



*Premier Fishing & Brands Limited*

*The First Choice*



# **Integrated Report**

for the year ended 2021

A proudly South African Fishing Company

## **MISSION STATEMENT**

*Our mission is to be a pre-eminent vertically integrated empowered marine business using ethical and sustainable practices to grow and harvest marine resources in a manner, which will provide superior and sustainable returns to all stakeholders.*



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# ABOUT THIS REPORT

## DEAR VALUED STAKEHOLDER

Premier Fishing and Brands Limited (Premier or the Company or the Group) is pleased to present its 2021 Integrated Report. This Integrated Report aims to provide a balanced view on the financial, economic, environmental, social and governance performance of the Group, enabling our stakeholders to make an informed assessment of the Group's ability to create and realise stakeholder value in the short, medium, and long-term.

## THE OBJECTIVES OF THIS REPORT

Informed choice - this report sets out to clearly, accurately and concisely communicate the culture of our organisation, its ambit and remit and how Premier creates sustainable value. This report documents our strategy, business model, risks and opportunities, as well as the Group's performance against its strategic objectives and stringent governance practices. The report also shares insights as to the Group's future prospects.

## ADDITIONAL INFORMATION

This Integrated Report is supplemented by a full suite of online publications, which include the following:

- An online report
- Full consolidated annual financial statements
- Notice to the annual general meeting

The above reports can be accessed on the company website: [www.premierfishing.co.za](http://www.premierfishing.co.za).

**Share code: PFB**  
**ISIN: ZAE000247516**

***The contents of the 2021 Integrated Report are broadly comparable with those of the 2020 Integrated Report and is fully compliant with all regulatory bodies of a listed entity.***

# NAVIGATING OUR REPORT

## OUR SIX CAPITALS



Financial



Natural



Human



Manufactured



Intellectual



Social and relationship

## STAKEHOLDERS



Shareholders



Customers



Suppliers and  
service providers



Employees and  
trade unions



Local communities  
and other small  
quota holders



Government and  
regulatory authorities



# ABOUT THIS REPORT

## SCOPE, BOUNDARY AND REPORTING CYCLE

Premier's Integrated Report includes financial and non-financial information related to the Group's businesses. It is primarily targeted at our stakeholders, which include, but are not limited to, our shareholders, suppliers and service providers, customers, employees, government and regulatory authorities, local communities and other small quota holders.

This report provides material information relating to our strategy, business model, material risks and opportunities, as well as our operational performance and governance.

This report focuses on the main operations and activities, which contribute to the Group's performance being, lobster, squid, pelagic, abalone, hake, Seagro and cold storage facilities.

The report covers the period under review ending 31 August 2021, with figures for Revenue and Cost of Sales restated for the year ending 31 August 2020

## REPORTING PRINCIPLES AND BASIS OF PREPARATION

Our Integrated Report was prepared in accordance with the following reporting guidelines and frameworks, which include the:

- International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework;
- International Financial Reporting Standards (IFRS);
- Companies Act, 2008 (No. 71 of 2008), as amended (the Companies Act);
- Johannesburg Stock Exchange (JSE) Listings Requirements;
- King IV Report on Corporate Governance™ for South Africa 2016 (King IV™); and;
- Global Reporting Initiative (GRI) G4 Guidelines

## OUR APPROACH TO MATERIALITY

This report provides information that we believe is of material interest to current and prospective shareholders, and to any other stakeholder wishing to make an informed assessment of our ability to create stakeholder value in the short, medium and long-term.

The material matters included in this report were identified through a process involving the chief executive officer (CEO), the chief financial officer (CFO) and members of the executive management committee (EXCO). This report was also signed off by Premier's Audit & Risk committee and approved by the Board of Premier.

## GROUP SUCCESSES DURING THE REPORTING PERIOD

- The Group posted its largest revenue since listing
- Premier Fishing SA (Pty) Ltd retains a Level 1 Broad-Based Black Economic Empowerment (B-BBEE) rating.
- Employment was created for 100 people during the period under review
- Assisted 327 Rights Holders to provide for almost 1300 family members
- Our aquaculture operation has increased capacity by 14% to 260 tons as of the end of August 2021
- The group applied for an Aquaculture Development and Enhancement Programme grant with DTI, at the end of August 2021 the application was still pending.
- The COVID-19 recovery rate for the group was 96%, an amount of R409 079 was spent for employees in mitigation, avoidance and treatment of the pandemic disease

## EXTERNAL AUDIT AND ASSURANCE

The Board of directors, with the support of the Audit and Risk committee, is ultimately responsible for the Group's governance – its system of internal control designed to identify, evaluate, manage and provide reasonable assurance against material misstatement and loss.

We applied a combined assurance model, in which we obtained assurance from management, as well as internal and external assurance providers. Management identified key risks facing the Group and implemented the necessary internal controls to manage those risks.

This process is monitored and evaluated by the internal auditor and external assurance is obtained where required. The Audit and Risk committee oversees the internal audit function and ensures the effectiveness of the systems of internal control and risk management.

The Audit and Risk committee reviewed the effectiveness of the internal controls for the year ended 31 August 2021, primarily through reports from the internal auditor, formal confirmations from the executive management team as well as the external auditors. Refer to page 102 for the report of the Audit and Risk committee.

An independent audit of the consolidated annual financial statements was performed by the Group's joint auditors, Thawt Inc. and Crowe JHB, a member of Crowe Global, for the year ended 31 August 2021. Refer to our website for the full financial statements for the independent auditor's report. ([www.premierfishing.co.za](http://www.premierfishing.co.za))

External verification has been provided for the Broad-Based Black Economic Empowerment (B-BBEE) accreditation level. The verification was performed by an organisation accredited by the South African National Accreditation System (SANAS). The remainder of the Integrated Report has not been subjected to an independent audit or review.

The information reported on, is derived from the Group's own internal records and information available in the public domain.

The Board reviewed the effectiveness of controls for the year ended 31 August 2021, principally through a process of assessment by the management team. It also considered reports from the internal auditor, the external auditors and other assurance providers (King IV™ – Principle 5).

The Group's governance principles in respect of King IV™ have been measured using the Governance Assessment Instrument, provided by the Global Platform for Intellectual Property.

## DISCLAIMER: FORWARD-LOOKING STATEMENTS

In this report, we make certain statements that relate to analysis and other information based on forecasts of future results, on historical data, which has been based on estimates of new business and investment assumptions.

These statements may also relate to our future prospects, developments and business strategy. As defined, these are forward-looking statements. These statements may be identified by words such as "expect", "intend", "plan", "believe", "seek", "estimate", "will", "project", or words of similar meaning which are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements.

These are subject to a number of risks, uncertainties and factors, including but not limited to those described in disclosures and in the risk management report. Should one or more of these risks or uncertainties materialise, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of the Group may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement.

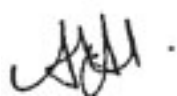
Premier neither intends nor assumes any obligation to update or revise these forward-looking statements in light of developments that differ from those anticipated.

## DIRECTORS' RESPONSIBILITY AND APPROVAL OF THE INTEGRATED REPORT

The Board of Directors, supported by the Audit and Risk committee, is ultimately responsible for ensuring the integrity of this report. The Audit and Risk committee is responsible for reviewing and recommending the Integrated Report and annual financial statements to the Board for approval.

The Board has applied its mind to the Integrated Report and believes that it addresses all material issues and matters and fairly represents the Group's integrated performance.

The Integrated Report including the consolidated annual financial statements of the Group for the year ended 31 August 2021, was approved by the Board of Directors on 15 December and signed on its behalf by:



**Aziza Amod**  
Non-executive chairperson



**Rushaan Isaacs**  
Chief executive officer

## Feedback

We welcome and value your feedback related to our Integrated Report. Please kindly address any queries or comments to our company secretary, Mr Cornell Kannemayer, via email on: [cornellk@premfish.co.za](mailto:cornellk@premfish.co.za).







# 2021 IN REVIEW

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*Performance highlights*

*Our five-year journey*



# PERFORMANCE HIGHLIGHTS

## 2021 IN REVIEW

*2021 has once again demonstrated the Group's innate ability to weather storms and generate excellent revenue to unlock stakeholder value, whilst navigating environmental factors and the economic challenges wrought by the COVID-19 pandemic*

**Premier retained its Level 1 B-BBEE rating, maintaining the Group's status as one of the most transformed companies in the South African fishing sector.**



**Cash generated from operations** increased **to R53m**  
(2020: R35m)



**Revenue** increased **to R575m**  
(2020: R454m)



**Operating profit** increased **to R14m**  
(2020: R12m)



Increased **abalone stock on hand** at our abalone farm by

**31 tons**

(2020: 68 tons increase)

Increased **production capacity** at our abalone farm to

**260 tons**

(2020: 229 tons)

### Dividends

Declared a dividend of R13m, a R26m dividend was paid in prior year

### CSI and Education

More than R8 million has been contributed to education, feeding schemes and donations to the needy over the past five years

### Learnerships, Bursaries and skills development

The group spent R3.5 million in learnership, education and skills development in the current year

The Group continued to experience the toughened economic conditions resulting from 2020's pandemic restrictions, which have seen continued lockdowns and tightened trading conditions throughout 2021. Global and local markets remain affected as demand remains constrained.

The Group is, however, able to continue its operations as a going concern and remains debt free. In 2021, we had to endure some once off abnormal costs which placed pressures on our profits, but without this, the profitability achieved in 2021 would be much healthier.

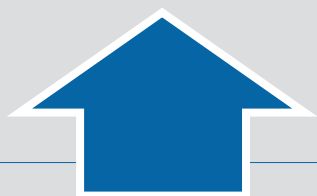
# PERFORMANCE HIGHLIGHTS

	2021	2020
<b>REVENUE</b>	R575m	R454m
<b>GROSS PROFIT</b>	R192m	R152m
<b>OPERATING PROFIT</b>	R14m	R12m
<b>CASH GENERATED FROM OPERATIONS</b>	R53m	R35m
<b>EBITDA</b>	R43m	R55m

- Record high revenue achieved in the Group's most challenging times
- Increase in revenue in every sector compared to prior year
- Increased abalone capacity to 260 tons as of the end of August 2021
- Application for a ADEP grant with DTI is still pending
- The COVID-19 recovery rate for the group was 96%, an amount of R409 079 was spent for employees in mitigation, avoidance and treatment of the pandemic disease
- Once off abnormal legal, consulting and administration costs totaling around R25m had an adverse effect on profitability

- Increased abalone capacity to 229 tons as of end of August 2020.
- Construction on the abalone farm was put on hold during the COVID-19 period.
- Applied for a ADEP grant through the DTI

**2019**



**R575m**

**R208m**

**R62m**

**R124m**

**R99m**

- Talhado Fishing Group fully absorbed into the Group. Premier moved to a new operational office during the 2019 financial year.
- Increased abalone stock on hand by 16 tons from the previous year. Completed construction of another new hatchery needed at the farm. Installed over 1 000 growout tanks at the farm.

**2018**



**R491m**

**R210m**

**R92m**

**R91m**

**R109m**

- Acquired controlling stake in Talhado.
- Completed the expansion of our existing hatchery at our abalone farm.
- Doubled spat production from an average monthly production of 100 000 animals per month, to 200 000 animals per month.
- Installed 40 tons of additional production capacity at our abalone farm.
- Increased abalone stock on hand, by 19 tons from the previous financial year.
- Completed construction, of our new hatchery, which is anticipated to produce six million animals per year.

**2017**



**R411m**

**R180m**

**R65m**

**R40m**

**R79m**

- Listed on the main board of the JSE.
- Change of name from Premier Food and Fishing Limited to Premier Fishing and Brands Limited
- Implemented the solar project at the abalone farm.
- Awarded horse mackerel quota for the first time.

# OUR TRANSFORMATIONAL COMMITMENT

## VALUE CREATION THROUGH ECONOMIC TRANSFORMATION

Premier Fishing SA (Pty) Ltd ("Premier") is one of the largest black-owned, managed and controlled fishing companies in South Africa. During the period under review, Premier maintained a level 1 B-BBEE rating, thereby ensuring we remain focussed and committed to promoting Broad Based Black Economic empowerment (B-BBEE) in South Africa.

## TRANSFORMING SOUTH AFRICA

Premier Fishing SA (Pty) Ltd is a PROUD

LEVEL 1 CONTRIBUTOR TO B-BBEE

Our Board comprises

100% HISTORICALLY DISADVANTAGED INDIVIDUALS

Voting rights of Black people

93.63%

Woman represent

50% OF OUR BOARD AND EXECUTIVE MANAGEMENT

## EMPOWERING ECONOMIC SOUTH AFRICA

Premier retains its BEE Procurement recognition level of 135% as rated and measured in terms of the B-BBEE scorecard. Additionally, Premier partners with smaller businesses and entrepreneurs, thereby uplifting and empowering small businesses.

With a black ownership of 93.63%, we pride ourselves on uplifting black staff and we are a proudly black fishing company.

The Group is also firmly committed to the enhancement of skills in South Africa, and does so by providing much needed bursaries to deserving learners, affording them the opportunity to empower and uplift themselves, leading to a more skilled South Africa.









## ABOUT US

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*Who we are*

*Where we operate*

*Our organisational structure*

*Our shared values*

*Non-executive chairperson's report*

# 15

# ABOUT US

## OUR VISION

To be the first choice in everything we do and for our stakeholders.

## OUR MISSION STATEMENT

Our mission is to be a pre-eminent vertically integrated empowered marine business, which uses ethical and sustainable practices to grow and harvest marine resources in a manner which will provide superior and sustainable returns to all stakeholders.

### WHO WE ARE

Premier is a fishing and aquaculture Group, which has been in existence since 1952. Premier listed on the Johannesburg Stock Exchange (JSE) on 3 March 2017.

### WHAT WE DO

The Group is predominantly involved in commercial fishing, fish processing and the marketing of its products. This includes sustainable aquaculture through our abalone farm and the manufacturing of Seagro, an environmentally-friendly **fertiliser product**.

### WHAT PROUDLY DIFFERENTIATES US:

- We are one of the largest black-owned and managed fishing companies in South Africa.
- We have a diversified product basket – lobster, octopus, squid, cultivated abalone, pilchards, anchovy, hake and horse mackerel.
- We own and manage factories, facilities and fishing vessels operating over three provinces.
- We employ more than 800 people.
- We hold the following accreditations and memberships:
  - South African Fishing Ethically (SAFE)
  - Association, Food and Drug Administration (FDA), Hazard Analyses and
  - Critical Control Points (HACCP) certified.

<b>Customers around the world</b>	<b>Major shareholder</b>	<b>Listed on the JSE</b>	<b>Number of employees</b>
Well-established local and international customer base	African Equity Empowerment Investments Limited (AEEI)	3 March 2017	Over 838 people



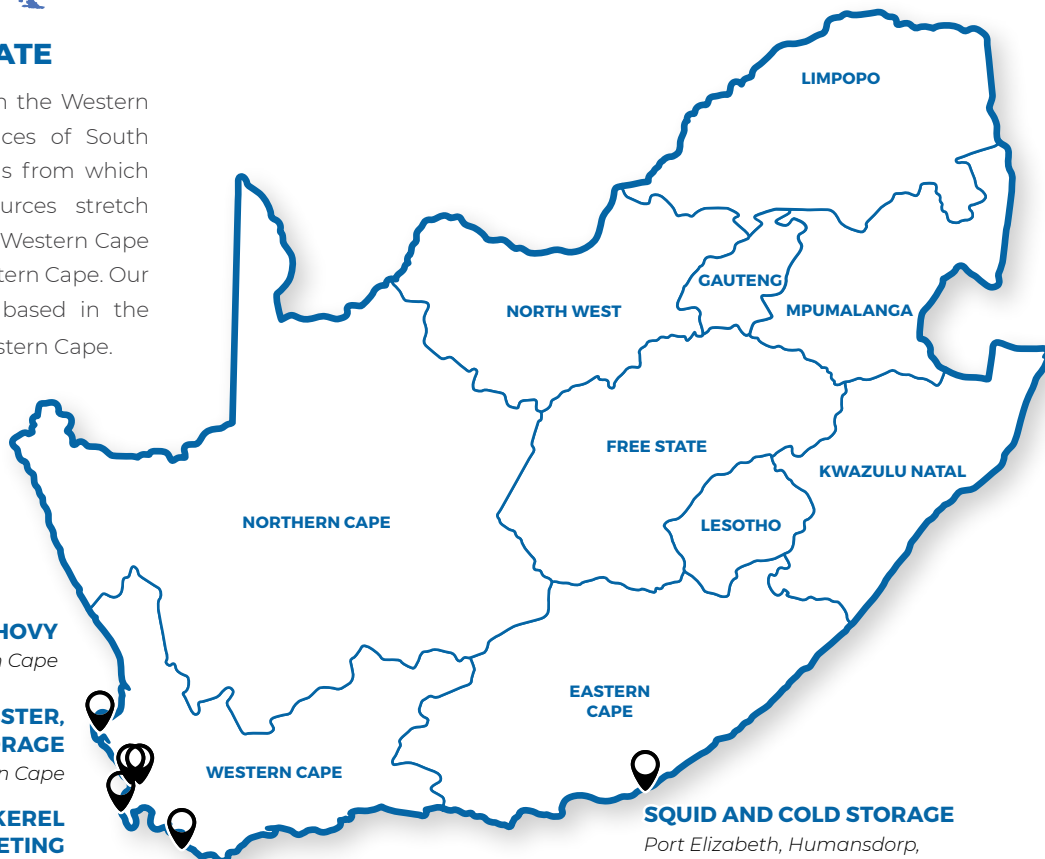
## OUR GLOBAL BRANDS



## WHERE WE OPERATE

Premier mainly operates in the Western and Eastern Cape provinces of South Africa. The fishing grounds from which we harvest marine resources stretch from Lambert's Bay in the Western Cape to Port Elizabeth in the Eastern Cape. Our aquaculture operation is based in the Overberg region of the Western Cape.

Premier's products are marketed locally and internationally.



**SEAGRO, PILCHARDS AND ANCHOVY**  
Saldanha Bay Harbour, Western Cape

**SOUTH COAST ROCK LOBSTER, COLD STORAGE**  
V&A Waterfront, Cape Town, Western Cape

**HAKE, HORSE MACKEREL SALES AND MARKETING**  
Cape Town, Western Cape

**WEST COAST ROCK LOBSTER**  
Hout Bay Harbour, Western Cape

**CULTIVATED ABALONE**  
Cansbaai Harbour, Western Cape

**SQUID AND COLD STORAGE**  
Port Elizabeth, Humansdorp, Eastern Cape

# OUR ORGANISATIONAL STRUCTURE



Premier Fishing & Brands Limited

## PREMIER FISHING SA (PTY) LTD (PREMIER FISHING SA)

100%



Premier Fishing SA is the catching and processing business unit of the Group. Premier Fishing SA owns medium- to long-term fishing rights for South Coast rock lobster ("SCRL"), West Coast rock lobster ("WCRL"), small pelagics (pilchards and anchovy), hake trawl, hake inshore, squid, large pelagics.

## PREMFRESH SEAFOOD SA (PTY) LTD (PREMFRESH)

100%



Premfresh is the sales and marketing business unit of the Group and a owned subsidiary of Premier Fishing SA. Premfresh has an experienced marketing team with more than 30 years' combined experience in the marketing of fish and fish-related products, and conducts the sales of all of the Group's products. Premfresh also provides sales and marketing services to outside small quota holders.

## TALHADO FISHING ENTERPRISES (PTY) LTD (TALHADO)

50.3%



Talhado undertakes the catching, processing and marketing of squid with both sea and land-based freezing facilities. With our stake in Talhado, the Group is the biggest squid player in the squid industry.

## MARINE GROWERS (PTY) LTD (MARINE GROWERS)

100%



Marine Growers is a 100% owned subsidiary of Premier Fishing SA and is the aquaculture business unit of the Group, based in Gansbaai. Marine Growers owns an abalone farm that cultivates abalone for the export market. South African abalone (*Haliotis midae*) is highly sought-after internationally, particularly in the Asian market.



### South Coast Rock Lobster

Processing plant and location: **1 PLANT, V&A WATERFRONT**  
 Quota managed  
 Market: **UNITED STATES OF AMERICA**



### West Coast Rock Lobster

Processing plant and location: **1 PLANT, HOUT BAY**  
 Quota managed  
 Market: **CHINA, HONG KONG, JAPAN**



### Squid

Processing plant and location: **HUMANSDORP**  
 Effort based  
 Market: **EUROPE**



### Pilchards and Anchovy

Quota managed  
 Market: **SOUTH AFRICA**



### Hake

Quota managed  
 Joint venture with Blue Continents Products (BCP)  
 Market: **EUROPE**



### Seagro

Processing plant and location: **SALDANHA BAY**  
 Market: **SOUTH AFRICA**



### Cold Storage

Processing plant and location: **1 COLD STORE, V&A WATERFRONT**  
 Market: **SOUTH AFRICA**



### Squid

Processing plant and location: **PORT ELIZABETH**  
 Quota size and managed kilograms: **TOTAL ALLOWABLE EFFORT**  
 Market: **EUROPE AND JAPAN**



### Atlantic Abalone

Owned and leased land area: **9 HECTARES**  
 Processing plant and location: **1 LIVE PACK FACILITY, GANSBAAI HARBOUR**  
 Yearly production output kilograms: **INCREASED TO 260 TONS IN 2021 FINANCIAL YEAR**  
 Market: **CHINA, HONG KONG, TAIWAN**

# OUR SHARED VALUES

## What shared value means to us:

Understanding and addressing stakeholder expectations and societal needs and communicating through stakeholder engagements.

We are driven by our values which are:

### VALUE SYSTEM

#### Respect and Trust

To always respect and trust fellow employees, customers, partners and our stakeholders.

#### People

To provide sustainable employment opportunities for our employees and others, maintain a safe and secure working environment and zero fatalities. Develop, attract and retain the correct skills and structures to meet and support our strategic growth.

#### Commitment

To deliver on our promises and add value beyond expectations.

#### Integrity

To always act with integrity in whatever we do based on our values, principles, Code of Ethics and Code of Conduct.

#### Accountability

To have responsible and accountable leadership that addresses the expectations of our diverse stakeholders and embraces these responsibilities with efficiency.

#### Stakeholders

To serve our stakeholders through good corporate governance, ethical conduct, value creation and safe and good quality products and services.

### OUR INTEGRATED REPORTING MODEL

Our strategy is to create sustainable value for stakeholders and to ensure that the Group remains attractive to investors by optimising shareholder returns. Our strategy for sustainable value creation goes beyond short-term profitability and takes into account the broader economic, social and environmental factors.

Our approach to addressing these matters is to prioritise those most important to achieve medium- to long-term sustainable business growth for the Group. We have identified strategic enablers to execute our business model and achieve sustainable value creation **(King IV™ - Principle 4)**.

### SOUND GOVERNANCE

We can only be a sustainable business if we continue to rigorously promote and implement good corporate governance practices. This is an integral part of our business model that is built on delivering good governance outcomes in terms of an ethical culture, effective control, sustainable performance and legitimacy. Our sound governance platform is embedded in our corporate culture **(King IV™ - Principle 6)**.

## DEVELOPMENT OF PEOPLE

Our employees are our most important asset. We recognise the importance of attracting and retaining the right calibre of people and keeping them motivated in a safe and supportive working environment and remunerating them accordingly. We continued to provide training and development to our employees and to ensure that employee development plans are in place for the retention of employees. We continue to install a culture of excellence and opportunity for our employees **(King IV™ - Principle 14)**.

In order to remain sustainable as a business, we contributed towards social and economic development by building society in a stable economy. To create an enabling environment and develop and enhance markets for our products, we were proactive and responsive to our stakeholders' interests and ensured that we implemented best practices in our operations **(King IV™ - Principle 3)**.

## ENVIRONMENT

We are committed to implementing sustainable business practices that minimise the impact on the environment from our operations. Our business has a low direct impact on the environment, but we are affected by the environment in which we operate and by the effects of climate change in general. We acknowledge that a stable economy and a sustainable business require a sustainable environment. We continue to work closely with relevant authorities to safeguard various fish species and pay careful attention to the environmental impact of our operations **(King IV™ - Principle 3)**.



# OUR SHARED VALUES

## SHARED VALUES

Our values also mirror those of the United Nations Sustainable Development Goals.

## SUSTAINABILITY

In September 2015, all 193 Member States of the United Nations adopted a plan for achieving a better future for all — by 2030, all people will enjoy peace, while extreme poverty, inequality, and injustice will be eradicated and our planet will be protected. At the heart of Agenda 2030 are the 17 Sustainable Development Goals (SDGs), which clearly define the world we would like to see, applying to all nations and leaving no one behind. It is a universal call to action.

Premier has identified several of these goals as being pertinent and is actively engaged in implementing them. They are:

### **GOAL 1: No Poverty**

We work hard to ensure this company is sustainable. In so doing, we are building capacity for the future, where more people can be gainfully employed and thus contribute to the economy, helping to eradicate poverty, one job at a time.

### **GOAL 2: Zero Hunger**

In providing work, we help put food on the table for more people. The fish we catch also provides nutritious sustenance for the many. We are committed to ensuring the sustainability of our fish stocks and at optimum levels.

### **GOAL 3: Good Health and Well-being**

We are a people-focused entity. Whether it is our own staff or the wider world, we aim to create an environment conducive to improving health and wellbeing – whether this be for the physical body or the mind. We run programmes for our staff and provide access to a variety of health services.

### **GOAL 4: Quality Education**

If knowledge is power, then education is the key to enlightenment and progression. Premier supports several programmes that inform, uplift, upskill and enable our people. We also make many of these platforms available to the families of our teams.

### **GOAL 5: Gender Equality**

Premier is an equal opportunities employer. We do not discriminate against race, gender, or creed. We have a transformative culture representative of an inclusive South Africa and are a leading example of gender equality – our non-executive chairperson and CEO are both women of distinction. Further, the company works within its communities to promote empowerment at all levels of society.

