000	2,114,916	214,459	1,700,366	5,541,741

The movements in net debt for the year ended 31 March 2020 are as follows:

	Loan from shareholder R'000	Borrowings R'000	Lease liabilities R'000	Redeemable preference shares R'000	Total R'000
Balance at 1 April 2019	1,594,883	1,978,495	–	1,432,821	5,006,199
Impact of adopting IFRS 16	–	(15,474)	262,205	–	251,246
Cash inflows	–	680,000	–	–	680,000
Cash outflows – capital	–	(398,113)	(26,226)	–	(424,339)
New leases	–	–	4,964	–	4,964
Exchange translation differences	–	–	(449)	–	(449)
Finance costs accrued	216,528	205,536	22,274	181,962	626,300
Finance costs repaid	(229,244)	(205,536)	(22,274)	–	(457,054)
Balance at 31 March 2020	1,582,167	2,244,908	240,494	1,614,783	5,686,867

34. ACQUISITION OF BUSINESSES

On 1 June 2021 the Group acquired the sugar based confectionery business, under the name of Mister Sweet, as a going concern for a cash purchase consideration of R419.1 million. The expansion of the Group's sugar based confectionery business is part of the long-term growth strategy and will enable the sugar based confectionery business to grow in the category in terms of innovation, brand leverage and operational efficiencies. The acquisition increases the Group's participation in the category and making the Group one of the largest manufacturers in South Africa that offers a full range of sugar based confectionery brands. The acquisition provides scale to the Group's existing business and enhances its competitive position by increasing its overall market share.

The fair value of the assets and liabilities recognised as a result of the business combination is as follows:

	Mister Sweet
	R'000
Property, plant and equipment	222,368
Right-of-use assets	11,878
Intangible assets	86,417
Inventories	136,956
Trade and other receivables	90,046
Lease liabilities	(11,878)
Deferred tax liability	(24,197)
Trade and other payables	(84,030)
Bank overdraft	(8,466)
Total identifiable net assets	419,094
Goodwill	–
Total identifiable net assets acquired	419,094

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

	Mister Sweet
	R'000
Cash consideration paid	(419,094)
Bank overdraft acquired	(8,466)
Cash outflow for business combination	(427,560)

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:

	Mister Sweet
	R'000
Revenue	540,303
EBITDA	61,771
Operating profit	16,944

Accounting policy:

The assets acquired and liabilities assumed of the sugar based confectionery business constitute a business in terms of IFRS 3. The Group accounted for the business combination by applying the acquisition method which requires the recognition and measurement of the at-acquisition date fair valued identifiable assets and liabilities assumed on the date the Group obtained control. Goodwill arises in the event of the purchase price exceeding the at-acquisition date fair valued identifiable assets acquired and liabilities assumed.

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management

Overview

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk.

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports quarterly to the board of directors on its activities.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and management risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established an Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports quarterly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk is assisted in its oversight role by internal audit and other monitoring committees. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk on loans receivable, trade receivables and cash and cash equivalents.

The Group's exposure to credit risk with regards to the South Africa Retail and Wholesale classes of trade receivables is limited by credit insurance with Lombard Insurance Company Limited, which covers most individual trade receivable balances in excess of R100,000. The exposure to credit risk with regards to the eSwatini and United Kingdom classes of trade receivables is limited by credit insurance with Lombard Insurance Company Limited, which covers certain individual trade receivable balances. Credit insurance is reviewed on an ongoing basis. The GCR rating agency affirmed the insurer's financial strength rating as A+ with a stable outlook. New customers for all classes are analysed individually for creditworthiness per the credit policy of each operating subsidiary before terms and conditions are offered. The review includes external ratings, where available, and in some cases bank references. Creditworthiness and credit limits of customers are reviewed on an annual basis. Customers that default on payments are monitored closely and put on hold if required.

Credit risk exposure arising on cash and cash equivalents is managed by the Group through dealing with well-established financial institutions of good standing for investment and cash management purposes. No loss allowance has been recognised in respect of the Group's cash and cash equivalents as all cash balances are held with reputable financial institutions and are short-term in nature with no history of default. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of counterparties. The macroeconomic factors have also been considered, however the impact of changes in economic conditions is not expected to be material on the expected credit loss.

35. **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

The table below shows the cash and cash equivalents allocated in terms of bank ratings. These ratings are based on Moody's bank ratings.

Rating	**2022**	**2021**	**2020**
	R'000	**R'000**	**R'000**
A1	35,846	41,607	29,988
Ba1	205,160	297,322	23,742
Non-rated	40,482	29,187	33,753
Cash on hand	9,807	262	343
	291,295	**368,378**	**87,826**

The credit risk on loans receivable is addressed by ensuring that the underlying security is adequate. The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period by comparing the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information on macroeconomic factors, such as consumer price inflation and prime interest, affecting the ability of the counterparties to settle their debt. The fair value of the shares held as security exceeds the carrying amount of the loans. Based on the performance of the security and no history of default from the counterparties, it is assessed that a low probability of default exists and therefore the related loss allowance is deemed not significant.

Liquidity risk

The Group manages its liquidity risk by ensuring sufficient cash and availability of funding through an adequate amount of borrowing facilities to meet obligations when due. Management monitors rolling cash flow forecasts of the Group's liquidity reserves comprising debt, undrawn borrowing facilities and cash and cash equivalents. Cash flow forecasts are compiled in accordance with external regulatory requirements and maintaining debt finance covenants. As at year-end the Group had access to undrawn facilities of R948 million (2021: R1.2 billion; 2020: R968 million).

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

	Less than 1 year R'000	**1 to 2 years R'000**	**2 to 5 years R'000**	**Over 5 years R'000**	**Total R'000**	**Carrying amount R'000**
2022						
Redeemable preference shares*	102,911	108,828	365,490	4,252,196	4,829,425	1,789,751
Loan from shareholder^	145,508	157,347	555,192	2,181,651	3,039,698	1,492,403
Borrowings	300,339	291,767	2,019,300	–	2,611,406	2,302,247
Lease liabilities	75,897	71,987	87,504	102,419	337,807	258,437
Trade and other payables	1,229,771	–	–	–	1,229,771	1,229,771
Trade financing facility	463,610	–	–	–	463,610	463,610
Refund liabilities	342,522	–	–	–	342,522	342,522
Bank overdraft	114,289	–	–	–	114,289	114,289
	2,774,847	**629,929**	**3,027,486**	**6,536,266**	**12,968,528**	**7,993,030**

* *After year-end the Company issued a conversion notice to the subscriber of the Preference Share Terms notifying the subscribers that the preference shares will be converted into ordinary shares in the share capital of the Company. Consequently, there are no expected contractual cash flows expected after year-end.*

^ *Subsequent to year-end one of the Group's shareholders, Brait Mauritius Limited ceded its rights to the shareholder loan claim in exchange for the issue by the Company of additional ordinary shares to Brait Mauritius Limited. Consequently, there are no expected contractual cash flows expected after year-end.*

35. **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

	Less than 1 year R'000	1 to 2 years R'000	2 to 5 years R'000	Over 5 years R'000	Total R'000	Carrying amount R'000
2021						
Redeemable preference shares	85,018	89,269	295,492	3,775,810	4,245,589	1,700,366
Loan from shareholder	136,080	146,327	510,103	2,381,249	3,173,759	1,512,000
Borrowings	393,874	1,465,312	505,319	–	2,364,505	2,114,916
Lease liabilities	42,774	39,508	90,454	127,910	300,646	214,459
Trade and other payables	921,675	–	–	–	921,675	921,675
Trade financing facility	497,234	–	–	–	497,234	497,234
Refund liabilities	302,422	–	–	–	302,422	302,422
Bank overdraft	136,504	–	–	–	136,504	136,504
	2,515,581	**1,740,416**	**1,401,368**	**6,284,969**	**11942,334**	**7,399,576**

	Less than 1 year R'000	1 to 2 years R'000	2 to 5 years R'000	Over 5 years R'000	Total R'000	Carrying amount R'000
2020						
Redeemable preference shares	108,998	116,355	398,346	5,245,133	5,868,832	1,614,783
Loan from shareholder	24,082	102,619	528,742	2,616,454	3,271,897	1,582,167
Borrowings	564,763	321,269	1,748,622	–	2,634,654	2,244,908
Lease liabilities	44,264	40,826	104,709	150,884	340,683	240,494
Trade and other payables	816,636	–	–	–	816,636	816,636
Trade financing facility	403,715	–	–	–	403,715	403,715
Refund liabilities	294,439	–	–	–	294,439	294,439
Bank overdraft	80,665	–	–	–	80,665	80,665
	2,337,562	**581,069**	**2,780,419**	**8,012,471**	**13,711,521**	**7,277,807**

Foreign currency risk

The Group is exposed to foreign currency risk as a result of transactions that are denominated in foreign currencies during the normal course of business. Exchange rate exposures are managed utilising foreign exchange contracts in terms of its risk management policy. The foreign currencies predominantly traded in by the Group are USD, EUR, CNY and GBP. As a result, the Group is subject to exposure from fluctuations in foreign currency exchange rates.

35. **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

The exposure and concentration of foreign currency risk at the end of the year is included in the table below.

	South African rand R'000	US dollar R'000	Euro R'000	Chinese yuan renminbi R'000
2022				
Financial assets				
Trade and other receivables	9,421	–	5,473	–
Cash and cash equivalents	954	4,795	867	656
Financial liabilities				
Trade payables	(56,942)	(35,190)	(4,600)	–
	(46,567)	**(30,395)**	**1,740**	**656**

	South African rand R'000	US dollar R'000	Euro R'000	Chinese yuan renminbi R'000
2021				
Financial assets				
Trade and other receivables	19,761	–	–	–
Cash and cash equivalents	8,165	13,828	9,490	2,240
Financial liabilities				
Trade payables	(37,905)	(14,130)	(5,250)	–
	(9,979)	**(302)**	**4,240**	**2,240**

	South African rand R'000	US dollar R'000	Euro R'000	Chinese yuan renminbi R'000
2020				
Financial assets				
Trade and other receivables	13,151	–	–	–
Cash and cash equivalents	2,854	6,813	3,444	1,591
Financial liabilities				
Trade payables	(27,075)	(13,354)	(3,209)	–
	(11,070)	**(6,541)**	**235**	**1,591**

The forward exchange contracts entered into by the Group at the end of the year are summarised as follows.

	Average rate R	Foreign contract amount '000	Fair value of FECs R'000
2022			
USD FECs	15.45	350	5,409
EUR FECs	17.51	320	5,602
CNY FECs	2.44	1,450	3,537
2021			
USD FECs	15.00	490	7,349
EUR FECs	18.34	304	5,575
CNY FECs	2.34	2,590	6,050
2020			
USD FECs	14.54	500	7,270
EUR FECs	16.27	114	1,855
CNY FECs	2.12	1,675	3,543
GBP FECs	18.31	1,389	25,435

35. **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

The following table illustrates the Group's sensitivity to a 10% strengthening in the Rand against the foreign currencies. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the reporting date for a 10% change in foreign currency exchange rates. A positive number indicates an increase in profit before tax where the ZAR strengthens 10% against the relevant currency.

	2022	**2021**	**2020**
	R'000	**R'000**	**R'000**
USD	3,040	30	654
EUR	(174)	(424)	(24)
CNY	(66)	(224)	(159)
MZN	(4,548)	(1,506)	(1,202)
GBP	(205)	(308)	(190)

Interest rate risk

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

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

	2022	**2021**	**2020**
Impact on profit or loss:	**R'000**	**R'000**	**R'000**
1% increase in interest rates	61,142	63,448	74,320
1% decrease in interest rates	(61,142)	(63,448)	(74,320)

Price risk

Forward supply contract price risk arises from the Group being subject to raw material price fluctuations caused by factors such as supply conditions, weather, economic conditions and other factors. The strategic raw materials acquired by the Group include wheat and maize. Contractual obligations with regards to these contracts occur when risk and rewards of ownership passes to the Group at which time liabilities are recognised.

The Group has developed a comprehensive risk management process to facilitate, control and to monitor these risks. The procurement of raw materials takes place in terms of specific mandates given by the executive management. Position statements are prepared on a daily basis and these are monitored by management and compared to the mandates. The board has approved and monitors the risk management process, counterparty limits, controlling and reporting structures.

Forward purchase commitments for wheat and maize are entered into by the Group with third party service providers, with the price of the amount of wheat and maize committed only fixed at a later stage in South African Rand. The forward purchase commitments are not recognised as derivatives as Premier applies the 'own-use' exemption and is therefore scoped out of IFRS 9 Financial Instruments.

These forward purchase commitments include exposure to commodity price risk from the date on which the amount of wheat and maize is fixed until the date of fixing the price, as well as exposure to foreign exchange risk for international purchases where the contracts are initially priced in US Dollars. These exposures are not separately accounted for as embedded derivatives as it has been assessed that the economic characteristics and risks are closely related to the economic characteristics and risks of the forward purchase commitments. In making this assessment, the following factors were considered:

- The commodity price adjustment feature is related to the cost of the goods being purchased.
- The contracts do not contain an option feature.
- The local supplier for the international purchases is in substance importing the commodity on the Group's behalf.
- The US Dollar is commonly used in international contracts to purchase non-financial items.

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Capital risk management

The Group's objective is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future development needs of the business. The board monitors the Group's leverage ratio. The board manages its capital structure by viewing the redeemable preference shares and the loan from shareholder as part of equity, consequently excluding it from net debt.

The Group's leverage ratio is calculated as follows:

	2022 R'000	2021 R'000	2020 R'000
Net debt			
Borrowings	2,302,247	2,114,916	2,244,908
Lease liabilities	258,437	214,459	240,494
Net cash	(177,006)	(231,874)	(7,161)
Total net debt	2,383,678	2,097,501	2,478,241
Adjusted EBITDA	1,490,244	1,098,967	1,031,725
Leverage ratio	**1.6**	**1.9**	**2.4**

Categories of financial instruments

	Assets at amortised cost R'000	Liabilities at amortised cost R'000
2022		
Loans receivable	44,170	–
Trade and other receivables	1,238,106	–
Cash and cash equivalents	291,295	–
Restricted cash	30,000	–
Trade and other payables	–	1,229,771
Trade financing facility	–	463,610
Loan from shareholder	–	1,492,403
Borrowings	–	2,302,247
Bank overdraft	–	114,289
Redeemable preference shares	–	1,789,751
Refund liabilities	–	342,522
	1,603,571	**7,734,593**
2021		
Loans receivable	34,909	–
Trade and other receivables	1,035,973	–
Cash and cash equivalents	368,378	–
Trade and other payables	–	921,675
Trade financing facility	–	497,234
Loan from shareholder	–	1,512,000
Borrowings	–	2,114,916
Bank overdraft	–	136,504
Redeemable preference shares	–	1,700,366
Refund liabilities	–	302,422
	1,439,260	**7,185,117**
2020		
Loans receivable	32,824	–
Trade and other receivables	1,223,059	–
Cash and cash equivalents	87,826	–
Trade and other payables	–	816,636
Trade financing facility	–	403,715
Loan from shareholder	–	1,582,167
Borrowings	–	2,244,908
Bank overdraft	–	80,665
Redeemable preference shares	–	1,614,783
Refund liabilities	–	294,439
	1,343,709	**7,037,313**

36. **RELATED PARTIES**

Brait Mauritius Limited is a shareholder in Premier Group Proprietary Limited.

Key management comprises the management executives of the Group.

At year-end the following balances were owing to related parties:

	2022	2021	2020
Balances owing (to)/by related parties	**R'000**	**R'000**	**R'000**
Brait Mauritius Limited – Shareholder's loan	(1,492,403)	(1,512,000)	(1,582,167)
Brait Mauritius Limited – Redeemable preference shares	(1,789,751)	(1,700,366)	(1,614,783)
Loans to key management	37,113	34,909	32,824
Loan to executive director – F Grobbelaar	7,057	–	–

During the year the Group entered into the following transactions with related parties:

	2022	2021	2020
Finance costs/(income)	**R'000**	**R'000**	**R'000**
Brait Mauritius Limited – Cumulative dividends	94,089	90,088	191,539
Brait Mauritius Limited – Interest on shareholder loan	153,459	159,403	216,528
Interest income on loans to key management and executive director	(2,462)	(2,085)	(3,810)

During the year the following compensation was paid to key management:

	2022	2021	2020
	R'000	**R'000**	**R'000**
Short-term employee benefits	35,498	29,905	16,135
Total compensation paid to key management	35,498	29,905	16,135

Share appreciation rights

The Group has a long-term incentive plan where certain employees are granted share appreciation rights (SARs). The SARs are settled in cash on the exercise date with reference to the increase in the Group's share price from the grant date and the date the employee exercises their right. The SARs are exercisable from the fourth until the eighth anniversary of the date of issue. 50% of the shares vest in the fourth year and a further 50% in the fifth year and can be exercised upon vesting in tranches of either 50% or 100%. All rights will automatically cease to be of any value and no payment will be due or payable in any way whatsoever if the holder of the appreciation right is not in the employ of the Group at the date of exercise.

2022	**Number of rights**	**Amount R'000**
At the beginning of the year	7,006	27,218
Granted during the year	2,700	1,712
Exercised during the year	(213)	(2,723)
Movement in provision	–	9,047
At the end of the year	9,493	35,254

Rights granted during the year	**Number or rights**	**Price per SAR R**
June 2021	150	–
July 2021	2,200	10,684
January 2022	350	12,216
Price per right at 31 March 2022		14,608

36. RELATED PARTIES (CONTINUED)

2021	Number of rights	Amount R'000
At the beginning of the year	5,806	2,450
Granted during the year	1,200	681
Exercised during the year	–	(4,349)
Movement in provision	–	28,436
At the end of the year	7,006	27,218

Rights granted during the year	Number or rights	Price per SAR R
Rebased SARs issue – July 2020	–	6,900
Rights granted – July 2020	1,200	6,900
Price per right at 31 March 2021		10,684

2020	Number of rights	Amount R'000
At the beginning of the year	3,636	32,000
Granted during the year	5,380	–
Exercised during the year	(3,210)	(28,961)
Movement in provision	–	(589)
At the end of the year	5,806	2,450

Rights granted during the year	Number or rights	Price per SAR R
July 2019	2,170	14,336
Price per right at 31 March 2020		14,124

37. DIRECTORS' EMOLUMENTS

Executive directors	Basic salary R'000	Other benefits[1] R'000	Retirement fund contributions R'000	Bonus R'000	Total R'000
2022					
JJ Gertenbach	5,635	116	169	3,337	9,257
F Grobbelaar[2]	2,791	2,889	84	225	5,989
Total	**8,426**	**3,005**	**253**	**3,562**	**15,246**
2021					
TN Kruger[3]	7,599	182	174	4,527	12,482
JJ Gertenbach[4]	4,364	109	131	2,710	7,314
Total	**11,963**	**291**	**305**	**7,237**	**19,796**
2020					
TN Kruger	5,500	240	165	–	5,905
JJ Gertenbach	4,173	121	125	–	4,419
Total	**9,673**	**361**	**290**	**–**	**10,324**

(1) *Other benefits comprise travel allowance and medical benefits.*

(2) *F Grobbelaar was appointed as CFO on 2 August 2021. Included in other benefits is R2,7 million sign-on bonus as compensation for his bonus sacrifice from his previous employment.*

(3) *TN Kruger resigned on 31 March 2021.*

(4) *JJ Gertenbach was appointed as CEO on 31 March 2021.*

37. **DIRECTORS' EMOLUMENTS (CONTINUED)**

The directors' fees paid to the non-executive director for services as a director are as follows:

Non-executive director	2022 R'000	2021 R'000	2020 R'000
CJ Roodt	601	575	550

Securities issued

The Group has an Executive Share Scheme to incentivise eligible executives for their contribution to the performance of the Group. The table below provides a summary of the shares held by the executive directors.

2022 Ordinary shares	Number of shares at beginning of year	Number of shares bought	Number of shares at end of year
JJ Gertenbach	513	–	513
F Grobbelaar	–	46	46
Total	**513**	**46**	**559**
'A' Ordinary shares			
JJ Gertenbach	5,797	–	5,797
F Grobbelaar	–	1,932	1,932
Total	**5,797**	**1,932**	**7,729**

2021 Ordinary shares	Number of shares at beginning of year	Number of shares bought	Number of shares at end of year
JJ Gertenbach	368	145	513
Total	**368**	**145**	**513**
A Ordinary shares			
JJ Gertenbach	–	5,797	5,797
Total	**0**	**5,797**	**5,797**

38. **FAIR VALUE INFORMATION**

The variable interest rate on the 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.

39. **EVENTS AFTER THE REPORTING PERIOD**

Subsequent to year-end the Company issued a conversion notice to one of its shareholders, Brait Mauritius Limited ('Brait') in terms of the preference share terms notifying Brait that the preference shares, valued at R1.8 billion on 31 March 2022, be converted into ordinary shares. The Company issued 122,521 ordinary shares on 4 May 2022 (the conversion date), being the number of shares fairly valued that equals the carry value of the preference shares.

Furthermore, on 4 May 2022 Brait ceded its rights to the shareholder loan claim, valued at R1.5 billion on 31 March 2022, in exchange for the issue by the Company of additional 102,165 ordinary shares to Brait. The number of ordinary shares issued, fairly valued, equals the carrying value of the loan on the effective date of the transaction. The effective date being 4 May 2022. On 1 March 2022 the Group entered into a sale of shares agreement with Biz Afrika to acquire 100% of the issued share capital of Biz Afrika, subject to the fulfilment of certain suspensive conditions for a purchase consideration of R30 million. At the reporting date there were still some suspensive conditions that had to be fulfilled resulting in the Group not controlling the business at year-end. The suspensive conditions were fulfilled after year-end with an effective date of 1 May 2022.

39. **EVENTS AFTER THE REPORTING PERIOD (CONTINUED)**

	Biz Afrika 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	27,048
Net assets acquired	30,000

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

	Biz Afrika R'000
Cash consideration paid	(30,000)
Cash and cash equivalents	4,536
Cash outflow for business combination	(25,464)

During November 2022, the Group refinanced its syndicated borrowing facilities amounting to R1.9 billion and consolidated them into one facility repayable in full in November 2025. The refinancing resulted in an additional R40 million cash inflow.

An additional R1 billion revolving facility was secured resulting in a commensurate increase in borrowings. The R1 billion is repayable in November 2026. R950 million of the proceeds from the additional facility was distributed to shareholders prior to the Company listing on the Johannesburg Stock Exchange. The remaining R50 million was retained to fund working capital.

Furthermore, subsequent to year-end, the Company's authorised Ordinary Shares were increased by 500,000 Ordinary Shares to 1,000,000 Ordinary Shares, after which 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 interim period.

There were no other 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.

40. **GOING CONCERN**

The Group reported a net profit for the year ended 31 March 2022 of R277.7 million (2021: R67.5 million). As at 31 March 2022 the Group's total liabilities exceeded its total assets by R5.4 million.

The consolidated historical financial information prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. This is supported by total current assets exceeding total current liabilities by R666.6 million at 31 March 2022. Furthermore, based on various assessments performed by management and the Group's shareholder, the directors are satisfied that the total assets, fairly valued, exceed the value of total liabilities at 31 March 2022.

After year-end the redeemable preference shares of R1.8 billion were converted into ordinary shares of the Company. Brait also ceded its rights to the shareholder loan claim after year-end, valued at R1.5 billion, in exchange for the issue by the Company of ordinary shares to Brait. After taking these transactions into account the Group's total assets exceed its total liabilities.

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future. Based on cash flow forecasts the Group will be able to realise its assets and settle its liabilities as they fall due in the ordinary course of business. Furthermore, management successfully negotiated with the banks to extend some of the borrowing facilities during the year.

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

41. NEW STANDARDS AND INTERPRETATIONS

Standards and interpretations issued but not yet effective

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

Standard/ Interpretation:	**Effective date: Years beginning on or after**	**Expected impact:**
Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	1 January 2024	Unlikely there will be a material impact
Amendment to IFRS 3, 'Business combinations'	1 January 2022	Unlikely there will be a material impact
Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before Intended Use	1 January 2022	Unlikely there will be a material impact
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022	Unlikely there will be a material impact
The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets. The South African Reserve Bank ("SARB") has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. This reform is at various stages globally, a suitable alternative for South Africa is only expected to be announced in a few years' time. Accordingly, there is uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the Group."	1 January 2022	Unlikely there will be a material impact
IFRS 16 'Leases' amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.	1 January 2022	Unlikely there will be a material impact
IFRS 9 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation.	1 January 2022	Unlikely there will be a material impact
Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction.	1 January 2023	Unlikely there will be a material impact
Narrow scope amendments to IAS 1 "Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	1 January 2023	Unlikely there will be a material impact

41. **NEW STANDARDS AND INTERPRETATIONS (CONTINUED)**

The IASB has issued a narrow-scope amendment to requirements for sale and leaseback transactions in IFRS 16 in September 2022, explaining how an entity accounts for a sale and leaseback after the date of the transaction. IFRS 16 now specifies that, in subsequently measuring the lease liability, the seller-lessee determines ‘lease payments’ and ‘revised lease payments’ in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	The amendments are effective for annual reporting periods beginning on or after 1 January 2024, but they could be early adopted	Unlikely there will be a material impact
The Amendments to IAS 1, Presentation of financial statements’, on classification of liabilities issued in October 2022 clarify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity’s reporting date. The 2022 amendments also introduces additional disclosure requirements.	The new amendments are effective for annual reporting periods beginning on or after 1 January 2024 and override the previous amendments	Unlikely there will be a material impact

42. INTEREST IN SUBSIDIARY COMPANIES

All subsidiaries have the same financial year-end as the Company.