### **GOAL 8: Decent Work and Economic Growth**

Through investment, diversification, collaboration and a focus on sustainability, Premier is working to contribute to the economy. We have created favourable working conditions that attract talent and assist us in growing our Group and in so doing, supporting a raft of up-and-coming businesses.



### GOAL 9: Industry, Innovation, and Infrastructure

To achieve this aim, Premier is actively engaged in improving its infrastructure to take account of future needs. Premier's abalone farm is an excellent example of innovation in action with its grow tanks energised by solar. Premier is also looking into more sustainable methods for its fishing fleet to minimise negative environmental impact.

### GOAL 10: Reduced Inequality

Bridging the socio-economic divide is critical to the long-term survival of South Africa (and the world as a whole). Premier offers access to education, improvement, and empowerment programmes to help continue to break down the barriers of inequality endemic in South Africa. Whether in the workplace or in our communities, we are working together towards income generation, growth, and opportunity, whilst eliminating discrimination.

### GOAL 11: Sustainable Cities and Communities

The communities in which we operate are important to us. Consequently, supporting them through employment, education and corporate social investment initiatives that involve our time, skills as well as money, will ensure that they, and us, become sustainable. Key to this is understanding the effect of climate change, the need to preserve our environment, as well as access to modern infrastructure that can promote information sharing.

### GOAL 12: Responsible Consumption and Production

Premier wholeheartedly supports the UN's imperative for the efficient use of natural resources, and for an overall reduction in consumption waste.

### GOAL 14: Life Below Water

Of all the UN SDGs, this resonates the most. We support in its entirety that "conservation and sustainably protecting our oceans and marine resources is essential. The achievement of this is by reducing marine pollution, protecting, and restoring our eco-systems, ending illegal fishing and over-fishing by utilising science-based management plans to restore fish stocks and repair the oceans. In addition, 10% of coastal and marine areas need to be conserved, while unregulated fishing plus subsidies, which are contributing to overfishing, must be prohibited. The accommodation of small-scale artisan fishers need to be granted and marine conservation needs to be enhanced."



# NON-EXECUTIVE CHAIRPERSON'S REPORT

*"We must free ourselves of the hope that the sea will ever rest. We must learn to sail in high winds."*

**– Aristotle Onassis**

*Aziza Amod*



## SUSTAINABILITY FIRST

Sustainability of our resources have been at the core of our business from inception. Any business that depends on natural resources to generate its revenues needs to look to the future and ensure there will be an adequate supply. We need to be ahead of the curve and predict trends. The Group has therefore instituted measures throughout its operations to ensure that it meets not only its own requirements for sustainability, but also those of the United Nations Sustainability Development Goals which should be realised by 2030.

Of course, what we could not forecast, was the arrival of the global COVID-19 pandemic in early 2020. As reported last year, this had an impact on our bottom line, but it also highlighted the Group's resilience and its ability to adapt to prevailing circumstances, and our current results show that we have learned these lessons admirably.

Much like the sailor who reads the waves and sails with the weather, or the fisherman whose instincts can follow where the fish run, Premier's storm jib has allowed the Group to successfully navigate the recent rough waters.

## REALISING VALUE FOR OUR STAKEHOLDERS

The Group posted exceptional results, with the highest revenue generated since listing on the JSE in March 2017. Against a backdrop of continued business interruption and environmental pressures, this is a remarkable achievement. Group revenue of R575 million was generated and our gross profit increased by 26% to R192 million from R152 million.

Operational cost efficiencies remained in place throughout this financial year under review and the Group also implemented several innovative programmes aimed at streamlining its operations, with a view to preserving long term value.

Operationally, the Group had a strong fishing season, seeing improved catch rates in every sector. Premier's lobster and pelagic divisions once again delivered outstanding performances with the resources continuing to be stable. The Group was thus able to capitalise on its solid customer relationships in the export market.

Our abalone plant expansion continued and although sales of abalone were somewhat depressed during this trading period due to ongoing COVID-19 tougher trading conditions on the Asian markets where the Group predominantly sells these products, Premier is well positioned to take advantage of the predicted recovery in this market.

## THE BOARD'S CONTRIBUTION TO SUSTAINABILITY

Premier's board is diverse, knowledgeable, and highly experienced. Executive and non-executive directors, coming from different backgrounds and with different skill sets, apply innovative approaches to problem solving. This assists the group in not only adapting to prevailing conditions but in assisting the team to develop robust plans to support our strategy of 'Sustainability First' for future preparedness. Our purpose is to ensure that Premier Fishing and Brands remains the first choice – for customers and employees alike.

The Board's overarching remit is to ensure Premier meets with all governance requirements, and that its operations are conducted with the highest integrity. This responsibility is something we take very seriously, and, in many instances, Premier exceeds what is expected of it. Its business is transparent, inclusive and a model corporate citizen, whose hands-on management lead from the front.

As a listed entity, our role is also to ensure the profitability of the organisation and its divisions but not at the expense of the environment, on which we depend for our revenue. With that in mind, the board is active in inculcating a culture of continuous awareness and learning for everyone in the organisation. To paraphrase Albert Einstein, the moment one stops learning, is the moment the end begins. As we are in a constant state of learning therefore, for us at Premier there are only beginnings without end.

As we have reported on previously, Premier is committed to socio-economic upliftment and transformation. This not only involves assisting our people but also the communities in which we operate. In working as part of a circular economy, Premier is building future value for all stakeholders.

## DIVERSITY, INCLUSION, EMPOWERMENT

Transformation is not a buzz word at Premier. Empowerment credentials are not about ticking boxes because Government policy dictates such. Premier is the living embodiment of a transformed organisation that promotes inclusivity – no

matter race, creed, culture, gender, or political leanings. We are enlivened by diversity and thrive on design thinking principles that encourage multi-levelled teamwork to drive creativity.

We do acknowledge, however, that in the South African context, there is still a need to empower women. From our CEO, the first female to lead a fishing business in South Africa, to factory manager, staff, and community leaders, we are an example of a successful female-led business. We have only just started though. We recognise that women have been marginalised and therefore, Premier will continue to drive the development of women in the business, offering them skills development, training, mentorships, and coaching.

Premier as a Level 1 B-BBEE empowerment fishing company continues to prioritise transformation not only for the betterment of the Group as a whole, but in contributing to overall nation building.

## INVESTMENT IN OUR PEOPLE

Our people are our best advantage.

Whether we are providing the optimal environment to attract and retain highly skilled personnel or encouraging our people to participate in further learning, Premier is dedicated to investing in its human capital. This is an investment that yields high returns, and for any savvy asset manager, a no-brainer.

In 2021, Premier continued to invest in learnerships and training programmes. The amount, however, was significantly down on the prior trading period due to ongoing restrictions and remote working arrangements, which made it difficult for more people to have face-to-face training. We hope to increase this in 2022.

# CHAIRPERSON'S REPORT

(CONTINUED)

## CORPORATE SOCIAL INVESTMENT

The Board acknowledges the Group's responsibility to the social upliftment of the environs within which it operates, as it recognises the symbiotic relationship between company and each community.

In the face of continued societal disparity and inequality across South Africa, Premier recognises the need to support programmes that can alleviate hunger, poverty, illiteracy, unemployment, and crime.

We continue to put our people first and have contributed more than R8 million to CSI, education, and other outreaches over the past five years. This is something the Group will continue to do in the forthcoming years, as there is still much that is needed to be done to bridge the historical socio-economic divide in South Africa.

The Premier Fishing bursary trust this year assisted 23 employees to further educate their dependents who wish to study at a tertiary institution. To date, the bursary trust has assisted more than 29 dependents.

The Premier Fishing Learnership Programme for unemployed Learners, concentrates on the advancement of skills that can contribute to society. During the 2021 Financial Year, 16 learners concluded their Learnership Programme which was conducted through Training Force.

These annual investments in learnerships are just another way in which the Group demonstrates how serious it is in respect of uplifting black communities

## SAFETY FIRST

While 'Sustainability First' is our overarching Group strategy, 'Safety First' is the primary consideration when it comes to our people.

Whether at sea, working in sub-zero temperatures in our cold storage unit, out on location around the coastline or

at head office, the health and safety of our teams are an imperative. Premier is proud of its safety track record, with no fatalities reported in the past five (5) years.

However, our environment is equally as precious, and its safety and longevity are an ever-present reminder of the safeguards we need to put in place to ensure our business sustainability. To that end, Premier has embarked on a programme of environmental awareness and standards at both a community and head office level.

The board endorses programmes that will serve to safeguard the long-term viability and endurance of the environment and the people within the Group and its associated communities. There is one planet. There is no Plan B.

## WELLBEING

Throughout this financial year a series of differing restriction levels were implemented. Premier Fishing falls within the essential service category and applied the guidelines of the World Health Organization (WHO), the National Institute for Communicable Diseases (NICD) of South Africa and the local government.

The country's fishing industry received an exemption from the lockdown after it was designated as being vital to the domestic food industry by the National Coronavirus Command Council. The fisheries sector, as well as the harbour, fishing vessels, shipping, and docking services from the lockdown conditions.

Premier also maintained remote working conditions for those staff able to do so. Productivity levels remained high throughout this financial year.

Premier also recognised the excessive strain the uncertainty of the past two years has put on our people and their mental wellbeing and made allowances accordingly. As a board, we are supportive of management's recognition of human frailty, and in the open and inclusive culture fostered at Premier, we are all the stronger for our position on this.

## FUTURE OUTLOOK

As the world adjusts to the new "normal" the prospects for Premier Fishing continue to be favourable, particularly as fish provides sustenance to the ever-growing world population.

To sustain this, we need to look to our natural fish stocks and to our farming operations and build capacity for the future, which we are already doing.

The 2021/2022 season is also a FRAP renewal period and Premier will apply to retain its existing rights, expand its support of small-scale and subsistence fishers, and apply for additional licenses to broaden its repertoire. Premier is well-placed to succeed in its endeavours.

We cannot truly predict the future, but if further lockdowns and restrictions come into play, critical to our future is the development of a strong domestic market, supplemented by international trade and expansion. COVID-19 has taught us the benefit of supporting local and growing the bonds of a patriotic customer base.

With a view to developing the industry and building capacity within our communities, we will continue to work with our people – the more they grow and deliver, so do we.

## CONCLUSION

From a business perspective, Premier is well positioned to deliver organic growth, as well as increasing its portfolio with strategic acquisition opportunities. The finalisation of the abalone farm expansion, which was delayed in 2020 due to the advent of COVID-19 restrictions, will significantly increase output.

Premier is the sum of all its people and so I extend my sincere gratitude to my fellow board members, Ms Rushaan Isaacs, Mr Brent Robertson, Mr Clifford van der Venter, Ms Rosemary Mosia, Mr Patrick Sebenzile Mngconkola, Advocate Ngoako Ramatlhodi, and Ms Valentine Dzvova. Your consistency, support and guidance have proved invaluable in these uncertain times.

A special note of gratitude to Mr Salim Young, who retired from the board this year. He has been integral to the success of this company for many years, and we will miss his wise counsel but wish him a cheerful and relaxing future.

Sincere appreciation also goes to our shareholders and to our many stakeholders – employees, customers, partners, suppliers, government, and communities - without whom and their continued encouragement, we could not have progressed as well as we have.

Vincent van Gogh is credited with saying that: "The fishermen know that the sea is dangerous and the storm terrible, but they have never found these dangers sufficient reason for remaining ashore."

Likewise at Premier, rough economic waters have never been an excuse not to move forward, and so we will sail into 2022 with our mainsail unfurled and ready to face what may come.

### Thanking you for your support

#### Non-Executive Chairperson



**Ms Aziza Amod**

**Premier Fishing and Brands Limited**





# OPERATING CONTEXT

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*Chief executive officer's report*

*Our business model*

*Our value chain*

*Our internal operating context*

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*Our material matters*

*How we created value using our six capitals*

*Our stakeholder relations*



# CHIEF EXECUTIVE OFFICER'S REPORT

“ Sometimes in the waves of change, we find our true direction. ”

- **Unknown**

Rushaan Isaacs



## A SEA CHANGE

It is an understatement to say that the world as we knew it before 2020, has changed. At all ends of the earth, and across all walks of life, we have needed to adapt to new ways of thinking, living, and working.

In this, my second Integrated Report as CEO, I have observed how some things are as old as time itself and stand its test, even if a sea-change is imminent or upon us. Sustenance is one such example. All life as we know it requires nourishment and the fishing industry has an ancient legacy of providing for this.

It is an industry, which I have been part of my entire career, the majority spent at Premier Fishing and Brands, and a company I am proud to lead. It is a legacy I am determined to continue.

### Our Performance:

Premier Fishing and Brands has met the recent challenges of change head on. Often at the mercy of the prevailing winds and shifting sands of tightened economic times, our business has nevertheless proved resilient and futureproofed. Sticking to our strategy of 'Sustainability First', our results show an exceptional increase in revenue for this period under review – being the biggest the company has posted since listing in 2017.

As in everything the Group undertakes, these outstanding results are very much a team effort, one which I am extremely grateful to be a part of and lead.

### Our Operations:

Whilst our duty as a listed company is to ensure stakeholder value, we also need to have regard for preserving value for future generations. This is particularly important when in value terms it comes to fish stocks and our oceans' abilities to renew, replenish, and sustain themselves in optimal conditions.

Consequently, our own sea change journey has included several critical developments with some new ones in the pipeline too, which we explore further in this integrated report.

All our underlying operations delivered favourable outcomes, which bode well for future seasons. We have adapted to the new conditions with the certainty of our true direction and defined goals in our horizon.



## Fishing Rights (FRAP):

Premier is currently in the middle of the largest Fishing Rights Allocation Process (FRAP) process since 2005. FRAP, is a highly contested and politically fraught process, which was initially due to start in October 2020 with a call for comment but was delayed until 2021 due to COVID-19 and other hindrances.

The timeframe for submission of applications has also been shortened, further adding pressure to the process. In a first for the industry, applications will be submitted online.

The overriding imperative for us throughout this process, is job security for our people.

The Minister of Forestry, Fisheries and the Environment also announced the FRAP process would be reviewed, to ensure an equitable division of the allocation rights amongst the various fishing sectors and interested parties.

Premier has been fortunate; in that it has built solid relationships with many small scale and subsistence fishers over a period of 20 years or more. Premier has assisted our fishing partners by providing education and training across health and safety, environmental, the supply chain process, financial management, marketing and more. Our track record speaks for itself, but don't take our word for it – read Ishmael Fortune's story on page 60

Premier is therefore, well placed to assist these fishers in growing their businesses – domestically and abroad.

In addition to its existing and current rights, Premier will be making applications for the following sectors:

- South Coast Rock Lobster
- Small pelagic anchovy
- Small pelagic pilchards
- Squid
- Hake deep sea trawl
- Hake long line

## Our Commitment to Care:

The challenges that come with operating in a global pandemic continue to be felt, however, herein also lies our greatest opportunities. With our ability to adapt and building on our plans for a sustainable fishing industry, we have inured the business to the rapidly shifting conditions so far as possible.

Our people remain as much a priority to us as the fish we catch, and we have therefore continued with various safety

measures with personal protective equipment available throughout our facilities.

Understanding that knowledge is key, Premier has also provided bursaries to staff and rights holders, along with a series of learnerships and skills programmes over the years.

Our policy around remote working has remained accommodating of our people. Their health is paramount and therefore we have not enforced a return-to-work policy. This has further entrenched the trust relationship between management and staff, and vice versa, with an increase in productivity, morale, culture, teamwork and consideration for employees and colleagues, contributing to achieving the results we did.

## A WORD ON COVID-19

Health and wellbeing has always been a focus for us at Premier. Over this exceptionally challenging period, we provided additional resources in the form of access to doctors, on call, for any support and/or mental wellbeing matters.

As an essential service, we were extra vigilant in ensuring that all safety protocols were implemented and adhered to in all our facilities and on our vessels. Crews were tested before departure – at a cost to Premier. PPE packs containing gloves, masks, and sanitiser etc were also distributed to on shore and offshore personnel. COVID-19 cases were limited as a result.

## Our Potential:

*“The constancy of the moving tides provide us with great potential for the future.”*

The ups and downs of life are represented in the easy waves and storms, our vessels experience throughout the year. As a company, and a collective, we have all been caught in the worst storm of modern times. Yet, we have endured, and we have come through – fitter, and more resilient than ever.

Our business culture has also seen us adeptly adapt to the changing conditions, regulations, and market demands that have been thrown at us. We expect a continuance of the disturbance to the 'norm' but remain optimistic about our ability to perform under these conditions.

Our customers and external stakeholders have ridden the storm with us too, and their support remains firm, lending credence to the phrase that we are stronger together. The world is our oyster – quite literally and figuratively.

# CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

Our immediate future will be focused on expanding our business and securing our FRAP allocation, including the on-boarding of more small fishers and small-scale co-ops as part of our Premier Partnership programme.

Growth will also see the Group embark on an acquisition trail, for local or global opportunities that will complement its existing businesses as well as looking to generate organic growth.

Expansion of the abalone farm, delayed during the height of COVID-19, is now back on track, with Atlantic Abalone taking on some 90 additional staff members during this year under review.

Further job creation and supporting the communities in which we operate, is also very much on our radar.

## **My Gratitude:**

No man is an island, so they say, and at Premier, we are the sum of the successes of all our people. Without the hard work, loyalty, and vision of each member of the Premier family, we would not be able to deliver such a sound set of results.

My thanks, therefore, go out to our crews, staff, suppliers, partners, and their families and loved ones, for showing up and helping us all move forward.

My sincere appreciation to our shareholders for their support and belief in the Group, its performance, and its potential. And to our board of directors, your unwavering guidance, broad shoulders, and encouragement has helped carry us over the line. Thank you.

To all of you, though it's tough times – we've got this!



**Rushaan Isaacs**  
**Chief Executive Officer**



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# OUR BUSINESS MODEL

Our business model is the mechanism in which we deploy our capitals inputs along the various phases of our value chain. Our primary value chain ensures that we convert capital inputs into core value-added outcomes that are beneficial to all our stakeholders.

OUR CAPITAL INPUTS	
	<b>Financial</b> Share capital
	<b>Natural</b> Diverse fisheries portfolio, water and energy
	<b>Human</b> Specialist skills, gender and race diversity
	<b>Manufactured</b> Fishing vessels, processing plants and abalone farm
	<b>Intellectual</b> Strong customer relationships Production processes
	<b>Social and Relationship</b> Supplies, customers and communities

PRIMARY ACTIVITIES		
FISHING OPERATIONS	AQUACULTURE	FERTILISER
<ul style="list-style-type: none"> <li>• <b>Catching</b></li> <li>• 33 vessels are used to harvest our own fishing quota of SCRL, WCRL, small pelagics, squid and hake</li> <li>• Catching services provided to other small-quota holders</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Hatchery</b></li> <li>• Breeding of abalone</li> <li>• Production of spat (baby abalone)</li> <li>• Abalone is reared and grown for a further 20 to 30 months until it is ready for market</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Procurement</b></li> <li>• Procure fish concentrate from one of our customers</li> </ul>
PROCESSING		
<ul style="list-style-type: none"> <li>• Fish is landed at our four factories</li> <li>• The fish is graded and packaged for distribution</li> </ul>	<ul style="list-style-type: none"> <li>• Abalone is harvested and packed for shipping abroad</li> </ul>	<ul style="list-style-type: none"> <li>• Process the fish concentrate into liquid fertiliser</li> <li>• Package liquid fertiliser</li> </ul>

*“Our business units and operations are lean, aligned and arranged by function to ensure high productivity, cost and operational efficiencies with quick decision making processes”.*

## OUR EXTERNAL ENVIRONMENT

## KEY ENABLERS

- Optimal organisational structure and capable employees
- Diverse fisheries portfolio which can be leveraged to drive growth
- Optimal capital structure to fund expansions and acquisitions
- Collaboration with other fishing companies, small-quota holders and abalone farmers to drive growth

## COLD STORAGE AND DISTRIBUTION

- Use of cold storage space through our HACCP-approved cold-store facilities

## BRANDING, SALES AND MARKETING

- Value-added services

## FINANCIAL VALUE MATRIX

### Income stream

- Income is generated from the sale of harvested and cultivated marine products
- Cold storage and distribution
- Interest received on cash balances

### EXPENSES

#### To maintain value

- Our main expenditure is incurred during the catching and harvesting of marine products, which includes wages, diesel, maintenance, packaging, electricity, etc.
- We are legally obliged to pay direct and indirect taxes to SARS

#### To expand value

- Capital expenditure
- Marketing

## OUR OUTPUTS



**Live and frozen lobster**



**Frozen hake**



**Frozen squid**



**Pelagic fish**



**Live, frozen and canned abalone**



**Bottled Seagrow fertiliser**



### Regulatory

- Allocation of fishing rights
- Compliance with legislation

### Macro-economic

- South African Rand/US Dollar exchange rate
- Global economic growth rate

### Operating

- Catch rates
- Cash flow management
- Availability of critical skills
- Climate change and weather

# OUR VALUE CHAIN

## FISHING VALUE CHAIN

### Natural resource (marine resources) catching and procurement of lobster, squid, hake and small pelagics

1. Our fishing vessels are efficiently utilised to harvest and land allocated quota in the form of either live or frozen fish.
2. Through maintaining strong relationships with quota holders, we procure stock from third party quota holders.

### Processing

1. Live fish is landed in oxygenated seawater tanks, stored, purged and prepared for export.
2. Whole frozen and lobster tails are processed for the export market.
3. Lobster is graded according to size and packed in our branded boxes for the export market.
4. Raw small pelagics are delivered to our customer factory for processing.

### Outputs

Live lobster  
Frozen lobster tails  
Frozen whole lobster  
Frozen lobster heads  
Frozen squid  
Frozen hake  
Pilchards  
Anchovy

## AQUACULTURE VALUE CHAIN

### Breeding and procurement

1. We utilise scientific methods to induce the breeding of male and female abalone in order to produce spat.
2. Through maintaining strong relationships with other abalone farmers, we procure additional spat when the need arises.

### Breeding and procurement

1. The best quality feed is procured and fed to our animals.
2. We continuously monitor the size of the animals until they reach a size preferred by the market.
3. We harvest abalone as live animals, process these at our own facility and package them in our branded boxes for the export market.
4. We harvest abalone as live product and outsource the processing for canned and dried abalone for the export market.

### Outputs

Live abalone  
Canned abalone  
Dried abalone  
Frozen abalone

## FERTILISER VALUE CHAIN

### Procurement

1. Through maintaining a strong relationship with other fishing companies, we are able to procure fish concentrate (a by-product of the fishmeal process) from them.

### Processing

1. We utilise our plant facilities and skills to process the fish concentrate to liquid fertiliser (Seagro).
2. The liquid fertiliser is packaged and branded in our bottles.

### Output

Liquid Seagro fertiliser

### Branding, Sales and Marketing

Our experienced and skilled marketing team sells our high-quality products at competitive market prices.

Income is generated from processing, marketing and selling third-party quota holder's fish.

Income is generated from hiring out part of our cold storage facilities to third parties.

Income is also generated from catching third-party quota.

#### Key Capitals

- Financial Capital
- Intellectual Capital
- Social & Relationship Capital



### Branding, Sales and Marketing

Our experienced and skilled marketing team sells our high-quality products at competitive market prices.

#### Key Capitals

- Financial Capitals
- Intellectual Capitals



### Branding, Sales and Marketing

Our experienced and skilled marketing team sells our high-quality products at competitive market prices.

#### Key Capitals

- Financial Capital
- Social & Relationship Capital



# OUR INTERNAL OPERATING CONTEXT

During the 2021 financial year, to ensure we sustain value creation, we focused our efforts on the following key areas:

## ABALONE EXPANSION PROJECT

### Core asset

Our aquaculture operation continues to be a core business for the Group, through which the Group is able to unlock value and deliver long-term sustainable returns to our valued stakeholders.

Our operations run 24/7 and solar panels provide 284kWp monthly.

Currently, we have 1147 tanks and 17 348 baskets operational that can accommodate 220 tons. With the expansion on completion we will look to generate 400/450 tons per annum.

### Context

Premier Group acquired six hectares of land in 2020 and this has been earmarked for development. Budgeted Capital Expenditure of the project, including utilities and infrastructure development, remains at an approximate value of R220m

## MILESTONES ACHIEVED

We have increased our spat rates over the past four years from 60 000 spat per month to 200 000-250 000 spat per month currently. That put us at 300 tons per annum in 90g-110g range or 390 tons per annum in the next four years. This is all based on the market. The highest demand in the market currently 110g-150g, 150g-200g and 200g-250g. Previously the demand was 70g-90g, 90g-110g and 110g-150g.

We have implemented cost saving initiatives over the past two (2) years during COVID and do most work ourselves with minimal outsourcing and have a staff complement of 164 staff daily.

We believe in staff development and train around 15/20 staff members per year in animal production. One staff member has achieved his Electrical Phase 3 Red Seal. Another staff member has completed her N5 in HR management this year.

## EXPECTED RETURNS

Long-term sustainable growth and value for our stakeholders.

## TALHADO

The acquisition of Talhado by Premier enhanced the Group's footprint in the squid fishing sector, the squid caught in the current year was 2 173 tons, a significant increase from 971 tons in 2020. There has been an improvement in current year as the squid catch rates were very high compared to prior years.

## MILESTONES ACHIEVED

The squid segment has continued to contribute significantly to the revenue generated in the group. An increase in catch rates has seen the squid division contributing 35% of the total revenue in the Premier group in the current financial year. Premier Fishing group owns and operate 21 fishing vessels through the Talhado Squid division which is based in Port Elizabeth

## EXPECTED RETURNS

Talhado has significantly contributed to the squid division profit earnings in the Group. Sales volumes increased by 114% from 2020. The Group expects to achieve significant growth within the squid division going forward.



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42361  
C1N1  
1st Lot: 2008, 10/7/20  
Global: 2012-04-05

# OUR EXTERNAL OPERATING CONTEXT

The Group's ability to deliver sustained growth and value is impacted by certain factors within our external operating environment. During the reporting period, we prioritised the following key issues that have a material impact on our business model and our ability to create value:

## THE FISHING RIGHTS APPLICATION PROCESS (FRAP 2020/2021)

The FRAP review and rights allocation process has been protracted and delayed with two extensions. This has had a knock-on effect on the entire industry, with Premier's license expiring in December 2020 for some of its rights. The FRAP online applications eventually opened in November 2021 and closed on 10 December 2021. Premier successfully completed all its applications.

Premier applied for the following long term rights:

- Hake Deep-sea Trawl
- Pelagic - anchovy and pilchards
- South Coast Rock Lobster
- Hake Long line
- Squid
- Tuna Pole

### VALUE IMPLICATIONS

Should Premier be awarded long-term fishing rights in a new sector, this will result in additional jobs being created, as well as an increase in revenue and profits for the Group.

This FRAP renewal process has seen an inclusion of a greater number of small-scale black-owned and managed fishing co-ops. This will impact the allocation of rights to existing participants, and have an effect on the value we can create.

Furthermore, the Group has plans to contract with new entrants in the squid and South Coast rock lobster sectors, for sales, catching and marketing services. This will assist the smaller players in the industry to get the best value for, and optimise their quotas.

### OUR STRATEGIC RESPONSE

- Our commitment to transformation has resulted in Premier retaining its Level 1 rating for our operating company B-BBEE scorecard.
- We continue to structure the Group in a manner that will provide us with the best opportunities for being awarded fishing rights and assist in the empowerment of previously disadvantaged communities.
- We are also continuing our partnerships with existing small-scale fishers and are looking to expand the number of these relationships, as Premier is in a position to assist and help them grow. This will further add to our bottom line.



## EXCHANGE RATE VOLATILITY

- The ZAR averaged R14.475 during the 2021 financial year compared to an average of R16.49 for the 2020 financial year, against the US Dollar.
  - The ZAR averaged R17.06 during the 2021 financial year compared to an average of R20.22 for the 2020 financial year, against the EURO.
  - ZAR/USD & ZAR/EURO MONTHLY EXCHANGE RATE
  - 1 September 2020 to 31 August 2021
- (Source SARB)

### VALUE IMPLICATIONS

74% of our revenue is generated from export sales, therefore, the ZAR exchange rate had a direct effect on the Group's revenue. During the reporting period, the ZAR/USD AND ZAR/EURO averaged R14.475 and R17.06 respectively, which had an overall positive impact as compared to the previous period.

### OUR STRATEGIC RESPONSE

- Our products are sold to more than one export market, which diversifies currency volatility risk.
- We continuously focus and strive towards cost-efficiencies and strategies in order to achieve higher USD sales prices. This ensures that our operating margins remain resilient during periods of a stronger USD/ZAR rates.

## ENVIRONMENTAL CONDITIONS

### VALUE IMPLICATIONS

- The fishing industry affects a number of marine conservation issues, including fish populations, water pollution, and habitat degradation.
- Furthermore, Red Tide can also be detrimental to our abalone
- Climate change also plays a role in influencing fish stocks and therefore our catch rates.

### OUR STRATEGIC RESPONSE

- We continuously strive to run our operations in an environmentally friendly manner, such as including the installation of solar power at our abalone farm for example
- We continuously monitor when there are adverse environmental conditions, which can have a detrimental effect on production
- We adhere to the United Nations Sustainable Development Goals – please refer to Page 13.

# OUR MATERIAL MATTERS



Our material-risk dashboard provides a snapshot of our internal process that impacts our material matters, the associated risks and the process we employ to manage those risks.

## SCANNING OUR CONTEXT

We have identified material matters as being those items that have the potential to significantly impact the performance and sustainability of the Group in the short, medium and long term.

## OUR CONSIDERATIONS

Material interests, expectations and concerns of our stakeholder groups most likely to influence the Group's ability to create sustained stakeholder value form the primary basis for the determination of our material matters.

### Stakeholders

- Shareholders
- Suppliers and service providers
- Customers
- Employees and trade unions
- Government and regulatory authorities
- Local communities and other small-quota holders

## MATERIAL FOCUS AREAS

We have identified material matters through a formal process involving the CEO, CFO and Exco members. The Board of Directors, through the Audit and Risk Committee, endorsed the material matters. The process took into account the issues raised, their relevance, our strategy, our stakeholders and our governance structure.

During the period under review, we focused our attention on the following material areas:

MATERIAL MATTER	OVERVIEW	CAPITALS REQUIRED	STAKEHOLDER NEEDS ADDRESSED
UNCERTAIN REGULATORY ENVIRONMENT	Premier prepared for its FRAP allocation process. (The FRAP online applications eventually opened in November 2021 and closed on 10 December 2021).	Financial Capital Intellectual Capital	Shareholders Government and Regulatory authorities Customers Suppliers Local communities

\*\*Refer to our material risks on page 48 to 52 for the risks arising out of these material matters as well as how they are managed.

## RISK MANAGEMENT

### Approach

We consider our material matters in framing our risk-management approach. Our approach to risk management evolves in keeping with the relevant business needs in an ever-changing environment. Our Audit and Risk Committee is tasked with enhancing the effectiveness of our risk-management framework and, as such, we rely on the solid governance of risk to maintain the effectiveness of our Audit and Risk Committee's activities.

### Governance of risk management



Refer to page 45 for our full risk governance structure

## RISK MANAGEMENT PROCESS

Our risk-management activities are governed and implemented through two mechanisms:

- **Risk-management policy**

Defines the critical processes for identifying risks and prioritising and proactively managing those risks.

- **Risk-management methodology**

Defines how the potential occurrence and impact of risks are evaluated and assessed.

Refer to page 45 for our full risk management process.

## RISK APPETITE AND TOLERANCE

The risk appetite specifies the types and extent of risks the Group is willing to take in achieving its objectives. The risk appetite is adopted and applied to each risk category. Risk tolerance is the amount of risk that the Group is willing to bear and cope with. The audit and risk committee continuously reviews the risk appetite and tolerance levels which determine the boundaries for decision-making and effective governance.

The Group determines risk appetite with reference to the internal and external operating environment of the Group, the consequences should the risk materialise, and management controls that are in place in order to mitigate the risk. If risks approach a certain tolerance level, then the Group's executive committee enhances the controls to ensure that the risk remains at an acceptable level.

## MANAGING OUR MATERIAL RISKS

The Group has a structured and engaged process of identifying, managing and responding to all material risks within the Group.

There were no specific risk incidents which resulted in significant financial loss or which may have negatively impacted our stakeholders, during the 2021 financial year.

# OUR MATERIAL MATTERS (CONTINUED)

## BOARD OF DIRECTORS

### Strategy, risk appetite and policy

RISK OWNERSHIP	RISK CONTROL AND MONITORING	INDEPENDENT ASSURANCE AND VALIDATION
<b>CEO AND EXCO</b>	<b>AUDIT AND RISK COMMITTEE</b>	<b>INTERNAL AND EXTERNAL ASSURANCE</b>
<p><b>Managing and recording</b></p> <ul style="list-style-type: none"> <li>Delegated Board authority to:</li> <li>Develop and implement a business strategy.</li> <li>Measure and manage performance;</li> <li>Implement internal control and risk-management framework within agreed appetite.</li> </ul>	<p><b>Internal verification</b></p> <ul style="list-style-type: none"> <li>Key activities for objective oversight of risks include:</li> <li>Designing and deploying the overall risk-management framework;</li> <li>Developing and monitoring policies and procedures</li> <li>Monitoring adherence to risk framework and strategy.</li> </ul>	<p><b>Independent verification</b></p> <ul style="list-style-type: none"> <li>Assurance that the risk-management process is functioning as designed and identifies areas for improvement.</li> <li>Independent and objective assurance of the effectiveness of corporate governance standards and business compliance.</li> </ul>
<b>Management-based assurance</b>	<b>Audit and Risk Committee assurance</b>	<b>Independent-based assurance</b>

## GOVERNANCE OF RISK MANAGEMENT

The Board of Directors is responsible and accountable for the governance of risk and is committed to effective risk management in pursuit of the Group's strategic objectives. The Board is assisted by the audit and risk committee, which reviews and monitors the effectiveness of the risk management processes within the Group.

The Board oversees the activities of the audit and risk committee, the Group's external and internal auditors. The audit and risk committee oversees the risk management processes and ensures that the processes are in compliance with governance requirements and standards and works effectively.

The audit and risk committee delegated this responsibility to the executive committee for managing risks. The risk management process is monitored and evaluated by the Group internal audit. The Group internal audit provides the audit and risk committee with the assurance that significant business risks were systematically identified, assessed and reduced to acceptable levels in line with the Board's risk appetite.

## OUR APPROACH TO RISK MANAGEMENT

The Audit and Risk committee reviewed the Group's risk management policy, and deemed it to still be appropriate and effective for the Group.

The Audit and Risk committee assessed whether the risk management process is effective in identifying and evaluating risks and assessed whether the executive committee managed the risks in line with the Group's strategy. The Audit and Risk committee considered our external and internal operating environment in order to identify key developments related to key risks, the implications thereof and the responses and impact on the Group's sustainability.

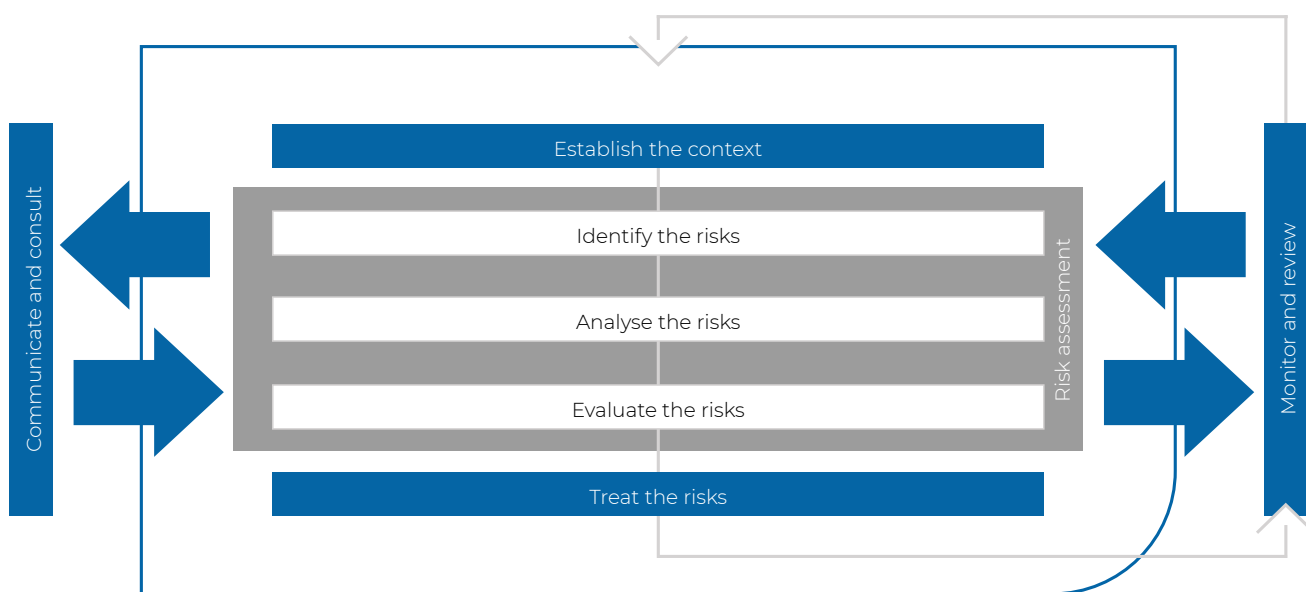
A risk register is maintained with risk categories including financial, operational, strategic, legal, human resources and environmental risk. Action plans are monitored and discussed to reduce the risks to acceptable levels. From the risk evaluation in the risk register, significant risks are reported to the Audit and Risk committee, who in turn reports these risks to the Board of Directors.

## RISK MANAGEMENT PROCESS

The Risk Management Policy defines the critical processes for identifying risks and prioritising and proactively managing those risks.

Our Risk Management Policy acknowledges that the success of the Group is dependent on the effective management of those activities which support the Group's key strategic objectives and value drivers as outlined in our strategy and that the activities have an associated element of inherent risk. It is therefore imperative that we assess risks continuously, in order to effectively identify and appropriately address them.

The structure of our risk management process is set out below. This structure was rolled out across the entire Group and is in line with industry standards.



# OUR MATERIAL MATTERS (CONTINUED)

<b>Establish the context</b>	We considered the internal and external operating environments within which risks are present.
<b>Risk identification</b>	We identified all possible uncertainties (risks) that may impact the Group and prevent it from achieving its objectives.
<b>Risk analysis</b>	We analysed and assessed the risks identified, in terms of their likelihood to occur and their impact upon occurrence.
<b>Evaluate the risk</b>	We evaluated the potential impact of the risks identified and decided whether these risks were acceptable or required treatment.
<b>Risk treatment</b>	We identified the actions and controls to manage the risks identified to an acceptable residual level.
<b>Monitoring and reviewing</b>	We continuously monitor and review the effectiveness of the plan, strategies and management systems, in order to assess the effectiveness or improvements required.
<b>Communicate, consult and report</b>	Regular communication and consultation took place between those who are involved in the identification and assessment of risks and those who are involved in the treatment, monitoring and reviewing of risks. Effective communication took place among all stakeholders in the risk-management process.

## GOVERNANCE OF RISK MANAGEMENT

In order to meet our strategic objectives, we implemented the risk management process based on the approved Risk Management Policy. The policy document defines the objectives, methodology, process and responsibilities of the various role players. The policy is subject to annual review and any proposed amendments are submitted to the audit and risk committee for consideration and recommendation to the Board for approval.

During the year under review the committee undertook the following functions :

- Assisted the directors in fulfilling their responsibilities to ensure the risk management process is effective and in place throughout the Group;
- Evaluated reports from the internal audit concerning the Group's risk management and compliance processes and controls in order to oversee the effectiveness of them;
- Assessed reports from the executive committee concerning the business, operational and compliance risks in order to analyse these risks and assess their impact on the Group;
- Received reports from the executive committee concerning significant risk exposures and risk events, in order to monitor and approve them in accordance with the Board's risk appetite;
- Ensured that the Group complied with applicable external and regulatory obligations, and significant internal policies relating to the operation of its business units;
- Assessed whether IT risks are adequately addressed through the risk management and assurance processes of the Group;
- Facilitated the communication of risk issues to all management; and
- Updated and approved the revised Risk Management Policy.

The Board is committed to a process of risk management that is aligned to the principles of King IV™.





# OUR MATERIAL MATTERS (CONTINUED)

The group prioritised and mitigated the following key risks to create sustained value

The following table describes our principal identified risks, which continue to have the potential of a material impact on the Group's ability to create value. These are outlined below:

- 1 Resource availability**
- 2 Reallocation of fishing rights**
- 3 Exchange-rate volatility**
- 4 Cyber risk**
- 5 Regulatory compliance**
- 6 Environmental**
- 7 Macroeconomic environment**
- 8 Attracting and retaining skilled staff**

The following table provides a detailed insight into our key identified risks, together with their potential impacts and mitigating actions.



In determining our mitigation strategy, we have considered the severity and likelihood of the occurrence of the risks we face.:

**Risk exposure**




**1 Resource Availability**

The risk that a reduction in the fish biomass could result in a reduction in the Total Allowable Catch (TAC) for West Coast Rock Lobster (WCRL) South Coast Rock Lobster ( SCRL), hake and pelagic, or a reduction in the total effort catch of squid.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
<p>The West Coast Rock Lobster (WCRL) Resource remains a challenge for the industry at large. During the year under review, the Department of Forestry, Fisheries and the Environment (the Department) announced a reduction in the TAC for the fishing season period under review.</p> <p>The group's quota was reduced to 27 tons for own permit and 54 tons for outside rights holders.</p>	<p>The Group remains committed to assisting government by ensuring strict compliance with the TAC, thereby assisting the recovery of the resource and safeguarding the sustainability of the resource for the future.</p> <p>The Group continues to incubate and procure fish from third-party quota holders so that a reduction in the quota for the Group can be mitigated by third-party quota holders.</p> <p>Additionally, we continue to enhance our operational efficiencies, thereby avoiding critical job losses.</p>	<p>Residual vs. Inherent</p> 	<p>A reduction in the Total Allowable Catch (TAC) affects the Revenue Generated by the Group and ultimately the investors' returns on shareholding</p> 

**2 Reallocation of Fishing Rights**

The risk that a reduction in the fish biomass could result in a reduction in the TAC for WCRL, SCRL, hake and pelagic or a reduction in the total effort catch for squid.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
<p>The Fishing Right Allocation Process (FRAP) for the granting of long-term commercial fishing rights was extended twice, with the application process itself pushed into November 2021, therefore in our next reporting cycle.</p> <p>The Department reviewed the rights process to allow for a potential of 25% new entrants into the sector.</p>	<p>The Group is one of the most transformed fishing companies in South Africa, with a level 1 B-BBEE rating with a 93.63% black ownership.</p> <p>This positions the Group as a strong contender in being allocated appropriate quotas.</p> <p>To further mitigate the potential for a reduction in the Group's own quota, Premier continues to retain strong relationships with its existing smaller fishing company partners and has actively engaged in seeking additional partners, to operate in a similar manner. This is to ensure an equitable distribution of available marine resources.</p>	<p>Residual vs. Inherent</p> 	<p>Revenue and profitability will decrease and this will affect business going concern.</p> <p>The loss of fishing rights by the group or by rights holders who are contracted with the group will result in operations being affected and may lead to job losses in the company as the fishing rights are the backbone of Premier Fishing Group</p> 

# OUR MATERIAL MATTERS (CONTINUED)

## 3 Exchange-rate volatility

The risk of the ZAR strengthening against the US Dollar and Euro.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
Currency volatility due to various political and macro-economic factors continues.	The Group implements operational strategies, which enable it to save on ZAR denominated costs in the event of the strengthening of the ZAR, thereby maintaining its margins.	Residual vs. Inherent	<p>A strengthening rand against hard currencies means that export sales when translated to Rands will see a decline in reported Revenue.</p> <p>A strengthening Rand also results in outstanding debts from customers, in the group are translated to a lesser amount in Rands resulting in foreign exchange losses</p>



## 4 Cyber risk



The risk that the Group's information systems will be threatened by cyber-attacks.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
Cyber-attacks have increased in frequency and sophistication and with the increased use of technology, the exposure to cyber-attacks inherently exist.	<p>The Group continues to invest in up-to-date information technology systems, thereby safeguarding the Group's critical information.</p> <p>The Group continuously provides employees with training and information on how to mitigate software virus threats.</p>	Residual vs. Inherent	<p>A cyberattack can affect and also hinder operations as the all business systems in place within the group are highly dependent on the use of technology for the ease of work carried out.</p> <p>A cyberattack may result in business operations coming to a standstill as the group's data processing is highly dependent on the servers for data storage.</p>





## 5 Regulatory compliance

The risk of non-compliance with laws and regulations and JSE Listing requirements.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
<p>The Group operates under strict and complex regulatory and policy frameworks.</p>	<p>The Group endorses best practices and is HACCP accredited.</p> <p>The Group employs experienced staff who understand the various regulatory requirements.</p> <p>The Group has legislature-compliance training and monitoring programmes.</p> <p>Rigorous compliance and quality audits are conducted, ensuring the highest standards. Policies and procedures are constantly updated in order to adapt to new regulations and legislative requirements.</p> <p>Residual vs. Inherent Material aspect affected</p>	<p>Residual vs. Inherent</p> 	<p>Non compliance with laws and regulations may affect business continuity.</p> <p>The laws and regulations are put in place to control the group's activities. Should the group use the fishing rights beyond the stipulated quota then there is a risk that no quotas will be allocated for the next fishing season.</p> <p>JSE listing requirements are very critical in keeping the company listed and should these not be adhered to then there is a risk that the holding company is delisted.</p> <p>BEE ratings are highly essential and retention of the BEE levels is crucial for business continuity as the fishing rights allocation takes the status into consideration</p> 

## 6 Environment

The risk of adverse weather conditions affecting landings of fish stock and the Red Tide in the Gaansbaai area.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
<p>There are challenging weather conditions and natural movement of biomass.</p>	<p>The Group employs experienced skippers who maximise the catch rates during the available fishing days.</p> <p>We have engaged the services of veterinarians and a top marine biologist, who have developed standard practices to assist with the management of our animals during a red-tide occurrence.</p>	<p>Residual vs. Inherent</p> 	<p>Adverse weather conditions affect the catch and this has a huge impact on the Revenue generated by the group</p> 

# OUR MATERIAL MATTERS (CONTINUED)

## 7 Macroeconomic environment

The risk of significant increases in wages demanded by staff, and unplanned operational disruptions as a result of labour disputes.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
The current economic environment in South Africa is characterised by the harsh increase in the cost of living and low economic growth.	<p>The Group continues to pursue growth and diversification of its portfolio in order to unlock value and create much-needed jobs and employment opportunities</p> <p>The Group constantly engages with trade-union representatives to ensure that employee demands are in line with the Group's affordability.</p>	Residual vs. Inherent	<p>Labour disputes and high wage demands has an adverse impact on operational costs which will significantly rise and an increase in overheads will result in Losses.</p>



## 8 Attracting and retaining skilled staff

The risk of losing employees with critical skills and experience.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
South Africa continues to experience high levels of emigration, adding to the challenge of attracting and retaining skilled talent.	<p>The Group has instilled a rich, diversified, and inclusive company culture – and has an engaged open door policy.</p> <p>The Group strives to ensure employee satisfaction by empowering staff in order to promote productivity and enhance outcomes.</p>	Residual vs. Inherent	<p>Retention of highly skilled staff is very important as skilled and experienced staff are crucial stakeholders who ensure the going concern of the business as the main operations of the companies require skilled personnel.</p> <p>For instance a loss of a skipper who is in charge of the vessel that the group relies on, for fishing has a huge impact on the revenue as there is a possibility of decline in Revenue due to a drop in fish caught.</p>



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# HOW WE CREATE VALUE USING SIX CAPITALS

We effectively converted resources into sustainable value for our stakeholders.



## Financial Capital

### Key financial capital inputs

- Cash generated from operations of R53m

### Outcomes of our activities:

	2021 R'000	2020 R'000
Operating profit	13 856	12 252
Cash generated from operations	52 992	34 612
Net asset value per share	292.53 cents	296.23 cents
Dividends declared to shareholders	13 000	26 000

### Actions that enhanced our outcomes

- Continued to effectively manage our operating costs during the period, thereby ensuring that margins are maintained.
- Negotiated effective terms with suppliers, thereby ensuring the effective management of our working capital.



## Natural Capital

### Key natural capital inputs

	2021 R'000	2020 R'000
Total quantity of fish landed (tons)	26 532	20 596
Total electricity usage (Kws)	7 497MWh	6 497MWh
Land leased for aquaculture development (hectares)	-	-
Land owned for aquaculture development (hectares)	6	6

### Outcomes of our activities on natural capital

	2021 R'000	2020 R'000
Total quantity of fish sold (tons)	27 132	20 596
Total quantity of cultivated Abalone sold (tons)	More than 110	Between 70-75

### Actions that enhanced our outcomes

We continued to pursue:

- The continued use of solar energy at our abalone farm contributes to our sustainable farming practices;
- We continue to research and develop activities to ensure the highest quality of abalone is produced.





## Human Capital

### Key human capital inputs

- Teamwork and a respectful culture;
- Modern, safe, reliable and highly efficient equipment;
- Clean, safe and healthy operational premises; and
- Effective leadership to develop and lead our employees to deliver high performance.

### Outcomes of our activities on human capital

	2021	2020
Number of employees	838	886
Total amount paid in salaries, wages and benefits (R'000)	155 804	114 907
Total amount paid to contracted fishermen (R'000)	44 518	26 083
Total amount paid towards the Premier Fishing Bursary (R'000)	399	449
Total number of employees receiving training	175	5
Total amount paid for skills development (R'000)	2 780	659
Number of employee safety incidents	33*	Zero

\*Zero fatalities were recorded during this period.

### Actions that enhanced our outcomes include:

- Providing learnership programmes, thereby contributing towards skills enhancement within the Group, as well as broader society;
- Continuously promoting a working environment in which all of our employees are valued, respected and developed, thereby enabling them to perform at a high level;
- Continuous funding of the Premier Fishing Bursary scheme, which assists our employees by teaching their children critical skills that are needed within the Group and
- Enhancing our risk-management processes to ensure a safe and healthy working environment for our employees.



## Manufactured Capital

### Key manufactured capital inputs

- Property, plant and equipment of R463m (carrying amount); and

### Outcomes of our activities on manufactured capital

	2021 R'000	2020 R'000
Capital expenditure	25 286	65 410
Depreciation and amortisation	28 387	42 716

### Actions that enhanced our outcomes

- The construction of our abalone farm incorporates modern high-quality technology, contributing to sustainable aquaculture practices; and
- We continue to invest in the maintenance of our existing vessels, plant and equipment in order to maximise the usefulness and longevity of our assets.

# HOW WE CREATE VALUE USING SIX CAPITALS (CONTINUED)



## Intellectual Capital

### Key intellectual capital inputs

- Our patents and trademarks;
- Our business processes and systems; and
- Our highly experienced and skilled employees.

### Outcomes of our activities on intellectual capital

	2021	2020
Number of patents and trademarks issued	20	20

### Actions that enhanced our outcomes

- We continued to protect our intellectual property with state-of-the-art IT systems; and
- We committed funds to research and development initiatives.