The following information relates to the Group's interest in its significant subsidiaries:

Name of company	Place of incorporation	Nature of business	Effective percentage interest 2022 %	Effective percentage interest 2021 %	Effective percentage interest 2020 %
Directly held					
Premier FMCG Proprietary Limited	South Africa	Food processing	100	100	100
Lil-lets South Africa Proprietary Limited	South Africa	Dormant	–	100	100
Mister Bread Milling Proprietary Limited	South Africa	Dormant	–	100	100
Premier eSwatini Proprietary Limited	eSwatini	Food processing	100	100	100
Prem-Cap Investments Proprietary Limited	Mauritius	Investment holding company	100	100	100
Main Street 1880 Proprietary Limited	South Africa	Investment holding company	100	–	–
Indirectly held					
Westpat Properties Proprietary Limited	South Africa	Dormant company	–	100	100
G & C Shelf 115 Proprietary Limited	South Africa	Property holding company	100	100	100
Lesotho Bakery Proprietary Limited	Lesotho	Baking	100	100	100
Lil-lets UK Limited	United Kingdom	Sales and distribution	100	100	100
Lil-lets Group Holdings	United Kingdom	Dormant	100	100	100
Lil-lets Loan Company Limited	United Kingdom	Dormant	100	100	100
Companhia Industrial Da Matola S.A	Mozambique	Food processing	98	98	98
CIM Feeds Trading SA Proprietary Limited	South Africa	Dormant company	100	100	100
Mandla Mahewu Proprietary Limited	South Africa	Dormant company	100	100	100
eSwatini Mahewu Proprietary Limited	eSwatini	Dormant company	100	100	100
Biz Afrika 710 Proprietary Limited	South Africa	Food processing	100	–	–
Main Street 1881 Proprietary Limited	South Africa	Investment holding company	100	–	–
Premier BEE Trust			*	–	–

* *Premier FMCG Proprietary Limited can appoint the trustees of the Premier BEE Trust.*

ANNEXE 2: INDEPENDENT REPORTING ACCOUNTANT'S AUDIT REPORT ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION FOR THE THREE FINANCIAL YEARS ENDED 31 MARCH 2022

This report has been extracted from the 2022 Pre-Listing Statement.

The Directors
Premier Group Limited
Building 5
Maxwell Office Park
Magwa Crescent West
Waterfall City
2090

16 November 2022

To the Directors of Premier Group Limited

Independent Reporting Accountant's audit report on the consolidated historical financial information

Our opinion

Premier Group Limited (the "Company" or "Premier") is issuing a Pre-listing statement to its shareholders (the "Pre-listing statement") regarding the proposed Initial Public Offering on the main board of the JSE Limited (the "JSE") (the "Proposed Transaction").

In our opinion, the consolidated historical financial information as set out in "ANNEXE 1 – Consolidated Historical Financial Information for the Three Financial Years Ended 31 March 2022" to this Pre-listing Statement presents fairly, in all material respects, the consolidated financial position of Premier and its subsidiaries (together the "Group") as at 31 March 2022, 31 March 2021 and 31 March 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards and the requirements of the JSE Listings Requirements.

What we have audited

At your request and solely for the purpose of the Pre-listing statement dated on or about 22 November 2022, we have audited Premier's consolidated historical financial information, which comprises:

- the consolidated statements of financial position as at 31 March 2020, 31 March 2021 and 31 March 2022;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated historical financial information, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Reporting accountant's responsibilities for the audit of the consolidated historical financial information* section of our report.

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

Independence

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

Purpose of this report

This report has been prepared for the purpose of the Pre-listing statement and for no other purpose.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated historical financial information for the year ended 31 March 2022. These matters were addressed in the context of our audit of the consolidated historical financial information for the year ended 31 March 2022 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Impairment assessment of goodwill and indefinite life intangible assets Refer to note 14: Goodwill to the consolidated Historical Financial Information for detail. International Accounting Standard 36 – Impairment of Assets requires goodwill and indefinite life intangible assets to be tested annually for impairment, or more frequently if impairment indicators are identified. At 31 March 2022, the Group's total goodwill and indefinite life intangible assets balance amounted to R1.6 billion, after recognising an impairment of R120.9 million in respect of the South Africa Groceries and eSwatini Groceries cash generating units ("CGUs"). Management applied the fair value less costs of disposal ("FVLCD") method to determine the recoverable amount of each CGU to which goodwill and indefinite life intangible assets has been allocated. In determining the FVLCD of the respective CGUs, management prepares post-tax cash flow projections based on financial budgets approved by management, and makes key assumptions which include future revenue growth rates, operating cost increases, the terminal growth rates and the post-tax discount rates. In determining the FVLCD, management has also considered the impact of the COVID-19 pandemic on the Group's cashflow projections and operating cost increases. We considered the impairment assessment of goodwill and indefinite life intangible assets to be a matter of most significance to the current year audit due to the following: The judgement applied by management in determining the key assumptions used in their FVLCD calculation; and The magnitude of the carrying value of goodwill and indefinite life intangible assets recognised in relation to the consolidated financial statements.	Our audit addressed the key audit matter as follows: Through discussions with management we obtained an understanding of the processes and procedures applied by management in making their impairment assessment of goodwill and indefinite life intangible assets, which included: • an understanding of the process followed in determining cash-flow projections, including management's considerations of the COVID-19 impact on these cash flow projections; and • the determination of the key assumptions applied in their FVLCD calculation. We compared the process followed by management in determining these cash flow forecasts to the Group's past practice and we noted no inconsistencies. We challenged and tested the reasonability of the key assumptions used by management in their calculations, which included future revenue growth rates, operating cost increases, terminal growth rate and the post-tax discount rate. This was done by comparing these key assumptions to industry benchmarks. Based on our work performed, we accepted management's key assumptions. We agreed the cash flows projections used in management's FVLCD calculation to management approved financial budgets, with no material exceptions noted. We considered the reasonableness of management's budgeting process by comparing the 2022 actual results to the prior year cash flow projections for 2022. Where variances were noted, we followed up with management and evaluated the reasonability of the variances. We did not note any aspect in this regard which required further consideration. Making use of our internal valuation expertise, we assessed the appropriateness and reasonability of the post-tax discount rate of the respective CGUs used in the FVLCD calculation by independently calculating the discount rate, taking into account independently obtained data. We found that the discount rates used by management fell within an acceptable range, or where it fell outside of the range, that it had no material impact on the outcome of the impairment assessment. We compared the terminal growth rates used by management to the long term inflation rate within the respective CGU territories. We found the terminal growth rates to be within an acceptable range. We tested the mathematical accuracy of management's valuation model and compared the valuation methodology applied by management in the prior years for consistency. No material differences or inconsistencies were noted. We performed independent sensitivity calculations on the impairment assessments in order to determine the degree by which the key assumptions needed to change in order to trigger any additional impairments. We discussed these with management and considered the likelihood of such changes occurring. Whilst our independently determined key assumptions were different from those applied by management, the impact of these differences was found to be immaterial to the impairment assessment.

Responsibilities of the directors for the consolidated historical financial information

The directors of Premier are responsible for the preparation, contents and presentation of the Pre-listing statement and are responsible for ensuring that the Premier complies with the requirements of the JSE Listings Requirements.

The directors of Premier are responsible for the preparation and fair presentation of the consolidated historical financial information in accordance with International Financial Reporting Standards and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of consolidated historical financial information that are free from material misstatement, whether due to fraud or error.

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

Reporting accountant's responsibilities for the audit of the consolidated historical financial information

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

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

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

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

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

PricewaterhouseCoopers Inc.
Director: T. Howatt
Registered Auditor
4 Lisbon Lane, Waterfall City, Jukskei View, 2090, Private Bag X36, Sunninghill, 2157, Johannesburg, South Africa
16 November 2022

ANNEXE 3: CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021 AND 30 SEPTEMBER 2022

The comparative information for the statement of financial position, statement of profit or loss and other comprehensive income, changes in equity and cash flows, and related explanatory notes, for the period ended 30 September 2021 ("**comparative information**") has not been audited or reviewed by the Company's external auditors. The comparative information has been included for purposes of providing useful context to a consideration of the reviewed interim financial information for the period ended 30 September 2022. As the Company's external auditors have not expressed any form of assurance conclusion on the comparative information, it should not be relied upon to the same extent as the reviewed interim financial information for the period ended 30 September 2022. The Directors take responsibility for the comparative information.

Statement of Profit or Loss and Other Comprehensive Income

	Notes	Reviewed six months ended 30 September 2022 R'000	Unaudited six months ended 30 September 2021 R'000	Audited financial year ended 31 March 2022 R'000
Revenue on contracts from customers	3	8,730,702	7,000,776	14,537,811
Cost of sales		(6,096,821)	(4,677,264)	(9,748,182)
Gross profit		**2,633,881**	**2,323,512**	**4,789,629**
Other operating income		10,741	8,193	16,839
Credit loss allowances reversed/(raised)		(964)	(754)	14,208
Impairment losses				(130,069)
Sales and marketing expenses		(812,497)	(735,187)	(1,529,890)
Distribution expenses		(462,090)	(403,343)	(806,229)
Administration expenses		(765,113)	(701,841)	(1,477,140)
Operating profit		**603,958**	**490,580**	**877,348**
Finance income	4	47,399	2,314	4,712
Finance costs	5	(158,922)	(231,535)	(472,782)
Foreign exchange gains on cash and loans of a funding nature	6	53,074	15,802	4,854
Profit before tax		**545,509**	**277,161**	**414,132**
Income tax expense		(145,655)	(93,963)	(136,414)
Profit for the period		**399,854**	**183,198**	**277,718**
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement gain on defined benefit obligations				4,917
Deferred tax on remeasurements				(1,039)
Total items that will not be reclassified to profit or loss				**3,878**
Items that may be reclassified to profit or loss:				
Exchange differences on translation of foreign operations		81,011	25,838	6,592
Other comprehensive income for the period net of tax		**81,011**	**25,838**	**10,470**
Total comprehensive income for the period		**480,865**	**209,036**	**288,188**
Profit attributable to:				
Owners of the Company		399,184	182,637	277,412
Non-controlling interest		670	561	306
		399,854	**183,198**	**277,718**
Total comprehensive income attributable to:				
Owners of the Company		480,195	208,475	287,882
Non-controlling interest		670	561	306
		480,865	**209,036**	**288,188**
Earnings per ordinary share attributable to owners of the Company				
Basic earnings per share (cents)	8	325.49	217.61	330.53
Basic earnings per share – diluted (cents)	8	287.70	217.61	328.69
Headline earnings per share (cents)	8	328.13	216.94	453.32
Headline earnings per share – diluted (cents)	8	290.25	216.94	452.81
Normalised headline earnings per share (cents)	8	263.67	204.37	449.46
Diluted normalised headline earnings per share (cents)	8	262.28	204.37	448.96

Statement of Financial Position

	Note	Reviewed 30 September 2022 R'000	Unaudited 30 September 2021 R'000	Audited 31 March 2022 R'000
Assets				
Non-current assets				
Property, plant and equipment*		3,767,445	3,627,625	3,658,354
Right-of-use assets		194,378	236,724	217,777
Goodwill		233,147	227,014	208,064
Intangible assets		1,446,985	1,548,602	1,464,984
Loans receivable		38,140	35,618	36,747
Deferred tax		15,865	29,918	29,705
		5,695,960	**5,705,501**	**5,615,631**
Current assets				
Inventories–		1,681,509	1,450,798	1,627,939
Loans receivable		7,704	7,194	7,423
Trade and other receivables^		1,670,092	1,548,671	1,375,237
Current income tax receivable		6,637	9,395	44,850
Restricted cash	9	2,207	–	30,000
Cash and cash equivalents		425,772	101,261	291,295
		3,793,921	**3,117,319**	**3,376,744**
Total assets		**9,489,881**	**8,822,820**	**8,992,375**
Equity				
Share capital	7	3,411,505	126,879	126,879
Reserves		(75,921)	(146,746)	(156,932)
Retained income/(Accumulated loss)		419,852	(68,925)	20,668
Equity attributable to the equity holders of the Company		3,755,436	(88,792)	(9,385)
Non-controlling interest		4,633	4,218	3,963
Total Equity		**3,760,069**	**(84,574)**	**(5,422)**
Liabilities				
Non-current liabilities				
Loan from shareholder	11		1,570,165	1,492,403
Borrowings		2,032,512	2,175,253	2,123,008
Lease liabilities		180,489	217,933	203,501
Deferred income tax		572,414	597,036	595,744
Employee benefit obligations		47,815	42,825	39,771
Redeemable preference shares	12		1,743,440	1,789,751
Tax liabilities	4		47,721	43,513
		2,833,230	**6,394,373**	**6,287,691**
Current liabilities				
Trade and other payables		1,110,410	1,103,790	1,275,738
Employee benefit obligations		297,923	294,868	277,438
Refund liabilities^		480,174	388,692	342,522
Borrowings		180,741	177,759	179,239
Lease liabilities		57,816	53,552	54,936
Trade financing facility–		563,077	388,231	463,610
Tax liabilities		27,895	31,000	2,334
Bank overdraft		178,546	75,129	114,289
		2,896,582	**2,513,021**	**2,710,106**
Total liabilities		**5,729,812**	**8,907,394**	**8,997,797**
Total equity and liabilities		**9,489,881**	**8,822,820**	**8,992,375**

The increase in property, plant and equipment from 31 March 2022 to 30 September 2022 is attributable to additions of R215 million, depreciation of R166 million, exchange translation movement of R60 million.

^ *The increase in trade and other receivables and refund liabilities are due to volume growth and the high level of inflationary cost that has been passed on to customers despite a challenging trading environment.*

– *The increase in inventories and the trade financing facility are mainly a result of inflationary price increases in grain and other raw materials.*

Statement of Changes in Equity

	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
Balance at 1 April 2021	**117,632**	**(163,524)**	**(9,060)**	**(251,562)**	**(306,514)**	**3,657**	**(302,857)**
Profit for the period	–			182,637	182,637	561	183,198
Other comprehensive income	–	25,838		–	25,838		25,838
Issue of shares	9,247				9,247		9,247
Balance at 30 September 2021	**126,879**	**(137,686)**	**(9,060)**	**(68,925)**	**(88,792)**	**4,218**	**(84,574)**
Profit for the period		–		94,775	94,775	(255)	94,520
Other comprehensive income		(19,246)		3,878	(15,368)		(15,368)
Cancellation of treasury shares	*		9,060	(9,060)			–
Balance at 1 April 2022	**126,879**	**(156,932)**		**20,668**	**(9,385)**	**3,963**	**(5,422)**
Profit for the period				399,184	399,184	670	399,854
Other comprehensive income	–	81,011		–	81,011		81,011
Issue of shares	3,284,626				3,284,626		3,284,626
Balance at 30 September 2022	**3,411,505**	**(75,921)**		**419,852**	**3,755,436**	**4,633**	**3,760,069**
Note	8						

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.

	Note	Reviewed six months ended 30 September 2022 R'000	Unaudited six months ended 30 September 2021 R'000	Audited financial year ended 31 March 2022 R'000
Cash flows from operating activities				
Cash flow from operations before working capital movements		885,647	730,907	1,499,562
Working capital movements		(263,414)	(271,172)	(84,549)
Cash generated from operations		622,233	459,735	1,415,013
Finance income		2,213	1,213	2,250
Finance costs		(158,837)	(121,568)	(378,694)
Tax paid		(83,728)	(121,634)	(236,717)
Net cash inflow from operating activities		**381,881**	**217,746**	**801,852**
Cash flows from investing activities				
Replacement of property, plant and equipment		(149,033)	(66,285)	(147,590)
Expansion of property, plant and equipment		(65,870)	(145,053)	(333,387)
Proceeds from disposal of property, plant and equipment		1,857	3,285	5,133
Purchase of intangible assets		(102)		(38,161)
Payment for acquisition of business, net of cash acquired	9	(23,499)	(427,560)	(427,560)
Decrease/(increase) in restricted cash		27,793	–	(30,000)
Net cash outflow from investing activities		**(208,854)**	**(635,613)**	**(971,565)**
Cash flows from financing activities				
Proceeds from issue of shares		2,484	2,447	2,447
Proceeds from borrowings			422,000	460,000
Repayment of borrowings		(88,994)	(183,904)	(272,669)
Repayment of shareholders' loan				(19,597)
Payment of principal portion of lease liabilities		(29,827)	(25,244)	(54,183)
Net cash (outflow)/inflow from financing activities		**(116,337)**	**215,299**	**115,998**
Net movement in cash and cash equivalents		**56,690**	**(202,568)**	**(53,715)**
Cash and cash equivalents (net of bank overdraft) at the beginning of the period		177,006	231,874	231,874
Effect of exchange rate changes on cash and cash equivalents		13,530	(3,174)	(1,153)
Total cash and cash equivalents (net of bank overdraft) at the end of the period		**247,226**	**26,132**	**177,006**

Notes to the reviewed condensed consolidated interim financial statements

1. **Basis of preparation**

   The condensed consolidated interim financial statements for the six months ended 30 September 2022 has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting, in accordance with the JSE Listings Requirements, the Companies Act, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council. The report does not include all the notes of the type normally included in the annual financial statements. Accordingly, the condensed consolidated interim financial statements are to be read in conjunction with the annual financial statements for the year ended 31 March 2022. They have been prepared under the supervision of the Chief Financial Officer, F Grobbelaar CA(SA).

2. **Accounting policies**

   The accounting policies applied in the preparation of the condensed consolidated interim financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

3. **Segmental information**

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 Group's reportable segments are operating segments that 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 home and personal care products, sugar-based confectionery products and nutritional beverages. Also included in this segment is the Group's subsidiary in Mozambique which produces diversified products including wheat flour, maize meal, pasta, biscuits and animal feeds.
- Corporate office: This segment comprises the costs incurred by the Group's corporate office.

Revenue by segment per product type – Six months ended 30 September 2022	**Sale of food products R'000**	**Sale of personal care products R'000**	**Sale of animal feeds R'000**	**Total R'000**
Millbake	7,238,544			7,238,544
Groceries and International	988,175	347,808	156,175	1,492,158
Total revenue	**8,226,719**	**347,808**	**156,175**	**8,730,702**
Revenue by segment per product type – Six months ended 30 September 2021				
Millbake	5,754,835			5,754,835
Groceries and International	760,026	320,431	165,484	1,245,941
Total revenue	**6,514,861**	**320,431**	**165,484**	**7,000,776**
Revenue by segment per product type – Financial year ended 31 March 2022				
Millbake	11,869,815			11,869,815
Groceries and International	1,684,768	652,016	331,212	2,667,996
Total revenue	**13,554,583**	**652,016**	**331,212**	**14,537,811**

	Six months ended 30 September 2022 R'000	Six months ended 30 September 2021 R'000	Financial year ended 31 March 2022 R'000
Adjusted EBITDA			
Millbake	760,637	660,391	1,387,866
Groceries and International	112,084	89,617	199,697
Corporate office	(52,021)	(40,555)	(97,319)
Total adjusted EBITDA	**820,700**	**709,453**	**1,490,244**
Depreciation and amortisation	(216,742)	(218,873)	(482,827)
Impairment losses	–	–	(130,069)
Operating profit	**603,958**	**490,580**	**877,348**
Depreciation and amortisation			
Millbake	141,491	151,877	307,976
Groceries and International	46,206	35,360	113,668
Corporate office	29,045	31,636	61,183
Total depreciation and amortisation	**216,742**	**218,873**	**482,827**
Capital expenditure			
Millbake	170,649	175,336	419,593
Groceries and International	38,512	30,010	54,036
Corporate office	5,742	5,992	7,348
Total capital expenditure	**214,903**	**211,338**	**480,977**

Geographical information

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

	Six months ended 30 September 2022 R'000	Six months ended 30 September 2021 R'000	Financial year ended 31 March 2022 R'000
Revenue			
South Africa	7,453,947	5,831,501	12,158,692
Outside South Africa	1,276,755	1,169,275	2,379,119
Total revenue	**8,730,702**	**7,000,776**	**14,537,811**
Non-current assets			
South Africa	4,638,837	4,699,828	4,641,464
Outside South Africa	1,003,118	940,137	907,715
	5,641,955	5,639,965	5,549,179
Loans receivable	38,140	35,618	36,747
Deferred tax asset	15,865	29,918	29,705
Non-current assets per Statement of Financial Position	**5,695,960**	**5,705,501**	**5,615,631**

4. **Finance income**

	Six months ended 30 September 2022 R'000	Six months ended 30 September 2021 R'000	Financial year ended 31 March 2022 R'000
Loans receivable	1,673	1,104	2,462
Banks	1,948	1,169	2,061
Other receivables	265	41	189
Preference dividends*	43,513	–	
	47,399	**2,314**	**4,712**

The conversion of the redeemable preference shares on 4 May 2022 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 or loss during the interim period. Refer to note 12.

5. **Finance costs**

	Six months ended 30 September 2022 R'000	Six months ended 30 September 2021 R'000	Financial year ended 31 March 2022 R'000
Loan from shareholder^	14,276	75,773	153,459
Borrowings	76,785	71,651	145,687
Other payables	2,899	2,135	3,022
Trade financing facility	20,233	13,385	29,107
Lease liabilities	11,619	12,371	24,921
Bank overdraft	23,222	10,880	22,497
Preference dividends	9,888	45,340	94,089
	158,922	**231,535**	**472,782**

^ *The loan from shareholder was ceded for equity on 4 May 2022. Consequently, resulting in the significant decrease in the finance cost on the loan from shareholder. Refer to note 11.*

6. **Foreign exchange gains on cash and loans of a funding nature**

	Six months ended 30 September 2022 R'000	Six months ended 30 September 2021 R'000	Financial year ended 31 March 2022 R'000
Foreign exchange gain on cash and loans of a funding nature	53,074	15,802	4,854

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

	Six months ended 30 September 2022 R'000	Six months ended 30 September 2021 R'000	Financial year ended 31 March 2022 R'000
Foreign exchange gain on cash and loans of a funding nature	3.59	4.26	4.45
	4.00	4.40	4.28

7. **Share capital**

During the interim period, the Group's authorised ordinary shares were increased by 500,000 ordinary shares to 1,000,000 ordinary shares, after which the Group'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 "Al" ordinary shares were created, of which 23,060 were issued during the interim period.

During November 2022, the Memorandum of Incorporation was amended to place the unissued authorised shares of the Company under the control of the Directors.

Each "A" ordinary share and "Al" ordinary share shall automatically convert into such number of ordinary shares that equal the market value of the underlying shares on the earlier of 1 April 2027 or the date immediately preceding the date of the acquisition by any person other than Brait Mauritius Limited or Titan Premier Investments Proprietary Limited (or their respective related persons) of the ability to exercise more than 35% of the voting rights in the Company or the disposal of the Group's business and assets to a *bona fide* third party in circumstances requiring shareholder approval in terms of section 122 of the Companies Act.

The "A" ordinary share terms were amended during the interim period 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 "Al" 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 "Al" ordinary shares.

Authorised share capital

	Six months ended 30 September 2022 R'000	**Six months ended 30 September 2021 R'000**	**Financial year ended 31 March 2022 R'000**
Ordinary shares	200,000,000	500,000	1,000,000
"A" ordinary shares	25,000	25,000	25,000
"Al" ordinary shares	50,000	–	

Issued and fully paid

	Number of ordinary shares	**Number of "A" ordinary shares**	**Number of "Al" ordinary shares**	**Share capital R'000**
Reconciliation of issued share capital – Six months ended 30 September 2022				
At the beginning of the period	419,673	15,457		126,879
Issue of ordinary shares – Shareholder loan (refer to note 11)	102,165	–		1,492,392
Issue of ordinary shares – Preference shares (refer to note 12)	122,521			1,789,751
Issue of ordinary shares	170		–	2,483
Issue of "Al" ordinary shares			23,060	
Sub-total	**644,529**	**15,457**	**23,060**	**3,411,505**
Effect of share split	128,261,271	–	–	
At the end of the period	**128,905,800**	**15,457**	**23,060**	**3,411,505**

'Al Ordinary shares were issued for a total consideration of 8230.60 during the interim period.

	Number of ordinary shares	Number of "A" ordinary shares	Number of "Al" ordinary shares	Share capital R'000
Reconciliation of issued share capital – Six months ended 30 September 2021				
At the beginning of the period	421,487	13,525		117,632
Issue of ordinary shares	46	–		495
Issue of "A" ordinary shares		1,932		8,752
At the end of the period	**421,533**	**15,457**		**126,879**
Reconciliation of issued share capital – Financial year ended 31 March 2022				
At the beginning of the year	421,487	13,525		117,632
Issue of ordinary shares	46			495
Cancellation of treasury shares	(1,860)			
Issue of "A" ordinary shares		1,932		8,752
At the end of the year	**419,673**	**15,457**		**126,879**

8. **Earnings per ordinary share**

During the six months ended 30 September 2022, the ordinary shares were subdivided in a ratio of 1:200. In accordance with IAS 33 paragraph 64 all earnings per share calculations for all periods presented are adjusted retrospectively to reflect the share split.