## Social and relationship capital

### Key social and relationship capital inputs

- The Group continued to:
  - Provide support to small-quota holders; Procure goods and services from previously disadvantaged individuals and companies;
  - Provide bursaries to our employees through the Premier Fishing Bursary Programme, as part of our contribution towards creating a better tomorrow;
  - Fund junior soccer teams as part of our sports development drive in Saldanha;
  - Fund sports-development activities at primary schools in Gansbaai;
- Maintain positive relationships with representatives from the various unions; and
- Maintain positive engagement with the DAFF and other government departments.

	2021	2020
Social investment expenditure	679 442	580 000
Enterprise development expenditure	4 284 746	9 026 000
Expenditure for preferential procurement	4 284 746	9 026 000

### Actions that enhanced our outcomes

- We implemented specific procurement and loan financing programmes to support small- to medium-sized (SMME) enterprises;
- We continued to engage with small fishing communities and provided financial assistance;
- We continued to engage with investors to ensure that our shareholder's expectations are aligned with our strategies.

## OUR STAKEHOLDER RELATIONS

We appreciate the role of our stakeholders and are committed to nurturing impactful relationships that deliver mutual benefits and encourage transparent, objective and relevant communication. We recognise the importance of building and maintaining trust and respect with our various stakeholders. We strive to respond timeously and appropriately to issues raised in our interactions with our stakeholders.

Our stakeholder management approach involves gaining a thorough understanding of stakeholder's needs and expectations, addressing those needs and expectations and also identifying and acting on opportunities that are of mutual benefit.

Our stakeholder engagement involves identifying stakeholders who have the most significant impact on our business. Our engagement includes, communicating our strategy, performance, decisions and activities that impact or are of significant interest to our stakeholders, as well as understanding their needs and perspectives.

We addressed essential risks and opportunities and responded timeously and appropriately to issues raised in our interactions with our various stakeholders.  
**(King IV™ - Principle 16)**

The following table provides an overview of our key stakeholders, their needs and expectations, how we engaged with them and their contribution to value creation in the business.



# OUR STAKEHOLDER RELATIONS (CONTINUED)

## SHAREHOLDERS

We have a broad shareholder base, which includes individuals, institutional investors, private and public companies

### Stakeholder

Engagement was done through formal and informal interactions, including:

- Engagement with stakeholders;
- SENS announcements;
- Print media;
- Site visits;
- Road shows;
- Ad hoc meetings as requested;
- Our website [www.premierfishing.co.za](http://www.premierfishing.co.za)

### Primary concerns and expectations

- Sustainability of the business;
- Return on capital invested
- Optimal capital allocation and management
- Execution of growth strategies
- Appropriate risk identification and management processes
- Good corporate governance

### Expectations managed

- Sound corporate governance rules are implemented in the business
- Increase in profit of after tax of 5%
- Currently in progress with implementing growth strategies
- Dividends of 50 to 60 cents per share

### Value for Premier

- Supply of capital
- Low geared balance sheet

### Value for Stakeholder

- Capital growth
- Dividends
- Return on investment

## GOVERNMENT AND REGULATORY AUTHORITIES

Including: DAFF, SARB, SARS SAMSA, MCM, NCRS  
Accreditation: HACCP, FDA, SABS, NCRS

### Stakeholder

We engage with them through various forums, including:

- Emails and telephonic conversations
- Site inspections and audits
- Industry association meetings

### Primary concerns and expectations

- Compliance with laws and regulations of authorities

### Expectations managed

- Continuous training of management and staff responsible for compliance with various regulations by the respective authorities
- Immediate corrective action noted in the event of findings raised by authorities
- Participation in industry working groups
- Meeting with industry regulators

### Value for Premier

- Favourable legislation and less interference
- Repeated utilisation of fishing quotas

### Value for Stakeholder

- Contribution to taxes supports job creation
- Other strategic initiatives
- Payment of landing levies and taxes

## CUSTOMERS

We have a wide array of both foreign and local customers.

### Stakeholder

We engage with them through various forums, including:

- Emails and telephonic conversations
- Contract negotiations and ongoing interactions in the ordinary course of business
- Meetings, including site visits and one-on-one engagements

### Primary concerns and expectations

- Delivery of quality products and services
- Price competitiveness
- Leveraging of our B-BBEE credentials
- Adherence to regulatory requirements, good corporate governance and ethics
- Reliable long-term supply of products

### Expectations managed

- Ensured that inventory is available
- Ensured that all products supplied have the legal paperwork from the relevant authorities in place
- Ensured that products are safe to consume and consistent with the Premier quality and brand
- Ensured adherence to all necessary standards, such as HACCP, SABS, FDA and EU standard tests
- Complied with international laws, regulations and legislation.

### Value for Premier

- Repeat business and revenue growth
- Understanding trends and opportunities
- Improved ability to compete
- Reputable brands

### Value for Stakeholder

- Quality products and services
- Fair prices
- Correct labelling
- Better products and services

## SUPPLIERS

We have a wide range of suppliers, we source products and services mainly from empowered local suppliers.

### Stakeholder

We engage with them through various forums, including:

- Emails and telephonic conversations
- Contract negotiations and ongoing interactions in the ordinary course of business
- Meetings, including site visits and one-on-one engagements
- Supplier audits
- Service-level agreements

### Primary concerns and expectations

- Long-term security of supply
- Fair treatment and fair payment terms
- Entrepreneurship and supplier-development programmes
- Commitment to B-BBEE policies

### Expectations managed

- Ensured that we sourced supply with reputable businesses – Code of Ethics
- Fully committed to B-BBEE
- Made fair and timeous payments
- Implemented several entrepreneurship and supplier-development programmes

#### Value for Premier

- Good service
- Committed and consistent supply
- Good pricing
- Good-quality products

#### Value for Stakeholder

- Fair allocation of business pay on time
- Zero corruption

## EMPLOYEES AND TRADE UNIONS

We have permanent and seasonal workers as well as contracted fishermen.

### Stakeholder

Communication channels include:

- Emails and notice boards
- Internal meetings with trade union representatives take place on a regular basis
- Performance reviews and feedback sessions
- Company website
- Induction programmes
- Role blueprints, including job grading and job specification requirements
- Training and development sessions

### Primary concerns and expectations

- Career development opportunities including skills training
- Job security
- Market-related salaries and wages and equal pay
- Health and safety
- Transformation and diversity
- Involvement in secondary and tertiary education programmes
- Employee wellness programmes
- Corporate social investment in communities
- Employee engagement and communication – the importance of open and honest feedback

### Expectations managed

- The Group embarked on updating role blue prints, benchmarking and evaluation measures and identifying further skills development plans
- We focus on health and safety standards and procedures and ensure that working conditions are acceptable
- We made a substantial investment in skills development
- The Group also has a bursary programme which facilitates higher education
- We have also implemented a wellness clinic at our abalone farm.

#### Value for Premier

- Engaged and motivated employees
- Ability to attract and retain key skills

#### Value for Stakeholder

- Fair pay
- Interesting work
- Growth and development, equal treatment
- Health and safety

## LOCAL COMMUNITIES AND OTHER SMALL QUOTA HOLDERS

This is the community in which we operate, including small-quota holders.

### Stakeholder

We engage with the community through direct one-on-one meetings and through roadshows at community centres as well as via:

### Primary concerns and expectations

- Social-investment programmes
- Job creation
- Enterprise development

### Expectations managed

- Regular donations to sports-development programmes in the communities of Saldanha and Gansbaai
- School donations and support programmes in the communities of Hawston and Gansbaai
- Creation of job opportunities through the abalone farm expansion
- Free administration-support services and technical training to contracted small-quota holders

# OUR STAKEHOLDER RELATIONS (CONTINUED)

## FORTUNE FAVOURS PREMIER

*“What differentiates Premier from other similar medium-sized businesses, is that they listen to what we need and do the best they can to meet our collective needs.”*

Ousted from their homes in District 6 during the apartheid era, many of South Africa’s fishing families were re-located to places like Saldanha, Gansbaai and Kalk Bay to continue their craft. One such family are the Fortunes, now headed up by Ishmael Fortune, a 3rd generation fisherman, who had initially found themselves in the picturesque deep south village of Kalk Bay.

The Fortunes quietly went about their business. In Summer, they would sell their hake and snoek, and in Winter, abalone or “perlemoen” was the staple diet – until that is, the government came along and put a price tag to the fish that the fishers were harvesting from the ocean.

Up until 1994, quota systems regulated who got what, with expensive resources set as a condition on which allocation rights would be distributed. On 1 September 1998, the Marine Living Resources Act came into operation. Although having the right intentions, several contestable issues were highlighted, like a “balance between the rights of the individual rights-holder and those of the State.”

In the beginning, the Fortune family were allocated 10 tons Total Allowable Catch (TAC) of lobster, however, in 2021, this ‘allocation’ was slashed to 1564 kg (around 1.5 tons) with possible further cuts in the pipeline.

‘Rights holders’ encompass commercial fishing organisations and small-scale fishers, who like the Fortune family, have fished for many generations. Yet, despite their undeniable legacy, small-scale fishers are not yet fully recognized as a formal sector. This puts them at a distinct disadvantage when sloggng it out with the big guys for, what potentially, are their inherent right to the fishing pie.

Ishmael Fortune remembers how, through extreme hard work, his father bought his own fishing vessel, the “Tajmahal”. Sixteen of the family members worked on the vessel deriving their income.

“During the first batch of quotas, subsistence fishermen were requested to have a working vessel. My family and the community pooled our resources together to be able to catch hake longline, because government said we must have a vessel. Then, we were told that we no longer needed a vessel.

“The last application asked whether the applicant has land-based assets and fishing vessels too. We struggled but, I was successful in purchasing a factory in Saldanha Bay. After spending all our savings, today, the application form no longer asks for land-based assets.

“Fishing communities are in crisis” commented Fortune. “This has been made worse by the pandemic and continued illegal poaching, to the point where lobster and abalone resources are on the brink of collapse.”

Also adding extra pressure to these smaller fishing communities, is the fact that with international markets being restricted in 2020 and 2021, there is now an over-supply of lobster products in the local market. Prices of lobster and abalone have been greatly affected too, as trade with China came to a halt because of the country’s restrictions during Covid, coupled with low local demand which has driven prices down.

Aside from this, many of these small-scale fisheries also lack the means to process, cold store and market their catch. Left with no other alternative, they partnered with commercial organisations. Fortune explains the initiative they started 26 years ago: “We decided to form a conglomerate and work with the big commercial fishing companies, most of who, gave us the raw end of the deal. That was, until I met up with Premier Fishing.”

Premfresh, a division of Premier Fishing and Brands, has worked with Ishmael since 1995 and since 2003, the company has played an instrumental role in assisting other smaller rights holders establish their own businesses in respect of managing their Rights.

In the past 5-years, Premier has also increased its engagement with small-scale Rights Holders who fall within the



*Ishmael Fortune*

West Coast Rock Lobster (WCRL) sector, for example, providing them with marketing services, operational support services, sales, and financial advice and training. Premier also provides a “voorskot” so that they can play a more pronounced role in the mainstream economy.

Fortune, a man of few words, becomes animated, explaining that: “What differentiates Premier from other similar medium-sized businesses, is that they listen to what we need

and do the best they can to meet our collective needs. The company is committed to the sustainability of small-scale fishers, and in assisting us Rights Holders to operate in a viable manner, with more of us able to sustain our livelihoods, thereby reducing negative social impact on our families and communities.”

The small-scale fishers who approached Premier for assistance more than 20 years ago, are still with the company.







# OUR STRATEGY

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*Strategic focus areas*

*Report of the investment committee*

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# OUR STRATEGY

## STRATEGIC FOCUS AREAS

### LONG-TERM STRATEGIC VISION

Our long-term value-creation ambitions are framed around, and governed through, the pursuit of our strategic vision, which is:

To be a pre-eminent vertically integrated empowered marine business, that uses ethical and sustainable business practices, to deliver desired outcomes.

### MEDIUM-TERM STRATEGIC GROWTH PLAN

At the heart of achieving our strategic vision, is our strategic growth plan which sets out medium-term goals that help us realise our strategic vision.

#### Context

The Group completed its Vision 2020 Vision strategy in the last financial year. As a natural follow on to this, the Group has formulated a strategy for the next five years that will see it focus on achieving a variety of necessary sustainability goals that speak to not only the environment but our entire operating context. We call this "Sustainability First", which also speaks to our mission to be the first choice for clients, consumers and our people.

#### Aims:

In achieving the aims of our Vision 2020 Vision, we will now look to continue the growth of Premier Fishing and brands with a view to increasing our revenue to R600m but also to achieving our net zero goals in line with the UN SDGs by 2030.

We plan to achieve this by:

Organic growth and acquiring companies that complement existing operations, as well as expanding our areas of operation with companies that fit our overall strategy.

#### Capitals required

**Financial**



**Intellectual**



**Human**



**Social and relationship**



## SHORT-TERM STRATEGIC FOCUS AREAS

Our day-to-day actions are designed to support our strategic focus areas, which aim to form part of achieving our strategic growth plan.

In delivering on our strategic vision and growth plan, we have focused our energy and actions in the following areas:

Strategic objective	Strategic action	Success	Challenges
Increase revenue to R600m from current revenue of R575m (2021) and increasing year on year.	<ul style="list-style-type: none"> <li>Continued expansion of our abalone farm thereby ensuring increased capacity.</li> <li>Acquire companies with a strategic fit to the Group.</li> <li>Procurement and trading of other fish species.</li> </ul>	<ul style="list-style-type: none"> <li>Increased production capacity at the abalone farm by 31 tons.</li> <li>Maintained volume of wild abalone through the purchase from third party quota holders.</li> <li>Commenced with the procurement and trading of other fish species.</li> <li>Revenue increased to R575m from R454m in the prior year.</li> </ul>	<ul style="list-style-type: none"> <li>Weather disruptions to construction activities.</li> <li>Quota reductions in the overall TAC w.r.t the WCRL division.</li> </ul>
Grow EBITDA as much as possible given our quotas from EBITDA of R43m in 2021.	<ul style="list-style-type: none"> <li>Increase capacity utilisation of land- and sea-based assets.</li> <li>Explore innovative fishing and production techniques.</li> <li>Improve catch plans to increase catch rates.</li> <li>Further introduce solar technology with the expansion at the abalone farm to reduce energy costs.</li> <li>Implement shared services initiatives in human resources, information technology, procurement and sales.</li> <li>Construct a canning and drying facility at our abalone farm to enable own processing of canned and dried abalone.</li> </ul>	<ul style="list-style-type: none"> <li>Increased capacity utilisation of land- based assets through increased volume of contracted quota.</li> <li>Improved catch plans to increase catch rates.</li> <li>Implemented shared services initiatives in human resources, information technology, and sales.</li> </ul>	<ul style="list-style-type: none"> <li>Adverse weather conditions disrupted planned catching days</li> <li>Increased competition for contracted quotas.</li> </ul>
Secure our sustainability in the long-term (Fishing quotas).	<ul style="list-style-type: none"> <li>Alignment of Group with regulator's policy of allocating fishing right.</li> <li>Full compliance with laws and regulations.</li> <li>Create job opportunities through community partnerships and through expansion of our abalone farm.</li> <li>Support initiatives to improve health and education in communities.</li> <li>Continue to develop a plan to measure and reduce our carbon footprint.</li> <li>Full compliance with all environmental, health and safety regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Retained a level 1 B-BBEE rating.</li> <li>100% Black ownership</li> <li>Complied will all laws and regulations.</li> <li>Complied with the Listing Requirements of the JSE.</li> <li>100 new jobs indirectly created through the construction activities at our abalone farm.</li> <li>Supported initiatives to improve health and education in communities.</li> <li>Funded activities for sport development at Gaansbaai primary school.</li> <li>Complied with all environmental, health and safety regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Ever changing regulatory framework.</li> <li>Complex laws and regulations.</li> </ul>

# OUR STRATEGY

## STRATEGIC FOCUS AREAS: PLANNED ACTIONS FOR 2021/2022

- Plan to continue the farm expansion project where possible
- Finalise the receipt of the ADEP aquaculture grant.
- Complete the construction of a canning and drying facility at our abalone farm.
- Continue to identify potential target companies as part of the strategic vision of the group.
- Continue to procure third party contracted quota.
- Continued Incubation and investment in smaller companies.

## OUR KEY PERFORMANCE INDICATORS (KPIs)

In delivering on our strategic vision and growth plan, we have continued to focus our energy and actions in the following areas:

Our 'Sustainability First' strategic plan set a number of key performance indicators (KPIs) and targets for the Premier Group in order to achieve its strategic objectives. The targets are monitored continuously and revised should the need arise to take into account changes in the global economy, market trends and environmental matters that could materially impact our strategic plans.

Our performance dashboard below, provides an overview of how we delivered during the period, and tracks our performance against our targets.

### FINANCIAL KPIs

FINANCIAL KPIs	TARGET	2020	2021
Revenue growth	12%	(22%)	26%
EBITDA growth	4%	(44%)	(22%)

### NON-FINANCIAL KPIs

NON-FINANCIAL KPIs	TARGET	2020	2021
Job creation	20	>100	100
Health and safety	Zero fatalities	1*	Zero fatalities

\* The 1 fatality relates to a COVID-19 case.

## REPORT OF THE INVESTMENT COMMITTEE

The investment committee has the pleasure of submitting its report for the period ending on the 31 August 2021.

### Roles And Responsibilities of the Investment Committee

The Investment Committee has an independent role, operating in an overseeing capacity as well as making recommendations to the Board for its considerations and final approval.

The Group's investment decisions are driven by its overall objective of creating and growing stakeholder value in a sustainable manner. This is achieved by ensuring that investments, including acquisitions and organic growth projects, are subject to review by the Investment Committee. The committee is well balanced, with legal, financial and strategic expertise. Investments are adjudicated to ensure that they are a strategic fit with synergistic benefits to the Group's current portfolio and that they provide an acceptable level of return with a reasonable payback period.

The role and responsibilities of the committee include:

- Considering investment opportunities in respect of acquisitions and material capital expenditure in terms of the Group's risk appetite;
- Recommending to the Board the approval of acquisitions and disposals;
- Reviewing the investment strategy of the Group;
- Setting criteria and targets for investment in terms of the Group's risk appetite;
- Reviewing due diligence processes for acquisitions.

### Investment considerations

When considering acquisitions, the Group targets companies with the following characteristics:

- Strong investment partners that are aligned with the Group's strategic objectives;
- Companies that are committed to the production of high-quality products;
- Defined and sustainable growth strategy;
- Successful historical performance, coupled with robust future prospects;
- Excellent credentials and management expertise; and
- High-growth prospects.

### Discharge of Duties During the Year Under Review

Investment opportunities considered:

Within the context of the capital raised from listing, the investment committee is continuously presented with investment opportunities for consideration.

The committee is satisfied that it has fulfilled all its statutory duties assigned by the Board for the period under review.

### Prospects

The presence of COVID-19 and its challenges have played a part in the acquisition of investments. However, the investment committee continuously reviews new opportunities to ensure that they satisfy the investment criteria for the Group before recommending them for approval to the Board. The companies that are targeted are monitored continuously and revised should the need arise to take into account the global economy, market trends and environmental matters that could materially impact our strategic plans.

**Aziza Amod**  
**Chairperson of the Investment committee**  
**31 August 2021**



# OUR GOVERNANCE

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*Governance framework*

*Report of the Nomination Committee*

*Our effective leadership*

*Report of the Remuneration Committee*

*Corporate governance*

*Report of the Audit and Risk Committee*

*Technology and Information*

*Report of the Social, Ethics and Transformation  
Committee*

# OUR GOVERNANCE

Excellent corporate governance practices are the foundation of our business and are critical in delivering long-term value to our stakeholders. We have an engaged and positive association with all stakeholders and are committed to the highest ethical standards and business integrity in all of our activities.

## STATEMENT OF COMMITMENT

The Board is committed to the highest standards of business integrity and has adopted an integrated approach to managing the Group to ensure that the governance structure actively identifies, communicates and responds to material matters that impact on the Group's ability to create stakeholder value. The Board believes that it has addressed all material matters appropriately and that it fairly represents the integrated performance of the Group.

The Board continuously reviews the Group's governance structures and processes to incorporate and accommodate new corporate developments, to facilitate effective leadership, sustainable corporate citizenship in support of the Group's strategy and to reflect national and international corporate governance standards, developments and best practices. **(King IV™ – Principle 6)**

The Board is satisfied that effective controls have been implemented and complied with throughout the Group and that the Company fully complies with the spirit and form of the continuing obligations of the JSE Listings Requirements, **King IV™** as well as the Companies Act.

### GOVERNANCE FRAMEWORK

Our Board of directors is the principal decision-maker and is supported by the various sub-committees which review the Group's governance structures and processes to ensure that the Group is governed in accordance with sound corporate governance practices, codes and standards, internal controls and that there is effective risk and regulatory compliance management. The Board ensures that the Group is led ethically and that the Group is seen to be a good corporate citizen.

The Board plays a critical role in strategic planning and has established clear benchmarks to measure the strategic objectives of the Group. The Board ensures that its sound governance framework enhances good corporate governance, continues to improve internal controls and the Group's performance. In carrying out the Group's strategic objectives, the Board is assisted by various sub-committees, including the executive committee, with clear terms of reference to assist in discharging its responsibilities.

- The main focus of the Group's governance framework is as follows:
- Vision, strategy and performance
- Ethical and responsible leadership
- Finance, including budgets and forecasts
- Corporate citizenship
- Risk management
- Information technology
- Investments
- Products – quality, cost, delivery and competitiveness

### APPLICATION AND APPROACH TO KING IV™

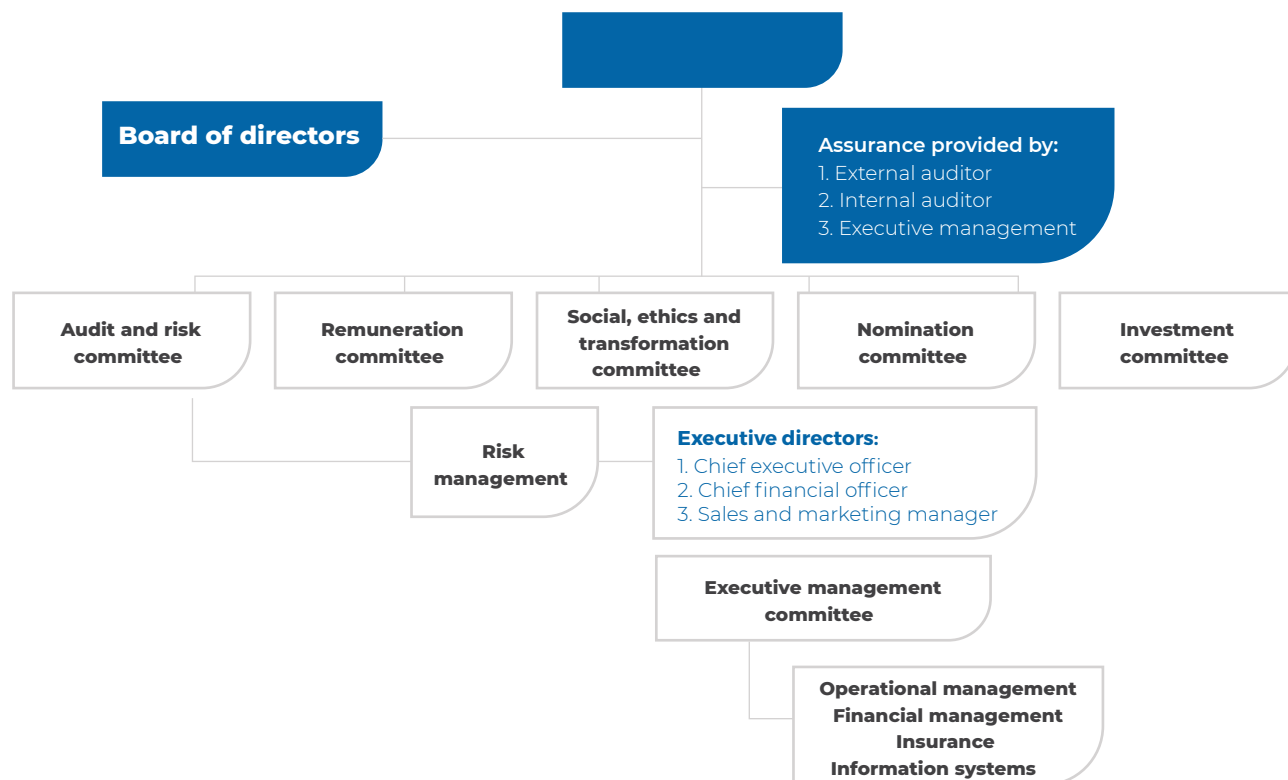
The Board adopted and applied King IV™. In supporting King IV™, the Board recognises that it is the focal point and custodian of corporate governance and ensured that the directors:

- lead ethically and effectively;
- are supported by an established ethical culture;
- set the strategic direction for the Group for the year ahead;
- approved policies and planning;
- administered and monitored the Group's risks and opportunities; strategy; business model; business performance; and sustainable development.

The Board ensured compliance with applicable laws, rules, codes and standards in a way that supported the Group in being ethical and a good corporate citizen. It ensured that remuneration is fair and transparent and that the integrity of information for decision-making internally and externally was assured. A stakeholder inclusive approach was applied in the Group to ensure that the needs, interests and expectations of material stakeholders were addressed.

Refer to the Company's website [www.premierfishing.co.za](http://www.premierfishing.co.za) for a full report on the application of King IV™.





**The governance structure supports the Group's strategic focus areas.**

<b>Objective</b>	Stakeholders	Value creation for all stakeholders and sustainable development that ensures: <ul style="list-style-type: none"> <li>• An ethical culture and effective leadership is maintained with positive outcomes.</li> <li>• A stakeholder-inclusive approach to balance the reasonable needs and interests of material stakeholders in the best interest of the Company.</li> </ul>
<b>Scope</b>	Company	• Ensures that the Company operates within the triple context; and governs risks, opportunities, strategy and sustainable development in a way that supports the Company achieving its strategic objectives.
<b>Character</b>	Internal system	Ensures that proper internal controls are in place, approves policies, plans, oversees and monitors, and ensures: <ul style="list-style-type: none"> <li>• Accountability.</li> <li>• That the assurance services and functions enable an effective control environment to support the integrity of information for internal and external decision-making.</li> <li>• That the Company remunerates fairly, responsibly and transparently in order to promote the achievement of the strategic objectives and positive outcomes in the short, medium and long term.</li> </ul>
<b>Mechanism</b>	Conformance	Continues to govern compliance with applicable laws and adopt non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.
<b>Direction</b>	Management	The Board sets and steers the strategic direction of the Company, is the focal point and custodian of corporate governance, and ensures accountability for the Company's performance. The Board oversees and monitors the implementation and execution by management.
<b>Disclosure</b>	Financial statements	<ul style="list-style-type: none"> <li>• Audited financial statements in terms of the International Financial Reporting Schools IFRS.</li> <li>• Integrated Report.</li> </ul>

# OUR GOVERNANCE

## (CONTINUED)

### REPORT OF THE NOMINATION COMMITTEE

The Nomination Committee has the pleasure of submitting its report for the financial year ended 31 August 2021.

The Nomination Committee is constituted as a committee of the Board in respect of all duties the Board assigns to it and has been delegated powers to perform its functions.

The Nomination Committee operates in accordance with the requirements of the **Companies Act and King IV™**. The Nomination Committee is constituted as a committee of the Board in respect of its statutory duties in terms of the Companies Act and King IV™ and is accountable to both the Board and shareholders.

### MEMBERS OF THE NOMINATIONS COMMITTEE AND ATTENDANCE AT MEETINGS

The nominations committee is comprised of two non-executive directors and the independent non-executive chairperson. During the year under review, one meeting was held and attendance of those meetings is set out in the table below:

NAME	MEETING ATTENDANCE
A Amod	1/1
S Young	1/1
I Amod	1/1

### ROLES AND RESPONSIBILITIES OF THE NOMINATION COMMITTEE

The nomination committee is responsible for identifying suitable candidates for appointment to the Board. The nominations committee ensures that the Board comprises the appropriate balance of knowledge, skills, experience, race and gender diversity as well as independence.

The committee is responsible for evaluating, promoting and ensuring race and gender diversity on the Board. The committee also ensures that the Board has the appropriate composition in terms of structure, size, composition and independence, and that directors are appointed through a formal and transparent process.

The roles and responsibilities of the committee include:

- To establish a formal process for the appointment of directors;
- To oversee the development of a formal induction programme for new directors;
- Oversee the development and implementation of continuing professional development programmes for directors;
- To ensure directors receive regular briefings on changes in risks, laws and the environment in which the Group operates;
- To consider the performance of directors and take steps to remove directors who do not make an appropriate contribution; and
- Make recommendations for the re-appointment of directors with regard to retirement due to rotation.

## RACE AND GENDER DIVERSITY POLICIES ADOPTED BY THE BOARD

Race and gender diversity at Board level, help the Group achieve its business goals through an improved understanding of the diverse environments in which the Group operates. A truly diverse board will include, and make good use of, differences in age, gender, race, skills, industry experience and other distinctions.

The Nomination Committee will consider and annually agree on measurable targets for achieving race and gender diversity at Board level. In identifying suitable candidates for appointment to the Board, the Nominations Committee will consider individuals on merit against objective criteria and with due regard for the potential benefits of race and gender diversity.

The Company's level of compliance for the period under review is summarised below:

PERCENTAGE OF DIRECTORS	ACTUAL
People of colour	100%
Female	50%

## DISCHARGE OF DUTIES DURING THE YEAR

During the year the nominations committee performed the following:

- Reviewed the race and gender diversity policy.
- No new directors were appointed in the past financial year, however, there were two Director resignations in the past financial year:
  - Ismet Amod resigned on **31 March 2021, and**
  - Salim Young resigned on **1 September 2021.**
- No new recommendations to the Board for approval of the appointment of new directors to the Board and sub-committees occurred in this financial year, although this is a duty that still applies, after due consideration of candidates on merit against objective criteria with due regard to the potential benefits of gender and race diversity at a Board level.
- Assessed the compositions of the sub-committees of the Board after certain directors did not make themselves available for re-election.
- Ensured that a brief professional profile of each candidate standing for election and re-election at the AGM, including details of professional commitments, accompany the notice of the AGM, together with a statement from the Board confirming whether it supports the candidates for election or re-election.
- Ensured that a programme of professional development and regular briefings on legal and corporate governance developments and risks and changes in the external environment of the organisation was provided to the members of the Board.
- Whilst no new directors were appointed in this period under review, the Committee is still responsible for induction of new directors.
- Ensured that there were continuing professional development programmes for directors during the year.
- Evaluated the performance of the Board, Chairperson and CEO and confirmed their performance in terms of the effective discharge of their duties:
  - Reviewed the independence of the Board;
  - Balance of power; and
  - Corporate governance.
- Recommended to the shareholders the re-appointment of non-executive directors with regard to retirements due to rotation on the basis of that member's performance, including attendance at meetings of the Board and committees (**King™ – Principles 1, 7, 8 and 9**). Refer to the notice of AGM or the Company's website for the brief CVs of non-executive directors recommended for re-appointment.

For the year under review, the Nomination Committee is satisfied that it has fulfilled all its statutory duties assigned by the Board.

# OUR EFFECTIVE LEADERSHIP

## Appointment

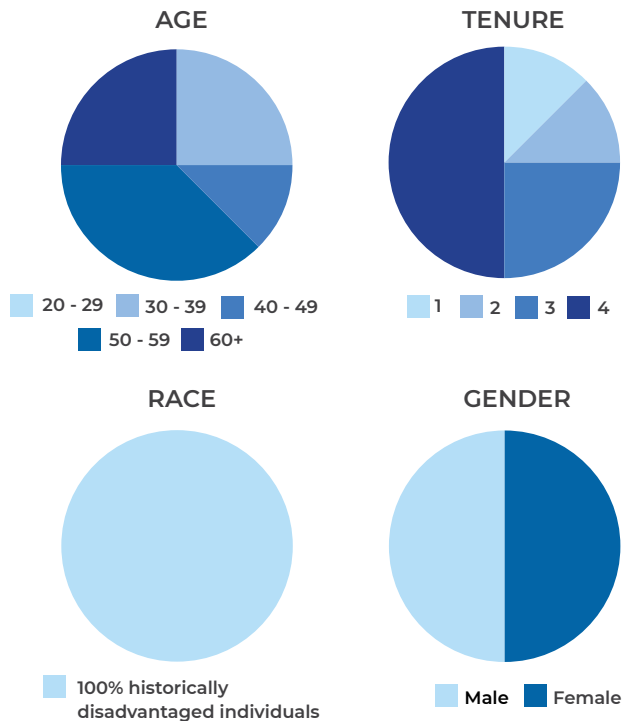
The nomination committee makes recommendations to the Board for the appointment of new directors. Directors are chosen for their business skills and business expertise.

## Evaluation

The non-executive together with the remuneration committee evaluates the performance of the executive directors annually.

## Composition

The Board recognises and embraces the benefits of a diverse board. Diversity is core and an essential component for sustaining a competitive advantage. Our Board comprises of the appropriate balance of knowledge, skills and experience to discharge its roles and responsibilities objectively and effectively.



## VALUE SYSTEM

### Respect and trust

To always respect and trust fellow employees, customers, partners and our stakeholders.

### People

To provide sustainable employment opportunities for our employees and others; to maintain a safe and secure working environment and zero fatalities; to develop, attract and retain the correct skills and structures to meet and support our strategic growth.

### Commitment

To deliver on our promises and add value beyond expectations.

### Integrity

To always act with integrity in whatever we do based on our values, principles, Code of Ethics and Code of Conduct

### Accountability

To have responsible and accountable leadership that addresses the expectations of our diverse stakeholders and embraces these responsibilities with efficiency.

### Stakeholders

To serve our stakeholders through good corporate governance, ethical conduct, value creation and safe, good-quality products and services.

## ROLES AND RESPONSIBILITIES OF LEADERSHIP

Assumes ultimate responsibility and accountability for the performance and affairs of the Company.

- Provides effective leadership on an ethical foundation;
- Oversees the Company's values, corporate governance and ensures ethics are managed effectively.
- Ensures accountability for organisational performance by means of, among other, reporting and disclosures.
- Ensures that the Company complies with all the relevant laws, regulations and codes of business practice.

## MANAGEMENT APPROACH

### Company strategy

We actively steer and spearhead the Company and set its strategic direction, with regards to both the Company's strategy and the way in which specific governance areas are to be approached, addressed and conducted.

**(King IV™ - Principle 4)**

### Risks and opportunities

We monitor and maintain a risk-management framework and ensure that key risk areas identified are monitored.

**(King IV™ - Principle 11)**

### Governance of ethics

We ensure that we promote an ethical culture within our management process through an effective delegation of the introduction, monitoring and implementation of ethics-based mechanisms within our business.

**(King IV™ - Principle 1)**

### Corporate citizenship

The Board and management recognise that Premier Fishing is an economic entity and also a corporate citizen and that it has a social and moral standing in society with all the attendant responsibilities. (Please see transformation commitment in this regard.)

**(King IV™ - Principle 3)**

### Monitoring, compliance and oversight

We monitor the implementation of compliance with policies and processes and improve upon them to mitigate the risk of non-compliance with all applicable laws.

**(King IV™ - Principle 13)**

### Governance outcomes

We can only be a sustainable business if we continue to rigorously promote and implement good corporate governance practices. This is an integral part of our business model that is built on delivering good governance outcomes in terms of an ethical culture, effective control, sustainable performance and legitimacy. Our sound governance platform is embedded in our corporate culture.

# OUR EFFECTIVE LEADERSHIP (CONTINUED)

## EXECUTIVE DIRECTORS



### CHIEF EXECUTIVE OFFICER

**Rushaan Isaacs**

**Qualifications:** University of Stellenbosch Management Development Programme

**Appointed:** 1 February 2020

**Nationality:** South African

Mrs Isaacs has more than 20 years of sales experience within the fishing industry, managing and developing strategy for global markets within the various fishing sectors Premier is involved in. She has, over the years, managed to build valuable relations within all of Premier sectors and has also achieved highest service levels and top branding positioning in all sectors. She has won awards in AEEI for Overall Top Achiever in 2014 and Emerging Executive of the Year in 2015.



### CHIEF FINANCIAL OFFICER

**Brent Robertson**

**Qualifications:** BCom (UCT), PGDA CA (SA)

**Appointed:** 31 October 2019

**Nationality:** South African

Mr Robertson is a qualified chartered accountant with more than 8 years of experience in the Group. Mr Robertson completed his articles at PwC, where he was on the audit team on a diverse range of clients i.e. Fishing, Retail, Wholesale and Furniture. He joined the Group in 2012 as a Group Accountant. He then became Finance Manager in 2018 and then took up the post as Chief Financial Officer on 31 October 2019.

## NON-EXECUTIVE CHAIRPERSON



### **Aziza Begum Amod**

**Appointed:** 13 January 2014

**Nationality:** South African

Ms Amod is a professional director, businesswoman, philanthropist and entrepreneur with more than 30 years of business experience in the retail sector. She provides consultancy to women-owned businesses in the areas of impact investment, social innovation and technology applications for social impact in the food and retail sector. She has been featured in numerous articles about business and female entrepreneurs. She is a well-known philanthropist supporting a number of NGOs and outreach programmes, and serving on the boards of trustees of numerous philanthropic associations. She currently serves as a director and trustee on various business entities and trusts.

# OUR EFFECTIVE LEADERSHIP (CONTINUED)

## NON-EXECUTIVE DIRECTORS



### **Ismet Amod**

**Qualifications:** National Diploma Engineering (Civil) Pen Tech.

**Appointed:** January 2018

**Nationality:** South African

Mr Amod holds a National Diploma in Civil Engineering. Having spent 7 year in the engineering industry with Civil engineering consultants in Cape Town and Durban, he turned to business after completing various certificated business courses on entrepreneurship. He has held executive position in various subsidiaries within the Sekunjalo Group after joining the group in 2001. His experience covers manufacturing of medical devices and medical diagnostic kits, marketing of pharmaceutical products. He project-managed the design process and construction of a state-of -the art biopharmaceutical facility in Cape Town. He often attends international business conferences & trade shows locally and abroad to keep up with international trends in the various sectors of industry and to promote the export of locally manufactured products.

Additionally, in his last engagement with Afrinat, a subsidiary of AEEI in 2017, he focused on the marketing of natural bio-stimulants to the agricultural sector and the use of naturally derived cleansing and sanitising bio-chemicals to the food industry stressing the need for change on the use of toxic chemicals in industries and their impact on the environment.

**Directorship:** In January 2019 he was appointed as a non-executive director on the following boards: AYO Technology, AEEI, Premier and, since 2005, he also serves on the Siemens (SA) board as an alternate non-executive director representing the Sekunjalo Group as its shareholder.

Mr Amod resigned as a director on 31 March 2021.



### **Valentine Dzvoa**

**Qualifications:** Charter Global Management Accountant (ACMA, CGMA), Certified Internal Auditor, CA (SA), Post Graduate Diploma in Accounting, B Comm Accounting

**Appointed:** 12 March 2020

**Nationality:** Zimbabwean

Valentine Dzvoa is a finance professional adept at finance processes design and implementation. She has a flair for risk management and governance backed up by more than 6 (six) years of experience in external and internal audit. She is a strategic business partner, with hands-on experience of collaborating with senior executives to meet strategic objectives of an organisation.

She is responsible for aiding the achievement of performance goals, objectives and targets as well as maintaining an effective management team and management structure. She continued with the implementation of the Group's Vision 2020 Vision strategy as approved by the Board. She reviewed the annual business plans and budgets that support the Company's long-term view and made recommendations thereon. She ensured that the appropriate policies were formulated and implemented to guide activities across the Group and ensured that effective internal organisation and governance measures were deployed. She also steered the Company to respond adequately to the challenges posed by COVID-19



## INDEPENDENT NON-EXECUTIVE DIRECTORS



### Salim Young

**Qualifications:** BProc LLB (UWC), LLM (Tulane University, USA)

**Appointed:** 1 February 2017

**Nationality:** South African

Mr Young is an experienced business executive and corporate lawyer and a former director of Webber Wentzel (formerly Mallinicks Inc.). He recently retired after a very successful 12 years as an executive director on the board of British American Tobacco SA (BAT), situated in Stellenbosch. During this time, Mr Young also served as the appointed South African representative of the London-based BAT plc whose secondary listing on the JSE ranks as the largest company by market capitalisation. Mr Young maintains board positions in a number of other companies and significant trusts. He holds a Master's Degree (LLM) in International Commercial Law from Tulane University in the United States as well as certificates in Law from Georgetown University and Harvard University, respectively. He is also one of the founders of Unipalm Investments and chairs the Remuneration Committee.

Mr Young retired as a director on 1 September 2021



### Rosemary Phindile Mosia

**Qualifications:** BCom (University of the North), PDM (Wits Graduate School of Business), Criminal Justice in Accounting (RAU), BCTA (RAU), Masters in Business Leadership (Unisa)

**Appointed:** 1 February 2017

**Nationality:** South African

Mrs Mosia is a South African female professional, with more than 15 years of experience in credit risk, and financial and business management. In addition, she has extensive training in general and credit management, finance, internal auditing, and forensic auditing. She has been involved in multiple roles in fields such as internal auditing, forensic auditing, budget management, credit-risk management, and operational management for the same financial services unit. Her experience in auditing was acquired over a six-year period. From 2000 to 2008, she headed the financial services unit of a large state-owned entity at a regional/corridor level. She is currently CEO of Black Business Chamber, an NGO and an emerging wine exporter

# OUR EFFECTIVE LEADERSHIP (CONTINUED)

## LEAD INDEPENDENT DIRECTOR



### **Clifford Leonard van der Venter**

**Qualifications:** BCom (Unisa), MBA (UCT)

**Appointed:** 1 February 2017

**Nationality:** South African

Mr Van der Venter joined Caltex (now Chevron) in 1990 and held numerous human resources (HR) positions, culminating in his appointment as HR director for subSaharan Africa in 1999. He subsequently held HR Director positions at Unilever SA, Anglo American (seconded to Kumba Iron Ore) and British American Tobacco until June 2014, when he decided to take a career break. These roles have honed his skills as an HR professional but have also broadened his experience as an executive board member of these major multinationals. Over the past two years, he has operated as an independent strategy and HR consultant. Apart from his deep expertise in the HR field and an obvious passion for people, his key strengths are in the areas of leading organisational change and business-strategy development

## INDEPENDENT NON-EXECUTIVE DIRECTOR



### **Advocate Dr Ngoako Abel Ramatlhodi**

**Qualifications:** BA Law and LLB (National University of Lesotho), MSc in International Relations (University of Zimbabwe), admitted to the Bar of Lesotho and South Africa as an advocate, Honorary Doctor of Law Degree (University of Limpopo)

**Appointed:** 7 March 2018

**Nationality:** South African

Advocate Dr Ramatlhodi is an experienced businessman, lawyer and advocate. He was the premier of Limpopo; has held the positions of Minister of Public Services, Minister of Mineral Resources, and Deputy Minister of Correctional Services; and was a member of the South African Parliament. Advocate Dr Ramatlhodi is a founder member and the first chairman of the University of the North Arts and Drama Association and chairman of the Central Cultural Committee. He lectured Public International Law at the University of the North. Advocate Dr Ramatlhodi maintains board positions in a number of other companies.



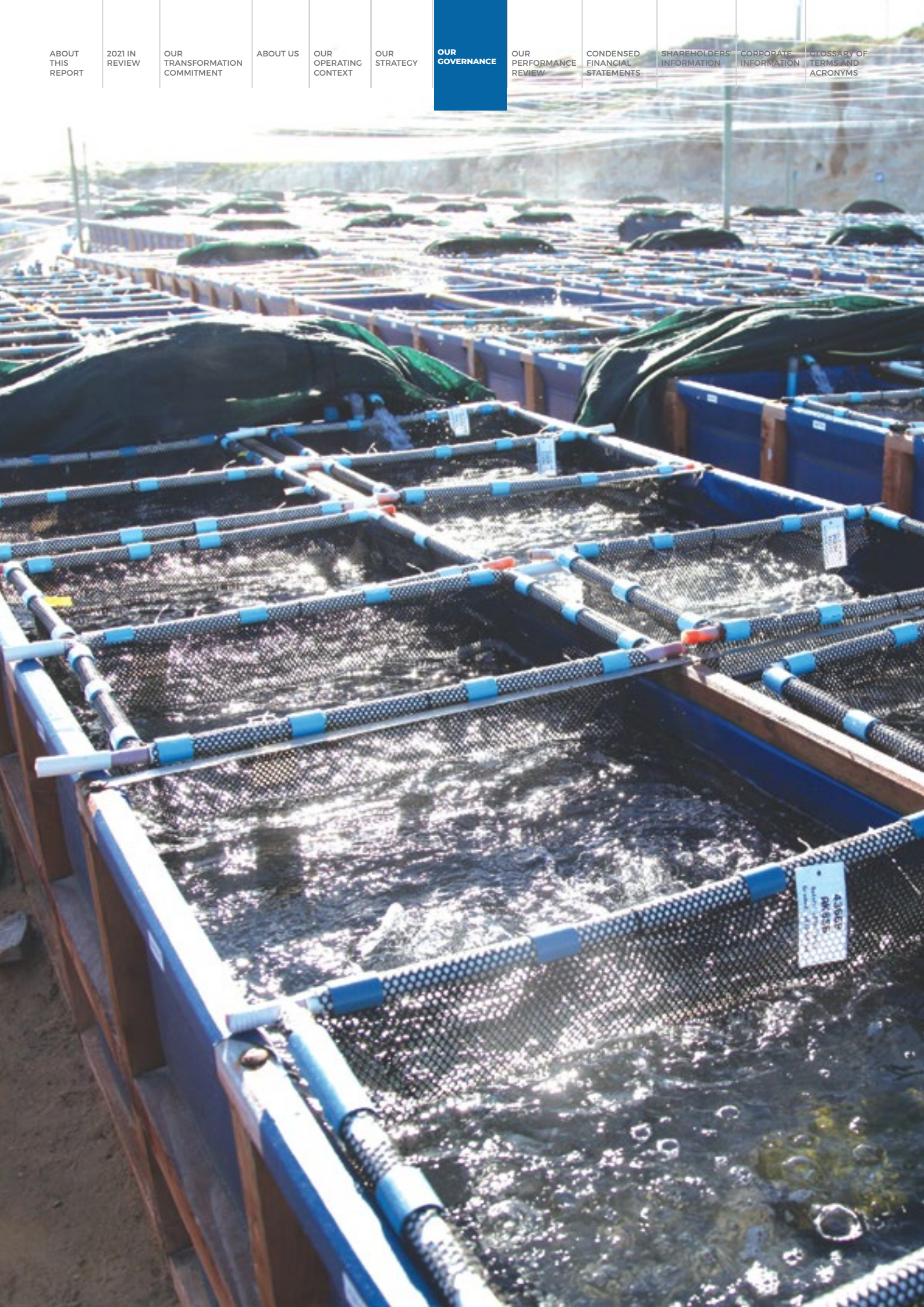
### **Sebenzile Patrick Mngconkola**

**Qualifications:** BTech in Business Administration, National Diploma in Policing, Bachelor's Degree in Human Resource Management, certificates in various fields – including Forensic and Investigative Auditing (Unisa) and Project Management

**Appointed:** 3 March 2018

**Nationality:** South African

Mr Mngconkola has served on a number of boards. Between October 2010 and March 2017, he served on the board of the Public Investment Corporation (PIC), the largest asset manager on the African continent. He has also served as a director of Growthpoint Properties since November 2012, as well as serving on the board of Sacoil Limited – recently renamed Energy for Africa (Efora) – a listed oil and gas company.



# REPORT OF THE REMUNERATION COMMITTEE



*Our company is only as good as its people. We believe that providing the right environment for our teams to thrive, will deliver overall value for all stakeholders.*



Aziza Amod

Dear Valued Stakeholder

On behalf of the remuneration committee, I am pleased to present the Group's 2021 remuneration report.

The balance struck between achieving shareholder value and that of appropriate executive remuneration has remained a focus for this committee, particularly under the continued challenges faced by business in 2021 due to ongoing economic restrictions.

As a committee we are tasked by the Board with providing enhanced disclosure so that shareholders can understand the quantum, rationale and drivers of executive remuneration.

We are thus charged by the Board to independently approve and oversee the implementation of the remuneration policy, which is aimed at ensuring market-related yet affordable performance linked rewards to attract and retain the skilled and valuable talent that will ensure the Group's sustainability and ongoing profitability over the short to medium and long-term.

Premier is sensitive to the delicate matter of recompense and reward systems especially in terms of South Africa's unique socio-political environment and the exacerbated challenges faced by a succession of economic lockdowns and lockouts.

Our approach, therefore, to remuneration aligns to our Group's fundamental ethics, corporate governance philosophy and shared values – respect and trust, people, integrity, accountability, stakeholders, commitment and investment. Whilst these will remain enshrined in our corporate DNA, we will continue to monitor market conditions and adapt accordingly, to optimise our overall business strategy.

Our primary responsibilities have been to ensure that we provide fair and responsible remuneration for the executive directors, within the context of overall employee remuneration, and that these remunerations are aligned to the Group's performance, to enhance and sustain shareholder value.

Building the business remained a key focus during the year.

Some decisions and their related impact in setting targets in terms of performance-related remuneration were made for the executive and senior management of the Group. Weightings of performance as well as specific financial targets were reviewed and amended accordingly for the year under review. The committee was satisfied and will continue to monitor remuneration against the appropriate strategic objectives, performance and market benchmarks.

The committee reviewed the targets set in terms of performance-related remuneration for the CEO, the executive management team and senior management in the Group which include individual performance factors and a combination of portfolio-specific targets.

The CEO and executive management team's performance are assessed against a set of predetermined objectives that include, inter alia, strategic leadership, execution of the strategy through business results and stakeholder relations.

The Board recognises that the successful delivery of the Group's objectives should constitute both financial and non-financial performance measures, with the key financial measures, which include profits, cash flow and asset growth weighted accordingly.

In considering remuneration during the period under review, the committee considered the overall risk environment, its risk appetite and risk profile and the need to attract, retain and motivate key talent to enable the delivery of the Group's strategic objectives.

We remain committed to closing the wage gap and narrowing pay differentials, and pay particular attention to those at the lower end of the earnings spectrum and consistently applied the principle that our remuneration should be fair and competitive and should reflect the performance of the business.

Our ethos is one of appreciation for commitment, diligence, care and attention to detail. We respect and recognise our employees for their contribution made during the past challenging very year and inspire them to realise their full potential and we believe in rewarding accordingly.

This report is part of the remuneration report and will be put to a non-binding advisory vote by shareholders at the upcoming AGM. It summarises the Company's remuneration policy for non-executive directors, executive directors and prescribed officers. The information provided in this report has been approved by the Board on the recommendation of the remuneration committee.

For the year under review, the committee is satisfied that it has fulfilled all its statutory duties assigned by the Board.



**Aziza Amod**  
Interim Chairperson of the remuneration committee

# REPORT OF THE REMUNERATION COMMITTEE (CONTINUED)

## BACKGROUND

This report describes the material matters dealt with by the committee during the period under review and summarises the Group's approach to transparent, fair and responsible remuneration.

The report has set out how the committee has discharged its duties in terms of the statutory requirements as well as any other duties assigned to it by the Board for the 2021 period under review. The report also provides an overview of the Group's remuneration policy, framework and philosophy with an emphasis on executive directors, non-executive directors and management.