The "A" ordinary share terms were amended during the interim period 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 EPS, HEPS, dilutive earnings per share and normalised headline earnings per share. The "Al" ordinary shareholders have a similar right and therefore the equivalent number of ordinary shares which equals the value of the "Al" ordinary shares, is included in the calculation of EPS, HEPS, dilutive earnings per share and normalised headline earnings per share.

	Six months ended 30 September 2022 R'000	Six months ended 30 September 2021 R'000	Financial year ended 31 March 2022 R'000
Number of ordinary share in issue (net of treasury shares)	128,905,800	83,934,600	83,934,600
Weighted average number of equivalent ordinary shares from "A" and "Al" ordinary shares	1,855,254	–	
Weighted average number of ordinary shares in issue (net of treasury shares)^	122,642,390	83,927,210	83,930,800
Diluted weighted average number of ordinary shares in issue	127,061,180	83,927,210	84,400,800
Basic earnings per share (cents)	325.49	217.61	330.53
Diluted basic earnings per share (cents)	287.70	217.61	328.69
Headline earnings per share (cents)	328.13	216.94	453.32
Diluted headline earnings per share (cents)	290.25	216.94	452.81
Normalised headline earnings per share (cents)	263.67	204.37	449.46
Diluted normalised headline earnings per share (cents)	262.28	204.37	448.96

^ 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.

Headline earnings

Headline earnings is calculated in accordance with the Circular 1/2021 Headline Earnings as issued by SAICA as amended from time to time and as required by the JSE Limited.

	Six months ended 30 September 2022 R'000	Six months ended 30 September 2021 R'000	Financial year ended 31 March 2022 R'000
Profit attributable to the owners of the Company	399,184	182,637	277,412
Adjusted for:			
Loss/(profit) on disposal of property, plant and equipment	3,570	(481)	4,391
Impairment losses			
– Property, plant and equipment			9,127
– Goodwill			18,950
– Trademarks			101,992
Total non-controlling interest and tax effect of adjustments	(328)	(83)	(31,397)
Headline earnings	**402,426**	**182,073**	**380,475**

Diluted earnings per share

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 has to convert the redeemable preference shares to ordinary shares of the Company.

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:

	Six months ended 30 September 2022 R'000	Six months ended 30 September 2021 R'000	Financial year ended 31 March 2022 R'000
Weighted average number of ordinary shares in issue (net of treasury shares)^	122,642,390	83,927,210	83,930,800
Adjusted for:			
Right to convert redeemable preference shares (refer to note 12)	4,418,790		470,000
Weighted average number of shares for calculation of diluted earnings per share	**127,061,180**	**83,927,210**	**84,400,800**

^ The weighted average number of ordinary shares in issue (net of treasury shares) includes the weighted average number of equivalent ordinary shares which equals 'A1' ordinary share values.

Normalised headline earnings and diluted normalised headline earnings

The calculation of normalised headline earnings per share excludes from headline earnings the impact of the foreign exchange gains on cash and loans to foreign subsidiaries of a funding nature, the one-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.

	Six months ended 30 September 2022 R'000	Six months ended 30 September 2021 R'000	Financial year ended 31 March 2022 R'000
Headline earnings	402,426	182,073	380,475
Adjusted for:			
Finance costs – Foreign exchange gains on cash and loans of a funding nature	(53,074)	(15,802)	(4,854)
Finance costs – Preference dividends*	(43,513)	–	
Total non-controlling interest and tax effect of adjustments	17,533	5,248	1,612
Normalised headline earnings	**323,372**	**171,519**	**377,233**
Adjusted for:			
Dilutive earnings effect – Preference dividends	9,888		1,695
Diluted normalised headline earnings	**333,260**	**171,519**	**378,928**

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

9. **Business combinations**

On 1 May 2022, the Group acquired 100% of the issued share capital of Biz Africa 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
Net assets acquired	**28,035**

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	4,536
Cash outflow for business combination	**(23,499)**

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

	R'000
Revenue	35,889
EBITDA	4,634
Operating profit	4,579

Prior period

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.

The expansion of the Group's sugar-based confectionery business is part of the long-term growth strategy and will enable the sugar-based confectionery business to grow in the category in terms of innovation, brand leverage and operational efficiencies. The acquisition increases the Group's participation in the category, making the Group one of the largest manufacturers in South Africa that offers a full range of sugar-based confectionery brands. The acquisition provides scale to the Group's existing business and enhances its competitive position by increasing its overall market share. Details of the business combination were disclosed in the Group's pre-listing statement.

10. **BEE Transaction**

During May 2022, the Group implemented an ownership transaction wherein a B-BBEE shareholding was introduced at the 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 Proprietary Limited. To facilitate the transaction, the Company subscribed for preference shares in Premier FMCG Proprietary Limited equal to the fair value of Premier FMCG's ordinary shares prior to the transaction. It is intended that, in time, dividends be declared up 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 Proprietary Limited 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 Proprietary Limited 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.

IFRS 2 applies where suppliers or employees are compensated for their goods or services with equity instruments or in cash the amount of which is based on the value of equity instruments. This arrangement does not fall within the scope of IFRS 2. Distributions made to beneficiaries are recognised in profit or loss.

11. **Loan from shareholder**

	Six months ended 30 September 2022 R'000	**Six months ended 30 September 2021 R'000**	**Financial year ended 31 March 2022 R'000**
Brait Mauritius Limited		1,570,165	1,294,403

On 4 May 2022, Brait Mauritius Limited ceded its rights to the shareholder loan claim in exchange for the issue by the Company of an additional 102,165 ordinary shares to Brait Mauritius Limited. The number of ordinary shares issued, fairly valued, equals the carrying value of the loan of R1.5 billion on the effective date of the transaction.

12. **Redeemable preference shares**

	Six months ended 30 September 2022 R'000	**Six months ended 30 September 2021 R'000**	**Financial year ended 31 March 2022 R'000**
963 no-par value, cumulative, redeemable preference shares issued at R1 million per share		963,000	963,000
Accrued preference dividends		780,400	826,751
		1,743,440	**1,789,751**

On 4 May 2022, the redeemable preference shares were converted into 122,521 ordinary shares of the Company, being the number of shares fairly valued that equaled the carrying value of the redeemable preference shares of R1.8 billion on conversion date.

13. **Related party transactions**

During the interim period, Brait Mauritius Limited ceded its rights to the shareholder loan claim of R1.5 billion in exchange for the issue by the Company of an additional 102,165 ordinary shares to Brait Mauritius Limited. The redeemable preference shares of R1.8 billion held by Brait Mauritius Limited were also converted into 122,521 ordinary shares of the Company.

The Executive Directors, JJ Gertenbach and F Grobbelaar acquired 5,730 and 2,000 "Al" ordinary shares respectively at fair value.

14. **Events after the interim period**

During November 2022, the Group refinanced its syndicated borrowing facilities amounting to R1.9 billion and consolidated them into one bullet term loan facility at a reduced interest rate of JIBAR plus 1.35%, repayable in full in November 2025. The refinancing resulted in an additional R40 million cash inflow. Given that the loan terms have changed, this is deemed to be an extinguishment of the previous loan. This is a non-adjusting event in terms of IAS 10.

Furthermore, an additional R1 billion revolving credit facility was secured resulting in a commensurate increase in borrowings. The R1 billion is repayable in November 2026 and bears interest at JIBAR plus 1.45%. R950 million of the proceeds from the additional facility was distributed to shareholders in November 2022. The remaining R50 million was retained to fund working capital. This is a non-adjusting event in terms of IAS 10.

During January 2023, the Group made a capital repayment of R294 million on the revolving credit facility from the cash that was generated from operations. The capital repayment is available to be withdrawn for future funding needs if required by the business. This is a non-adjusting event in terms of IAS 10.

15. **Other financial information**

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

	Six months ended 30 September 2022 R'000	**Six months ended 30 September 2021 R'000**	**Financial year ended 31 March 2022 R'000**
Property, plant and equipment	75,754	158,611	56,349

ANNEXE 4: INDEPENDENT REPORTING ACCOUNTANT'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

Independent reporting accountant's review report on the Condensed Consolidated Interim Financial Information of Premier Group Limited

To the directors of Premier Group Limited

Introduction

Premier Group Limited (the "Company") is issuing a Pre-listing statement to its shareholders (the "Pre-listing statement") regarding the proposed Initial Public Offering on the main board of the JSE Limited (the "JSE") (the "Proposed Transaction").

At your request and for the purpose of the Pre-listing statement to be dated on or about 10 March 2023, we have reviewed the accompanying interim condensed statement of financial position of the condensed consolidated interim financial statements for the six months ended 30 September 2022 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and selected explanatory notes (the "Interim Condensed Consolidated Historical Financial Information"), as presented in ANNEXE 2 to the Pre-listing statement, in compliance with the requirements of the JSE Limited Listings Requirements.

Directors' responsibility

The directors of the Premier Group Limited are responsible for the preparation, contents and presentation of the Pre-listing statement and are responsible for ensuring that the Premier Group Limited complies with the JSE Listings Requirements. The directors of Premier Group Limited are responsible for the preparation and presentation of the Interim Condensed Consolidated Financial Information in accordance with International Accounting Standard, (IAS) 34 *Interim Financial Reporting* and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of Interim Condensed Consolidated Financial Information that are free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express a conclusion on the interim condensed consolidated financial information. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim condensed consolidated financial information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim condensed financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed financial information for the six months ended as set out in ANNEXE 2 to the Pre-listing statement, are not prepared, in all material respects, in accordance with International Accounting Standard, (IAS) 34 *Interim Financial Reporting* and the requirements of the JSE Limited Listings Requirements.

Other matter

The comparative information for the condensed consolidated interim statement of financial position as at 31 March 2022, and for the statements of profit or loss and other comprehensive income, changes in equity and cash flows, and related explanatory notes, for the year then ended is based on the audited financial statements as at 31 March 2022 and the year then ended. The comparative information for the condensed consolidated interim statement of financial position as at 30 September 2021, and for the statements of profit or loss and other comprehensive income, changes in equity and cash flows, and related explanatory notes, for the period then ended 30 September 2021 has not been audited or reviewed.

Purpose of the report

This report has been prepared for the purpose of the Pre-listing statement and for no other purpose.

PricewaterhouseCoopers Inc.

Director: T Howatt
Registered Auditor

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

10 March 2023

ANNEXE 5: *PRO FORMA* FINANCIAL INFORMATION

PRO FORMA INCOME STATEMENT AND _PRO FORMA_ STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

***Pro forma* consolidated statement of financial position of Premier Group**

The *pro forma* financial information set out below is provided for illustrative purposes only and, because of its *pro forma* nature, may not fairly present the Group's financial position, changes in equity, results of operations or cash flow, nor the effect and impact of the Offer going forward.

The *pro forma* financial information has been prepared to illustrate the impact of the Group's proposed listing on the main board of the JSE Limited on the published consolidated financial statements for the six months ended 30 September 2022, had the transaction occurred on 30 September 2022 for the purposes of the *pro forma* consolidated statement of financial position and 1 April 2022 for purposes of the *pro forma* consolidated statement of profit or loss and other comprehensive income. The *pro forma* financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the published reviewed condensed consolidated interim financial information of Premier Group for the six months ended 30 September 2022. The *pro forma* financial information is presented in accordance with the JSE Listings Requirements, the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants and ISAE 3420 (Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus).

The Directors of the Company are responsible for the compilation, contents and preparation of the *pro forma* financial information.

Their responsibility includes determining that the *pro forma* financial information has been properly compiled on the basis stated, which is consistent with the accounting policies of the Group and that the *pro forma* adjustments are appropriate for purposes of the *pro forma* financial information disclosed pursuant to the JSE Listings Requirements.

The *pro forma* consolidated statement of financial position as at 30 September 2022 and the *pro forma* statement of profit or loss and other comprehensive income for the six months then ended, should be read in conjunction with the Independent Reporting Accountant's assurance report thereon contained in "ANNEXE 6 – Independent Reporting Accountant's Report on the *Pro Forma* Financial Information" to this Pre-listing statement.

***Pro forma* condensed consolidated statement of financial position for Premier Group as at 30 September 2022**

R'000	Before	Debt refinance and distribution	Debt repayment	*Pro forma* after subsequent events	Transaction costs	*Pro forma* after the Offer
Notes	**1**	**2**	**3**		**4**	
ASSETS						
Non-Current Assets						
Property, plant and equipment	3,767,445	–	–	3,767,445	–	3,767,445
Right-of-use assets	194,378	–	–	194,378	–	194,378
Goodwill	233,147	–	–	233,147	–	233,147
Intangible assets	1,446,985	–	–	1,446,985	–	1,446,985
Loans receivable	38,140	(16,351)	–	21,789	–	21,789
Deferred income tax	15,865	–	–	15,865	–	15,865
	5,695,960	**(16,351)**	**–**	**5,679,609**	**–**	**5,679,609**
Current Assets						
Inventories	1,681,509	–	–	1,681,509	–	1,681,509
Loans receivable	7,704	–	–	7,704	–	7,704
Trade and other receivables	1,670,092	–	–	1,670,092	–	1,670,092
Current tax receivable	6,637	–	–	6,637	–	6,637
Restricted cash	2,207	–	–	2,207	–	2,207
Cash and cash equivalents	425,772	106,351	(294,036)	238,087	(20,958)	217,129
	3,793,921	**106,351**	**(294,036)**	**3,606,236**	**(20,958)**	**3,585,278**
Total Assets	**9,489,881**	**90,000**	**(294,036)**	**9,285,845**	**(20,958)**	**9,264,887**

R'000	Before	Debt refinance and distribution	Debt repayment	*Pro forma* after subsequent events	Transaction costs	*Pro forma* after the Offer
EQUITY						
Share capital	3,411,505	(947,237)	–	2,464,268	–	2,464,268
Reserves	(75,921)	–	–	(75,921)	–	(75,921)
Retained income/ (Accumulated loss)	419,852	(2,763)	–	417,089	(20,958)	396,131
Equity Attributable to Equity Holders of Parent	**3,755,436**	**(950,000)**	**–**	**2,805,436**	**(20,958)**	**2,784,478**
Non-controlling interest	4,633	–	–	4,633		4,633
	3,760,069	**(950,000)**	**–**	**2,810,069**	**(20,958)**	**2,789,111**
LIABILITIES						
Non-Current Liabilities						
Borrowings	2,032,512	1,200,000	(294,036)	2,938,476	–	2,938,476
Lease liabilities	180,489	–	–	180,489	–	180,489
Deferred income tax	572,414	–	–	572,414	–	572,414
Employee benefit obligations	47,815	–	–	47,815	–	47,815
	2,833,230	**1,200,000**	**(294,036)**	**3,739,194**	**–**	**3,739,194**
Current Liabilities						
Trade and other payables	1,110,410	–	–	1,110,410	–	1,110,410
Trade financing facility	563,077	–	–	563,077	–	563,077
Employee benefit obligations	297,923	–	–	297,923	–	297,923
Borrowings	180,741	(160,000)	–	20,741	–	20,741
Lease liabilities	57,816	–	–	57,816	–	57,816
Refund liabilities	480,174	–	–	480,174	–	480,174
Current tax payable	27,895	–	–	27,895	–	27,895
Bank overdraft	178,546	–	–	178,546	–	178,546
	2,896,582	**(160,000)**	**–**	**2,736,582**	**–**	**2,736,582**
Total Liabilities	**5,729,812**	**1,040,000**	**(294,036)**	**6,475,776**	**–**	**6,475,776**
Total Equity and Liabilities	**9,489,881**	**90,000**	**(294,036)**	**9,285,845**	**(20,958)**	**9,264,887**
Shares in issue (in 000's)	128,906			128,906		128,906
NAV per Share (cents)	2,913.3			2,176.3		2,160.1
TNAV per Share (cents)	1,597.6			860.7		844.4

NOTES AND ASSUMPTIONS TO THE PREMIER GROUP *PRO FORMA* CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

1. The 'Before' column has been extracted without adjustment from the reviewed condensed consolidated interim financial information of the Premier Group for the six months ended 30 September 2022.

2. During October 2022, the Premier Group refinanced certain debt facilities and consolidated them into one facility repayable in full in October 2025. An additional R40 million borrowings was also secured as part of the refinancing to fund working capital. As a consequence of the debt refinance, R160 million was reclassified from current liabilities to non-current liabilities.

   Furthermore, an additional R1 billion revolving facility was secured, resulting in an increase in borrowings. The R1 billion is repayable in October 2026 and consequently reflected within non-current liabilities. R947.2 million of this facility was distributed to shareholders as a return of capital, while R2.8 million was distributed to shareholders in the form of a dividend. The remaining R50 million was retained to fund working capital.

   Management shareholders returned R16.4 million of the distribution they received in settlement of loans from Premier Group."

3. During January 2023, the Group made a capital repayment of R294 million on the revolving credit facility from the cash that was generated from operations subsequent to 30 September 2022. Consequently, no adjustment is made for the interest saving or interest earned on this cash generated.

4. Estimated transaction costs borne by the Premier Group amount to approximately R25.4 million, of which R0.5 million was expensed in the Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 September 2022 and a further R3.9 million was expensed in the year ended 31 March 2022. The pro-forma adjustment relates to the balance of the estimated transaction costs to be borne by the Premier Group, amounting to R21.0 million.

***Pro forma* consolidated statement of profit or loss and other comprehensive income for Premier Group for the six months ended 30 September 2022**

***Pro forma* condensed consolidated statement of profit or loss and other comprehensive income of the Premier Group for the six months ended 30 September 2022**

R'000	Before	Settlement of shareholder loan through issue of equity	Conversion of preference shares to equity	Debt refinance and distribution	*Pro forma* after subsequent events	Transaction costs	*Pro forma* after the Offer
Notes	**1**	**2**	**3**	**4**		**6**	
Revenue from contracts with customers	8,730,702	–	–	–	8,730,702	–	8,730,702
Cost of sales	(6,096,821)	–	–	–	(6,096,821)	–	(6,096,821)
Gross profit	**2,633,881**	**–**	**–**	**–**	**2,633,881**	**–**	**2,633,881**
Other operating income	10,741	–	–	–	10,741	–	10,741
Credit loss allowances	(964)	–	–	–	(964)	–	(964)
Sales and marketing expenses	(812,497)	–	–	–	(812,497)	–	(812,497)
Distribution expenses	(462,090)	–	–	–	(462,090)	–	(462,090)
Administration expenses	(765,113)	–	–	–	(765,113)	(20,958)	(786,071)
Operating profit	**603,958**	**–**	**–**	**–**	**603,958**	**(20,958)**	**583,000**
Finance income	47,399	–	–	(619)	46,780	–	46,780
Finance costs	(158,922)	14,276	9,888	(26,699)	(161,458)	–	(161,458)
Foreign exchange gains on cash and loans of a funding nature	53,074	–	–	–	53,074	–	53,074
Profit/(loss) before taxation	**545,509**	**14,276**	**9,888**	**(27,319)**	**542,354**	**(20,958)**	**521,396**
Income tax expense	(145,655)	(3,855)	–	7,376	(142,133)		(142,133)
Profit/(loss) for the period	**399,854**	**10,421**	**9,888**	**(19,943)**	**400,220**	**(20,958)**	**379,262**
				2,100			
Other comprehensive income:							
Items that may be reclassified to profit or loss:							
Exchange differences on translation of foreign operations	81,011	–	–	–	81,011	–	81,011
	81,011	**–**	**–**	**–**	**81,011**	**–**	**81,011**

R'000	Before	Settlement of shareholder loan through issue of equity	Conversion of preference shares to equity	Debt refinance and distribution	*Pro forma* after subsequent events	Transaction costs	*Pro forma* after the Offer
Other comprehensive income for the period net of taxation	**81,011**	**–**	**–**	**–**	**81,011**	**–**	**81,011**
Total comprehensive income/(loss) for the period	**480,865**	**10,421**	**9,888**	**(19,943)**	**481,231**	**(20,958)**	**460,273**
Profit/(loss) attributable to:	**399,854**	**10,421**	**9,888**	**(19,943)**	**400,220**	**(20,958)**	**379,262**
Owners of the parent	399,184	10,421	9,888	(19,943)	399,550	(20,958)	378,592
Non-controlling interest	670	–	–	–	670	–	670
Total comprehensive income/(loss) attributable to:	**480,865**	**10,421**	**9,888**	**(19,943)**	**481,231**	**(20,958)**	**460,273**
Owners of the parent	480,195	10,421	9,888	(19,943)	480,561	(20,958)	459,603
Non-controlling interest	670	–	–	–	670	–	670
Earnings and headline earnings per share							
Basic earnings – attributable to the owners of the parent	**399,184**	**10,421**	**9,888**	**(19,943)**	**399,550**	**(20,958)**	**378,592**
Adjusted for:					–		–
Loss on disposal of property, plant and equipment	3,570	–	–	–	3,570	–	3,570
Total non-controlling interest and tax effect of adjustments	(328)	–	–	–	(328)	–	(328)
Headline earnings	**402,426**	**10,421**	**9,888**	**(19,943)**	**402,792**	**(20,958)**	**381,834**
Reconciliation to normalised headline earnings							
Adjusted for:							
Finance costs – Foreign exchange gains on cash and loans of a funding nature	(53,074)	–	–	–	(53,074)	–	(53,074)
Finance costs – Preference dividends	(43,513)	–	–	–	(43,513)	–	(43,513)
Total non-controlling interest and tax effects of adjustments	17,533	–	–	–	17,533	–	17,533
Normalised headline earnings	**323,372**	**10,421**	**9,888**	**(19,943)**	**323,738**	**(20,958)**	**302,780**

R'000	Before	Settlement of shareholder loan through issue of equity	Conversion of preference shares to equity	Debt refinance and distribution	*Pro forma* after subsequent events	Transaction costs	*Pro forma* after the Offer
Reconciliation to diluted normalised earnings							
Adjusted for:							
Preference dividends	9,888	**–**	**(9,888)**	**–**	–	**–**	–
Diluted normalised headline earnings	**333,260**	**10,421**	**(0)**	**(19,943)**	**323,738**	**(20,958)**	**302,780**
Weighted average number of ordinary shares in issue (net of treasury shares) ('000)[7]	122,642	3,685	4,419	–	130,746		130,746
Weighted average number of diluted ordinary shares in issue (net of treasury shares) ('000)[8]	127,061	3,685	–	–	130,746		130,746
Basic and diluted earnings per share (cents)							
Earnings per ordinary share	325.49				305.59		289.56
Diluted earnings per ordinary share	287.70				272.31		256.28
Headline earnings per ordinary share	328.13				308.07		292.04
Diluted headline earnings per ordinary share	290.25				274.79		258.76
Normalised headline earnings per share	263.67				247.61		231.58
Diluted normalised headline earnings per share	262.28				247.61		231.58

NOTES AND ASSUMPTIONS TO THE *PRO FORMA* CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

"1. The 'Before' column has been extracted without adjustment from the reviewed condensed consolidated interim financial information of the Premier Group for the six months ended 30 September 2022."

2. On 4 May 2022, in terms of a sale of claim agreement, Brait disposed of its shareholder loan for a purchase consideration of R1.5 billion, being the fair value of the shareholder loan. The Company settled the purchase consideration by issuing 102 165 Ordinary Shares to Brait. The adjustment represents the reversal of the finance costs on the shareholder loan of R14.3 million charged to the Statement of Profit or Loss for the six months ended 30 September 2022, net of taxation thereon.

"3. On 4 May 2022, the Premier Group issued a conversion notice that its preference shares be converted into 122,521 ordinary shares of the Company.

The adjustment represents the reversal of the preference dividend accrued of R9.9 million charged to the Statement of Profit or Loss for the six months ended 30 September 2022."

"4. During October 2022, the Premier Group refinanced certain debt facilities and consolidated them into one facility repayable in full in October 2025, effectively resulting in a weighted average interest rate saving of 0.42% per annum (R4.1 million for six months).

Furthermore, an additional ZAR1 billion revolving facility was secured, resulting in an increase in borrowings of R1 billion. The R1 billion is repayable in October 2026 and bears interest at JIBAR plus 1.45%. Interest on this additional facility is assumed at the JIBAR weighted average rate for the six months to 30 September 2022 of 4.69% plus 1.45%, totalling 6.14% before tax at 27%.

R947.2 million of the funds received from the refinancing were distributed to shareholders as a return of capital, while R2.8 million was distributed to shareholders in the form of a dividend. The remaining R50 million was retained to fund working capital. Consequently, no interest income is assumed on these funds returned to shareholders or assumed to be invested in working capital.

Management shareholders returned R16.4 million of the distribution they received in settlement of loans from Premier Group, resulting in a decrease in interest earned on these loans of R0.6 million before tax at 27%.

5. During January 2023, the Group made a capital repayment of R294 million on the revolving credit facility from the cash that was generated from operations subsequent to 30 September 2022. Consequently, no adjustment is made for the interest saving or interest earned on this cash generated.
6. Estimated transaction costs borne by the Premier Group amount to approximately R25.4 million, of which R0.5 million was expensed in the Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 September 2022 and a further R3.9 million was expensed in the year ended 31 March 2022. The pro-forma adjustment relates to the balance of the estimated transaction costs to be borne by the Premier Group, amounting to R21.0 million.
7. Weighted average shares in issue are adjusted for the pro rata period prior to the shares being issued.
8. Diluted weighted average shares in issue relates to the right the Premier Group acquired during the year ended 31 March 2022 to convert the redeemable preference shares to ordinary shares.
9. All adjustments are of a continuing nature unless otherwise stated.

ANNEXE 6: INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION

Board of Directors
Premier Group Limited
Building 5
Maxwell Office Park
Magwa Crescent West
Waterfall City
2090

10 March 2023

To the Directors of Premier Group Limited

Report on the Assurance Engagement on the Compilation of *Pro Forma* Financial Information included in a Pre-listing Statement

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Premier Group Limited ("Premier" or the "Company") by the directors. The *pro forma* financial information, as set out in "ANNEXE 5 – *Pro Forma* Financial Information" of the Pre-listing Statement, consists of the statement of financial position as at 30 September 2022, the *pro forma* statement of comprehensive income for the six months ended 30 September 2022 and related notes. The applicable criteria based on which the directors have compiled the *pro forma* financial information are specified in the JSE Listings Requirements and described in "ANNEXE 5 – *Pro Forma* Financial Information" of the Pre-listing Statement.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of Premier Group Limited's intended listing on the main board of the JSE. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's condensed consolidated interim financial information for the year ended 30 September 2022, on which a review opinion.

Directors' responsibility

The directors of the Company are responsible for compiling the *pro forma* financial information based on the applicable criteria specified in the JSE Listings Requirements and described in "ANNEXE 5 – *Pro Forma* Financial Information" of the Pre-listing Statement.

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in "ANNEXE 5 – *Pro Forma* Financial Information" of the Pre-listing Statement based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in "ANNEXE 3 – *Pro Forma* Financial Information.

PricewaterhouseCoopers Inc.
Director: T. Howatt
Registered Auditor
4 Lisbon Lane, Waterfall City, Jukskei View, 2090, Private Bag X36, Sunninghill, 2157, Johannesburg, South Africa

10 March 2023

ANNEXE 7: OTHER DIRECTORSHIPS AND PARTNERSHIPS HELD BY THE DIRECTORS AND SENIOR MANAGEMENT AND CONTRACTS OF THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

OTHER DIRECTORSHIPS AND PARTNERSHIPS

The names of all companies and partnerships of which the Directors and Senior Management of the Company, have been a Director or partner at any time in the five years preceding the Last Practicable Date are listed below:

Directors

Name	Directorships	Status
Jacobus Johannes Gertenbach	BORDER STAR BAKERY (E P) CC	Resigned
	BORDER STAR BAKERY (PTY) LTD	Resigned
	G AND C SHELF 115 (PTY) LTD	Resigned
	COMPANHIA INDUSTRIAL DA MATOLA SA	Active
	PREMIER ESWATINI (PTY) LTD	Active
	PREM-CAP INVESTMENTS (PTY) LTD	Active
	ESWATINI MAHEWU (PTY) LTD	Active
	LIL-LETS GROUP LTD	Active
	LIL-LETS LOAN COMPANY LTD	Active
	LIL-LETS HOLDINGS LTD	Active
	PREMIER ESWATINI (PTY) LTD	Active
	LIL-LETS UK LTD	Active
	MANDLA MAHEWU (PTY) LTD	Active
	MISTER BREAD MILLING (PTY) LTD	Active
	PREMIER FMCG (PTY) LTD	Active
	PREMIER GROUP LTD	Active
	LIL-LETS SOUTH AFRICA (PTY) LTD	Active (company is dormant)
	SIKUNYE BAKERY (PTY) LTD	Active (company is dormant)
	WESTPAT PROPERTIES (PTY) LTD	Active (company is dormant)
Fritz Grobbelaar	COUNTRY BIRD HOLDINGS (PTY) LTD	Resigned
	COUNTRY BIRD LOGISTICS (PTY) LTD	Resigned
	COUNTRY BIRD PROPERTIES (PTY) LTD	Resigned
	MATZONOX (PTY) LTD	Resigned
	NORTHROOST (PTY) LTD	Resigned
	NUTRI FEEDS (PTY) LTD	Resigned
	OPTI AGRI (PTY) LTD	Resigned
	LIMPOPO FARM FRESH CHICKENS (PTY) LTD	Resigned
	SUPREME POULTRY (PTY) LTD	Resigned
	SUPREME PROCESSING (PTY) LTD	Resigned
	THE ISLAND LANDOWNERS ASSOCIATION (RF) NPC	Resigned
	VUVUZELA INVESTMENTS 7 (PTY) LTD	Resigned
	MAIN STREET 1880 (PTY) LTD	Active
	COMPANHIA INDUSTRIAL DA MATOLA SA	Active
	MAIN STREET 1881 (PTY) LTD	Active
	PREMIER FMCG (PTY) LTD	Active
	PREMIER GROUP LTD	Active
	G AND C SHELF 115 (PTY) LTD	Active
	PREMIER ESWATINI (PTY) LTD	Active
	BIZ AFRIKA 710 (PTY) LTD	Active
	TEAM GROBBELAAR (PTY) LTD	Active

Name	Directorships	Status
Rolf Mark Hartmann	NATURES GARDEN (PTY) LTD	Resigned
	NATURES GARDEN HOLDINGS (PTY) LTD	Resigned
	SEQUENCE LOGISTICS (PTY) LTD	Resigned
	DGB (PTY) LTD	Resigned
	ECHOTEL (PTY) LTD	Active
	MATEKULA LANDOWNERS ASSOCIATION NPC	Active
	PREMIER GROUP LTD	Active
	BISH (PTY) LTD	Active
	BRAIT FUND INVESTMENT (PTY) LTD	Active
	BRAIT IV TEAM PARTNERSHIP GP	Active
	BRAIT SOUTH AFRICA HOLDINGS	Active
	COMPANHIA INDUSTRIAL DA MATOLA SA	Resigned
	THOR HOLDINGS (PTY) LTD	Active
	TTM SA INVESTMENTS (PTY) LTD	Active
	VERTICE HEALTHCARE (PTY) LTD	Active
	VERTICE MEDTECH GROUP (PTY) LTD	Active
	VERTICE MEDTECH HOLDINGS (PTY) LTD	Active
	VERTICE MEDTECH INCENTIVE CO (PTY) LTD	Active
Cornelius Johannes Roodt	BUENA VISTA TRADING 194 (PTY) LTD	Active
	E-SYNC (PTY) LTD	Active
	PREMIER GROUP LTD	Active
	QUIET BROOKE TRADING (PTY) LTD	Active
	SERENGETHI PROPERTIES (PTY) LTD	Active
	SILVER UNICORN COAL AND MINERALS (PTY) LTD	Active
	STELLAR CAPITAL PARTNERS (PTY) LTD	Resigned
Jonathan Matthews	ETHOS PRIVATE EQUITY AFRICA (PTY) LTD	Active
	LITTLE GREEN BEVERAGES (PTY) LTD	Active
	PREMIER GROUP LTD	Active
	THE BEVERAGE COMPANY (PTY) LTD	Active
	THE BEVERAGE COMPANY BIDCO (PTY) LTD	Active
	VAAL HOLM (PTY) LTD	Resigned
	WACO INTERNATIONAL HOLDINGS (PTY) LTD	Active
	WACO SA SECURITY (PTY) LTD	Active
Peter Robert Nainby Hayward Butt	SENDHOLM CC	Resigned
	PRIMEDIA HOLDINGS (PTY) LTD	Resigned
	ETHOS MID MARKET FUND 1 (PTY) LTD	Resigned
	ETHOS MID MARKET FUND 1 GP (PTY) LTD	Resigned
	ETHOS HEALTHCARE INVESTMENTS (PTY) LTD	Resigned
	ETHOS ARTIFICIAL INTELLIGENCE GP SA (PTY) LTD	Active
	ETHOS DIRECT INVESTMENTS GP (PTY) LTD	Active
	ETHOS MEZZANINE PARTNERS (PTY) LTD	Active
	NISAWIZE (PTY) LTD	Active
	PREMIER GROUP LTD	Active
Iaan van Heerden	MAIN STREET 1131 (RF) (PTY) LTD	Resigned
	SKYLAR DIRECTOR INVESTMENTS (PTY) LTD	Resigned
	GENFIN HOLDINGS (PTY) LTD	Active
	INVICTA HOLDINGS LTD	Active
	ORYX PARTNERS (PTY) LTD	Active
	PREMIER GROUP LTD	Active
	VELDDRIFT CAPITAL (PTY) LTD	Active
	ALBEDO TRADING (PTY) LTD	Active
	DIRE WOLF FINANCIAL SERVICES (PTY) LTD	Active
Wandile Sihlobo	AFGRAIN RESEARCH SERVICES (PTY) LTD	Active
	BUREAU FOR FOOD AND AGRICULTURAL POLICY NPC	Active
	PREMIER GROUP LTD	Active
	SERITI INSTITUTE NPC	Active

Name	Directorships	Status
Harish Ramsumer	PHANTOM NOMINEEES	Resigned
	PRICEWATERHOUSECOOPERS	Resigned
	HPR ADVISORY SERVICES (PTY) LTD	Active
	HSPR INVESTMENTS	Active
	PREMIER GROUP LTD	Active
	WITS HEALTH CONSORTIUM (PTY) LTD	Active
Faith Nondumiso Khanyile	ALLIED ENERGY INVESTMENT (PTY) LTD	Inactive
	BFT CONSULTING (PTY) LTD	Inactive
	CARD MANAGEMENT SERVICES (PTY) LTD	Inactive
	BIDVEST GROUP LIMITED	Active
	JSE LIMITED	Active
	DISCOVERY LIMITED	Active
	DISCOVERY HEALTH (PTY) LTD	Active
	DISCOVERY LIFE LIMITED	Active
	DRESSCO PROMOTIONS AND LIFESTYLE (PTY) LTD	Active
	EMUNAH DEVELOPMENT FOUNDATION NPC	Active
	EMUNAH INVESTMENT HOLDINGS (PTY) LTD	Active
	GBVF RESPONSE FUND1 NPC	Active
	KUSILE INVESTMENTS PTY LTD	Active
	MAMBRAMS TECHNICAL SERVICES CC	Inactive
	TRANSCEND RESIDENTIAL PROPERTY	Resigned
	WDB IMPACT FUND (PTY) LTD	Inactive
	WEBTRADE INVESTMENTS NO 11	Inactive
	NALEDI KIMBERLY DIAMOND COMPANY PTY LTD	Inactive
	GROWTHPATH INVESTMENTS PTY LTD	Inactive
	UTHINGO MANAGEMENT PTY LTD	Inactive
	THUNGU TSHISIMA INVESTMENTS PTY LTD	Inactive
	PRIMESTARS PTY LTD	Inactive

Senior Management

Name	Directorships	Status
Singonzo, Ndoyisile Julian	PREMIER FMCG (PTY) LTD	Active
O'Sullivan, Siobhan Mary	FEMESSENCE (PTY) LTD	Active (company is dormant)
	LIL-LETS UK LIMITED	Active
Van der Schyf, Arnouw	NONE	None
Simpson, Danie	PREMIER ESWATINI (PTY) LTD	Active
Campbell, Gavin	MANDLA MAHEWU (PTY) LTD	Active
	PREMIER ESWATINI (PTY) LTD	Active
	COMPANHIA INDUSTRIAL DA MATOLA SA	Active
Sodalay, Anastasia	PREMIER FMCG (PTY) LTD	Active
Stoltz, Retha	NONE	None

Other than as outlined above, none of the Directors or members of the Senior Management Team were partners in a partnership during the five years immediately prior to the Last Practicable Date.

CONTRACTS RELATING TO DIRECTORS

The material terms of the service agreements with the Executive Directors and members of the Senior Management Team are set out below. Summaries of these service agreements are available for inspection. These agreements are generally in accordance with the market standards and are terminable on notice. Not all Executive Directors and members of the Senior Management Team are subject to restraint of trade undertakings.

Name	Employer-entity	Notice period	Restraint	Date of service agreement	Effective date of employment
Directors					
Gertenbach, Jacobus Johannes	Premier FMCG	3 months	12 months if the employer in its sole and absolute discretion elects to enforce the restraint and provided that he is paid his normal remuneration during the restraint period.	8 November 2022 (appointed CEO effective 1 April 2021)	1 May 2011
Grobbelaar, Fritz	Premier FMCG	3 months	12 months if the employer in its sole and absolute discretion elects to enforce the restraint and provided that he is paid his normal remuneration during the restraint period.	8 November 2022	2 August 2021

Name	Employer-entity	Notice period	Restraint	Date of service agreement	Effective date of employment
Senior Management					
Singonzo, Ndoyisile Julian	Premier FMCG (Pty) Ltd	4 weeks	24 months	7 March 2013	5 March 2013
O'Sullivan, Siobhan Mary	Premier FMCG (Pty) Ltd	3 calendar months	No restraint	3 October 2013	1 November 2013
Van der Schyf, Arnouw	Premier FMCG (Pty) Ltd	4 weeks	No restraint	22 August 2011	1 August 2011
Simpson, Danie	Premier FMCG (Pty) Ltd	3 calendar months	No restraint	26 September 2012	1 November 2012
Campbell, Gavin	Premier FMCG (Pty) Ltd	3 calendar months	No restraint	2 May 2013	2 May 2013
Sodalay, Anastasia	Premier FMCG (Pty) Ltd	30 days	No restraint	24 February 2021	1 May 2021
Stoltz, Retha	Premier FMCG (Pty) Ltd	4 weeks	24 months	1 September 2011	1 September 2011

No activities are performed by the Executive Directors and/or the members of Senior Management outside of the Group that are significant to the Group.

The service agreements in respect of the Executive Directors and Senior Management terminate on the normal date of retirement as defined by the applicable retirement fund, or at 62 years of age, with the exception of Mr Johannes Jacobus Gertenbach and Mr Fritz Grobbelaar, whose service agreements provide for retirement at 65 years of age.

All other terms and conditions are governed by the applicable human resource policies and local governing employment law, including, but not limited to, in South Africa certain provisions of the South African Basic Conditions of Employment Act, 75 of 1997 (as amended).

Annual leave entitlements for the Executive Directors and Senior Management range from 15 to 25 working days' annual leave per annum.

The employment contracts with Jacobus Johannes Gertenbach and Mr Fritz Grobbelaar have been re-negotiated to include malus and clawback provisions as well as data protection and company resources provisions, which were not included in their original employment contracts, and which are not included in any employment contracts in respect of Senior Management. The restraint clause provides that Mr Jacobus Johannes Gertenbach and Mr Fritz Grobbelaar shall only be paid their normal remuneration in respect of the 12-month restraint period if the employer in its sole discretion elects to enforce the restraint undertakings.

ANNEXE 8: SHARE APPRECIATION RIGHTS SCHEME

SHARE INCENTIVE SCHEMES

The Group has no share incentive scheme in place which is tantamount to a scheme contemplated in Schedule 14 of the JSE Listings Requirements. The issue of the A Ordinary Shares and A1 Ordinary Shares were once-off issues of unlisted shares which are convertible into Ordinary Shares in certain specific circumstances, as outline in "PART XI – Incorporation and Share Capital" of this Pre-listing Statement.

SHARE APPRECIATION RIGHTS

Certain members of management of the Group are eligible to participate in a cash-settled executive long-term incentive plan as well as an incentive scheme where the variable compensation ranges from 20% to 60% of Cost-to-Company ("**CTC**"). None of the Directors or Senior Management employees have been granted share appreciation rights under the share appreciation rights scheme.

The share appreciation rights provided to the management team is regulated by the Share Appreciation Rights Scheme Rules (SARS) of July 2020 (**"SARS Rules"**). The SARS Rules state as follows:

- the share appreciation rights are issued in units as a proxy for shares in Premier with every right equal in value to a share;
- the rights will be issued at the current value per Premier share ascribed by Brait PLC in its financial statements as at its financial year-end;
- the exercise price per unit will be the value per share ascribed by Brait PLC in its financial statements to a Premier share at either the time of exercise, or any other trigger event;
- following Admission, rights will be issued based on the market price on the JSE at date of issue and the exercise price will be based on the market price on the JSE. As a transitionary arrangement, for rights that have vested and are exercised in 2023 and 2024, the exercise price will be determined in accordance with the methodology that was used to calculate the issue price for those specific rights;
- the share appreciation rights are exercisable from the fourth until the eighth anniversary of the date of issue. 50% of the shares vest in the fourth year and a further 50% in the fifth year and can be exercised upon vesting in tranches of either 50% or 100%;
- all rights will automatically cease to be of any value and no payment will be due or payable in any way whatsoever if the holder of the appreciation right is not in the employ of the Group at the date of exercise;
- participants will receive the increase in the value per appreciation right between the issue and exercise dates as a cash settled bonus payment upon exercising the rights after deduction of all applicable income taxes;
- any appreciation rights issued in terms of this scheme that do not increase in value by more than the CPI rate over the period of issue will have no value and no payment will be due or payable to any holder thereof;
- no company financial performance conditions will apply in the exercise of rights appreciation awards;
- any awards are made at the absolute discretion of the Group Remuneration and Nomination Committee; and
- any rights granted in respect of the SARS may not be transferred or alienated in any way.

ANNEXE 9: THE MAJOR SUBSIDIARY AND ITS DIRECTORS

Name	Registration number	Percentage ownership	Date and place of incorporation	Authorised share capital	Issued share capital	Main Business	Date of becoming major subsidiary
Premier FMCG Proprietary Limited	1968/002379/07	Ordinary shares are 100% held by Holdco, which is 90% held by the Company and 10% held by BEECo Preference shares are 100% held the Company	05/03/1968 South Africa	290,000,000 ordinary no par value shares 20,000,000 cumulative, redeemable no par value preference shares 20,000,000 no par value "A" preference shares	290,000,000 ordinary no par value shares 100,000 ordinary no par value "A" preference shares	Wholesale and retail trade	14 August 2007

None of the securities of the Company's Subsidiaries is listed on the exchange operated by the JSE.

DIRECTORS OF MAJOR SUBSIDIARY

The details of the directors of the Major Subsidiary are set out below:

Name, age and nationality	Business address	Occupation/function	Date of appointment as Director
Jacobus Johannes Gertenbach, South African	Building 5, Maxwell Office Park, Waterfall City, Internal Rd, Waterval City, Midrand, 2090	CEO	18/07/2011
Fritz Grobbelaar, South African	Building 5, Maxwell Office Park, Waterfall City, Internal Rd, Waterval City, Midrand, 2090	CFO	02/08/2021
Anastasia Sodalay, South African	Building 5, Maxwell Office Park, Waterfall City, Internal Rd, Waterval City, Midrand, 2090	Managing Executive: Human Resources	05/07/2022
Julian Singonzo, South African	Building 5, Maxwell Office Park, Waterfall City, Internal Rd, Waterval City, Midrand, 2090	Managing Executive: Environmental, Social and Sales	05/07/2022

ANNEXE 10: PRINCIPAL IMMOVABLE PROPERTIES HELD OR OCCUPIED

Details of the principal immovable properties held, occupied or leased by the Company and its Major Subsidiary are set out below. Other than Fritz Grobbelaar who is a director of G and C Shelf 115 Proprietary Limited, none of the Directors has any material interest in any of the immovable properties held, occupied or leased by the Company and its Major Subsidiary.

Principal properties leased – South Africa

Owner	**Description**	**Extent**	**Entity**	**Rental from 21 October 2022**	**Unexpired term of lease**
Ulricol (PTY) LTD	Unit "A" 15 Platina Crescent New Era Springs	5,747sqm	Premier FMCG Pty Ltd	ZAR51,750 p/m, including VAT. Monthly rent escalated at 8% per annum	1 year 8 months remaining (renewable). Lease commenced 1 December 2021 and expires on 30 November 2024.
Vogue Warehouse Proprietary Limited	Warehouse 5A and Office 1A, 2A Lessing Street, Estoire (Erf No 231, Estoire, Bloemfontein);	4,3179 hectares	Premier FMCG Pty Ltd	ZAR48,000 p/m	6 months remaining (renewable). Lease commenced in September 2019 and expires on 31 August 2023.
PEG Investments CC	Portion 6 of Erf 221, Empangeni situated in the City of uMhlathuze, Administrative District of Natal Province of KwaZulu-Natal	6,612 hectares	Premier FMCG Pty Ltd	R70,457.21 p/m excluding VAT. Monthly rent escalated at 8% per annum.	7 months remaining (renewable) Lease commenced on 13 January 2017, and it is extended to expire on 31 October 2023.
Lot 2973 Kokstad Property CC	Erf 280, Kokstad	1,000sqm	Premier FMCG Pty Ltd	ZAR47,828.00p/m including VAT. Monthly rent escalated at 9% per annum.	3 years 8 months remaining (renewable). Lease commenced on 1 November 2021 and expires/is renewable on 31 October 2026.

Owner	Description	Extent	Entity	Rental from 21 October 2022	Unexpired term of lease
Mbuyisa Enterprise Proprietary Limited	Stand No. 2958, Kwaggafontein, Section C, Mpumalanga, 0458	867sqm	Premier FMCG Pty Ltd	ZAR17,148.64 (exclusive of VAT)	7 months remaining (renewable) Lease commenced on 31 January 2021 and expired on 30 September 2022. Agreement was then renewed for another 12 months
Carlstoun Properties (Pty) Ltd	Portion 001 of Erf 3185, Ladysmith, also known as 88a Bloukrans Street Erf 12153, Ladysmith also known as 38 Piet Retief Street, Ladysmith	4,900sqm	Premier FMCG Pty Ltd	ZAR15,456 including VAT. The lease shall escalate at 8% on each anniversary of the lease.	Term is from 1 September 2022 until 31 August 2023. Will not be renewed.
Equites Property Fund Limited	Lords View Industrial Park, Allendale Road, Midrand, 1619; Premier FMCG Distribution Centre – Lords View	15,155sqm	Premier FMCG Pty Ltd	ZAR1,706,053,16 p/m including VAT. Monthly rent escalated at 8% per annum.	7 years 1 month remaining (renewable) Lease commenced on 18 May 2018 and expires/is renewable on 17 May 2030.
AYD Property Holdings (Pty) Ltd	Erf 15405, Paterson Street, Newcastle, 2940	4,052sqm	Premier FMCG Pty Ltd	ZAR44,000.00	5 years 6 months remaining (renewable). Lease commenced on 1 October 2021 and expires on 30 September 2028.
Lindeighteen Property Trust	Erf 4035 Korsten at 18 Lindsay Road, Port Elizabeth	547sqm	Premier FMCG Pty Ltd	ZAR77,724.87 p/m excluding VAT. Monthly rent escalated at 8% per annum.	4 years 2 months remaining (renewable). Lease commenced on 1 March 2020 and was renewable on 28 February 2023. Lease has been extended to June 2027.

Owner	Description	Extent	Entity	Rental from 21 October 2022	Unexpired term of lease
Purplewood Investments CC	Warehouse A, on Erf number 476, 2 Portland Road, Pietermaritzburg. KwaZulu-Natal	16,187sqm	Premier FMCG Pty Ltd	ZAR28,000 including VAT. Monthly rent escalated at 8% per annum.	4 years 8 months remaining (renewable) Lease commenced on 1 December 2017 and was renewable on 1 December 2022. Lease has been extended to 1 December 2027
A.R. Menzies Family Trust	Erf 2105, Pietersburg Ext 8, Local Municipality, 55 Goud Street, Mona, Polokwane	1,075sqm	Premier FMCG Pty Ltd	ZAR46,283, 83 p/m excluding VAT. Monthly rent escalated at 8% per annum.	1 year 5 months remaining (renewable). Lease commenced on 1 September 2018 and expires/is renewable on 31 August 2024.
Agapi Trust	29 Stephenson Road, Queen Industria, Queenstown, 5320	2,950sqm	Premier FMCG Pty Ltd	R60,000 excluding VAT. The rental shall escalate on each anniversary of the commencement date of the Extension with the first escalation being 1 February 2021, at the rate of 7.5%.	1 year 10 months remaining (renewable) Lease commenced on 1 February 2020 and expires/is renewable on 31 January 2025.
Ensign Shipping and Logistics (Proprietary) Limited	Erf 1889, Portion 1 of Erf 1889 Richards Bay, Extension 9, Registration Division GV, Province of KwaZulu-Natal	8,763.40sqm	Premier FMCG Pty Ltd	ZAR1,785,549.17 p/m	11 days remaining (renewable) Lease commenced on 1 April 2021 and expires/is renewable on 31 March 2023.
Ruscon Investments CC	Vanadium Street, 12A, Rustenburg Industrial Area, Stand 2222, Portion One of Ext 9, Workshop, Offices	1,000sqm	Premier FMCG Pty Ltd	ZAR63,339.62 p/m including VAT. This will increase to ZAR68 406.79 (including VAT) on 1 June 2023.	12 months remaining (renewable) Lease commenced on 1 June 2021 and expires/is renewable on 31 May 2024.