## GOVERNANCE

The committee was established in order to assist with the monitoring of the Group's remuneration practices, and to perform the statutory functions required of a remuneration committee in terms of the Companies Act, the King IVTM, the JSE Listing Requirements, the committee's charter, the Group's remuneration policy and relevant legislation.

### Composition of the committee

In accordance with best practice, the committee comprises a majority of independent, non-executive directors. For the period under review, the committee comprised the following:

Name	Role	Meeting Attendance
Salim Young	Independent Non-executive director and outgoing chairperson of the Remuneration committee	100%
Aziza Begum Amod	Non-executive director	100%
Clifford Leonard Van Der Venter	Lead independent director	100%

## ROLES AND RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

The remuneration committee's main purpose is to ensure that the Company's remuneration practices and policies are aligned with good corporate governance. The main aim of the committee is to assist the Board in fulfilling its responsibilities in establishing formal and transparent policies that ensure fair and responsible remuneration of directors and executives, including the following:

- Review and approve the remuneration and benefits policy adopted by the Company.
- Review and approve the reward philosophy and strategy adopted by the Company.
- Determine the remuneration packages of the executive directors of the Company.
- Determine the remuneration packages for senior executives of the Company.
- Recommend to the Board the fees to be paid to non-executive directors for their services on the Board and its committees.
- Disclose the directors' remuneration and ensure that it is transparent, accurate and complete.
- Approve the executive and senior management incentives adopted by the Company.

- In satisfying its mandate, the main activities performed by the committee during the year included the following:
  - ▶ Reviewed and approved the remuneration and benefits policy adopted by the Company.
  - ▶ Reviewed and approved the reward philosophy and strategy adopted by the Company.
  - ▶ Determined the remuneration packages of the executive directors of the Company.
  - ▶ Determined the remuneration packages for senior executives of the Company.
  - ▶ Recommended to the Board the fees to be paid to non-executive directors for their services on the Board and its committees.
  - ▶ Disclosed the directors' remuneration and ensured that it is transparent, accurate and complete.
  - ▶ Approved the executive and senior management incentives adopted by the Company.

## REMUNERATION POLICY

### Introduction

The Committee is mandated by the Board to oversee all aspects of remuneration and incentives of the Group's executive, non-executive directors and key management in accordance with the approved terms of reference. The Group is aware of the importance of fair and transparent remuneration policies and practices. We strive to ensure that our governance and disclosure relating to executive remuneration is transparent and fair.

### Remuneration philosophy

The Group aims to be an employer of choice. The Group's employees are key determinants of its success.

The remuneration policy is based on the principles of fair and responsible remuneration and is structured to motivate, reward and retain quality employees at all levels. The Group remuneration policy aims to reward for excellent performance and seeks to be aligned to the achievement of the Group's strategic objectives.

The Group's operations include a number of employees who are independent contractors engaged on fixed-term contracts (within the bounds of South African labour legislation) or are part of a bargaining council. The remuneration arrangements of these employees are governed by separate agreements which are negotiated on an operational level (subject to oversight from the committee); therefore, they are not covered by the Remuneration Policy Framework.

### Remuneration mix

Remuneration comprises guaranteed pay and variable pay. Variable pay comprises short-term incentives such as bonuses. The target remuneration mix varies at each grade. At lower levels, the remuneration mix is weighted in favour of guaranteed pay. Senior employees should have a higher proportion of variable pay in their remuneration mix, as they have the ability to influence the financial performance and strategic outcomes of the Group.

# REPORT OF THE REMUNERATION COMMITTEE (CONTINUED)

## DETERMINATION OF PERFORMANCE INCENTIVES

The Group has formal and informal frameworks for performance management that are directly linked to either increases in total cost to company or annual short-term incentive bonuses. Performance management and assessment sessions take place regularly throughout the year, where Group performance, personal achievement of key performance indicators ("KPIs"), and delivery on key strategic objectives are discussed.

### 1. Components of remuneration

Executives are responsible for leading others and taking significant decisions about the short-and long-term operation of the business. They require specific skills and experience and are held to a higher level of accountability. The remuneration policy is structured to attract and retain high-calibre executives and motivate them to develop and implement the Group's strategy to maximise long-term shareholder value. The Group's remuneration policy also aims to align the long-term interests of executives with those of shareholders.

- The remuneration policy is intended to conform to best practice and is structured around the following key principles:
- Total remuneration which is set at a level that is responsible and competitive within the relevant industry;
- Incentive performance measures and targets are structured to encourage the attainment of the Group's strategic objectives and;
- Incentive payments are capped and earned through the achievement of the Group's growth targets consistent with shareholders' interests.

Guaranteed pay	Short-term incentive	Other benefits
<p><b>Base salary</b></p> <ul style="list-style-type: none"> <li>• Aimed to attract and retain.</li> <li>• Improve employees' financial well-being.</li> <li>• Support high-performing individuals by aligning reward with performance.</li> <li>• Remuneration levels take into account the general market in which the business operates and skills acquired.</li> <li>• General adjustments to guaranteed pay levels are effective from 1 September each year.</li> <li>• Annual increase parameters are set using guidance from the Group budgeting processes, general economic environment, individual performance and the performance of the Group.</li> <li>• All staff employed by the Group.</li> </ul>	<p><b>Performance bonuses</b></p> <ul style="list-style-type: none"> <li>• Motivates executive directors and key management to achieve strategic objectives as per the Group's strategy</li> </ul>	<p><b>Pension and provident fund, medical aid benefits.</b></p> <ul style="list-style-type: none"> <li>• Improves employees' financial planning and security on retirement.</li> </ul>



### Remuneration methodology

<ul style="list-style-type: none"> <li>Remuneration levels take into account the general market in which the business operates and skills acquired.</li> <li>General adjustments to guaranteed pay levels are effective from 1 September each year.</li> <li>Annual increase parameters are set using guidance from the Group budgeting processes, general economic environment, individual performance and the performance of the Group.</li> </ul>	<ul style="list-style-type: none"> <li>Performance bonuses are dependent on financial performance and achievement of agreed strategic and individual KPIs.</li> <li>Executive directors have a higher weighting, 80%, towards financial performance while 20% would be based on individual KPIs.</li> <li>Performance bonus are not earned if the minimum financial target is not met.</li> <li>Performance bonuses are paid once a year.</li> </ul>	<ul style="list-style-type: none"> <li>Determined as a fixed percentage of the base salary.</li> </ul>
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### Eligibility

<ul style="list-style-type: none"> <li>All staff employed by the Group.</li> </ul>	<ul style="list-style-type: none"> <li>Permanent staff from junior management upwards.</li> </ul>	<ul style="list-style-type: none"> <li>All permanent staff.</li> </ul>
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## PERFORMANCE CONDITIONS FOR DETERMING THE PERFORMANCE BONUS

### Financial targets:

- For executive directors the target is profit before tax.
- For other members of key management the target is divisional operating profit.

### Non-financial targets

- Individual performance against job requirement;
- Improving operating efficiencies;
- Delivery of organic growth projects;
- Delivery of strategic acquisitions;

The remuneration committee seeks to ensure an appropriate balance between the fixed and performance-related elements of executive remuneration and between those aspects of the package linked to short-term performance and those linked to longer term shareholder value creation. The Group aims to ensure that for executive remuneration, the performance-based pay of executive directors and senior managers should form a significant portion of their expected total compensation.

### Executive directors contracts of employment

Executive directors are not employed on fixed-term contracts but have standard employment contracts with Premier Fishing SA Proprietary Limited which can be terminated with notice periods of between one and three months. The executive directors are not subject to any restraint of trade agreements. The retirement age for an executive director is 65 years. In the event that an executive director's service contract is terminated due to operational reasons, the Group's obligation to make a severance payment will be governed by the provisions of the Labour Relations Act.

### Non-executive directors fees

Non-executive directors do not have employment contracts with the Company or participate in the Company's performance schemes. The committee recommends the level of fees payable to non-executive directors to the shareholders for approval at each AGM of the Company. Non-executive director fees are paid on an annual retainer basis to account for the responsibilities borne by them throughout the year. Non-executive director fees are not dependent on meeting attendance. The fee structure is evaluated on an annual basis based on non-executive director fee surveys.

# REPORT OF THE REMUNERATION COMMITTEE (CONTINUED)

## IMPLEMENTATION REPORT

The committee has monitored the implementation of the remuneration policy during the financial year and is of the view that the Group's compliance with the policy has been satisfactory.

The committee is satisfied that variable pay outcomes for the 2021 financial year are aligned with the Group's financial performance for the 2021 financial year.

### Guaranteed pay

A market adjustment mandate of 7% on the cost to company (CTC – base salary plus employer retirement fund contribution) was approved by the committee for the non-bargaining category employees, in line with inflation and national benchmarks. The approved mandate was further differentiated based on individual performance ranging from a 0% adjustment for non-performing employees to 9% for individuals with exceptional performance during the prior financial year.

The guaranteed pay of the executive directors is set out below:

Director	2021	2020
Rushaan Isaacs	2 827	1 859
Brent Robertson	1 875	1 559

## Short-term incentive

Performance bonuses paid to executive directors is based on financial and non-financial targets.

There are currently no long-term incentives for executive directors.

The table below sets out the remuneration received by the executive directors during the 2021 and 2020 financial years.

<b>2021</b>	<b>Base salary R'000</b>	<b>Performance bonus R'000</b>	<b>Provident fund R'000</b>	<b>Total R'000</b>
R Isaacs	2 048	540	239	2 827
B Robertson	1 457	252	166	1 875

<b>2020</b>	<b>Base salary R'000</b>	<b>Performance bonus R'000</b>	<b>Provident fund R'000</b>	<b>Total R'000</b>
MS Saban	1 314	1 374	113	2 801
B Robertson	221	-	22	243
R Isaacs	1 489	206	164	1 859
Imraan Yusuf Moosa	1 180	240	139	1 559
<b>Total</b>	<b>4 204</b>	<b>1 820</b>	<b>438</b>	<b>6 462</b>

# REPORT OF THE REMUNERATION COMMITTEE (CONTINUED)

Annual fees payable to non-executive directors were approved by shareholders at the AGM on 16 February 2021. The fees paid for the 2021 and 2020 year are shown below.

Non-executive director	2021 R'000	2020 R'000
S Young	217	207
AB Amod	399	386
RP Mosia	260	207
CL Van der Venter	249	207
Adv. N Ramatlhodi	249	207
SP Mngconkola	145	193
I Amod	127	
<b>Total</b>	<b>1 646</b>	<b>1 407</b>

## NON-BINDING ADVISORY NOTE

The Group's remuneration policy and its implementation report will be presented to shareholders for separate non-binding advisory votes at the upcoming AGM. In the event that 25% or more of shareholders vote against either the remuneration policy or the implementation report at the meeting, the Group will endeavour to: engage with shareholders through dialogue and request written submissions in order to address shareholder concerns. Please refer to the shareholder voting/feedback section below, for the detailed steps taken by the Company in this regard.

## SHAREHOLDER FEEDBACK

As a result of the remuneration policy and implementation report having received more than 25% votes against the non-binding advisory votes at the AGM held on 16 February 2021, the Group invited dissenting shareholders to forward their objections or concerns to the company secretary in relation to the remuneration and implementation policy. To date, we wish to advise that no further objections or concerns have been received.

Results of the shareholders' votes at the most recent AGM held on 16 February 2021, as a percentage of the total number of shares voted at the AGM, is indicated below:

Approval of remuneration policy	77.46%
Implementation of the remuneration policy	77.46%
Non-executive directors' fees	99.95%

However, should any shareholders forward any further objections and concerns regarding the remuneration policy to the company secretary in writing, the remuneration committee will consider such concerns and any changes to the remuneration policy and implementation thereof will be reported on in the next integrated annual report.

## SHAREHOLDER VOTING

As required by **King IV™** and the JSE Listings Requirements, the Company will put a non-binding advisory vote to shareholders regarding the approval of the remuneration policy and the implementation report. The Company seeks the support from its shareholders at the upcoming AGM. If any shareholders are inclined not to support the resolutions, we would ask that the reasons for such decision be communicated to the Company so that consideration can be given to those reasons. Please forward any comments to the company secretary at **cornellk@premfish.co.za**.

Should either vote receive 25% or more votes against, the Company will take the following steps:

- Issue a SENS announcement regarding the outcome of the voting results.
- Invite shareholders to engage with the Company regarding their dissatisfaction with either of the votes.
- Schedule engagements with concerned shareholders to record their concerns and objections.
- Assimilate all responses and schedule a remuneration committee meeting to analyse concerns and issues raised with the aim of formulating changes to the policy and implementation required, and
- Develop a formal response to shareholders that articulates the concerns raised, the details of where the changes will be made to address concerns raised and provide responses for areas where the Company, despite the shareholder feedback, believes its current policy and/or implementation is adequate.

## SHAREHOLDER PLANNING

The Board recognises its responsibility to make provisions for competent leadership for the Group. In fulfilling this responsibility, the Board also acknowledges that situations may arise which require a need for interim leadership and that future leadership transitions are inevitable.

The purpose of succession planning is to ensure that plans are in place to develop potentially suitable candidates for the future. The focus also remains on the retention of key and critical skills in the Group. Succession planning is reviewed periodically and provides for both succession in emergency situations and succession over the longer term.

The succession plan is designed to address each of the following situations:

- Provision for leadership during anticipated or unanticipated short-term absences of the CEO.
- Planned resignation – in the event of a permanent leadership change, the process for conducting a CEO search.
- Provision for leadership during anticipated or unanticipated short-term absences of the chair.
- Planned resignation – in the event of a permanent leadership change, the process for conducting a chair search.

## OUR BOARD POWERS AND PROCEDURES

The Company is controlled by the Board of Directors. The Board assumes ultimate responsibility and accountability for the performance and affairs of the Group and ensures effective leadership on an ethical foundation. It serves as the focal point and custodian of corporate governance for the Group. The Board sets and steers the direction of the Group to ensure that it brings informed, independent and effective judgement and leadership to all material decisions reserved for the Board. It ensures that strategy, risk, performance and sustainable development issues are effectively integrated and appropriately balanced.

**(King IV™ - Principles 1, 2, 3, 4 and 6)**

The Board believes that diversity is an essential component for sustaining a competitive advantage. Directors are chosen for their corporate leadership skills, experience, and expertise and gender diversity. The Board believes that the current mix of knowledge, skills and experience meets the requirements to lead the Group effectively. The Board comprises five independent non-executive directors and three executive directors (three women and seven men), who determine the standards and policies to ensure that the highest quality of corporate governance is maintained within the Group.

The independent non-executive directors are considered to have the necessary skills and experience to bring balanced and independent judgement to the Board. While all directors have equal responsibility for monitoring the Group's affairs, it is the role of the CEO and the executive management team to run the business within the parameters prescribed by the Board and to produce clear, accurate and timely reports, thus enabling the Board to make informed decisions.

**(King IV™ - Principles 7 and 8)**

Through the contributions of all directors, Premier has established a suitable balance of power and a solid framework for the examination, calculation and management of risk. The Board has a policy that allows for the clear division of responsibilities to ensure a balance of

power and authority. This means that no one individual has unlimited powers when it comes to decision-making. The Board met four times during the year, to review the financial and operational performance of the Group and to consider issues that might have a significant impact on the Group.

**(King IV™ - Principles 1, 8 and 10)**

The Board and its committees continue to monitor the implementation of compliance with policies and processes, and to improve upon them and to mitigate the risk of non-compliance with any applicable laws.

**(King IV™ - Principle 11)**

The Board regularly reviews the Group's governance structures and processes to ensure that they support effective and ethical leadership, good corporate citizenship and sustainable development; and to ensure that they are applied in the best interests of the Group's stakeholders. The Group has the necessary policies and processes in place to ensure that all subsidiaries adhere to Group's requirements and governance standards. The Board is involved in the decision-making of its subsidiaries on material matters and is satisfied that its delegation of authority framework contributes to role clarity and effective exercise of authority and responsibilities. **(King IV™ - Principles 1, 2 and 3)**

The Board has full and unrestricted access to all Company information, records, documents and property, and monitors the non-financial aspects relevant to the businesses of the Group. The Board recognises its responsibility to report and communicate all matters of significance to all of its stakeholders and to ensure effective communication between internal and external stakeholders.

The Company's Memorandum of Incorporation (MOI), the Companies Act, King IV™ and the JSE Listings Requirements set out the directors' responsibilities, rights and obligations. Directors are required to comply with all relevant legislation and to maintain strict confidentiality of all information relating to the business of the Company. The conduct of directors shall be consistent with their duties and responsibilities to the Company and, indirectly, to the shareholders.

The Board is satisfied that it has discharged its duties and obligations as described in the Board charter during the year under review.

## ROLE OF THE BOARD

<ul style="list-style-type: none"> <li>Assumes ultimate responsibility and accountability for the performance and affairs of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>Serves as the focal point and custodian of corporate governance in the organisation.</li> </ul>
<ul style="list-style-type: none"> <li>Provides effective leadership on an ethical foundation.</li> </ul>	<ul style="list-style-type: none"> <li>The Board's primary role and responsibilities include steering the Company and setting its strategic direction, with regard to strategy and the way in which specific governance areas are to be approached, addressed and conducted.</li> </ul>
<ul style="list-style-type: none"> <li>Oversees the Company's values, corporate governance and ensures ethics are managed effectively.</li> </ul>	<ul style="list-style-type: none"> <li>Oversees, monitors, approves and reviews corporate strategy, policies, business plans, annual budgets and appropriate systems.</li> </ul>
<ul style="list-style-type: none"> <li>Ensures accountability for organisational performance through reporting and disclosures.</li> </ul>	<ul style="list-style-type: none"> <li>Ensures that the Company is seen to be a responsible corporate citizen.</li> </ul>
<ul style="list-style-type: none"> <li>Ensures that the Company complies with the relevant laws, regulations and codes of business practice.</li> </ul>	<ul style="list-style-type: none"> <li>Monitors and maintains a risk management framework and ensures that key risk areas identified are monitored.</li> </ul>

## ETHICAL AND RESPONSIBLE LEADERSHIP

The Board provides effective leadership based on a principled foundation and that the Group subscribes to the highest ethical standards. Responsible leadership, instilled by the values of responsibility, transparency, accountability and fairness, has been a defining characteristic of the Company since inception. The Group's fundamental objective has always been to do business ethically while building a sustainable Company that recognises the short- and long-term impact of its activities on the economy, society and the environment.

The Group is governed by its Code of Conduct and Code of Ethics. The Code of Ethics requires all directors, management and employees to obey the law, respect others, to be honest and fair and to protect the environment. The Code of Conduct articulates Premier's commitment to doing business according to best practices, the right way and guided by our values.

**(King IV™ - Principles 1 and 2)**

## RESPECTED CORPORATE CITIZENSHIP

The Board and management recognise that Premier is an economic entity and also a corporate citizen and that it has a social and moral standing in society with all the attendant responsibilities. **(King IV™ - Principle 3)**

## COMPOSITION OF THE BOARD AND APPOINTMENT OF DIRECTORS

The Board recognises and embraces the benefits of a diverse board. Diversity is core and an essential component for sustaining a competitive advantage. The nomination committee makes recommendations to the Board for the appointment of new directors. Directors are chosen for their business skills and business expertise. The Board is diverse in terms of race, gender, composition and academic backgrounds and business skills. **(King IV™ – Principle 7).**

The committees established by the Board play an important role in enhancing standards of governance, ethics and effectiveness within the Group. The terms of reference of the Board and its committees are reviewed and amended as required in terms of legislation.

In the Board's opinion, all directors have the relevant knowledge, skills and experience to make a meaningful contribution to the business of the Company. The independent non-executive chairperson together with the remuneration committee evaluates the performance of the executive directors annually.

The nomination committee evaluates the independence of the non-executive directors on an annual basis.

Appointments to the Board are formal and transparent and a matter for the Board as a whole. The Board believes that as long as non-executive directors remain completely independent of management and relationships that could significantly affect their decisions and advice and are of the right calibre and integrity, they can perform the required function of looking after the Company's interests.

The Board specifically considers the independence of directors and their other commitments when they are first appointed, as well as annually, or at any other time when a director's circumstances change and warrant re-evaluation. This is done to determine whether the director has sufficient time to discharge his or her duties effectively and is free from conflicts that cannot be managed satisfactorily. Should the nomination committee be of the view that a director is over-committed or has an unmanageable conflict, the Chairperson will meet with that director to discuss this, to the satisfaction of the committee. **(King IV™ – Principle 7).**

In terms of the MOI of the Company, no director shall be appointed for life or for an indefinite period and the directors shall rotate in accordance with the provisions set out in the MOI.

A component of the non-executive directors shall retire from office provided that, if a director is appointed as an executive director or an employee of the Company in any other capacity, he or she shall not, while he or she holds that position or office, be subject to retirement by rotation and he or she shall not in such case be taken into account in determining the rotation or retirement of directors.



The Board is of the view that all the non-executive directors exercise independent judgement at all times with respect to material decisions of the Board. (King IV™ – Principle).

OVERVIEW OF THE BOARD	
Number of Board members	9
Number of Board members who are non-executive directors	7
Number of Board members who are deemed to be independent	4
Number of Board members who are deemed to be HDSA	9
Number of Board members who are women	4
Average age of directors (years)	53
Independent Board Chairperson	NO
Number of prescribed officers	1

## EVALUATION OF THE BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS

The Board and committees are evaluated annually by its members and improvement in areas are identified and addressed appropriately to ensure effective functioning. Ever-changing issues facing companies make it essential to look at the agenda items of the Board to ensure that it stays aligned with good corporate governance and ethics, meets current needs and best practices and matters of strategic importance.

The independence of directors and their other commitments are also evaluated. The results of these evaluations are not disclosed in the integrated report. The independent non-executive chairperson concluded that the Board is functioning well and noted minor areas for improvement. The independent non-executive chairperson and remuneration committee evaluates the performance of the executive directors annually. The nomination committee evaluates the independence of the non-executive directors on an annual basis. **(King IV™ – Principles 7 and 9).**

The Board appraises the performance of the chief executive officer, the chief financial officer and the sales and marketing director on an annual basis and identifies areas of improvement which are appropriately addressed. The Board confirmed that they were happy that the executive directors carried out their duties with due skill and diligence and in the best interest of the Company for the period under review.

## NON-EXECUTIVE CHAIRPERSON

The non-executive chairperson of the Board is Aziza Amod

For the period under review, the independent non-executive chairperson ensured that the Board functioned efficiently and provided guidance and overall leadership for the Board and the Group.

The independent non-executive chairperson:

- ensured that Board members were fully involved and informed of any business issue/s on which a decision had to be made;
- members played an effective management role and participated fully in the operation and governance of the Company;
- ensured that Board members exercised independent judgement, acted objectively and that relevant matters were placed on the agenda and prioritised properly;
- availed himself to the chief executive officer between Board meetings to provide counsel and advice; and
- Ensured that the performance of the chief executive officer was evaluated regularly. **(King IV™ – Principle 9).**

# CORPORATE GOVERNANCE (CONTINUED)

## OUR EXECUTIVE TEAM

### CHIEF EXECUTIVE OFFICER

Rushaan Isaacs is CEO of the Group and an executive director appointed by the Board.

During the year under review, she was responsible for ensuring the implementation and execution of the Group's operational objectives and the transition from the matured Vision 2020 Vision strategy, to a new strategy that aims to embrace the stance of 'Sustainability First'. Mrs Isaacs is also responsible for all operational planning.

She served as the chief link between management and the Board and was accountable to the Board. She reviewed the annual business plans and budgets that supported the Group's long-term strategy and made recommendations thereon. She was responsible for aiding in the achievement of performance goals, objectives and targets, and for maintaining an effective management team and structure.

She ensured that the appropriate policies were formulated and implemented to guide activities across the Group and ensured effective internal organisation and governance measures were deployed.

Key critical during the period under review was the action of plans in relation to the 2020/2021/2022 FRAP allocation process.

Mrs Isaacs is also responsible for all the sales and marketing of the Group. During the year under review she also helped secure and expand markets for the Group's products, customer relations and general marketing of the Group's products. She also assisted in building relationships and partnerships with third party quota holders.

A succession plan for the CEO is in place in the event of unplanned leave or planned resignation. **(King IV™ – Principle 10)**

### CHIEF FINANCIAL OFFICER

Brent Robertson is CFO of the Group and an executive director. He was appointed in 31 October 2019. During the year under review, with the assistance of the Audit and Risk Committee, he helped the Board to protect and manage the Company's financial position. He prepared the annual plans and budgets that supported the Group's long-term strategy and assisted the CEO in achieving the Group's performance goals, objectives and targets. He ensured that the financial statements were fairly presented and contained all the required disclosures. He ensured that appropriate internal controls and regulatory-compliance policies and processes were in place and that non-financial aspects relevant to the business of the Company were identified, addressed and managed.

The Audit and Risk Committee has considered the expertise and experience of the CFO and deems it appropriate. The Audit and Risk Committee has is satisfied that the Finance department has the appropriate expertise and is adequately resourced. **(King IV™ – Principle 10)**

Brent Robertson is also the prescribed officer of the Group. The prescribed officer is required to perform his function and exercise his duties to the same standard of conduct applicable to all directors and is subject to the same liability provisions applied to directors.

During the year under review he exercised executive control over the management of the subsidiaries in the Group and regularly participated in the exercise of general executive control of the business units and activities of the Group.

The prescribed officer is not remunerated separately for this function.

## COMPANY SECRETARY

Cornell Kannemeyer is the Company Secretary and is accountable to the Board.

During the year under review, the Company Secretary:

- guided the directors in terms of their duties, responsibilities, powers, training and induction of the responsibilities and liabilities under the Companies Act;
- made the Board aware of any law relevant to and/or affecting the Company;
- prepared Board packs and recorded proper detailed minutes of meetings;
- ensured proper and orderly conduct at all Board and committee meetings;
- disclosed corporate actions and SENS announcements; and
- ensured compliance with the JSE Listings Requirements and the Companies Act.