Owner	Description	Extent	Entity	Rental from 21 October 2022	Unexpired term of lease
Noordwes du Preez Eiendomme	38 Piet Retief, 88A Bloukrans Road, Vryburg	54,947sqm	Premier FMCG Pty Ltd	ZAR26,300.00	Lease commenced on 1 December 2018 and has no expiry date.
Attacq Waterfall Investment Company	Erf 1183, Wentworth Erf 2251, Wentworth Portion 1 of Erf 2152, Wentworth Portion 1 of Erf 2152, Wentworth	2,089 hectares 2,144 hectares 6,237sqm	Premier FMCG Pty Ltd	ZAR114.85 per square meter	12 months remaining (renewable) Lease commenced on 1 June 2014 and expires/is renewable on 31 May 2024.
G & C Shelf 115 Proprietary Limited	Erf 2252 Wentworth, Pietermaritzburg, Registration Division F.T, Province of KwaZulu-Natal	1,0470 hectares	Premier FMCG Pty Ltd	ZAR899,987 The rental shall escalate on each anniversary of the commencement date of the Extension with the first escalation being 1 February 2021, at the rate of 8%.	3 years remaining (renewable) Lease commenced on 1 April 2021 and expires/ is renewable on 31 March 2026.
G & C Shelf 115 Proprietary Limited	Erf 8234 and the remaining extent of Erf 8204, Durban, Registration Division F.U, Province of KwaZulu-Natal	14sqm 9055sqm	Premier FMCG Pty Ltd	ZAR2,192,128 The rental shall escalate on each anniversary of the commencement date of the Extension with the first escalation being 1 April 2021, at the rate of 8%.	3 years remaining (renewable) Lease commenced on 1 April 2021 and expires/ is renewable on 31 March 2026.
G & C Shelf 115 Proprietary Limited	Erf 10033, Durban, Pietermaritzburg, Registration Division F.U, Province of KwaZulu-Natal	2,4192 hectares	Premier FMCG Pty Ltd	ZAR665,502 The rental shall escalate on each anniversary of the commencement date of the Extension with the first escalation being 1 April 2021, at the rate of 8%.	3 years remaining (renewable) Lease commenced on 1 April 2021 and expires/ is renewable on 31 March 2026.

Owner	Description	Extent	Entity	Rental from 21 October 2022	Unexpired term of lease
G & C Shelf 115 Proprietary Limited	Portion 1 of Erf 15396, Cape Town, Registration Division, Cape Rd, Western Cape Province	8,859sqm	Premier FMCG Pty Ltd	ZAR357,197 The rental shall escalate on each anniversary of the commencement date of the Extension with the first escalation being 1 April 2021, at the rate of 8%.	3 years remaining (renewable) Lease commenced on 1 April 2021 and expires/is renewable on 31 March 2026.
G & C Shelf 115 Proprietary Limited	Portion 2 of Erf 2675, Pinetown, Pietermaritzburg, Registration division FT, Province of KwaZulu-Natal	6,535sqm	Premier FMCG Pty Ltd	ZAR482,865 The rental shall escalate on each anniversary of the commencement date of the Extension with the first escalation being 1 April 2021, at the rate of 8%.	3 years remaining (renewable) Lease commenced on 1 April 2021 and expires/is renewable on 31 March 2026.
G & C Shelf 115 Proprietary Limited	Erf 24971 George, Cape Town, Western Cape Province	5,205sqm	Premier FMCG Pty Ltd	ZAR135,000 p/m including VAT. The rental shall escalate on each Commencement Date at the rate of 8%.	4 years 6 months remaining Lease commenced on 7 October 2022 and expires on 6 October 2027.

Principal properties leased – eSwatini

Owner	Description	Extent	Entity	Rental from 4 July 2022	Unexpired term of lease
Anlean Properties Pty Ltd	12th Street, King Mswati Avenue East, Matsapha Industrial Site, eSwatini situated at Lot 484/485, District of Manzini, eSwatini	2,100sqm	Premier eSwatini (Pty) Ltd	E127 200	9 months Lease commenced on 19 January 2021 and expires/is renewable on 31 December 2023.

Principal properties leased – United Kingdom

Owner	Description	Extent	Entity	Rental	Unexpired term of lease
Blenheim Court Limited	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	913sqm	Lil-lets UK Ltd	£4,500.00 p/m (excluding VAT) The amount will increase by 2% from the end of month 12 until the end Date.	5 months Lease commenced on 1 September 2021 and expires/ is renewable on 31 August 2023.

Principal properties owned – South Africa

Owner	Description	Extent	Title deed no.
Premier FMCG Pty Ltd	Erf 233, Aeroton Extension 13, Township Registration Division I.Q., Province of Gauteng	1,798sqm	T37957/2001
G & C Shelf 115 Proprietary Limited	Erf 10033, Durban, Registration Division, F.U Province of KwaZulu-Natal	21,492 hectares	T40698/2015
G & C Shelf 115 Proprietary Limited	Erf 24971, George, Cape Division, Province of Western Cape	5,205sqm	T34633/2008
G & C Shelf 115 Proprietary Limited	Erf 8234, Durban, Registration Division F.U., Province of KwaZulu-Natal	14sqm	T33505/2015
G & C Shelf 115 Proprietary Limited	Erf 8204, Durban, Registration Division F.U., Province of KwaZulu-Natal	9,055sqm	T33505/2015
Premier FMCG Pty Ltd	Erf 9697, Potsdam, Buffalo City Metropolitan Municipality, Division of East London, Province of the Eastern Cape	2.0517 hectares	T953/2007
Premier FMCG Pty Ltd	Erf 9705, Potsdam, Buffalo City Metropolitan Municipality, Division of East London, Province of the Eastern Cape	3.3924 hectares	T4098/2014
G & C Shelf 115 Proprietary Limited	Erf 2252, Wentworth, Registration Division FT, Province of KwaZulu-Natal	1.10470 hectares	T34863 /2018
Premier FMCG Pty Ltd			
	Erf 7760, Kroonstad (Extension 11), District Kroonstad, Free State	4.8363 hectares	T13159/1998
Premier FMCG Pty Ltd			
	Erf 1471, Kroonstad (Extension 11), District Kroonstad, Free State	5,948sqm	T6976/1948
Lesotho Bakery Pty Ltd	Plot No. 12293-005/2, Theseane Industrial in Maseru District	9,800sqm	Property registered under 25143 at the Maseru Deeds Office
Premier FMCG Pty Ltd	Remaining extent of Erf 2608; Portion of Erf 1317 Mafikeng, Mahikeng Local Municipality Registration Division J.O., Province of the North West	1.3585 hectares	T2354/2014
Premier FMCG Pty Ltd	Erf 3959, Middelburg (Extension 11), Registration Division J.S., Steve Tshwete Local Municipality	2.1007 hectares	T87809/1992

Owner	Description	Extent	Title deed no.
Premier FMCG Pty Ltd	Erf 6877 Umtata, Umtata Township Extension No.10, King Sabata Dalindyebo Municipality, District of Umtata, Province of the Eastern Cape	882sqm	T650/2016
G & C Shelf 115 Proprietary Limited	Portion 2 of Erf 2675 Pinetown, Registration Division F.T, Province of KwaZulu-Natal	2.482 hectares	T39950/2014
Premier FMCG Pty Ltd	Erf 269 PotchIndustria Township, Registration Division 1.Q., Transvaal	2.4551 hectares	T91475/1992
Premier FMCG Pty Ltd	Erf 398 Hermanstad Township, Registration Division J.R., Transvaal	1.0207 hectares	T17489/1992
Premier FMCG Pty Ltd	Erf 123, Watloo Township, Registration Division JR, Province of Gauteng	1.2833 hectares	T89603/2021
Premier FMCG Pty Ltd	Portion 1 of Erf 175, Watloo Township, Registration Division JR, Province of Gauteng	6,535sqm	T89603/2021
Premier FMCG Pty Ltd	Remaining extent of Erf 175, Watloo Township, Registration Division J.R., Province of Gauteng	2.8722 hectares	T35608/2016
G & C Shelf 115 Proprietary Limited	Erf 15396 Cape Town, in the City of Cape Town, Cape Division, Western Cape Province	8,859sqm	T3656/2014
Premier FMCG Pty Ltd	Erf 15381, Cape Town, in the City of Cape Town, Cape Division, Western Cape	3.0305 hectares	T6527/1993
Premier FMCG Pty Ltd	Erf 25 Balebegi Township, Registration Division J.R North West Province	1.7094 hectares	TG8776/2015
Premier FMCG Pty Ltd	Erf 61, Seloshesha Unit 1, District Thaba Nchu, Province Free State	4.8546 hectares	T18146/2007
Premier FMCG Pty Ltd	Erf 9, Tunney Industrial Township, Registration Division I.R., Province of Gauteng	2.9263 hectares	T11312/2014
Premier FMCG Pty Ltd	Erf 502, Duncanville Township, Registration Division I.Q., Transvaal	1.2460 hectares	T96840/1992
Premier FMCG Pty Ltd	Erf 1466, Vereeniging Extension 1, Township, Registration Division I.Q., Transvaal	8.6852 hectares	T88188/1992
Premier FMCG Pty Ltd	Portion 18 of Erf 402, Wadeville Township, Registration Division I.R., The Province of Gauteng	1, 8341 hectares	T33738/2021
Premier FMCG Pty Ltd	Erf 8932, Richards Bay Extension 28 ,Township, Pietermaritzburg, Registration Division G.V, Province of KwaZulu-Natal	6,138 hectares	T32613/2005

Principal properties owned – eSwatini

Premier eSwatini (Proprietary) Limited	Portion 22 (a portion of portion 5) of Farm 140 situated in Nhlangano Industrial Area, Shiselweni District, eSwatini	7,480sqm	754/2022
Premier Swazi Bakeries (Proprietary) Limited	Remaining Extent of Portion 576 of Matsapha Township situated in the District of Manzini, eSwatini	2.8904 hectares	325/2001
Premier Swazi Bakeries (Proprietary) Limited	Lot No. 239, Matsapha Town, Manzini District, eSwatini	7,615sqm	100/2012

Owner	Description	Extent	Title deed no.
Principal properties owned – Mozambique			
Companhia Industrial Da Matola SA	Erf No 729 of Site 10 of the Municipality of Matola	57,375sqm	No 49960 at page 62 of book B/139
Companhia Industrial Da Matola SA	Erf No 729 of Site 11 of the Municipality of Matola	34,887sqm	No 4548 at page 141 of book B/13
Companhia Industrial Da Matola SA	Erf 5607, 6730 and 7225 of the Municipality of Matola	9,228sqm	No 60044 at page 102 of book B/206

ANNEXE 11: MATERIAL BORROWING, LENDING AND MATERIAL INTER-COMPANY BALANCES

Borrowings material to the Group*

*(None of the borrowings have conversion or redemption rights)

Summary	Lender	Facility	Facility Amount	Currency of loan	Utilised	Secured/ Unsecured	Terms	Interest rate	Security provided	Details of repayments within the next 12 months	Inter Company Balances	Guarantors
On 19 November 2020, G & C Shelf entered into an amortising ZAR225,000,000 Term Facility Agreement with The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division) for the purpose of refinancing an existing facility (the **G & C Shelf Facility Agreement**).	The Standard Bank of South Africa Limited	Term loan facility to G & C Shelf 115 (Pty) Ltd	ZAR225,000,000	ZAR	Yes	Secured	The 5th anniversary of the date of the first utilisation date (being 20 November 2020) under the facility – 20 November 2025	Prime Rate less 0,70% per annum	Mortgage bonds; Cession in security (rental income and Insurances);	ZAR1, 498,881 Monthly instalments from 18 November 2022 ZAR1,749,312 Monthly Instalments from 18 November 2022 until 18 November 2023 ZAR2,024,880 Monthly Instalments from 18 November 2023 until 18 November 2024 ZAR2,327,730 Monthly Instalments from 18 November 2024 until 19 November 2025.	N/A	Premier FMCG Proprietary Limited (limited to R50,000,000).

Summary	Lender	Facility	Facility Amount	Currency of loan	Utilised	Secured/ Unsecured	Terms	Interest rate	Security provided	Details of repayments within the next 12 months	Inter Company Balances	Guarantors
On 27 May 2021, Premier FMCG (Pty) Ltd (as borrower) entered into a Senior Term Loan and General Banking Facilities Agreement with Premier Group (as guarantor), FirstRand Bank Limited (acting through its Rand Merchant Bank division), FirstRand Bank Limited (acting through its Rand Corporate Banking), The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division), Ashburton High Yield Credit Fund 2 Trust, Ninety One SA Proprietary Limited and Main Street 1293 (RF) Proprietary Limited (the Debt Guarantor), in relation to secured term amortising and bullet credit facilities, for the purposes of refinancing existing indebtedness, for a capital amount of ZAR2,300,000,000 and, in relation to secured general banking facilities, for general working capital requirements, for an aggregate capital amount of ZAR1,469,500,000 (the Senior Facilities Agreement). Such Senior facilities Agreement was amended and restated on 27 May 2021 and pursuant to the second amendment and restatement agreement dated 29 April 2022, Nedbank Limited (acting through its Nedbank Corporate and Investment banking division) became an additional lender and Main Street 1881 (Pty) Ltd became an additional guarantor under the Senior Facilities Agreement. The general banking facilities are governed by separate facility letters with each GBF lender (FirstRand Bank Limited and Standard Bank)	FirstRand Bank Limited Ashburton High Yield Credit Fund 2 Trust Ninety One SA Proprietary Limited The Standard Bank of South Africa Nedbank Limited (acting through its Corporate and Investment Banking division)	Term Facilities and General Banking Facilities (**GBF**) to Premier FMCG	Term Facilities: ZAR2,300,00,000 GBF: ZAR1,469,500,000	ZAR	Yes	Secured	Final maturity date for Term Facility A and C – 9 December 2024 Term Facility B – 9 December 2024	The rate of interest on loans for each interest period is the percentage rate per annum which is the aggregate of the applicable margin[1] and base rate. The margin will increase by 2 per cent if an Event of Default is continuing) GBF: overdraft rate for the FirstRand bank GBF will be determined by agreement between the lender and borrower; and overdraft rate for the Standard Bank GBF is prime minus 1%	Pledges and cessions; deed of hypothecation; mortgage bonds; special notarial bonds and general notarial bonds; English law share charge; and Lesotho law security agreements	Term Facility A Loan: ZAR40,000,000 quarterly instalments Term Facility B – The Admission triggers the lenders' right to cancel the commitments and oblige Premier FMCG to repay all outstandings which rights have been amended and/or waived by the relevant lenders	These are identified as at end February 2022, in Schedule 10, clause 6	Premier FMCG (Pty) Ltd; Premier Group Ltd and Main Street 1881 Proprietary Limited

1 *For any loan outstanding under a particular facility: (a) in respect of the first interest period ending 31 December 2019: Term Facility A Margin = 2.85% and for Term Facility B Margin= 3%; in respect of the interest period ending 31 March 2022. Term Facility A Margin = 2,601648% and for Term Facility B Margin = 2,751648% and for each interest period thereafter, if the net borrowings to EBITDA ratio as reflected in the compliance certificates delivered during the immediately preceding two interest periods fall within one of the bands set out in the column headed senior leverage ratio in the table below (being the ratio of Net Debt to EBITDA), the percentage set out in the column headed "Term Facility A Margin" or "Term Facility B and Term Facility C Margin" (below), as applicable, shall be the margin with effect from the first day of the interest period following receipt of the compliance certificate.*

Senior Leverage Ratio	*Term Facility A Margin*	*Term Facility B and Term Facility C Margin*
Greater than or equal to 2.75 times	*2.85 per cent.*	*1.90 per cent.*
Greater than or equal to 2.25 times but less than 2.75 times	*2.65 per cent.*	*1.70 per cent.*
Less than 2.25 times	*2.35 per cent.*	*1.40 per cent.*

Summary	Lender	Facility	Facility Amount	Currency of loan	Utilised	Secured/ Unsecured	Terms	Interest rate	Security provided	Details of repayments within the next 12 months	Inter Company Balances	Guarantors
On 27 September 2016, Premier FMCG entered into a Master Purchase & Right of First Refusal Agreement with Nedbank Limited (the Master Purchase & Right of First Refusal Agreement) for the purpose of purchasing certain commodities from Premier FMCG, which agreement has been amended, and extended, from time to time. In terms of the Master Purchase & Right of First Refusal Agreement, Premier FMCG sells origin maize, wheat and certain other agricultural commodities to Nedbank Limited and Nedbank Limited grants to Premier FMCG an option to repurchase Purchased Commodities (as defined) from Nedbank Limited.	Nedbank Limited	Commodity Purchasing Facility	ZAR1,045,000,000	ZAR	Yes	Unsecured	Commitment Fee – 0.3% per annum of available but unutilised commitment Agreement was to expire on 30 November 2022 but it has been renewed (it is renewed annually on 30 November)	Committed stock purchase tranche of ZAR900,000,000 at prime less 2% Uncommitted stock purchase tranche of R145,000,000 at prime less 2.2%	N/A	Agreement terminates on 30 November 2023	N/A	N/A
On 30 July 2021, Premier eSwatini (Pty) Ltd ("**Premier eSwatini**") entered into a General Banking Facilities Letter with Standard Bank eSwatini Limited for a capital amount of SZL20,100,000 for the purposes of financing existing working capital requirements and to finance fleet management services (**Standard Bank GBF**).	Standard Bank eSwatini Limited	Working Capital Facility & fleet Management Facility	SZL20,100,000	SZL (Lilangeni)	Yes	Secured	Repayable on demand	0,5% below Standard Bank eSwatini's Prime Rate	This facility benefits from the same security as the SZL80,000,000 Revolving Credit Facility provided by Standard Bank, referred to below	Facilities are repayable on demand	N/A	N/A

Summary	Lender	Facility	Facility Amount	Currency of loan	Utilised	Secured/ Unsecured	Terms	Interest rate	Security provided	Details of repayments within the next 12 months	Inter Company Balances	Guarantors
On 30 July 2021, Premier eSwatini entered into a Revolving Loan Facility Agreement with Standard Bank eSwatini Limited for a capital amount of SZL80,000,000 for the purposes of refinancing existing facilities and general corporate funding (the **Premier eSwatini SBE Facility**)	Standard Bank eSwatini Limited	Revolving Credit Facility	SZL80,000,000	SZL (Lilangeni)	Yes	Secured	Facility terminates and is to be repaid on 31 July 2026	eSwatini Prime plus 0.45%	Deed of hypothecation over the movable assets of the Borrower registered on 6 May 2014 for a capital amount of SZL25,000,000 (Emalangeni twenty five million) Deed of hypothecation over the movable assets of the Borrower to be registered for a capital amount of SZL45,000,000 (Emalangeni forty five million) Cession of Book Debts Cession of Insurances Continuing covering mortgage bond for SZL40,000,000.00 (Emalangeni forty million) over remaining extent of Lot 576, Matsapha Town, Manzini District, with bond number 104/2012 Continuing covering mortgage bond for SZL6,000,000.00 (Emalangeni six million) over Lot 239 and Lot 240, Matsapha Town with bond number 103/2012 Continuing covering mortgage bond for SZL10,000,000.00 (Emalangeni ten million) over Lot 239 and Lot 240, Matsapha Town with bond number 103/2012 (consolidated or to be consolidated into Lot 1003).		N/A	N/A

Summary	Lender	Facility	Facility Amount	Currency of loan	Utilised	Secured/ Unsecured	Terms	Interest rate	Security provided	Details of repayments within the next 12 months	Inter Company Balances	Guarantors
On 30 July 2021, Premier eSwatini entered into a General Banking Facilities Letter with First National Bank of eSwatini for a capital amount of SZL20,000,000, also for the purposes of financing working capital requirements.	First National Bank of eSwatini	Overdraft Facility	SZL20,000,000	SZL (Lilangeni)	Yes	Secured	Reviewable by the Lender at any time (and repayable on demand, if required by the Lender)	eSwatini Prime less 0.5%	This facility benefits from the same security as the SZL80,000,000 Revolving Credit facility provided by First National Bank of eSwatini referred to below.	N/A	N/A	N/A
On 30 July 2021, Premier eSwatini entered into a Revolving Loan Facility Agreement with First National Bank of eSwatini for a capital amount of SZL80,000,000, also for the purposes of refinancing existing facilities and general corporate funding and on substantially the same terms as the Premier eSwatini SBE Facility.	First National Bank of eSwatini	Revolving Credit Facility	SZL80,000,000	SZL (Lilangeni)	Yes	Secured	Facility terminates and is to be repaid on 30 July 2026	eSwatini Prime plus 0.45%	Continuing covering mortgage bond or SZL15,200,000 over Lot 239 and Lot 240 Matsapha Town (consolidated or to be consolidated into Lot 1003), Deed of hypothecation over the movable assets of the Borrower registered or to be registered for a capital amount of SZL70,000,000 (Emalangeni seventy million) Second ranking cession of Insurances			N/A
On 3 December 2021, CIM entered into an overdraft facility MZN 720,000,000 Overdraft Facility Agreement with Standard Bank of Mozambique for the purpose of refinancing an existing facility (the **CIM Overdraft Facility Agreement**).	Standard Bank Mozambique	Overdraft	Temporarily increased to MZN 720,000,000.00 (MZN 450m + MZN 270m). Now reverted to MZN 450m. To reduce from MZN 720m back to value of base facility of MZN 450m by 30 September 2022.	MZN Mozambican Metical	MZN 705,398,018.00	Secured	No specific expiry date indicated, but the base facility of MZN 450m expires on 30 November 2022.	15.5% (Mozambique Prime Lending Rate -5.1%)	First mortgage over immovable property.	None	N/A	N/A
On 21 July 2022, CIM entered into a working capital or general banking facility with Nedbank for MZN 300,000,000	Nedbank	Working capital	MZN 300,000,000	MZN	Yes	Secured	1 year, renewable	Mozambique Prime Lending Rate – 5.8%	Second-degree mortgage over immovable property		N/A	N/A

Note 21 (Borrowings) of the Consolidated Historical Financial Information ("ANNEXE 1 – Consolidated Historical Financial Information for the Three Years Ending 31 March 2022") makes reference to the borrowings of the Group. The details of the banks referred to in Note 21 (and elsewhere in this Pre-listing Statement) are as set out below:

	Currency	Interest rate	Maturity date	2022 R'000	2021 R'000	2020 R'000
Secured bank loans – Term loan facilities						
– FirstRand Bank Limited – Facility A	ZAR	JIBAR plus 2.35% to 2.85%	9 December 2024	440,000	600,000	760,000
– Standard Bank of South Africa Limited	ZAR	Prime less 0.7%	30 November 2025	202,247	218,642	145,510
– Standard Bank of eSwatini Limited – Facility A	SZL	Prime plus 0.25%		*	3,250	16,250
Secured bank loans – Revolving loan facilities						
– FirstRand Bank Limited – Facility B	ZAR	JIBAR plus 1.4% to 1.9%	9 December 2024	1,200,000	1,200,000	1,200,000
– FirstRand Bank Limited – Facility C	ZAR	JIBAR plus 2.5% to 3%	9 December 2024	300,000	–	–
– Standard Bank of eSwatini Limited	SZL	Prime plus 0.45%	30 July 2026	80,000	–	–
– First National Bank of eSwatini Limited	SZL	Prime plus 0.45%	30 July 2026	80,000	–	–
– Standard Bank of eSwatini Limited – Facility B	SZL	Prime plus 0.4%		*	63,024	63,148
– Standard Bank of eSwatini Limited – Facility C	SZL	JIBAR plus 3.45%		*	*	30,000
– Standard Bank of eSwatini Limited – Facility D	SZL	Prime plus 0.4%		*	30,000	30,000
				2,302,247	**2,114,916**	**2,244,908**
Current portion				179,239	272,670	411,010
Non-current portion				2,123,008	1,842,246	1,833,898

* This facility was fully settled and no balances are outstanding at the reporting date.

During the current year the Group successfully renegotiated the terms of the FirstRand Bank Limited – Facility B with the new maturity date being extended to 9 December 2024. The extension of the maturity date did not result in any modification or extinguishment.

Security:

FirstRand Bank Limited: Cession over trade receivables, cash and cash equivalents and insurances of the South African operations. Cession and pledge over all shares, claims, insurances, intellectual property, bank accounts and investments of certain group entities. Registered hypothec of certain trademarks and intellectual property rights with a carrying value of ZAR965 million (2021: ZAR980 million 2020: ZAR980 million). Moveable assets with a carrying value of ZAR1,820 million (2021: ZAR1,687 million; 2020: ZAR1,566 million) are encumbered as security. Mortgage bonds are registered over certain immovable properties.

Standard Bank of South Africa Limited: Mortgage bonds are registered over certain immovable properties of the Group.

Standard Bank of eSwatini Limited and First National Bank of eSwatini Limited: Cession over trade receivables, cash and cash equivalents and insurances of the eSwatini operations. Certain moveable assets with a carrying value of ZAR73 million (2021: ZAR47 million; 2020: ZAR49 million) are encumbered as security. Mortgage bonds are registered over certain immovable properties.

Financial covenants:

The Group is required to maintain compliance with the following financial covenant ratios:

	2022	Actual
FirstRand Bank Limited		
Interest cover ratio	>3.00x	6.97
Leverage ratio	<3.00x	1.37
Standard Bank of South Africa Limited		
Interest cover ratio	>2.20x	4.74
Loan to value	<55%	47%
Standard Bank of eSwatini Limited and First National Bank of eSwatini Limited		
Interest cover ratio	>2.50x	10.78
Leverage ratio	<2.25x	1.56

On 2 November 2022, Premier FMCG (Premier Group's South African operating entity), refinanced its long-term debt and will increase its debt by ZAR1.04 billion. Of this, ZAR950 million was distributed to Premier shareholders in the form of a pre-IPO distribution, with the remaining ZAR90 million retained as cash on the Premier balance sheet.

As background to this refinancing, on 9 December 2019, Premier FMCG (as borrower and guarantor) (the Borrower) and Premier (the Parent) (as guarantor) (the Borrower together with each Guarantor are referred to as the Obligors) entered into a senior facilities agreement with FirstRand Bank Limited (acting through its Rand Merchant Bank division) (RMB) (as original lender and facility agent), RMB (as original GBF lender), The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division) (SBSA) (as original GBF lender) and Main Street 1293 (RF) Proprietary Limited (as Debt Guarantor), pursuant to which the lenders thereunder agreed to make certain credit facilities available to the Borrower (the Original Senior Facilities Agreement).

On 27 May 2021, the Original Senior Facilities Agreement was amended and restated (the First Amended and Restated Senior Facilities Agreement). On 29 April 2022, the First Amended and Restated Senior Facilities Agreement was amended and restated (the Second Amended and Restated Senior Facilities Agreement), Main Street 1881 Proprietary Limited became an additional Guarantor and Main Street 1880 Proprietary Limited became an additional security provider.

On 2 November 2022, the amounts outstanding under the Second Amended and Restated Senior Facilities Agreement were refinanced and, as such the parties to the Second Amended and Restated Senior Facilities Agreement, and Investec Bank Limited (acting through its Investment Banking Division: Corporate Solutions) (IBL) entered into an amendment and restatement agreement (the Third Amendment and Restatement Agreement) in terms of which, amongst other things: a new bullet term loan facility was established, in the amount of R1,900,000,000 and a new revolving credit facility, in the amount of R1,000,000,000 was established, which facilities will be used for the purposes of refinancing the Borrower's indebtedness under the Second Amended and Restated Facilities Agreement, to fund permitted acquisitions, to make a distribution prior to Admission in an amount of up to R1,000,000,000 in the form of a return on capital to the ordinary shareholders of the Parent and for general corporate purposes; and the Second Amended and Restated Senior Facilities Agreement is amended in order to, amongst other things, record amendments to the Second Amended and Restated Senior Facilities Agreement effected after the date of execution of such agreement and the terms applicable to the declaration of dividends by the Parent after its listing on the JSE Limited.

The General Banking Facilities are governed by separate facility letters between the Borrower and each of RMB and SBSA (the GBF Facility Letters)

Further details of this material borrowing is set out below:

Summary	Lender	Facility	Facility Amount (ZAR '000)	Currency of loan	Utilised (ZAR '000)	Secured/ Unsecured	Terms	Interest rate	Security provided	Conversion or redemption rights	Details of repayments within the next 12 months	Inter Company Balances	Guarantors and Security Provider
See immediately preceding paragraphs	RMB, SBSA BL and Nedbank Limited (acting through its Corporate and Investment Banking division)	Facility A: Bullet Facility Facility B: RCF Facility General Banking Facilities	Facility A: 1,900,000 Facility B: 1,000,000 General Banking Facilities: 800,000 (plus a 800 000 settlement facility) Total Facilities: 3,700,000 (plus a 800 000 settlement facility)	ZAR	Facility A: ZAR1,900,000 Facility B: 1,000,000 Standard Bank GBF: Utilisation is nil	Secured	Facility A: 3 years Facility B: 4 years RMB GBF: On demand SBSA GBF: On demand	Interest payable quarterly in arrears. Aggregate of the Margin and 3-month JIBAR Margin for Facility A is 135bps Margin for Facility B is 145bps Interest on Standard Bank GBF is Prime less 1%	Pledges and cessions; deed of hypothecation; mortgage bonds, special notarial bonds and general notarial bonds; English law share charges and assignments; Lesotho law security agreements and Mauritian law security agreements	N/A	Capital under Facility A and Facility B will be repayable in one lump sum on each Financial Maturity Date. Voluntary prepayment may be made out of internally generated resources or from capitalisation of the Parent (ie. Ordinary shares issued by the Parent) and may be allocated to the outstandings at the election of the Borrower (provided non default is continuing or would arise as a result of such prepayment).	N/A	Premier FMCG (Guarantor) Main Street 1881 (Guarantor) Proprietary Limited Premier Group (Guarantor) Main Street 1880 Proprietary Limited (Security Provider)

Intra-group loans

As at the Last Practicable Date the following inter-company loans were payable to the Company, its Major Subsidiary or any Subsidiary where such loans are material to the Company.

Intra-group loans as at Last Practicable Date

Summary	Lending Entity	Borrowing Entity	Loan amount in ZAR	Currency of loan	Secured/ Unsecured	Details of terms and conditions of repayment or renewal	Interest rate
Shareholder loan claim	Company	Premier FMCG	ZAR32,256,340	ZAR	Unsecured	All amounts advanced to be repaid by no later than 15 years from the first advance date. Lender may, by written notice, claim payment of all or part of the outstanding loan balance regardless of whether such amounts are due within 30 business days of such written notice. Borrower may elect to make part repayments with no less than 10 business days prior written notice.	Prime plus 2%
	Company	Prem-Cap Investments	ZAR151,501,176	ZAR	Unsecured	The loan is repayable in full by latest 18 July 2028.	Prime

Loans to Directors or managers of the Company

The loans set out in this section have been made to Directors or managers (or their associates) of the Company. The applicable directors or managers of the Company are responsible for payment of the loans. All of the loans below were made in order to fund the acquisition of Shares.

No.	Loan Details	
1.	Director/manager	Siobhan Mary O'Sullivan
	Loan debtor	Siobhan Mary O'Sullivan
	Date on which loan was made	07/10/2014
	Loan amount	ZAR8,000,000
	Interest rate	Prime less 1%
	Repayment terms	Repayable on 14 October 2027. For so long as the fair market value of the Ordinary Shares is equal to or less than 2.5 times the loan amount, the borrower shall utilise any and all distributions received from the Company to repay the loan amount. For so long as the fair market value of the Ordinary Shares is greater than 2.5 times the loan amount, the borrower shall be entitled to retain any distributions received from the Company and is not obliged to apply any such distributions to settle the loan amount. Upon cessation/termination of the borrower's employment with the Company (or a Subsidiary or associated company of the Company) for any reason, the loan amount shall become immediately due and payable.
	Period of the loan	Repayable on 14 October 2027

No.	Loan Details	
	Nature of security	Pledge *in securitatem debiti* to and in favour of the Company of all rights, title and interest in and to her Ordinary Shares (save for entitlements to receive distributions from the Company)
	Current fair value of security and the basis on which the security is valued	Fair market value of the Ordinary Shares calculated as follows: FMV = [CV/TN] x N FMV = fair market value of Ordinary Shares; CV = applicable Carrying Value; TN = total number of Ordinary Shares in the issued share capital of the Company N = number of Ordinary Shares
	Reasons for no security being held for the loan	N/A
2.	Director/manager	Gavin John Campbell
	Loan debtor	Gavin John Campbell
	Date on which loan was made	07/10/2014
	Loan amount	ZAR8,000,000
	Interest rate	Prime less 1%
	Repayment terms	Repayable on 14 October 2027.
		For so long as the fair market value of the Ordinary Shares is equal to or less than 2.5 times the loan amount, the borrower shall utilise any and all distributions received from the Company to repay the loan amount. For so long as the fair market value of the Ordinary Shares is greater than 2.5 times the loan amount, the borrower shall be entitled to retain any distributions received from the Company and is not obliged to apply any such distributions to settle the loan amount. Upon cessation/termination of the borrower's employment with the Company (or a Subsidiary or associated company of the Company) for any reason, the loan amount shall become immediately due and payable.
	Period of the loan	Repayable on 14 October 2027
	Nature of security	Pledge *in securitatem debiti* to and in favour of the Company of all rights, title and interest in and to his Ordinary Shares (save for entitlements to receive distributions from the Company)
	Current fair value of security and the basis on which the security is valued	Fair market value of the Ordinary Shares calculated as follows: FMV = [CV/TN] x N FMV = fair market value of Ordinary Shares; CV = applicable Carrying Value; TN = total number of Ordinary Shares in the issued share capital of the Company N = number of Ordinary Shares
	Reasons for no security being held for the loan	N/A
3.	Director/manager	Joel Daniel Simpson
	Loan debtor	Joel Daniel Simpson
	Date on which loan was made	07/10/2014

No.	Loan Details	
	Loan amount	ZAR8,000,000
	Interest rate	Prime less 1%
	Repayment terms	Repayable on 14 October 2027. For so long as the fair market value of the Ordinary Shares is equal to or less than 2.5 times the loan amount, the borrower shall utilise any and all distributions received from the Company to repay the loan amount. For so long as the fair market value of the Ordinary Shares is greater than 2.5 times the loan amount, the borrower shall be entitled to retain any distributions received from the Company and is not obliged to apply any such distributions to settle the loan amount. Upon cessation/termination of the borrower's employment with the Company (or a Subsidiary or associated company of the Company) for any reason, the loan amount shall become immediately due and payable.
	Period of the loan	Repayable on 14 October 2027
	Nature of security	Pledge *in securitatem debiti* to and in favour of the Company of all rights, title and interest in and to his Ordinary Shares (save for entitlements to receive distributions from the Company)
	Current fair value of security and the basis on which the security is valued	Fair market value of the Ordinary Shares calculated as follows: FMV = [CV/TN] x N FMV = fair market value of Ordinary Shares; CV = applicable Carrying Value; TN = total number of Ordinary Shares in the issued share capital of the Company N = number of Ordinary Shares
	Reasons for no security being held for the loan	N/A
4.	Director/manager	Sarel Francois Germishuizen
	Loan debtor	Sarel Francois Germishuizen
	Date on which loan was made	07/10/2014
	Loan amount	ZAR8,000,000
	Interest rate	Prime less 1%
	Repayment terms	Repayable on demand. For so long as the fair market value of the Ordinary Shares is equal to or less than 2.5 times the loan amount, the borrower shall utilise any and all distributions received from the Company to repay the loan amount. For so long as the fair market value of the Ordinary Shares is greater than 2.5 times the loan amount, the borrower shall be entitled to retain any distributions received from the Company and is not obliged to apply any such distributions to settle the loan amount. Upon cessation/termination of the borrower's employment with the Company (or a Subsidiary or associated company of the Company) for any reason, the loan amount shall become immediately due and payable.
	Period of the loan	Repayable on demand
	Nature of security	Pledge *in securitatem debiti* to and in favour of the Company of all rights, title and interest in and to his Ordinary Shares (save for entitlements to receive distributions from the Company)

No.	Loan Details	
	Current fair value of security and the basis on which the security is valued	Fair market value of the Ordinary Shares calculated as follows:
		FMV = [CV/TN] x N FMV = fair market value of Ordinary Shares; CV = applicable Carrying Value; TN = total number of Ordinary Shares in the issued share capital of the Company N = number of Ordinary Shares
	Reasons for no security being held for the loan	N/A
5.	Director/manager	Arnow van Der Schyff
	Loan debtor	Arnow van Der Schyff
	Date on which loan was made	07/10/2014
	Loan amount	ZAR8,000,000
	Interest rate	Prime less 1%
	Repayment terms	Repayable on 14 October 2027. For so long as the fair market value of the Ordinary Shares is equal to or less than 2.5 times the loan amount, the borrower shall utilise any and all distributions received from the Company to repay the loan amount. For so long as the fair market value of the Ordinary Shares is greater than 2.5 times the loan amount, the borrower shall be entitled to retain any distributions received from the Company and is not obliged to apply any such distributions to settle the loan amount. Upon cessation/termination of the borrower's employment with the Company (or a Subsidiary or associated company of the Company) for any reason, the loan amount shall become immediately due and payable.
	Period of the loan	Repayable on 14 October 2027
	Nature of security	Pledge *in securitatem debiti* to and in favour of the Company of all rights, title and interest in and to his Ordinary Shares (save for entitlements to receive distributions from the Company)
	Current fair value of security and the basis on which the security is valued	Fair market value of the Ordinary Shares calculated as follows: FMV = [CV/TN] x N FMV = fair market value of Ordinary Shares; CV = applicable Carrying Value; TN = total number of Ordinary Shares in the issued share capital of the Company N = number of Ordinary Shares
	Reasons for no security being held for the loan	N/A
6.	Director/manager	Fritz Grobbelaar
	Loan debtor	Fritz Grobbelaar
	Date on which loan was made	26/08/2021
	Loan amount	ZAR6,800,000

No.	Loan Details	
	Interest rate	Prime less 1%
	Repayment terms	Repayable on 30 September 2027. Upon cessation/termination of the borrower's employment with the Company (or a Subsidiary or associated company of the Company) for any reason, the loan amount shall become immediately due and payable. At any time, the borrower shall be entitled to offer all or any part of his Ordinary Shares to the Company at the "Ordinary Share Market Value" (as defined in the Company's memorandum of incorporation as at that date) to repay the loan amount.
	Period of the loan	Repayable on 30 September 2027
	Nature of security	Pledge *in securitatem debiti* to and in favour of the Company of all rights, title and interest in and to his Ordinary Shares (save for entitlements to receive distributions from the Company)
	Current fair value of security and the basis on which the security is valued	Fair market value of the Ordinary Shares.
	Reasons for no security being held for the loan	N/A

ANNEXE 12: EXTRACTS FROM THE COMPANY MOI AND THE MEMORANDUM OF INCORPORATION OF THE MAJOR SUBSIDIARY

Set out below are extracts of various salient provisions from the Company MOI and the memorandum of incorporation of the Major Subsidiary as required under the JSE Listings Requirements. In each case, the numbering and wording below matches that of the applicable provisions in the Company MOI. The memoranda of incorporation of each of the Premier Group's Subsidiaries do not have any provisions which would frustrate the Premier Group's compliance, or relieve the Company of compliance, with the JSE Listings Requirements.

For a full appreciation of the provisions of the Company MOI, Shareholders are referred to the full text of the Company MOI which is available for inspection as set out in "PART XV – Additional Information" under "*Documents available for inspection*".

MEMORANDUM OF INCORPORATION OF THE COMPANY

4. **POWERS OF THE COMPANY**

4.1 The Company has all of the legal powers and capacity contemplated in the Act, and no provision contained in this MOI should be interpreted or construed as negating, limiting or restricting those powers in any way whatsoever.

4.2 The legal powers and capacity of the Company are not subject to any restrictions, limitations or qualifications, as contemplated in section 19(1)(b)(ii) of the Act.

4.3 This MOI does not contain any special conditions applicable to the Company as contemplated in section 15(2)(b) or (c) of the Act.

4.4 No Special Resolution contemplated in section 20(2) or section 20(6) of the Act to ratify any action which is contrary to the Listings Requirements shall be proposed to the Shareholders unless otherwise agreed by the JSE. **[Paragraph 10.3 of schedule 10 to the JSE Listings requirements.]**

4.5 The Directors may exercise all the powers of the Company to borrow money and to mortgage or encumber its undertaking and property or any part thereof and to issue debentures or debenture stock (whether secured or unsecured), whether outright or as security for any debt, liability or obligation of the company or of any third party.

4.6 For the purpose of the provisions of Article 4.5, the borrowing powers of the Directors shall be unlimited.

5. **AMENDMENT OF MEMORANDUM OF INCORPORATION**

This MOI may be altered or amended in the manner set out in section 16, 17 or 152(6)(b) of the Act, subject to the provisions contemplated in section 16(1)(c), provided that:

5.1 for as long as the Ordinary Shares are listed on the JSE, any amendment must be submitted to the JSE for approval before such amendments are submitted to the relevant Shareholders for approval;

5.2 any amendment to this MOI must be approved by a special resolution of the Ordinary Shareholders, save if such an amendment is ordered by a court in terms of section 16(1)(a) and 16(4) of the Act. An amendment, for the avoidance of doubt shall include, but not be limited to: **[Paragraph 10.5(d), 10.5(e) and 10.9(c) of Schedule 10 to the JSE Listings Requirements]**

a) the creation of any class of Shares;

b) the variation of any preferences, rights, limitation and other share terms attaching to any class of Shares;

c) the conversion of one class of Shares into one or more other classes;

d) the increase or decrease of the number of Securities;

e) the consolidation of Securities;

f) the sub-division of Securities; and/or

g) the change of the name of the Company.

5.3 If there is more than one class of Shares in issue, and if the amendment relates to the variation of any preferences, rights, limitations of any class of Shares in issue other than the Ordinary Shares, such amendment shall first be approved by a Special Resolution by the holders of the Shares in that class at a separate meeting of such Shareholders, prior to the approval required in Article 5.2(b). **[Paragraph 10.5(e) of Schedule 10 to the JSE Listings Requirements]**

5.4 In the circumstances contemplated in Article 5.3, the holders of the relevant Shares shall in addition be entitled to vote on the resolution at the General Meeting or Annual General Meeting of the holders of the Ordinary Shares at which the amendment is proposed, subject to the provisions of Article 8.4. **[Paragraph 10.5(e) of Schedule 10 to the JSE Listings Requirements]**

5.5 The preferences, rights, limitations or any other terms of any class of Shares must not be varied in response to any objectively ascertainable external fact or facts as provided for in Sections 37(6) and 37(7) of the Act and the powers of the Board are limited accordingly. **[Paragraph 10.5(g) of Schedule 10 to the JSE Listings Requirements]**

6. **COMPANY RULES**

The Board is prohibited from making, amending or repealing any rules as contemplated in section 15(3) of the Act and the authority of the Board in this regard is hereby excluded. **[Paragraph 10.4 of schedule 10 to the JSE Listings requirements.]**

7. **CAPITAL**

7.1 The numbers and classes of Shares which the Company is authorised to issue are set out in Appendix 1 to this MOI.

7.2 Securities in each class for which listing is applied on any stock exchange rank *pari passu* in respect of all rights. **[Paragraph 10.5(a) of schedule 10 to the JSE Listings requirements.]**

8. **RIGHTS OF THE SHARES**

8.1 **Ordinary Shares**

The number of authorised Ordinary Shares is set out in Appendix 1. Each Ordinary Share in the issued Capital of the Company ranks *pari passu* with, and is identical in all respects to, every other Ordinary Share in respect of all rights, and entitles its holder to:

a) the right to be entered into the Securities Register as the registered holder of an Ordinary Share;

b) exercise, on a poll, one vote for every Ordinary Share held at every General Meeting or Annual General Meeting, in person or by proxy, on any matter to be decided by Shareholders (other than matters which are, in terms of this MOI or the Act, to be decided solely by the holders of any other class/es of Share(s)); **[Paragraph 10.5(b) of schedule 10 to the JSE Listings requirements.]**

c) participate equally with every other Ordinary Share in any Distribution (except for payment in lieu of a capitalisation share and any consideration payable by the Company for any of its own Shares or for any shares of another company within the same group as contemplated in sub-sections a(ii) and a(iii) of the definition of Distribution in the Act) to Ordinary Shareholders, whether during the existence of the Company or upon its dissolution provided that this article shall be subject to the rights of the holders of the 'A' Ordinary Shares and the 'A1' Ordinary Shares.

8.2 **'A' Ordinary Shares**

The number of authorised 'A' Ordinary Shares is set out in Appendix 1. Each 'A' Ordinary Share has the preferences, rights, limitations and other terms set out in Appendix 2 to this MOI.

8.3 **'A1' Ordinary Shares**

The number of authorised 'A1' Ordinary Shares is set out in Appendix 1. Each 'A1' Ordinary Share has the preferences, rights, limitations and other terms set out in Appendix 3 to this MOI.

8.4 **Limitation of voting rights**

The holders of any Securities other than the Ordinary Shares and any shares created for the purposes of black economic empowerment (**Special Shares**) shall not be entitled to vote on any resolution taken by the Company save as expressly provided for in Article 31.3 and this MOI. For so long as this is required by the JSE Listings Requirements, in instances where Shareholders other than Ordinary Shareholders and holders of Special Shares are allowed to vote at General Meetings or Annual General Meetings, their votes may not carry any special rights or privileges and they shall be entitled to one vote for each share that they hold, provided their total voting rights at a General Meeting or Annual General Meeting may not exceed 24.99% of the total voting rights of all Shareholders at such meeting. **[Paragraph 10.5(c) of Schedule 10 to the JSE Listings Requirements]**

9. **VARIATION OF CAPITAL**

9.1 Notwithstanding the provisions of section 36(3) of the Act, the Board shall not have the power to:

a) increase or decrease the number of authorised Shares of any class of the Shares;

b) reclassify any classified Shares that have been authorised but not issued;

c) classify any unclassified Shares that have been authorised but not issued; or

d) determine the preferences, rights, limitations or other terms of any Shares in a class contemplated in Section 36(1)(d) of the Act,

which powers shall only be capable of being exercised by the Shareholders, as contemplated in Article 9.3.

9.2 Each Share issued by the Company shall entitle its holder to vote on any proposal to amend the preferences, rights, limitations or other terms associated with that Share.

9.3 The Shareholders may, by amendment to the MOI by way of a Special Resolution:

a) increase or decrease the number of authorised Shares of any class of the Shares except to the extent restricted by Regulation 31(2);

b) reclassify any classified Shares that have been authorised but not issued;

c) classify any unclassified Shares that have been authorised but not issued;

d) determine the preferences, rights, limitations or other terms of any Shares in a class contemplated in Section 36(1)(d) of the Act;

e) create any class of Shares;

f) convert one class of Shares into one or more other classes of Shares, or

g) consolidate or subdivide any Securities.

10. **ISSUE OF SECURITIES**

10.1 The Company may only issue Securities of any class to be listed on the JSE if they are fully paid up, and unless otherwise required by statute or at the discretion of the JSE, are freely transferable and unrestricted. **[Paragraph 10.2(a) of Schedule 10 to the JSE Listings Requirements]**

10.2 The Company may only issue Securities which have been authorised by or in terms of this MOI.

10.3 Any issue of Shares for cash, and options and convertible securities granted and/or issued for cash may only be effected in accordance with the Listings Requirements. **[Paragraph 10.9(a) of Schedule 10 to the JSE Listings Requirements]**

10.4 Except where Equity Securities are issued:

a) in accordance with Article 10.5;

b) for an acquisition of assets; or

c) in a vendor consideration placing,

the Company must offer Equity Securities to all the existing holders of Equity Securities (or, if there are no Equity Securities of that class in issue, to the Ordinary Shareholders) *pro-rata* to their existing Shareholdings. For the avoidance of doubt, this Article will not apply to the 'A' Ordinary Shares or to the 'A1' Ordinary Shares.

10.5 Any Ordinary Resolution or Special Resolution required by any other provision of this Article 10 may authorise the Directors to issue unissued Securities, and/or grant options to subscribe for unissued Securities as the Directors in their discretion may deem fit, provided that such corporate action(s) has/have been approved by the JSE and are subject to the Listings Requirements. **[Paragraph 10.1 of Schedule 10 to the JSE Listings Requirements]**

10.6 Notwithstanding anything in this Article 10 to the contrary, the Board's authority to issue unissued Securities shall only be limited by the provisions of the Act and the Listings Requirements.

10.7 Save as provided for in Article 10.4 or specifically included as one of the rights, preferences or other terms upon which any class of Shares are issued, no Shareholder shall have any rights to a pro-rata offer or pre-emptive or other similar preferential right to be offered or to subscribe for any additional Securities issued by the Company.

12. **COMMISSION**

The Company shall not pay commission exceeding 10% to any Person in consideration for their subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Securities in the Company. **[Paragraph 10.14 of Schedule 10 to the JSE Listings Requirements]**

14. **TRANSFER OF SECURITIES**

14.1 Save in the case of a transfer which is effected by operation of law and overrides the requirements of this MOI, no person may transfer and Securities in the Company to any other person without first complying with the requirements for transfer as set out in this MOI.

14.2 Transfer of ownership in any Uncertificated Securities shall be effected in accordance with the provisions of the Act the Financial Markets Act and the Listings Requirements.

14.3 Fully paid Securities shall not be subject to any lien in favour of the Company and shall be freely transferable. **[Paragraph 10.12 of Schedule 10 to the JSE Listings Requirements]**

14.4 Any authority to sign transfer deeds granted by a Shareholder for the purpose of transferring shares which may be lodged, produced or exhibited with or to the Company at the Transfer Office shall be deemed to remain in full force and effect, and the Company may allow the same to be acted upon, until written notice of revocation thereof is lodged at the Transfer Office. Even after the lodging of such notice, the Company may give effect to any instrument signed under the authority to sign and certified by any officer of the Company as being in order before the lodging of such notice. **[Paragraph 10.2(b) of Schedule 10 of the JSE Listings Requirements.]**

34. **AUTHORITY OF THE BOARD OF DIRECTORS**

34.1 The business and affairs of the Company shall be managed by or be under the direction of the Board, which shall have the authority to exercise all of the powers and perform all of the functions of the Company, except to the extent that the Act or this MOI provides otherwise.

34.2 The Board may delegate to any one or more Persons any of its powers, authority and functions (including the power to sub-delegate).