The Board has considered the competence, qualifications, experience and performance of the Company Secretary and is satisfied that they are appropriate. This was concluded after due assessment following a review by the remuneration committee of the Company regarding the Company Secretary's qualifications, experience and performance.

The Board is satisfied that an arm's length relationship exists between the company secretary and the Board, as the company secretary is not a member of the Board, nor is he involved in the day-to-day operations of the Company and is not a prescribed officer.

# CORPORATE GOVERNANCE (CONTINUED)

## BOARD COMMITTEES

The Board has established a number of committees to assist it in performing its duties and to fulfil its effective decision-making processes. Specific responsibilities have been formally delegated to the committees, with defined terms of reference to promote independent judgement and assist with the balance of power.

Committee	Composition	Members	Number of meetings per year	Board approved charter	Invitees
Audit and risk	Chairperson: Rosemary Mosia  Members: Clifford van der Venter, Adv. Ngoako Ramatlhodi, Sebenzile Patrick Mngconkol and Valentine Dzvova	Rosemary Mosia, Clifford van der Venter, Adv.Ngoako Ramatlhodi, Sebenzile Patrick Mngconkola, and Valentine Dzvova	5	Yes	Brent Robertson, Rushaan Isaacs, Gary Kartsounis, and Christine du Toit
Remuneration	Chairperson: Salim Young  Members: Aziza Amod, and Clifford van der Venter	Salim Young, Aziza Amod, and Clifford van der Venter	1	Yes	Rushaan Isaacs
Social, ethics and transformation	Chairperson: Clifford van der Venter  Members: Rosemary Mosia, Sebenzile Patrick Mngconkola, and Ismet Amod	Clifford van der Venter, Rosemary Mosia, Sebenzile Patrick Mngconkola, and Ismet Amod	1	Yes	Brent Robertson, Faiyad Abrahams Nicky Isaacs, and Rushaan Isaacs
Investment	Chairperson: Salim Young  Members: Aziza Amod, Rosemary Mosia, and Adv. Ngoako Ramatlhodi	Salim Young, Aziza Amod, Rosemary Mosia, and Adv. Ngoako Ramatlhodi	1	Yes	Brent Robertson and Rushaan Isaacs
Nomination	Chairperson: Aziza Amod  Members: Salim Young, and Ismet Amod	Aziza Amod, Salim Young, and Ismet Amod	1	Yes	Rushaan Isaacs

## STATUTORY DUTIES

The auditors have unlimited access to the Audit and Risk Committee, ensuring independence is not compromised in any way. Board committee members are authorised to obtain independent outside professional advice when necessary.

The Audit and Risk; Remuneration; Social, Ethics and Transformation; Investment; and Nomination committees are constituted as statutory committees of the Board in respect of their statutory duties in terms of the Companies Act and King IVTM and are accountable to the Board and shareholders. These are committees of the Board in respect of all other duties the Board assigns to them and they have been delegated powers to perform their functions in accordance with all regulatory requirements, including the Companies Act and King IVTM.

## TERMS OF REFERENCE

All committees function according to Board-approved terms of reference as contained in each committee's charter and/or policy. Each committee adopted its policy/ charter with the terms of reference approved by the Board. Each committee reviews its policy on an annual basis to ensure it remains current and updated.

All committee charters and polices were reviewed during the year with changes being made to take into account new regulatory requirements to ensure best governance practices. These charters and polices were formally tabled at each committee meeting and adopted by the Board of directors.

## DIRECTORS' DETAILS

NAME	EXECUTIVE (E) NON-EXECUTIVE (NE)	OVERALL ATTENDANCE OF BOARD MEETINGS	OVERALL ATTENDANCE OF COMMITTEE MEETINGS	LENGTH OF SERVICE (YEARS)	AGE (YEARS)	GENDER
Rushaan Isaacs	E	100%	100%	1	43	Female
Brent Roberston	E	100%	100%	2	36	Male
Aziza Amod	NE	100%	100%	5	59	Female
Clifford van der Venter	NE	90%	100%	5	57	Male
Rosemary Mosia	NE	88%	88%	5	54	Female
Sebenzile Patrick Mngconkola	NE	78%	88%	3	59	Male
Adv. Ngoako Ramatlhodi	NE	56%	88%	3	66	Male
Salim Young	NE	100%	100%	5	64	Male
Ismet Amod	NE	100%	100%	1	64	Male
Valentine Dzvova	NE	100%	100%	1	38	Female

## CONFLICT OF INTEREST

All directors of the Company and its subsidiaries including senior management are required to submit a list of their directorships and interests in contracts at each Board meeting.

Directors are required to disclose their personal financial interests and those of persons related to them, in contracts or other matters in which the Company has a material interest. Where a potential conflict of interest exists, directors are expected to recuse themselves from the relevant discussions and decisions.

No director had a material interest in any significant contract with the Company or any of its subsidiaries during the year.

## COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS

The Board ensured that the Company complied with all the laws, codes, rules and standards including, but not limited to, the JSE Listings Requirements, King IV™, the Companies Act, Competition Law, legislative and environmental standards, consumer protection laws, employment legislation and international laws and legislation. The Board considered adherence to non-binding rules, codes and standards.

The Board continually reviewed the compliance of legal, regulatory, codes and other standards and continually monitored the implementation of the legal compliance processes. Board policies and charters were updated in compliance with statutory, regulatory and legislative requirements. **(King IV™ – Principle 13).**

# CORPORATE GOVERNANCE (CONTINUED)

## ANNUAL FINANCIAL STATEMENTS

The directors are required by the Companies Act to maintain adequate accounting records and are responsible for the preparation of the annual financial statements based on appropriate accounting policies. The Group's financial statements are based on appropriate accounting policies as set out in the notes to the financial statements and are supported by reasonable and prudent significant judgements and estimates.

The external auditors are responsible for considering internal controls relevant to the preparation of the annual financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control systems.

The Board established formal and transparent arrangements with the external and internal auditors and ensured that timely and accurate disclosure was made of any information that would be of material importance.

The Board ensured that assurance services and functions enabled an effective control environment and that these support the integrity of information for internal and external decision-making and of the organisation's external reports.

The external auditors assessed whether the financial statements conform to IFRS, the JSE Listings Requirements and the Companies Act. The external auditors offered reasonable, but not absolute, assurance of the accuracy of the annual financial statements. Premier's management is responsible for the preparation of the annual financial statements.

**(King IV™ – Principle 15).**

The Board is satisfied that the annual financial statements are fairly presented; contain proper disclosures and that regulatory compliance processes were followed in the preparation of the annual financial statements.

## DEALINGS IN THE COMPANY'S SHARES

In terms of the JSE Listings Requirements, directors, officers and employees of the Company are not permitted to trade in the shares of the Company during closed periods, which commence at the end of the first six months of the financial year (end February) and financial year-end (end August) and during periods when the Company is trading under a cautionary announcement.

The Company Secretary will disseminate written notices to all directors and senior management throughout the Group informing them that dealing in Premier's shares during the closed periods is prohibited.

Directors are required to seek the authority of the independent non-executive chairperson prior to dealing in shares of Premier. Accordingly, directors are not permitted to make use of internal Company information when deciding to deal in the Company's shares.

In accordance with the JSE Listings Requirements, the Board reinforces the Code of Conduct for insider trading. Directors are updated according to any changes in terms of the JSE Listings Requirements.

## COMMUNICATION

The Group subscribes to a policy of full, accurate and consistent communication with regard to all of its affairs. The Board seeks to present a balanced and understandable assessment of the Group's position at all times when reporting to stakeholders. The integrated report deals adequately with disclosures relating to financial statements, auditors' responsibility, accounting records, internal controls, risk management, accounting policies, adherence to accounting standards, going-concern issues, as well as the Group's adherence to established codes of governance.

The deputy chairperson, CEO, and CFO regularly communicated with major shareholders, institutional investors, analysts and the media during the period under review. The Group acknowledges the role of the media especially that of financial journalists and it endeavours to assist these role players as much as possible.

The Group encourages shareholders to attend the Group's AGM, which provides them with an opportunity to raise concerns and ideas and to participate in discussions relating to the Group. The Group publishes its annual financial results on SENS and shareholders are advised that a copy of the integrated report is available on the Company's website and at the registered offices of the Company. **(King IV™ – Principle 16)**

## CORPORATE CODE OF ETHICS AND CODE OF CONDUCT

The Group subscribes to the highest levels of professionalism and integrity in conducting its businesses and dealing with all stakeholders. All employees are expected to share its commitment to highest morals, ethical and corporate governance practices, the Company's values, moral conduct and legal standards.

The Board continues to provide effective leadership based on a principled foundation. The Group's leadership is characterised by the values responsibility, accountability, fairness and transparency. One of our fundamental objectives has always been to do business ethically while building a Company that is sustainable, taking into account the short, medium and long-term activities of the economy, society and the environment.

In executing its responsibilities, the social, ethics and transformation committee considered and monitored the Group's activities, having regard to legislation, human rights and prevailing practice in matters relating to social and economic development, including compliance with the 10 principles of the United Nations Global Compact and labour and employment activities. (Refer to pages 110 to 111 for the social, ethics and transformation committee reports.)

## REPORTING UNETHICAL BEHAVIOUR

Employees and stakeholders are able to report any breach of the Code of Ethics via the Group's anonymous reporting facility. During the period under review there were no reported allegations of unethical behaviour to the reporting facility.

# REPORT OF THE AUDIT AND RISK COMMITTEE

The audit and risk committee has the pleasure of submitting this report for the financial year ended 31 August 2021 as recommended by the King IV? Report, the JSE Listings Requirements and the Companies Act.

“ As a constituted statutory arm of the Board, we have been tasked to provide oversight of the Group’s financial reporting process, the audit process, the company’s system of internal controls and to ensure compliance with laws and regulations of South Africa. We have discharged our duties in 2021 with integrity and diligence. ”



Rosemary Phindile Mosia

## MEMBERS OF THE AUDIT AND RISK COMMITTEE AND ATTENDANCE AT MEETINGS

The Audit and Risk Committee consists of the independent non-executive directors listed below, all of whom have the requisite business acumen and experience, as well as financial skills to fulfil the committee’s duties.

During the year under review, four (4) meetings were held and attendance of those meetings is set out in the table below:

Name	Qualification	Date of Appointment	Changes	Attendance
Rosemary Phindile Mosia	BCom PDM, BCTA, MBL	2 May 2017	Serving term	3/4
Advocate Ngoako Ramathlodi	B A Law (NUL), LLB (NUL), MSc (UZ)	8 August 2018	Serving term	1/4
Sebenzile Patrick Mngonkola	BTech Business Administration, HR Degree	8 August 2018	Serving term	3/4
Clifford van der Venter	BCom (UNISA), MBA (UCT)	3 April 2018	Serving term	4/4
Valentine Dzvova	BCom Accounting UCT, CA (SA)	17 August 2020	Serving term	4/4



## ROLE AND RESPONSIBILITY OF THE AUDIT AND RISK COMMITTEE

The audit and risk committee adopted the audit and risk constitution and risk management charter which was approved by the Board, setting out its duties and responsibilities as delegated to it by the Board.

The roles and responsibilities of the committee include:

- to provide oversight of the effectiveness of the internal and external audit function;
- to assist the Board in overseeing the quality and integrity of the Group's annual financial statements, integrated reporting process and any other announcements in respect of financial results;
- review of the disclosure of sustainability issues in the integrated report;
- review the effectiveness of the CFO and the finance department;
- to provide oversight on the effectiveness of the design and implementation of internal financial controls;
- review the effectiveness of the head of internal audit and the internal audit department;
- review the quality of the external audit; and
- review and recommend to the Board for approval the interim results, preliminary results, the annual financial statements and the integrated report.

## DISCHARGE OF DUTIES FOR THE YEAR UNDER REVIEW

The committee is satisfied that it has performed all the functions required in terms of the charter, the **King IV™** Report and Companies Act.

<p><b>EXTERNAL</b></p> <ul style="list-style-type: none"> <li>• The appointment of external auditors.</li> <li>• The scope, independence and objectivity of the external auditors.</li> <li>• The terms of engagement and fees of the external auditors.</li> <li>• The quality of the external audit.</li> </ul>	<p><b>GOVERNANCE</b></p> <ul style="list-style-type: none"> <li>• Risk assessment and management.</li> <li>• Assessment of compliance with legal, regulatory, codes and other standards.</li> <li>• The ethical conduct of the Group.</li> </ul>
<p><b>FINANCIAL REPORTING</b></p> <ul style="list-style-type: none"> <li>• The interim and preliminary announcements of results and reports to shareholders, the annual financial statements and integrated report.</li> <li>• Consideration of concerns regarding accounting practices and internal audit matters.</li> <li>• The assessment of the appropriateness of the expertise and experience of chief financial officer and the financial function.</li> </ul>	<p><b>INTERNAL CONTROL &amp; RISK MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>• The development and implementation of the Group's risk plan and strategy to ensure that the Group manages its risks in an optimal manner.</li> <li>• The adequacy and efficiency of the risk policies, procedures and controls applied in the day-to-day management of the business.</li> <li>• The effectiveness and performance of the internal auditors and compliance with its charter.</li> <li>• The effectiveness of the design and implementation of internal controls.</li> </ul>

## COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

The Group has complied with all applicable laws and regulations, as well as the Group's Memorandum of Incorporation for the period under review.

The committee executed its responsibilities pursuant to paragraph 22.15(h) of the JSE Listing Requirements during the reporting period. The most notable committee deliberations and inputs in 2021 pertained to the following topics:

# REPORT OF THE AUDIT AND RISK COMMITTEE (CONTINUED)

## EXTERNAL AUDIT

The Audit and Risk Committee of the Group considered and accepted a proposal to appoint Thawt Inc. and Crowe JHB, of which the latter is a member of Crowe Global, as the Company's joint external auditors in 2020, a position they retained in 2021.

The committee is of the view and is satisfied that the external auditor is independent of the Group.

The committee approved the level of scope, external audit fees and the extent of non-audit services for the 2021 audit.

The nature and extent of all services provided by the external auditors are approved and reviewed by the committee. There were no non audit services rendered by our auditors during the financial year.

The committee evaluated the audit and was satisfied with the performance of the external auditor during the reporting period and with the quality of the external audit procedure.

During the year under review, the committee:

- Satisfied itself that the external auditor is independent of the Group, as set out in section 94(8) of the Companies Act, and suitable for reappointment by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Listings Requirements;
- Reviewed the audit effectiveness and evaluated the external auditor's internal quality control procedures;
- Obtained confirmation from the auditors that they are independent;
- Approved the terms of re-engagement and fees for external auditors;
- Approved non-audit services provided during the year;
- Obtained assurances from the external auditors that adequate accounting records are being maintained; and
- Considered any reported control weaknesses, management's response for their improvement and assessed their impact on the general control environment.

## INTERNAL AUDIT

The Group's internal audit function is fulfilled by the head of internal audit department who provides the Audit and Risk committee with assurance of the effectiveness of the Group's internal control environment. The head of internal audit does not report directly to Premier's EXCO and therefore, the internal audit function is considered to be independent. The head of internal audit reports directly to the Chair of the Audit and Risk Committee. During the year under review the committee:

- Approved the annual internal audit plan;
- Reviewed the reports of the internal auditor related to the Group's financial controls and systems of internal control;
- Reviewed any reported control weaknesses, management's response for their improvement and assessed their impact on their general control environment; and
- Received assurance that proper and adequate accounting records are being maintained.

The committee reviewed the reports on the adequacy of the Group's internal control environment and based on that review it is satisfied that there has been no material breakdowns in the internal control environment of the Group.

## RISK MANAGEMENT

The Audit and Risk Committee approved the risk charter, which forms the terms of reference for the risk management process of the Group.

During the year under review the committee:

- assessed the effectiveness of the risk management process in place throughout the Group;
- assessed management's reports pertaining to the effectiveness of the Group's risk management, compliance processes and controls;
- reviewed the top risks that the Group is exposed to and assessed management's responses to the top risks; and
- assessed whether there were any new and/or emerging risks pertaining to the Group and whether the risk management process is aligned to respond and address these risks.

The committee is satisfied that the Group's risk management process is effective and that the Group's top risks have been adequately addressed by the Group's management.

## FINANCIAL REPORTING

The Audit and Risk Committee reviews the Group's accounting policies and the annual financial statements to ensure that they are in compliance with IFRS, the JSE Listings Requirements and the Companies Act.

- During the year under review, the committee: Considered the appropriateness of the accounting policies adopted; Considered the accounting treatment of significant transactions; Reviewed the process implemented by management for the preparation of the annual financial statements and is satisfied that the processes applied in preparing the financial statements were appropriate;
- Confirmed the going concern as the basis of preparation of the annual financial statements;
- Ensured that the annual financial statements fairly present the financial position of the Group, the result of operations and cash flows for the financial year ended 31 August 2021;
- Assessed the quality and the integrity of the Group's integrated report and is satisfied with this; and
- Considered the findings contained in the JSE proactive

monitoring reports and ensured that these were taken into account when the annual financial statements for the year ended 31 August 2021 were prepared.

## TECHNOLOGY AND INFORMATION GOVERNANCE

The Audit and Risk Committee performs oversight over information technology risks.

During the year under review the committee:

- Enquired from the head of internal audit and management if there were any breaches to the Group's information systems;
- Reviewed the effectiveness of the general information technology controls of the Group;
- Obtained assurance from internal audit over the effectiveness and adequacy of the internal controls over the information systems; and
- Reviewed emerging risks that could affect the information technology environment of the Group as well as the controls implemented by management to address any anticipated risks.

The committee is satisfied that the internal control environment for information technology is satisfactory.

## KEY AUDIT MATTERS

The Audit and Risk Committee considered the key audit matters as outlined in the independent auditors' report for the Group.

The key audit matters during the year under review were:

- Residual values of vessels (consolidated financial statements)
- Physical quantities of biological assets (consolidated financial statements)
- Valuation of goodwill and intangible assets with indefinite useful lives.

The committee is satisfied that these key audit matters were adequately in the context of the audit.

# REPORT OF THE AUDIT AND RISK COMMITTEE (CONTINUED)

## LEGAL AND REGULATORY REQUIREMENTS

During the year under review the committee:

- Reviewed the adequacy and effectiveness of the Group's processes to ensure compliance with legal and regulatory requirements;
- Reviewed legal matters that might have a material impact on the Group; and
- Reviewed reports from internal audit regarding compliance with legal and regulatory requirements.

The committee is satisfied that there have been no breaches to legal and regulatory requirements during the year under review.

## EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER AND THE FINANCE FUNCTION

The committee has satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Limited Listings Requirements that the chief financial officer has the appropriate experience and expertise to meet the responsibilities of the position.

The committee has also satisfied itself with the expertise of the finance department and is satisfied that the finance department has the appropriate expertise and is adequately resourced.

## ANNUAL FINANCIAL STATEMENTS AND INTEGRATED REPORT

The committee reviewed the integrated report and the annual financial statements of Premier for the year ended 31 August 2021 and is satisfied that they comply in all material respects with the requirements of IFRS, the Companies Act, and the JSE Listings Requirements.

The committee is also satisfied with the integrity of the information in the integrated report.

The committee has fulfilled its statutory duties in terms of section 94(7) of the Companies Act and King IV? compliance. The committee complied with its legal and regulatory responsibilities for the 2021 financial year.

**(King IV™ – Principles 10, 11, 12, 13 and 15)**

The committee has recommended the annual financial statements and the integrated report for the year ended 31 August 2021 for approval to the Board.



**Rosemary Phindile Mosia**

**Audit and Risk Committee Chairperson**

**15 December 2021**

ABOUT  
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## TECHNOLOGY AND INFORMATION

The Board is responsible for technology and information governance in the Group and delegated the management of technology and information governance to the Audit and Risk Committee.

The Audit and Risk Committee governs technology and information in a way that supports the organisation in setting and achieving its strategic objectives and delegated this responsibility to executive management to implement and execute effective technology and information management. Management is accountable for operational governance of technology and information management.

### IT strategy

An annual report on technology and information governance is tabled at the Audit and Risk Committee meeting to address any significant technology and information risks and matters to be considered to ensure compliance with the governance framework. The primary focus during the year was to review and approve the Group's technology and information strategy to ensure that there was good governance across the information systems.

### Digital revolution

2020 saw an exponential uptake of digital – everything – across the globe. During the year under review, 2021, the pace of digital transformation continued to move aggressively into the 4IR. Whilst the move to a more digital-centric world brings with it many plus points, there are also the attendant challenges and threats. Some of those include a rise in cybersecurity breaches and incidents.

Significant trends influencing the world of business and life in general, include:

- IT automation, data analytics combined with artificial intelligence, are playing an increasingly significant role;
- Mobile devices with pervasive connectivity to the internet, as broadband data reduces in price and increases in availability, results in new levels of social media interaction on a business and personal level;
- Cloud computing, which provides access to high-level, utility-based, location-independent and capital-light computing resources and agility;

- The Internet of Things (IoT) – the connected everything – communication between devices giving rise to real-time exchange of information; and
- An increase in data that needs to be stored, managed and interpreted for business advantage..

During the year under review the audit and risk committee undertook the following to ensure best practices:

- All systems were backed-up daily and stored off-site;
- Quarterly restore tests were done to ensure that the backups were working;
- All servers and workstations have the latest operating system patch levels, all security updates are applied and compliance is monitored to ensure that the organisation is protected from security threats
- All servers and workstations have the latest anti-virus patch levels applied to monitor compliance, to ensure the organisation is protected from security threats
- A disaster recovery/business continuity plan is being re-drafted with regular testing done to ensure that disaster does not impact the business
- Firewalls, password management and remote access are in place to ensure that the organisation is at a low risk of a security breach
- Regular changing of passwords measures are in place;
- Restrictions to websites that pose a security threat are in place
- Restrictions on who can access what, whether it is external or internal to the organisation, have been applied
- Strong password controls are in place and the network password policy was reinforced
- A formal incident, fault call logging process is in place to ensure that issues are dealt with speedily; and
- We instituted ransom ware mitigation procedures and ESET antivirus software is updated regularly on all workstations and the server

**(King IV™ – Principle 12)**

## Risk mitigation

The ever-changing environment brings with it the complexities of managing information risk and the Group is applying the appropriate operational and technology interventions to manage these challenges. As the Group is dependent on IT to meet its business needs, all identified risks are monitored and reduced to an acceptable level by the executive management.

Although no material risks were reported on during the year under review, we are cognisant of cyber security and the implications thereof, taking into account the protection of our stakeholders, which remains a high priority. One aspect driving risks and security is our governance and internal audit to ensure that the organisation's information assets are secure.

We constantly address best practices, threats from phishing, ransom ware and other cyber threats which could have an impact on business operations, financial statements, legal exposure and the Company's reputation. **(King IV™ – Principle 11)**

## REPORT OF THE SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

The Social, Ethics and Transformation Committee has the pleasure of submitting this report for the financial year ended 31 August 2021.

This committee is fully committed to ensuring that the Group has a meaningful and positive impact on our stakeholders and to operating in a manner that positively contributes to the upliftment and advancement of communities, and the environment in which we operate.

As a Group, we believe in the development and empowerment of our employees and aim to enhance performance by "growing our employees". The Group is entrenching and living its shared values: People, accountability, integrity, commitment, stakeholders, respect, trust and investment.

Given the ongoing challenges presented by the COVID-19 pandemic, the Group initiated several activities to ensure the safety of our staff and limit the spread of the virus in the workplaces.

## 2021 TRANSFORMATION HIGHLIGHTS

- Premier Fishing SA retained a level 1 B-BBEE level.
- Implemented much needed learnership programmes;
- 100% black directors
- Three black female directors
- 94% HDI employees
- 13% black female employee
- 50% black representation at executive management level
- 17% black female representation at executive level
- Continued assistance to black-owned small rights holders; and
- Continued to procure from empowered companies .

## Meeting attendance

NAME	APPOINTMENT DATE	MEETING ATTENDANCE
Clifford van der Venter (Chairperson)	26 March 2018	1/1
Rosemary Phindile Mosia	1 February 2017	1/1
Sebenzile Patrick Mngconkola	3 April 2018	1/1
Ismet Amod [IA]	31 October 2019	Resigned 31 March 2021

# REPORT OF THE SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

## ROLE AND RESPONSIBILITIES OF THE SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

In addition to the committee members, the head of human resources, head of payroll, Chief Executive Officer and Chief Financial Officer attend meetings of the committee by invitation.

The roles and responsibilities of the committee include:

- To assist with the governing of the ethics of the Group in a way that supports the establishment of an ethical culture.
- Ensure that the Group is and is seen to be a responsible corporate citizen.
- Assist management in the formulation and implementation of policies, principles and practices to foster the sustainable growth of the Group.
- Assist management in setting strategies, establishing goals and integrating sustainability into the business activities across the Group.
- To provide guidance in relation to the promotion of good sustainability practice such as environmental, CSI, B-BBEE and stakeholder engagement policies.

## DISCHARGE OF DUTIES FOR THE YEAR UNDER REVIEW

The Social, Ethics and Transformation Committee assisted the Board in ensuring that the Group is, and remains, a committed and socially responsible corporate citizen. The committee provided support, advice and guidance on the effectiveness of management's efforts in respect of sustainable development, transformation and social and ethical-related matters.