34.3 If the Securities of the Company are no longer listed on the JSE and the Company has only one Director in circumstances where the Company is allowed to operate with only one Director:

a) that Director may exercise any power or perform any function of the Board at any time, without notice or compliance with any other internal formalities;

b) sections 71(3) to (7) and 74 of the Act shall not apply to the governance of the Company; and

c) the provisions of Articles 38, 39, 40 and 41 shall not apply to the governance of the Company.

35. **APPOINTMENT OF DIRECTORS**

35.1 The Board shall comprise not less than four Directors and not more than 20. **[Paragraph 10.16(a) of Schedule 10 to the JSE Listings Requirements]**

35.2 Subject to Articles 35.3, 35.4 and 41 all of the Directors and 50% any Alternate Directors shall be elected by an Ordinary Resolution of the Shareholders at a Shareholders Meeting. There shall be no *ex officio* directors, as contemplated in section 66(4)(a)(ii) of the Act, and no person, except the Board in term of Articles 35.3, 35.4 and 41 hereunder, shall have the right to effect the direct appointment or removal of one or more Directors as contemplated in section 66(4)(a)(i) of the Act.

35.3 The Board may appoint a person who satisfies the requirements for election as a Director to fill any vacancy and serve as a Director of the Company on a temporary basis until the earlier of the date of the next Annual General Meeting of the Company and the date on which the vacancy has been filled by election in terms of Article 35.4. During that period any person so appointed has all of the powers, functions and duties, and is subject to all of the liabilities, of any other Director of the Company. The Board may also at any time by resolution of the Board terminate the appointment of such a person as Director. The authority of the Board in this regard is not limited or restricted by this MOI. **[Paragraph 10.16 (c) of Schedule 10 to the JSE Listings Requirements]**

35.4 Subject to the Act, the Board may appoint a person who satisfies the requirements for election as a Director to serve as an additional Director of the Company until the date of the next Annual General Meeting of the Company. During that period any person so appointed has all of the powers, functions and duties, and is subject to all of the liabilities, of any other Director of the Company. The appointment of that person as a Director will terminate at the next Annual General Meeting of the Company, unless that person is elected as a Director at that Annual General Meeting. The Board may also at any time by resolution of the Board terminate the appointment of such a person as Director. The Board may nominate such a person for election at such next Annual General Meeting.

35.5 The Directors shall retire from office in accordance with the following provisions: **[Paragraph 10.16 (g) of Schedule 10 to the JSE Listings Requirements]**

a) the mandatory retirement age for non-Executive Directors shall be 75 years, at which time the Director shall vacate office at the end of the financial year in which that Director turns 75 years old, unless the Board, in its discretion, decides otherwise;

b) at each Annual General Meeting Directors comprising one third of the aggregate number of Directors (excluding the chief executive officer and any other Director who is an Executive Director) or, if their number is not three or a multiple thereof, then the number nearest to but not less than one third of the aggregate number of Directors (excluding the Chief Executive Officer and any Director who is an Executive Director) shall retire from office;

c) the Directors to retire in terms of Article 35.5(b) shall exclude any chief executive officer and any Executive Director and shall be 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 and at the same time, those to retire shall be determined by lot unless those Directors agree otherwise between themselves;

d) any Director appointed as such by the Directors after the conclusion of the Company's preceding Annual General Meeting shall, in addition to the Directors retiring in terms of Article 35.5(a) and 35.5(b) retire from office at the conclusion of the Annual General Meeting held immediately after his appointment unless he is re-elected as a Director at that Annual General Meeting;

35.6 A Director who retires in terms of 35.5 (**Retiring Director**) is eligible for re-election and may be re-elected (without having to be nominated for election in terms of Article 35.11 hereunder) and, if re-elected, shall be deemed for all purposes other than Article 35.5 not to have vacated his office.

35.7 No person other than a Retiring Director shall be eligible for election as a Director at any Annual General Meeting unless the Directors nominate or recommend such person for election in accordance with Article 35.11.

35.8 A Retiring Director shall continue to act as Director throughout the Annual General Meeting at which he retires and his retirement shall become effective only at the end of such meeting, unless that Retiring Director is re-elected at that Annual General Meeting.

35.9 For the avoidance of doubt, it is recorded that life directorships and directorships for an indefinite period are not permitted. **[Paragraph 10.16 (k) of Schedule 10 to the JSE Listings Requirements]**

35.10 The Board may in the notice of Annual General Meeting at which the re-election of a Retiring Director is proposed, provide the Shareholders with a recommendation as to which Retiring Directors should be re-elected, taking into account that Director's past performance and contribution.

35.11 Nomination of candidates for election: **[Paragraph 10.16 (b) of Schedule 10 to the JSE Listings Requirements]**

a) any Shareholder or the Board, shall be entitled to nominate a person or persons (**Candidates**) for election as a Director or Directors.

b) a Shareholder may not nominate a Candidate for election in any manner other than in accordance with the process recorded in this Article 35.11.

c) in this Article 35.11, the following terms will have the following meanings:

Meeting Date means the date determined by the Board as the date on which an Annual General Meeting of the Company will be held.

Notice means the notice in terms whereof the Annual General Meeting is convened.

d) subject to Article 35.11(f) no resolution in respect of the election of a Candidate as a Director of the Company will be put to Shareholders at an Annual General Meeting of the Company for their consideration or be voted on by Shareholders, unless that resolution is recorded in the Notice convening that Annual General Meeting.

e) a proposed resolution for the election of a Candidate as a Director of the Company will only be inserted in a Notice in respect of an Annual General Meeting:

   i. if the Candidate is eligible for re-election in terms of Article 35.6 above; or

   ii. if a written nomination (**Nomination**) for election of that Candidate as a Director signed by a Shareholder plus a document, signed by the Candidate, in terms whereof the Candidate consents to be appointed and to serve as a Director of the Company, have been received by the Secretary of the Company by no later than 45 business days prior to Meeting Date of the Annual General Meeting in respect of which the Notice has been sent.

   iii. in the event that a Shareholder delivers a Nomination in respect of a Candidate to the Secretary of the Company at a time less than 45 business days prior to the date of an Annual General Meeting, the resolution in respect of the election of that Candidate as a Director of the Company will only be inserted as a resolution in the Notice of the next Annual General Meeting after that Meeting.

f) None of the provisions of Article 35.11 apply to a Retiring Director who is eligible for re-election in terms of Article 33.6. The Board will, in the case that such a Retiring Director is willing to continue to serve as a Director, insert a resolution proposing that such a retiring Director be elected as a Director in the relevant Notice.

35.12 The Company may not permit a Person to serve as a Director if that Person is ineligible or disqualified in terms of the Act.

35.13 In addition to the grounds of ineligibility and disqualification of Directors as contained in section 69 of the Act, a Director shall cease to be eligible to act or cease to act as a Director if:

a) he absents himself from all meetings of the Board occurring within a period of six consecutive months without the leave of the Board, and the Board resolves that his office shall be vacated; provided that this Article 35.13(a) shall not apply to a Director who is represented by an alternate Director who so absents himself; or

b) if he becomes insolvent, or assigns his estate for the benefit of his creditors, or suspends payment or files a petition for the liquidation of his affairs, or compounds generally with his creditors; or

c) if he becomes of unsound mind; or

d) if he is removed in terms of any provision of the Act; or

e) one month or, with the permission of the Directors earlier, after he has given notice in writing of his intention to resign; or

f) if a written notice removing him from office is delivered to the Registered Office of the Company, provided that such written notice is signed by Shareholders who hold not less than 50% (fifty per cent) of the Voting Rights in the Company in the aggregate.

35.14 A Director shall also cease to act as a Director if, as contemplated in section 71 of the Act, a written notice removing him from office is delivered to the Registered Office of the Company, provided that such written notice is signed by Shareholders who hold not less than 50% (fifty per cent) of the voting rights in the Company in aggregate.

35.15 This MOI does not impose any minimum shareholding or other qualifications to be met by the Directors of the Company in addition to the ineligibility and disqualification provisions of the Act and Article 35.13.

35.16 Section 70 of the Act shall apply to any vacancy on the Board which may arise from time to time.

35.17 If the number of Directors falls below the minimum number fixed in accordance with this MOI the remaining Directors must, as soon as possible and in any event not later than three months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with Article 35.3 3.3 or convene a Shareholders Meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said three month period does not limit or negate the authority of the Board or invalidate anything done by the Board while their number is below the minimum number fixed in accordance with this MOI. **[Paragraph 10.16 (d) of Schedule 10 to the JSE Listings Requirements]**

35.18 The Directors in office may act notwithstanding any vacancy in their body, but if their number remains reduced below the minimum number fixed in accordance with this MOI after the expiry of the three month period contemplated in Article 35.17, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) of the Act or of summoning Shareholders Meetings of the Company, but not for any other purpose.

35.19 A Director may be employed in any other capacity in the Company or as a Director or employee of a company controlled by or a subsidiary of the Company, on such terms and conditions as to remuneration and otherwise as may be determined from time to time by a disinterested quorum of Directors. **[Paragraph 10.16 (e) of Schedule 10 to the JSE Listings Requirements]**

36. ALTERNATE DIRECTORS

36.1 Subject to Article 35.2, any Director shall have the power to nominate another Person approved by the Board to act as alternate Director in his place during his absence or inability to act as such Director and on such appointment being made, the alternate Director shall, in all respects, be subject to the terms and conditions existing with reference to the other Directors of the Company. A Person may be appointed as alternate to more than one Director. Where a Person is alternate to more than one Director or where an alternate Director is a Director, he shall have a separate vote, on behalf of each Director he is representing in addition to his own vote, if any.

36.2 The appointment of an alternate Director shall terminate:

a) when the Director to whom he is an alternate Director ceases to be a Director; or

b) upon the removal of that alternate Director from his office as such.

36.3 An alternate Director shall, subject to this MOI:

a) in the place and stead of the Director to whom he is an alternate Director, act as a Director and generally exercise all the rights of a Director, but only:

i. at any meeting of the Board during the absence of that Director from such meeting; or

ii. otherwise than at a meeting of the Board, if the Director to whom he is an alternate Director is, at the time of the alternate Director's Signature of any resolution or consent of the kind referred to in Article 40 hereunder, absent from the Republic, or is incapacitated or if the Director to whom he is an alternate Director has advised the alternate Director that he is unable to act,

and if more than one alternate Director to a Director is Present at a meeting or able to act in the place of that Director and that Director has not indicated in writing who should act in his place, then those alternate Directors may agree as to which of them should act in the place of that Director and in the absence of such agreement between them, the most senior of them in age shall act in the place of that Director; and

b) in all respects be subject to the terms and conditions existing with reference to the appointment, rights and duties and the holding of office of the Director to whom he is an alternate Director but shall not have any claim of any nature whatsoever against the Company for any remuneration of any nature whatsoever.

37. BOARD COMMITTEES

37.1 The Board shall appoint such committees, with such powers and duties, as may be required by the Act, and may in addition:

c) appoint any number of committees of Directors; and

d) delegate to any committee any of the authority of the Board (including the authority to sub-delegate);

e) include any Person who is not a Director of the Company in such committees, and who is not ineligible or disqualified to be a director in terms of section 69 of the Act, in such committees, but such Person has no vote on any matter to be decided by the committee,

and, accordingly, the authority of the Board in this regard is not limited or restricted by this MOI.

37.2 The authority and power of any committees established by the Board is not limited or restricted by this MOI but may, subject to the requirements of the Act in respect of committees required to be established by the Act, be restricted by the Board when establishing any committee or by subsequent resolution.

41. EXECUTIVE DIRECTORS

The Board may appoint, from time to time, one or more employees of the Company and/or any Subsidiary of the Company as Executive Directors of the Company. Such an Executive Director shall be appointed on such terms and conditions as to renumeration and otherwise as may be determined from time to time by a disinterested quorum of the Board.

42. PAYMENTS TO DIRECTORS

42.1 The Company may pay remuneration to its Directors for their services as such and, without detracting from the foregoing, may pay any additional remuneration as referred to in Article 42.3; provided that all such remuneration must have been approved by a Special Resolution passed by the Shareholders within the two previous years and the authority of the Board in this regard is not restricted or limited by this MOI. For the avoidance of doubt it is recorded that this Article does not apply to remuneration paid to Executive Directors for their services as employees of the Company or of any of the Subsidiaries of the Company which is governed by Article 41.

42.2 Each Director shall be paid all travelling, subsistence and other expenses properly incurred by him in the execution of his duties as a Director (including attending meetings of the Board or of the Board committees); provided that such expenses shall first have been authorised or ratified by the majority of disinterested Directors at a meeting of such Directors at which the majority of such Directors were present. **[Paragraph 10.16 (f) of Schedule 10 to the JSE Listings Requirements]**

42.3 Any Director who is required to: **[Paragraph 10.16 (f) of Schedule 10 to the JSE Listings Requirements]**

a) devote special attention to the business of the Company; or

b) travel or reside outside the Republic for the purpose of the Company; or

c) otherwise perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,

may be paid such extra remuneration or allowances (either in addition to or in substitution for any other remuneration to which he may be entitled to as a Director), as a disinterested quorum of the Board may from time to time determine.

46. DISTRIBUTIONS

46.1 Subject to the provisions of the Act and this MOI, the Board may declare any Distribution that are payable to Shareholders registered at a date which shall be after the date of declaration or the date of confirmation of the dividend, whichever is the later, and which is a date after the date of publication of the announcement of the declaration of the dividend or date of confirmation of the dividend, whichever is the later. **[Paragraph 10.17 (a) and 10.17(b) of Schedule 10 to the JSE Listings Requirements]**

46.2 Unless otherwise agreed to by the Shareholders in writing, the Company shall, after taking into account all funding requirements and investments that the Board believes may be required for the purposes of maintenance capital expenditure, as set out in the approved budget of the Company for the relevant financial year, declare and pay such dividends (if any) as the Board in its sole discretion may determine from time to time.

46.3 All Distributions shall comply with the Listings Requirements.

46.4 The Company may in its discretion elect to transmit any Distribution by:

a) ordinary post to the address of the Shareholder (or, where two or more persons are registered as the joint Shareholders, of any such joint holder) recorded in the register or such other address as the holder thereof may previously have given to the Company in writing; or

b) electronic bank transfer to such bank account as the holder thereof may previously have given to the Company in writing,

and the Company shall not be responsible for any loss in transmission.

46.5 Payments to Shareholders will be in accordance with the Listings Requirements. No repayment of capital to a Shareholder may be made on the basis that such repaid capital may again be called up again by the Company. **[Paragraph 10.8 of Schedule 10 to the JSE Listings Requirements]**

46.6 Any dividend or other Distribution: **[Paragraph 10.17(c) of Schedule 10 to the JSE Listings Requirements]**

a) which is unclaimed, must be retained by the Company in trust until claimed by the Shareholder concerned subject to applicable laws of prescription;

b) shall not bear interest against the Company,

provided that any dividends or other Distributions that remain unclaimed for a period of three years from the date they were declared may be forfeited for the benefit of the Company. There is no fixed date on which entitlement arises and the date of payment will be determined by the Board at the time of declaration, subject to the Listings Requirements.

5. DISQUALIFICATION OF DIRECTORS

If any Director:

5.1 ceases to be Directors or becomes prohibited from being a Director by virtue of any provisions of the Act;

5.2 resigns from his office in accordance with the provisions of the Act or the MOI;

5.3 is removed from the office in accordance with the provisions of the Act or MOI;

5.4 is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare his interest and the nature thereof in the manner required; or

5.5 absents himself from Meetings for 6 consecutive months without the leave of other Directors, and they resolve that his office shall be vacated, provided that this provisions shall not apply to a Director who is represented by an alternate Director who does not absent himself;

5.6 is removed by written notice advising him of the termination of his appointment, signed by Shareholders holding in the aggregate more than 50% (fifty percent) of the total voting rights on a poll of all Shareholders then entitled to vote at a Meeting,

then such Director shall vacate the office of Director.

29. DIRECTOR’S COMPENSATION AND FINANCIAL ASSISTANCE

29.1 The Board may not authorise the provision of financial assistance to a Director, prescribed officer or any person, as contemplated in section 45(2) of the Act, without the approval of the Shareholders by way of special resolution which has been adopted within the previous two (2) years.

29.2 The Board may not pay renumeration to the Directors, as contemplated in sections 66(8) and (9) of the Act, without the approval of the Company by special resolution which has been adopted within the previous 2 years.

ANNEXE 13: MATERIAL ACQUISITIONS AND DISPOSALS

ACQUISITION OF BUSINESS UNDERTAKINGS

This section outlines material acquisitions of the Company and its Subsidiaries. The material acquisitions relating to the B-BBEE Restructuring completed by the Group is outlined in "PART VII – B-BBEE Restructuring".

There have been no disposals of material property in the past three years.

Mister Sweet Acquisition

On 22 January 2021 the Major Subsidiary and Lodestone Brands Proprietary Limited (**"Lodestone"**) entered into a Sale of Business Agreement ("**Mister Sweet SBA"**), in terms of which the entire "Mister Sweet" business ("**Mister Sweet Business**") was acquired by the Major Subsidiary as a going concern. The acquisition of the Mister Sweet Business was zero-rated and VAT of 0% was levied on the purchase price. The vendor of the Mister Sweet Business in this transaction was Lodestone Brands Proprietary Limited, registration number 2009/005703/07, address 2nd Floor Avon Place, 15 Quantum Street, Technopark, Stellenbosch. The Mister Sweet Business comprised defined assets and liabilities as well as the employees of the Mister Sweet Business. The transaction was published in terms of section 34 of the Insolvency Act, 24 of 1936. The transaction was implemented on 1 June 2021.

The aggregate purchase price for the Mister Sweet Business was ZAR362,034,000, which was settled in cash on the completion date (for both the business and the property).

The shareholders of Lodestone, which were companies, were: Second Chapter Investments Proprietary Limited (registration number 2013/200847/07), registered address at Section 6 Pastorie Park, 33 Lourens Street Audus Estate, Somerset West, Western Cape, 7130; and Mayfair Holdings Proprietary Limited (registration number 2011/009288/07), registered address at Suite 23 Building 2 Oxford And Glen, 114 Oxford Road Houghton Estate, Johannesburg, Gauteng, 2196. As part of the acquisition of the Mister Sweet Business, ZAR52,670,000 was paid by the Major Subsidiary to acquire the entire portion 18 of Erf 402, Wadeville Town, City of Ekurhuleni Metropolitan Municipality, Registration Division I.R, Province of Gauteng, measuring 1,8341 hectares in extent, together with all buildings, erections and improvements thereon, held under deed of transfer T26223/2209, from RE-Four Nought Two Wadeville Proprietary Limited, registration number 1993/003208/23, address Second Floor Aloe Grove, 196 Louis Botha Avenue, Houghton Estate. A valuation report was prepared by Hlanganani Group (Pty) Ltd on 26 May 2020 in terms of which the property was valued at ZAR45,800,000.

A "normal" set of warranties pertaining to the Mister Sweet Business was provided by Lodestone in favour of the Major Subsidiary in the Mister Sweet SBA. The time period for making a warranty claim by the Major Subsidiary in respect of fundamental warranties has not yet expired. Lodestone did not guarantee the book debts or any other assets. The Mister Sweet SBA did not preclude Lodestone from carrying on business in competition with any member of the Group or impose any other restrictions on Lodestone other than restrictions on use of the "Mister Sweet" name and use of other business intellectual property after completion of the transaction. No cash or other payments were made regarding any restraints of trade. All of the assets forming part of the Mister Sweet Business have been transferred to the Major Subsidiary, including cession of debtors and contracts of the Mister Sweet Business. Any tax liabilities to be discharged after the effective date of the transaction are to be settled by the Major Subsidiary (irrespective of whether or not they arose before the effective date).

No promoter or Director had any beneficial interest, direct or indirect, in this transaction, and no promoter or Director was a member of a partnership, syndicate or other association of persons that had such an interest.

No cash or securities were paid or benefit given within the preceding three years or proposed to be paid or given, to any promoter, not being a Director.

ANNEXE 14: KING CODE REGISTER

King Code

The Board recognises the link between effective governance, sustainable performance and the creation of long-term value for all of its stakeholders. The Board is committed to the principles of transparency, integrity, fairness and accountability, and recognises the need to implement good corporate governance principles. The Board, therefore, seeks to apply the principles as set out in the King Code.

The Group has performed an assessment of the application of the principles set out in King Code. The assessment is reflected below together with key actions envisaged to achieve application, where gaps exist.

Principle		**Applied**	**Comments**
1.	The governing body should lead ethically and effectively.	Applied	The members of the Premier Board hold one another accountable for decision-making and conduct that displays the ethical responsibilities stated in King IV. Members of the Board adhere to the framework of the Board Charter to ensure that each member displays ethical leadership that sets an example for the broader group and is in the best interests of its stakeholders. The chairman of the Board is ultimately responsible for monitoring this as part of his duties. Each Board member is required to disclose his/her personal financial interests annually and at every board meeting in terms of Section 75 of the Companies Act. The Board undertakes to assess the performance of individual members of the Board which assessment will include a peer evaluation of each member's ethical characteristics. As a JSE listed company, the company secretary will inform directors and executives of closed periods and insider trading legislation.
2.	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	Applied	Premier has established the values of honesty, communication, effectiveness, and transparency in its daily commitment to do what is right. The Board committees, notably the Social and Ethics Committee, contribute to the guidance and reporting required to assist the Board in establishing an ethical culture that will drive sustainability and value creation. Premier has a code of conduct in place, which is applicable to employees and incorporated as part of the contractual arrangements with parties in the supply chain. All employees are required to attend ethics awareness training at least once every year and performance evaluations of employees include evaluations of ethical conduct. Premier had a forensic fraud audit conducted and an independent ethics assessment is planned for the upcoming year, which will guide further steps to be taken to further enhance ethical management. It will also enable Premier to obtain an estimation of the extent to which Premier has achieved effective ethics management.

Principle		Applied	Comments
3.	The governing body should ensure that the organisation is, and is seen to be a responsible corporate citizen.	Applied	"Doing what is right" is a corporate philosophy that is deeply embedded in Premier's culture. The organisation strives to instill responsible corporate citizenship in the way it conducts itself and has implemented performance measures, which are cascaded down to each business unit and function. Premier has delegated to the Social and Ethics Committee, amongst others, the responsibility for monitoring the overall responsible corporate citizenship of the organisation. In this regard the Social and Ethics Committee is working with the CEO and the executives responsible for Risk, Human Resources, Compliance and ESG. Premier has a long history of social upliftment in the communities in which it operates, nurturing relationships and earning the right to operate in the community. To supplement this, a key focus area during the reporting period was formulating and implementing Premier's ESG strategy, identifying areas of particular focus for the Premier group, as well as areas of improvement. Premier furthermore undergoes internal health and safety audits at its various sites. Such audits are conducted by the Premier Central Risk team.

Principle		Applied	Comments
4.	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	Applied	The Board reviews and approves the annual strategic direction of the Premier group, as well as the group's five-year rolling plan. The Executive Committee, in conjunction with key managers, are responsible for mapping out the group's strategy, whereafter it is presented to the Board at a 2-day workshop. The purpose of the strategy is to ensure: • That the strategy caters for the long- and short-term goals of the group; • The strategy caters for new opportunities within the market but at the same time, ensure that the base business is run efficiently and in accordance with consumer and market demands; • The objectives are sustainable and speaks to Premier group's strategic objectives, namely, to earn the right to operate in our communities, grow together to be the best and be brilliant at the basics; and • Capital is appropriately allocated to projects for realisation of return on investment. Premier has put in place a rigorous set of risk management strategies so as to minimise the likelihood and impact of both strategic and operational risk events, ensuring the growth and sustainability for the benefit of all its stakeholders. While the Board has ultimate responsibility for the oversight of the Groups' strategic risk management process, it has mandated the Audit and Risk Committee to ensure that management maintain and implement the risk framework responsibly and effectively.
5.	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects.	Applied	Premier provides stakeholders with a holistic, clear, concise and understandable presentation of the organisation's operations in terms of its brands, sustainable value creation in the economic, social and environmental context within which it operates, as well as its operational performance. Refer to Premier's website www.premierfmcg.com which presents material information in this regard. In addition, Premier actively participates in activities in the communities in which it operates, creating awareness and a constant stream of communication. Premier also actively participates in numerous social media platforms, which gives consumers and the general public an opportunity to communicate interactively with the Group's activities. As a JSE listed company, Premier is fully committed to communicating with its stakeholders in a meaningful, transparent, and clear manner through the release of an integrated annual report which will be made available on the Company's website.

Principle		Applied	Comments
6.	The governing body should serve as the focal point and custodian of the corporate governance in the organisation.	Applied	The Board appreciates and understands its role and responsibilities in respect of setting the tone for good corporate governance principles within Premier. Several committees, such as the Audit and Risk Committee, have been established and mandated to assist the Board in carrying out its responsibilities with respect to the governance requirements as set out in Board Charter.
7.	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	Applied	The Board draws from a diverse set of skills and experience to ensure that the Board performs at optimum level. During the past year, Premier, with the assistance of the Board and the Remuneration and Nominations Committee, considered its composition in terms of balance of power and skills, experience, diversity, independence, and knowledge and whether this enables it to effectively discharge its role and responsibilities. As a result of this consideration, Premier identified that there was a need for greater diversity to ensure that various perspectives are brought to deliberations and to add depth to discussions. Premier has taken steps to strengthen its succession and diversity plans.
8.	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.	Applied	Membership of the board committees is as recommended in King IV, except for the Audit and Risk Committee where the majority of members are not independent. This will be corrected in 2023 following the appointment of additional independent non-executive directors. The Remuneration and Nominations Committee is committed to find suitable candidates to fulfill positions that require independence, while taking diversity into consideration. Furthermore, Messrs R Hartmann and J Matthews, both of whom are non-executive members of Premier, have been identified as suitable members of the Audit and Risk Committee due to their experience and skills in this area, which was considered of importance for the purpose of guiding the Audit and Risk Committee during the JSE Listing process. Despite not adhering to the recommended practice, Premier believes that the Audit and Risk Committee is able to discharge its responsibilities effectively. The composition of the committees of Premier and the distribution of authority between the chairman and other individual members ensures that neither the chairman nor any other individual(s) are able to dominate decision-making within the Company's governance structures nor result in undue dependency on such individual(s).

Principle		Applied	Comments
9.	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	Applied	Assessments of the performance of the Chief Executive Officer are conducted annually. In due course, the performance of the Premier Board, its members and committees will be similarly conducted annually. Premier has, with the assistance of the company secretary, undertaken a holistic review of its Board Charter and the Committee Terms of Reference to ensure integration and a co-ordinated approach amongst the Board and all its committees.
10.	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.	Applied	The Premier Group has implemented a delegation of authority framework, outlining which matters are reserved for the Board, its committees, the CEO, CFO, and Senior Management.
11.	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	Applied	The Audit and Risk Committee has been tasked to assist the Board with the governance of risk. The Audit and Risk Committee has approved the risk management policy which determines that the Group risk management framework be adopted. As risk management permeates all aspects of the operations of the organisation, risk is overseen at executive level. In addition, business units are required to identify and manage their individual site or unit risks and are required to maintain their own individual risk registers. There registers ultimately feed into the Group risk register.
12.	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	Applied	The Board is responsible for IT governance and has delegated this responsibility to the Audit and Risk Committee. Premier's IT security and infrastructure is a top priority, and it continues to focus on optimisation of the environment to continuously improve cyber defences and operational performance. Premier's IT strategy is informed by an IT policy that speaks confidentiality, data protection, integrity, availability, and accuracy of information.
13.	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen.	Applied	Premier is committed to making a sustainable contribution within its ability and within the communities it operates. The Social and Ethics Committee is tasked to monitor Premier's responsibilities as a corporate citizen against a compliance framework. In addition, the Committee is tasked to ensure that Premier's transformation strategy and employment equity plan is on track.

Principle		Applied	Comments
14.	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term.	Applied	The Remuneration and Nomination Committee is mandated to review Premier's remuneration policy and is tasked to review Premier's performance against predetermined key performance indicators and financial performance. In addition, it reviews and makes recommendations on Premier's long and short-term incentive schemes. As a JSE listed company, Premier will disclose the remuneration of executive and non-Executive Directors, as well as public officers. Furthermore, Premier will table its remuneration policy and implementation report for non-binding votes at the Company's annual general meetings.
15.	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	Applied	An internal audit function has been established to assist the Audit and Risk Committee and the Board to identify, oversee and manage operating and financial risks and to maintain an effective control environment. The internal audit function is outsourced to an independent auditing firm. Assurance activities of management, internal audit and external audit are coordinated, which ultimately reports to the Audit and Risk Committee which in turn, makes recommendation to the Board for approval.
16.	In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	Applied	Premier will be identifying key stakeholder groupings and their legitimate and reasonable needs, interests, and expectations. The Group will similarly publish a review of key stakeholder relationships and the interaction and management thereof. Certain stakeholder relationship programmes have been developed to ensure continuous engagement with key stakeholders. To guide Premier further in its interaction with stakeholders, an assessment of the quality of these relationships will be conducted.

ANNEXE 15: INFORMATION RELATING TO THE UNDERWRITER

The Offer has been partially underwritten by the Underwriter.

As at the Last Practicable Date, none of the Directors, including Directors who have resigned in the preceding 18 months (and their associates), hold direct or indirect beneficial interests in Titan, except for Iaan van Heerden, who holds preference shares in Oryx Partners Proprietary Limited ("**Oryx Partners**"). Oryx Partners holds carry preference shares in Titan which participate in the net asset value growth of a designated portfolio of assets held by the Titan group of companies (the "**Titan Preference Shares**"). The Oryx Partners preference shares are back-to-back with the Titan Preference Shares and Iaan van Heerden will, upon their redemption, indirectly participate in the growth (if any) of the aforementioned portfolio of Titan assets.

Details pertaining to Titan as required by the JSE Listings Requirements are set out below:

1. **FULL LEGAL AND ENTITY NAME:**

Titan Premier Investments Proprietary Limited

2. **DIRECTORS**

   Christoffel Hendrik Wiese

   Jacob Daniel Wiese

   Marco van Zyl Wentzel

3. **COMPANY SECRETARY**

   None

4. **DATE AND PLACE OF INCORPORATION**

   20/02/1979

   South Africa

5. **REGISTRATION NUMBER**

   1979/000776/07

6. **REGISTERED OFFICE**

   Leinster Hall, 7 Weltevreden Street, Gardens, Cape Town, 8001

7. **BANKERS**

   Nedbank Limited

8. **AUTHORISED SHARE CAPITAL**

   95,000 CLASS "A" CUMULATIVE REDEEMABLE (NPV) PREFERENCE SHARES of 1.00 each

   78,500 CLASS "A" NO PAR VALUE SHARES of 0.01 each

   321,500 ORDINARY (NPV) SHARES of 0.01 each

   950 CLASS "A" REDEEMABLE, PARTICIPATING, NO PAR VALUE PREFERENCE SHARES

   950 CLASS "B" REDEEMABLE, PARTICIPATING, NO PAR VALUE PREFERENCE SHARES

   100 CLASS "C" REDEEMABLE, PARTICIPATING, NO PAR VALUE PREFERENCE SHARES

9. **ISSUED SHARE CAPITAL**

6,110 CLASS “A” CUMULATIVE REDEEMABLE (NPV) PREFERENCE

SHARES share(s) of 1.0 each – Issued Price 42,200,100.00

10 CLASS “A” NO PAR VALUE share(s) of 0.01 each – Issued Price 10.00

90 ORDINARY (NPV) SHARES share(s) of 0.01 each – Issued Price 90.00

950 CLASS “A” REDEEMABLE, PARTICIPATING, NO PAR VALUE PREFERENCE SHARES share(s)

950 CLASS “B” REDEEMABLE, PARTICIPATING, NO PAR VALUE PREFERENCE SHARES share(s)

100 CLASS “C” REDEEMABLE, PARTICIPATING, NO PAR VALUE PREFERENCE SHARES share(s)

ANNEXE 16: DEFINITIONS, GLOSSARY AND INTERPRETATION

In this Pre-listing Statement, unless otherwise stated or the context clearly indicates otherwise, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words importing one gender include the other genders and references to a person include juristic persons and associations of persons and *vice versa*:

"2022 Abridged Pre-listing Statement"	the abridged version of the 2022 Pre-listing Statement in respect of the Withdrawn IPO;
"2022 Pre-listing Statement"	the pre-listing statement issued by the Company on 22 November 2022 in relation to the Withdrawn IPO;
"Abax"	Abax Investments (Pty) Ltd;
"A Ordinary Shares"	the A ordinary no par value shares in the authorised share capital of the Company;
"A1 Ordinary Shares"	the A1 ordinary no par value shares in the authorised share capital of the Company;
"Adjusted EBITDA"	EBITDA adjusted for a ZAR631 million impairment loss in FY2020 and a ZAR130 million impairment loss in FY2022;
"Admission"	admission by private placement, in accordance with the JSE Listings Requirements, of all of the issued Shares to listing, as a primary listing, and trading on the JSE;
"Admission Date"	the date of the Admission, which is expected to be Friday, 24 March 2023;
"Affected Jurisdictions"	Australia, Canada, Japan and any other jurisdiction where the distribution of this Pre-listing Statement or the making of the Offer may be illegal, fails to conform to the laws of such jurisdictions or would require further action in order to confirm with those laws;
"Allan Gray"	Allan Gray (Pty) Ltd;
"**ARB**"	Advertising Regulatory Board;
"Audit and Risk Committee"	the audit and risk committee of the Company from time to time, appointed in terms of section 94 of the Companies Act;
"Authorised Dealer"	a South African bank that has been appointed to act as authorised dealer (as defined by the Exchange Control Regulations) in foreign exchange;
"B-BBEE"	broad-based black economic empowerment;
"B-BBEE Act"	the South African Broad-based Black Economic Empowerment Act, 53 of 2003 (as amended);
"B-BBEE Restructuring"	the restructuring transaction summarised in "PART VII – B-BBEE Restructuring";
"BEECo"	Main Street 1880 Proprietary Limited, a private company incorporated in accordance with the laws of South Africa with registration number 2021/843418/07;
"BEE Trust"	the Premier BEE Trust, Master's reference number IT 000107/22 (G) whose trustees are Anastasia Sodalay, Julian Singonzo and Wandile Sihlobo;
"Biz Afrika"	Biz Afrika 710 (Pty) Ltd, the operator of the Outeniqua bakery in George, Western Cape;
"Board" or "**Directors"**	the board of Directors of the Company and **"Director"** means any member of the Board, as the context so requires;
"Board Charter"	the Company's board charter, which sets out the role, powers, responsibilities and composition of the Board;

"Brait"	Brait Mauritius Limited, a company incorporated in accordance with the laws of Mauritius with registration number C60342, whose registered office is at Suite 420, 4th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius;
"Brait PLC"	Brait P.L.C, a company incorporated in accordance with the laws of Mauritius with registration number 183309 GBC;
"Brait Look-Through Percentage"	in relation to any shareholder of Brait PLC, the percentage which the Brait PLC shares held by such shareholder and its affiliates, together with all Brait PLC shares for which any Exchangeable Bonds held by such shareholder and its affiliates are exchangeable, constitute of the fully diluted ordinary share capital of Brait PLC (assuming all Exchangeable Bonds have been exchanged) as at 30 September 2022;
"Broker"	any person registered as a "broking member equities" in terms of the rules of the JSE in accordance with the provisions of the FMA;
"Business"	the CPG business of the Group;
"business day"	a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open for business in South Africa;
"Business Hours"	the hours between 9:00 and 17:00 (SAST), on a business day;
"CAGR"	compounded annual growth rate;
"CEO"	the chief executive officer of Premier FMCG from time to time, being Jacobus Johannes Gertenbach as at the Last Practicable Date;
"Certificated Form"	recorded in physical paper form on the Register without reference to the Strate System;
"Cession of Voting Rights Agreement"	the cession of voting rights agreement entered into between Brait and Titan on or about 3 March 2023 in connection with cession by Brait of voting rights in Titan's Brait Look-Through Percentage of the Ordinary Shares held by Brait from time to time following Admission, as amended from time to time;
"CFO"	the chief financial officer of Premier FMCG from time to time, being Fritz Grobbelaar as at the Last Practicable Date;
"CGCSA"	Consumer Goods Council of South Africa;
"CGT"	tax on capital gains as levied in accordance with the Income Tax Act;
"CIPC"	the South African Companies and Intellectual Property Commission;
"Closing Date"	the closing date of the Offer, expected to be 12:00 on Friday, 17 March 2023 but which may be amended by way of an announcement in the South African press and on SENS;
"CMA"	the Common Monetary Area consisting of South Africa, Namibia and the Kingdoms of Lesotho and eSwatini;
"Companies Act"	the South African Companies Act, 71 of 2008 (as amended) together with the South African Companies Regulations of 2011;
"Company" or "Premier"	Premier Group Limited, a public company incorporated under the laws of South Africa with registration number 2007/016008/06;
"Company MOI"	the Company's memorandum of incorporation, relevant extracts of which are set out in ANNEXE 12 to this Pre-listing Statement;
"Consolidated Historical Financial Information"	the consolidated historical financial information of the Group for the three financial years ended 31 March 2022 and for the six months ended 30 September 2022;
"Consumer Protection Act"	the South African Consumer Protection Act, 68 of 2008 (as amended);
"Consumer Staples"	maize meal, flour, sugar, oil, rice, beans, samp, and similar products;
"Cornerstone Investment and Underwriting Agreement"	the cornerstone investment and underwriting Agreement entered into between Brait, the Company and Titan on or around 3 March 2023;

"CPG"	consumer packaged goods;
"CPI"	consumer price inflation;
"CSDP"	a Central Securities Depository Participant, as defined in the Financial Markets Act appointed by a Shareholder for purposes of, and in regard to, Dematerialisation, and to hold and administer securities or an interest in securities on behalf of such Shareholder;
"DataOrbis"	a leading global data management and insights company which sources, processes and actions data from across the globe. This includes distributor, retailer, ex-factory and consumer data;
"Dematerialise"	the process by which securities held in Certificated Form are deposited with a CSDP and documents of title evidencing such securities are replaced by an electronic record of such securities in the sub-register maintained by that CSDP; "**Uncertificated**", **"Dematerialised"** and **"Dematerialisation"** shall have a corresponding meaning;
"Dividends Tax"	withholding tax on dividends levied in terms of section 64E of the Income Tax Act (as amended);
"EBITDA"	Earnings Before Interest, Taxes, Depreciation, and Amortization;
"EEA"	the European Economic Area;
"ESG"	Environmental, Social and Governance;
"Ethos"	Ethos Private Equity Proprietary Limited, registration number 2004/003984/07, a company incorporated under the laws of South Africa and with its registered address at 35 Fricker Road, Illovo, Johannesburg, 2196;
"Euromonitor"	Euromonitor International Limited, registration number 1040587, a company incorporated under the laws of England and Wales;
"Exchangeable Bonds"	senior unsecured exchangeable bonds due 2024, issued by Brait Investment Holdings Limited, a wholly-owned subsidiary of Brait PLC;
"Exchange Control Regulations"	the South African Exchange Control Regulations, 1961 as promulgated by Government Notice R.1111 of 1 December 1961 and amended up to Government Notice R.445 of 8 June 2012, in terms of section 9 of the South African Currency and Exchanges Act, 9 of 1933 (as amended);
"Executive Directors"	those executive Directors who are identified in "PART VIII – Directors, Senior Management and Corporate Governance";
"FAIS Act"	South African Financial Advisory and Intermediary Services Act, 37 of 2002, as amended;
"FCTR"	foreign currency translation reserve;
"Financial Markets Act"	the South African Financial Markets Act, 19 of 2012 (as amended);
"financial year" or "FY"	any financial year of the Company for any 12-month period ended on 31 March;
"FinSurv"	the Financial Surveillance Departments of the SARB;
"General Codes"	the Codes of Good Practice issued under Section 9(1) of the B-BBEE Act;
"GDP"	gross domestic product;
"Groceries and International"	the home & personal care products, sugar based confectionery products and nutritional beverages of the Company;
"Group" or "Premier Group"	Premier, its subsidiaries, associates and affiliates;
"Holdco"	Main Street 1881 Proprietary Limited, a private company incorporated in accordance with the laws of South Africa with registration number 2021/922123/07;
"HPC"	home and personal care;

"IFRS"	the International Financial Reporting Standards and the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council;
"IMF"	International Monetary Fund;
"Income Tax Act"	the South African Income Tax Act, 58 of 1962 (as amended);
"Independent Reporting Accountant"	PwC registered auditors, a firm of chartered accountants (SA) and the independent reporting accountants to Premier;
"Investec"	Investec Bank Limited, a public company incorporated under the laws of South Africa with registration number 1969/004763/06;
"ISIN"	international securities identification number;
"IT"	information technology;
"Joint Bookrunners"	the Joint Global Coordinators and Investec;
"Joint Global Coordinators"	RMB and Standard Bank;
"JSE"	The Johannesburg Stock Exchange, an exchange operated by JSE Limited under the Financial Markets Act;
"JSE Limited"	JSE Limited, a public company incorporated under the laws of South Africa with registration number 2005/022939/06, licensed to operate as an exchange under the Financial Markets Act;
"JSE Listings Requirements"	the listings requirements issued by the JSE under the Financial Markets Act to be observed by issuers of equity securities listed on the JSE (as amended);
"King Code"	the Code of Corporate Practices and Conduct as set out in the King IV Report on Corporate Governance for South Africa, 2016;
"Last Practicable Date"	the last practicable date prior to finalisation of this Pre-listing Statement, being Wednesday, 8 March 2023;
"Laurium"	Laurium Capital (Pty) Ltd;
"Lodestone"	Lodestone Brands Proprietary Limited, registration number 2009/005703/07;
"LSM"	Living Standards Measure;
"Major Subsidiary"	the major subsidiary of the Company (as defined in the JSE Listings Requirements), is Premier FMCG;
"Mergence"	Mergence Investment Managers (Pty) Ltd;
"Millbake"	the milling and bakery operations in South Africa, eSwatini and Lesotho of the Company;
"MOI"	memorandum of incorporation;
"MPC"	Monetary Policy Committee;
"Net Debt"	borrowings (excluding the trade financing facility that is used in the normal operating cycle to finance the procurement of grain) plus lease liabilities less net cash;
"OECD"	Organisation for Economic Co-operation and Development;
"Offer"	the Offer for Sale;
"Offer for Sale"	an offer for sale by Brait of the Offer Shares to South African Qualifying Investors and to selected investors in other jurisdictions outside the United States and the Affected Jurisdictions in reliance on Regulation S of the US Securities Act;
"Offer Price"	the price at which the Sale Shares (and, potentially, the Overallotment Shares) are offered to investors, pursuant to this Pre-listing Statement, being ZAR53.82 per Offer Share;
"Offer Shares"	the aggregate of the Sale Shares and the Overallotment Shares;

"Operator"	a person who processes personal information for a Responsible Party in terms of a contract or mandate, without coming under the direct authority of that party under the POPI Act;
"Ordinary Shares"	the ordinary no par value shares in the authorised share capital of the Company;
"Overallotment Option"	the option granted by Brait to the Stabilisation Manager to purchase, or procure purchasers for, up to a number of Ordinary Shares equal to the Overallotment Shares actually sold in accordance with the Placement Agreement;
"Overallotment Shares"	at the Offer Price, that number of Ordinary Shares, representing (if the Overallotment Option is exercised in full) a maximum of 1,858,046 Ordinary Shares so as to obtain a purchase consideration of up to ZAR100 million in aggregate, which may be lent by Brait to the Stabilisation Manager (for sale to purchasers procured by the Stabilisation Manager) pursuant to the Overallotment Option in accordance with the Placement Agreement;
"PAIA"	Promotion of Access to Information Act, 2 of 2000 (as amened);
"Placement Agreement"	the Placement Agreement entered into between Brait, the Company and the Joint Bookrunners in respect of the Offer and matters related thereto on or about Friday, 10 March 2023, which supersedes, replaces and cancels, in its entirety, the placement agreement entered into between Premier, Brait and the Joint Bookrunners on or around 22 November 2022 in connection with the Withdrawn IPO;
"POPI Act"	the South African Protection of Personal Information Act, 4 of 2013 (as amended);
"Pre-Launch Commitments"	binding commitments by ABAX, Allan Gray (for and on behalf of their respective clients and not by them as principal), Mergence and Steyn Capital and a letter of support by Laurium, to purchase Offer Shares at the Offer Price for an aggregate purchase consideration of ZAR1.340 billion;
"Pre-listing Statement"	this Pre-listing Statement consisting of all documents contained in this bound document, including the annexes hereto, dated Friday, 10 March 2023, prepared in accordance with the JSE Listings Requirements;
"Premier Board" or "Board"	the board of Directors of Premier;
"Premier FMCG	Premier FMCG Proprietary Limited, a private company incorporated under the laws of South Africa with registration number 1968/002379/07, which is 100% held by Holdco;
"Protection of Businesses Act"	the South African Protection of Businesses Act, No 99 of 1978 (as amended);
"*Pro Forma* Financial Information"	the *Pro Forma* financial information of the Company set out in "ANNEXE 5 – Financial Information" of this Pre-listing Statement;
"Prospectus Directive"	Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU;
"PwC"	PricewaterhouseCoopers Inc., a limited liability incorporation incorporated under the laws of South Africa with registration number 1998/012055/21;
"Rand", "R" or "ZAR"	the lawful currency of South Africa;
"Register" or "Securities Register"	the register of members of the Company;
"Regulation S"	Regulation S of the US Securities Act;
"Relevant Member State"	each Member State of the EEA which has implemented the Prospectus Directive;
"Remuneration and Nomination Committee"	the remuneration and nomination committee of the Company;

"Responsible Party"	a person who determines the purpose of, and means for processing personal information under the POPI Act;
"RMB"	Rand Merchant Bank, a division of FirstRand Bank Limited, a public company incorporated under the laws of South Africa with registration number 1929/001225/06;
"ROIC"	return on invested capital excluding impact of once-offs and accounting adjustments for revaluation of internally generated intangible assets and FCTR;
"SADC"	the Southern African Development Community;
"SAGIS"	the South African Grain Information Service;
"SAICA"	the South African Institute of Chartered Accountants;
"Sale Shares"	up to 65,031,586 Ordinary Shares offered for sale by Brait at the Offer Price in terms of the Offer for Sale;
"SARB"	the South African Reserve Bank;
"Securities Lending Agreement"	the securities lending agreement entered into between Brait and the Stabilisation Manager on or around Friday, 10 March 2023, which supersedes, replaces and cancels, in its entirety, the securities lending agreement entered into between Brait and the Stabilisation Manager on or around 22 November 2022 in connection with the Withdrawn IPO;
"Securities Transfer Tax"	securities transfer tax in terms of the STT Act;
"SEM"	Socio-Economic Measure;
"Senior Management" or "Senior Management Team"	those members of the management bodies of the Group who are identified in "PART VIII – Directors, Senior Management and Corporate Governance";
"SENS"	the Stock Exchange News Service of the JSE;
"Settlement Date"	the date of implementation of the Offer when the Offer Shares will be delivered to applicants against payment of the aggregate Offer Price, which is expected to be Friday, 24 March 2023;
"Shares"	the shares of any class of the Company;
"Shareholders"	registered holders of Shares from time to time;
"Social and Ethics Committee"	the social and ethics committee of the Company;
"South Africa"	the Republic of South Africa;
"South African Qualifying Investors"	separately: (i) selected persons in South Africa who fall within one of the specified categories listed in section 96(1)(a) of the Companies Act; and (ii) selected persons in South Africa in respect of whom the total contemplated acquisition cost for Offer Shares is not less than ZAR1 000 000 per single addressee acting as principal, as contemplated in section 96(1)(b) of the Companies Act; in each case to whom the Offer is specifically addressed and by whom only it is capable of acceptance;
"Sponsor"	RMB, an accredited JSE sponsor;
"Stabilisation"	stabilisation actions effected in connection with the Ordinary Shares in accordance with stabilisation rules of the JSE Listings Requirements and applicable law during the Stabilisation Period with a view to supporting the market price of the Ordinary Shares at a higher level than that which might otherwise prevail;
"Stabilisation Manager"	RMB, acting as stabilisation manager pursuant to the Placement Agreement and Securities Lending Agreement;
"Stabilisation Period"	a period of up to 30 calendar days after the Admission Date;
"Standard Bank"	The Standard Bank of South Africa Limited, a public company incorporated under the laws of South Africa with registration number 1962/000738/06;
"Steyn Capital"	Steyn Capital Management (Pty) Ltd;

"Strate"	Strate Proprietary Limited, a private company incorporated under the laws of South Africa with registration number 1998/022242/07, and a registered central securities depository in terms of the Financial Markets Act, which is responsible for the Strate System;
"Strate System"	the electronic custody and settlement system used for the settlement of securities trades on, among others, the JSE operated by Strate;
"STT Act"	South African Securities Transfer Tax Act, 25 of 2007 (as amended);
"Subsidiary" or "Subsidiaries"	has the meaning in accordance with the Companies Act;
"Titan"	Titan Premier Investments Proprietary Limited, registration number 1979/000776/07, a private company incorporated in accordance with the laws of South Africa;
"Transfer Secretaries"	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a private company incorporated in accordance with the laws of South Africa, duly appointed as the transfer secretaries of the Company as at the Last Practicable Date;
"Titan Cornerstone Investment Shares"	36.16% of the maximum number of Offer Shares;
"TRP"	the Takeover Regulations Panel, established in terms of section 196 of the Companies Act;
"Underwrite"	the commitment by Titan to underwrite the Offer for an amount in aggregate up to ZAR831.58 million at the Offer Price pursuant to the Cornerstone Investment and Underwriting Agreement;
"Underwriter"	Titan;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"United States", "US" or "USA"	the United States of America;
"US Securities Act"	the United States Securities Act of 1933; as amended;
"USD"	the lawful currency of the United States;
"VAT"	Value-added tax levied in terms of the South African Value-Added Tax Act, No. 89 of 1991, as amended from time to time; and
"Withdrawn IPO"	The proposed listing of all the Ordinary Shares on the main board of the JSE announced on SENS by Brait PLC on 14 November 2022 and withdrawn by announcement on SENS by Brait PLC on 2 December 2022.

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