The committee undertook the following during the year:

- Reviewed the B-BBEE status of the Group;
- Ensured compliance with regulations governing B-BBEE;
- Ensured that all regulatory obligations were met, including the submission of employment equity plans to the Department of Labour;
- Ensured that employees and stakeholders familiarise themselves with the Group's ethical standards;
- Governed the ethics of the Group in a way that supports an ethical culture within the Group through ongoing staff awareness around the following policies:
  - ▶ The way we work
  - ▶ Anti-corruption and Bribery
  - ▶ Code of Conduct
  - ▶ Code of Ethics
- Ensured ongoing skills development through the Group's contributions to the Premier Bursary Fund, skills audit and training analysis which identified training needs;
- Monitored and ensured that the Group is seen to be and is a responsible corporate citizen through societal and environmental initiatives and the Group's contributions to the development of communities in which it operates;
- Reviewed and made recommendations to the skills development plans of the Group and the placement of interns in the Group;
- Reviewed the employment equity plans and reports for the Group and made recommendations for improvements;
- Reviewed reports relating to the health and safety aspects of the Group;
- Reviewed and made recommendations to the transformation plans of the Group; and
- Reviewed and made recommendations on the Group's water saving plans.



## LAWS, REGULATIONS AND GOVERNANCE

The committee has confirmed that no instances of material non-compliance with relevant legislation have been identified.

## PLANNED AREAS OF FUTURE FOCUS

Premier has made great strides in redressing historical socio-economic inequities and gender bias. That said, we cannot rest on our laurels and so we will:

- Continue to govern ethics in a way that supports the establishment of an ethical culture;
- Continue to monitor labour, employment relationships, training and skills development, employment equity, and the prevention of unfair discrimination;
- Continue to monitor the Group's B-BBEE compliance and make recommendations for improvements; and
- Monitor the Group's corporate-social-investment plans and ensure that they are adequate to positively impact the communities in which the Group operates.

For the year under review, the committee is satisfied that it has fulfilled all of its statutory duties assigned by the Board.

I would also like to extend my gratitude to the Group's staff for their continued commitment, hard work and support during this past year. Without them, each milestone and success would not be possible.



**Clifford van der Venter**

**Chairperson Social, Ethics and Transformation Committee**





# OUR PERFORMANCE REVIEW

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*Chief financial officer's report*  
*Operational reviews*

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# OUR PERFORMANCE REVIEW

## CHIEF FINANCIAL OFFICER'S REPORT

“ *The pessimist complains about the wind; the optimist expects it to change; the realist adjusts the sails*

- **William Arthur Ward** ”

I am delighted to present my report for the 2021 financial year for Premier Fishing and Brands Limited. Operationally, having adjusted our sails, the Group has had a very good year, particularly considering the series of challenges related to the COVID-19 restricted trading environment and other such business trials.

We have certainly enjoyed an upward movement in all the sectors as compared to 2020, thereby delivering on what we had indicated last year regarding the future of our prospects remaining strong, the optimism that was forecasted and the hard yards that we would put into making 2021 a successful year. I believe we have admirably achieved this in terms of revenue made by the Group. However, we had some once off, abnormal costs that we had to deal with which put tremendous pressure on our profitability. Below is a summary of performance by sector for the 2021 year.

### LOBSTER

The South Coast Rock Lobster (“SCRL”) quota, which is available to Premier is 135 tons (2020: 129 tons). The SCRL specie remains a stable fishery and well managed resource. The SCRL brand is a recognised leading brand in the US market. Generally, through high quality standards, we can attract premium prices. Despite the vagaries of COVID-19, the Group managed to catch 98% of its allocated quota for the 2021 fishing season, which showed a massive improvement when compared to the prior year. The export market in USA also remained stable.

The West Coast Rock Lobster (“WCRL”) sector remains a challenge, however, as the industry saw a further reduction of the TAC. Premier, apart from catching its own quota, is continuously looking to contract additional outside quota holders in the industry to make up for the reduction in TAC. There is still a high demand for the product in the Far East market, and the quality of brand and the work ethic of our staff means that we are able to still do well in this sector, despite the challenges we face.

### PELAGICS

The Pelagics division delivered a solid performance for the Group in the current period. Industrial fish catch rates were higher in the period under review, than those experienced in the previous year. The Group managed to increase its fishing days for the current period, which resulted in higher volumes landed and higher revenues for the division.

### SQUID

The squid division delivered industry wide higher catch rates as compared to the prior year - a complete turnaround from the 2020 season, which saw scarcity of squid resources. Revenue for the period under review amounted to R206 million (2020: R141 million) mainly due to higher catch rates in the industry. The global market for South African squid remains strong, hence the potential of the squid division remains in a good position.

### HAKE

The Group's hake quota is caught, processed, and marketed through a joint venture with Blue Continents Products (Pty) Ltd. The demand for hake remains strong, with Premier's quota being 657 tons (5% drop from the prior year). The division delivered a strong performance, with market prices remaining relatively stable resulting in the division maintaining its margins.



# OUR PERFORMANCE REVIEW

## AQUACULTURE


Sales volumes for the year ending 31 August 2021 were higher than that of the prior period. The farm continues to strategically grow its abalone to a larger size to meet market demand, and thereby maximising the margins received. The effect that COVID-19 had on the export market, remains a challenge, but the Group has already seen signs of improvement. The Group hopes this improvement will continue for the foreseeable future.

## SEAGRO, COLD STORAGE, PROCESSING AND MARKETING

Revenue and profitability have increased in all three of our smaller sectors as compared to that of the prior trading period. The Group contracted more quota holders in the WCRL sector, which saw processing and marketing service revenue increase. Demand for Seagro (fertiliser), remains high in the agricultural sector, which saw revenues increase. In terms of the Cold Storage operation, we managed to increase rental space capacity at our cold store and derived more rental revenue as a result.

Below is a summary of the revenue per sector outlined by the excellent operational performance mentioned above.


Revenue	2021	2020	% Increase
Lobster	170 723	165 703	3%
Pelagics	93 530	70 675	32%
Hake	33 049	21 583	53%
Squid	206 245	141 379	46%
Aquaculture	35 108	26 785	31%
Seagro, Cold Storage, Processing and Marketing	36 460	27 769	31%
	<b>575 115</b>	<b>453 894</b>	



## STATEMENT OF COMPREHENSIVE INCOME

The Group achieved a revenue of R575m (2020: R454m), a 27% increase from the prior year and a record high revenue since the Group listed on the stock market, while gross profit increased by 26% to R192 million from R152 million. Operating profit increased by 13% to R14 million from R12 million. These salient features were deemed highly commendable given the challenges we faced during the year. The demand for the Group's products has certainly proved to be strong and we have built on the stable relationships the Group has with its customers. EBITDA amounted to R43m (2020: R55m), which still represents a solid performance in 2021.

Statement of comprehensive income Salient features	R'000 2021	R'000 2020	% Increase
Revenue	575 115	453 894	27%
Gross profit	191 758	152 463	26%
Operating profit	13 856	12 252	13%



However, the Group endured in the region of an additional R25 million worth of once off legal, consulting and administration costs, as well as had some material impairments and IFRS adjustments, which placed huge pressures on the overall operating margins. Without these costs, the operating margin would have been much healthier.

## STATEMENT OF FINANCIAL POSITION

The Group's balance sheet is strong with just under R1bn worth of assets. Furthermore, Premier is cash positive and has adequate financial resources with a current asset ratio of 4.2 to 1 and continues to operate well under the circumstances. The Group does not have any 3rd party debt at all. The Group's net asset value (NAV) per share remains healthy at 293 cents per share (2020: 296 cents per share).

Statement of comprehensive income Salient features	R'000 2021	R'000 2020
Non-current asset	688 931	690 390
Current assets (excl cash)	203 292	226 117
Cash	107 046	107 902
<b>Total Assets</b>	<b>999 269</b>	<b>1 024 409</b>
Non-current liabilities (excl 3rd party liabilities)	164 293	179 841
Current liabilities (excl 3rd party liabilities)	74 397	71 107
3rd party liabilities	0	3 264
Total liabilities	238 690	254 212
Net Asset value	760 579	770 197
Net asset value per share (cents)	293	296
Current ratio	4.2:1	4.5:1

Preservation of cash during this time is still paramount due to COVID-19 and the potential probable impact that COVID-19 will have on the immediate future. However, I am confident that with the strategies we have put in place, we will have a strong 2021/2022 financial year.

## STATEMENT OF CASHFLOWS

Given the cash flow pressure on the Group this year, the Group still managed to achieve a cash received from customers, which amounted to R584m (2020: R442m), and cash from operations of R53m (2020: R35m). This was highly commendable given the challenges faced and the resulting cash flow pressure placed on the Group.

	R'000 2021	R'000 2020	% Increase
Cash received from customers	584 477	442 062	32.22%
Cash generated from operating activities	52 992	34 612	53.10%



# OUR PERFORMANCE REVIEW

## Outlook for 2022

Our outlook for 2022 is a positive one, as we aim to continue our journey toward achieving our strategic objectives, and ultimately, the delivery of sustained financial returns. In doing so, we remain committed to stringent cost-control practices across the Group, including efficient and effective value-added procurement processes to increase existing margins.

In 2021 we raised the bar in terms of revenue by generating a record high since listing in March 2017. For 2022, we aim to push revenues higher although we know that the current economic climate is not without its pressure points and challenges, the major ones being the erratic movement of exchange rates, the socioeconomic conditions in the Asian market, the continued prevalence and unpredictability of COVID-19, and the general uncertainties in the fishing industry.

That said, with the continued commitment of our people, the same level of productivity enjoyed in this past financial year, the same processes, methodology, and diligence we believe we can achieve similar successes, if not better. The Group, therefore, looks forward to a positive 2022 financial year.

## Appreciation

Premier is the sum of all its people. We have enjoyed an excellent year, but this could not have been achieved without everyone pulling the boat in the same direction. Therefore, I would like to thank the Group's finance team for their commitment, hard work and support. Without them, our success would not have been realised. My sincere appreciation to each of you.



**Brent Robertson**  
**Chief Financial Officer**





# OUR PERFORMANCE REVIEW

## OPERATIONAL REVIEWS

### LOBSTER

Our lobster business continued to maintain its operating margins in the current year:

The SCRL TAC for the 2020/2021 fishing season is 359 tons, an increase by 8% from the prior year TAC of 331 tons. The fishing season for lobster is from November to September, whereas the Group's financial year is from September to August.

We experienced solid catch rates which resulted in 106% of our allocated quota being caught. The sales mixes of the catches have mainly been bigger sizes compared to the previous financial year.

South coast rock lobster	2021	2020
TAC (tons)	359	316
Premier share (tons)	135	127
Sales volumes (tons)	143	105

Product: **FROZEN TAILS** » Market: **USA**  
 Product: **LOBSTER HEADS** » Market: **JAPAN**  
 Product: **LOBSTER BODIES** » Market: **JAPAN**



Number of vessels wholly-owned **3**

Number of lobster facilities **1**

The WCRL TAC for the 2020/2021 fishing season was set at **834 tons**. The quota which is available to Premier was 27 tons, down from **2019: 34.9 tons**. The total WCRL contracted quota acquired for **2020 is 54 tons (2019: 57 tons)**. We also experienced solid catch rates for WCRL, which resulted in **us catching 99%** of our allocated quota. 83% of the contracted quota was caught during the financial year under review.

The cuts in the TAC (Total Allowable Catch) are particularly worrisome and have had a devastating effect on the WCRL sector and the surrounding communities it serves. The assessment is that these continued cuts will eventually lead to job losses despite the noble efforts of companies to keep staff employed. The current model applied by DEFF, is making the WCRL sector unsustainable.

<b>West Coast Rock Lobster</b>	<b>2021</b>	<b>2020</b>
TAC (tons)	837	1 084
Premier share (tons)	27	35
Percentage of allocated quota caught	100	100
Contracted quota acquired (tons)	54	54
<b>Sales volumes</b>		
Live lobster (tons)	63	60
Whole frozen lobster (tons)	9	11

Product: **LIVE LOBSTER** » Market: **HONG KONG, CHINA**  
 Product: **WHOLE FROZEN LOBSTER** » Market: **JAPAN**  
 Product: **WHOLE COOKED FROZEN LOBSTER** » Market: **JAPAN**  
 Product: **FROZEN TAILS** » Market: **SOUTH AFRICA**



Number of vessels wholly-owned, co-owned **1**

Number of lobster facilities **1**

## SALES AND MARKETING

The market for SCRL remained strong during the year under review with ongoing strong demands for the product. We continue to focus on achieving year -on-year growth in US\$ pricing, but this has been made difficult due to COVID-19.

The focus is on the sale of live lobster for the WCRL fishery. The demand remains strong and we managed to sell most of the stock landed.

## FUTURE OUTLOOK

Material Matters Affecting Operation	Impact on Ability to Create Value	Response
Possible reductions in TAC	A reduction in the TAC might result in lower turnover and profits for the Group	The Group remains focused on acquiring additional contracted quota to mitigate instances of reductions in TAC
Extreme weather conditions	Extreme weather conditions might result in a reduced number of available sea days and reduced catches	We implemented improved vessel scheduling in order to fully maximise available sea days and reduce our total catching period

# OUR PERFORMANCE REVIEW

## PELAGIC

Our Pelagic business consists of pilchard and anchovy quotas, which are harvested and sold locally.

Pilchards are canned and sold in the South African market and anchovy is used to produce fishmeal, which is sold globally for use as animal feed.

The pelagic industry continued to experience solid catches, especially for the anchovy. The pilchards though still remains a concern but we remain hopeful that the resource will return to some normality.

<b>Pilchards</b>	<b>2021</b>	<b>2020</b>
TAC (tons)	15 100	32 000
Premier share (mtons)	1 990	1 633
Sales volumes (mtons)	1 174	403
<b>Anchovy</b>	<b>2021</b>	<b>2020</b>
TAC (mtons)	258 000	60
Premier share (mtons)	22 233	22 333
Percentage of allocated quota caught	84	74
Sales volumes (mtons)	13 370	15 942



Number of vessels wholly-owned, co-owned **3**

We negotiate prices for both pilchards and anchovy with our customers on a yearly basis and in the year under review, we managed to achieve an 8% increase in our pricing. We also received a profit share per carton of canned pilchards produced from our pilchards quota.

## FUTURE OUTLOOK

The pilchards fishing season is from February to December. If the catch rates for pilchards improve, the Group will endeavour to catch the balance of its quota during September to December. The pelagic business is one of our strategic focus areas for the 2022 financial year.

<b>Material Matters Affecting Operation</b>	<b>Impact on Ability to Create Value</b>	<b>Response</b>
Catch rates	Lower catch rates might result in lower sales volumes and revenue	Improved scheduling of vessels and timing of catches during peak catching season

## SQUID

The Squid division had a very tough year. The squid division, industry wide experienced very low catches as compared to prior year, however there are very good signs of improvement.

The Squid division had a very high catch in current year. The squid division, industry wide experienced an improvement in catches as compared to prior year.

Squid	2021	2020
Tons caught	2 193	971
Sales volumes (tons)	2 170	1 014

Talhado is a valuable contributor towards the squid division.

## SALES AND MARKETING



Number of vessels wholly-owned, co-owned **21**

Number of processing facilities **1**

Product: **SQUID** » Market: **SPAIN, ITALY, PORTUGAL, GREECE, CROATIA**

The Group is positive for 2021/2022 period, as the catch rates for the new financial year have already been very good, and the Group looks forward to a strong performance from this division in the forthcoming seasons.

Material Matters Affecting Operation	Impact on Ability to Create Value	Response
Cyclical nature of catches during season	Erratic catch rates and higher costs	The Group continues to work with the industry and scientific work groups and utilises industry information to accommodate for seasonality and plan to catch at the most optimal time period.

# OUR PERFORMANCE REVIEW

## ABALONE

The Premier Group trades in abalone through its Atlantic Abalone brand.

The group remained focused on the expansion of the abalone farm with a higher holding capacity between 300-350 tons upon completion. Certain parts of the expansion were put on hold due to Covid 19.

Abalone is cultivated at our farm, which is located in Gansbaai Harbour, Western Cape. The strategic focus for this division is mainly on expanding production to 300 tons per annum from the current 229 tons.

Improvements and expansions were completed in our hatchery during year under review resulting in our spat production increasing to an average of 100 000 spat per month compared to an average of 60 000 spat production per month in the previous financial year. The hatchery continues to consistently produce good quality spat and increased volumes which provides a good platform for our planned expansion in production output.

We have also constructed a bigger hatchery and we anticipate to increase the spat production to an average of 500 000 per month once fully operational.

Abalone	2021	2020
Capacity (tons)	260	229

## SALES AND MARKETING

Demand for abalone from our customers continues to outweigh our output. Our sales and marketing team continues to focus in the growth of US\$ pricing but because of COVID-19, the selling price slightly declined in the Far East market. Our sales and marketing team is focused on securing additional geographical markets and increasing US\$ pricing in the 2022 financial year. The market continues to demand more live abalone.

Live abalone sales are 70% of the total sales volumes and this is expected to continue in the foreseeable future.

Product: **LIVE ABALONE** » Market: **HONG KONG, TAIWAN**  
Product: **CANNED ABALONE** » Market: **HONG KONG, TAIWAN** | Number of abalone facilities **1**

Abalone	2021	2020
Total live equivalent tons sold off the farm	More than 110	between 70 - 75

Total sales volumes were higher than the previous year as the division focused on increasing its stockholding for the farm's expansion. The abalone export market remains a challenge industry wide due to the effects of COVID-19. However, the Group remains focused, patient and positive that the exports will turn around in the very near future.

Total area owned and leased: **6** hectares owned

Total area utilised for cultivating: **4** hectares

## FUTURE OUTLOOK

Construction activities are currently ongoing and we expect construction to be completed by the end of the 2022 financial year. We currently have a stable and growing pipeline of abalone and we expect to increase the current production output from 229 tons to 300-350 tons by the end of the 2022 financial year. We expect a significant increase in sales volumes and profits from our abalone division from the financial year ended 2022 onwards. We currently have a stable and growing pipeline of abalone and we expect to double the current production output from 229 tons to 300-350 tons by the end of the 2022 financial year.

Material Matters Affecting Operation	Impact on Ability to Create Value	Response
Increasing sea water temps	High Sea water temps affect the growth of abalone.	We have installed equipment at the abalone farm which enables the cooling of water before it is circulated throughout the farm in instances of higher-than-ideal sea water temperatures.
Red Tide in (large concentrations of aquatic micro-organisms) in the sea water which supplies the farm.	Red Tide reduces the oxygen content in the sea water which might result in reduced growth rates or animal mortalities.	We have utilised the services of a micro- biologist to provide standard operating procedures in which the animals are to be handled during the occurrence of the red tide. A Re-circulation system will be implemented with the farm expansion which will enable the farm to re-circulate in the event of a red tide red tide.

# OUR PERFORMANCE REVIEW

## HAKE

The Group's hake quota is caught, processed, and marketed through a joint operation with Blue Continents Products (Pty) Ltd. The division was negatively affected due to vessel maintenance and delays for at least 3-4 months. Revenue was therefore lower when compared to the Prior Period. Market prices remained relatively stable, considering that the markets were affected by the pandemic, resulting in the division maintaining its margins.

## SALES AND MARKETING

The Group looks forward to continuing its strong performance during the next season, as the vessels have been refurbished. The Group awaits outcomes of the 2020/2021 FRAP allocation process to determine its quotas for the 2021/2022 season.

Hake	2021	2020
Premier share of TAC (tons):	657	691
Percentage of allocated quota caught:	100	100

Product: **HAKE - HEADED AND GUTTED** » Market: **EUROPE, SOUTH AFRICA**

Material Matters Affecting Operation	Impact on Ability to Create Value	Response
Possible reductions in TAC	The variations in size mixes might result in a lower average market price achieved on the hake	We continue to work with the industry and scientific work groups and utilise industry information to accommodate for seasonality and plan to catch at the most likely optimal time period

## SEAGRO





Seagro is a liquid fertiliser, which is produced from fish oil. Fish oil is a by-product of the fishmeal process. The liquid fertiliser is sold in bulk directly to farmers, or in 200ml, 500ml, one-litre and five-litre bottles to the retail market. There were increased catches of anchovy, which is used in making fishmeal and ultimately there was an increase in fish oil supply during the current year. This enabled us to manufacture increased volumes of Seagro in the current year.

Saegro	2021	2020
Sales Values (R'000)	10 154	7 008

Products handled: **SEAGRO ORGANIC LIQUID FERTILISER** » Market: **SOUTH AFRICA**

Location: **SALDANHA BAY**

Number of facilities **1**

## SALES AND MARKETING

The local market for Seagro fertiliser is strong. The increase in the amount of available fish oil (raw material) enabled us to meet the demand for the product. We were also able to achieve a 7% increase in our market prices during the current financial year.

## FUTURE OUTLOOK

The demand for Seagro fertiliser continues to grow year-on-year and with this demand we expect to significantly increase our volumes in the year ahead.

Material Matters Affecting Operation	Impact on Ability to Create Value	Response
The availability of the anchovy stock from which the fish oil is manufactured	Fish oil is a raw material used in the manufacture of Seagro. If the Company is not able to source sufficient volumes of fish oil then there could be a reduction in the volumes of Seagro produced	The Company is planning to install a fish meal plant which will ultimately guarantee the Seagro business supply of fish oil

# OUR PERFORMANCE REVIEW

## PROCESSING AND MARKETING

The Premier Group enters into agreements with other quota holders for WCRL and wild abalone to process their quotas and market their products on their behalf.

In exchange, the Group earns a processing and marketing fee. We managed to increase the volume of contracted quota for wild abalone in the current year, which resulted in increased revenues for the processing and marketing operation.

The Group continues to focus on acquiring additional contracted quota.

<b>Processing and marketing</b>	<b>2021</b>	<b>2020</b>
Contracted WCRL sold (tons)	45	50
Contracted wild abalone acquired (tons)	18	50
Total contracted wild abalone processed	18	21



## COLD STORAGE

The cold storage business is a warehouse facility for both the Group's products and for external customers as well.

Material Matters Affecting Operation	Impact on Ability to Create Value	Response
Underutilisation of capacity due to lower storage capacity due to low storage requirements for products that are efficiently processed and shipped within a short period of time	Lower customer storage utilisation.	We are currently offering storage space for dry goods in addition to frozen product in order to mitigate against any reduced demand for frozen product storage.

Products handled: **FROZEN FISH, DRY GOODS** » Market: **SOUTH AFRICA**

Location: **V&A WATERFRONT** | Number of facilities **1**







# CONDENSED FINANCIAL STATEMENTS

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# CONDENSED FINANCIAL STATEMENTS

## SUMMARISED AUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited year ended 31 August 2021 R'000	Audited Restated year ended 31 August 2020 R'000
Revenue	575 115	453 894
Cost of sales	(383 357)	(301 431)
Gross profit	191 758	152 463
Other operating income	10 023	10 185
Other operating expenses	(187 925)	(150 396)
Operating profit	13 856	12 252
Investment revenue	8 981	14 611
Finance costs	(5 250)	(9 433)
Profit before taxation	17 587	17 430
Taxation	(14 237)	(11 044)
Other comprehensive income	3 350	6 386
Total comprehensive income for the year	3 350	6 386
Profit after tax attributable to:		
Shareholders of Premier	(9 849)	4 001
Non-controlling interests	13 199	2 385
Total profit for the year	3 350	6 386
Earnings per share information		
Basic earnings per share (cents)	(3.79)	1.54
Diluted earnings per share (cents)	260 000	260 000

**SUMMARISED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Audited as at 31 August 2021 R'000</b>	<b>Audited Restated as at 31 August 2020 R'000</b>
<b>ASSETS</b>		
Non-current assets	688 931	690 390
Property, plant and equipment	463 283	450 162
Right-of-use assets	33 061	49 535
Goodwill	70 129	70 129
Intangible assets	17 175	20 439
Loans to Group Company	105 261	100 097
Deferred tax	22	29
<b>Current assets</b>	<b>310 338</b>	<b>334 019</b>
Inventories	34 082	34 179
Trade and other receivables	3 184	2 195
Other financial assets	5 630	4 536
Current tax receivable	64 486	100 771
Biological assets	95 910	84 436
Cash and cash equivalents	107 046	107 902
<b>Total assets</b>	<b>999 269</b>	<b>1 024 409</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	507 517	507 517
Reserves	8 014	8 014
Retained income	188 323	211 172
Equity attributable to shareholders of Premier	703 854	726 703
Non-controlling interests	56 725	43 494
<b>Total equity</b>	<b>760 579</b>	<b>770 197</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>	<b>164 293</b>	<b>180 280</b>
Borrowings	-	439
Post-employment medical aid costs	277	261
Deferred tax	124 674	124 191
Lease Liabilities	39 342	55 389
<b>Current liabilities</b>	<b>74 397</b>	<b>73 932</b>
Borrowings	1 277	2 825
Current tax payable	895	598
Trade and other payables	63 280	65 023
Lease liabilities	1 995	1 893
Provisions	6 950	3 593
<b>Total liabilities</b>	<b>238 690</b>	<b>254 212</b>
<b>Total equity and liabilities</b>	<b>999 269</b>	<b>1 024 409</b>
Weighted average number of shares in issue	260 000 000	260 000 000

# CONDENSED FINANCIAL STATEMENTS

## SUMMARISED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited year ended 31 August 2021 R'000	Audited Restated year ended 31 August 2020 R'000
Opening balance as previously reported	770 197	814 008
Prior period error	-	(14 544)
Change in accounting policy for leases from IAS 17 to IFRS 16	-	(2 755)
Balance at the beginning of the year	770 197	796 709
Profit for the year attributable to shareholders of Premier	(9 849)	4 001
Profit for the year attributable to non-controlling interests	13 199	2 385
Dividends	(13 000)	(32 898)
Change in ownership interest	32	-
Balance at the end of the year	760 579	770 197
Comprising:		
Stated capital	507 517	507 517
Reserves	8 014	8 014
Retained income	188 323	211 172
Non-controlling interests	56 725	43 494
<b>Total equity</b>	<b>760 579</b>	<b>770 197</b>



## SUMMARISED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Audited year ended 31 August 2021 R'000</b>	<b>Audited Restated year ended 31 August 2020 R'000</b>
Cash generated from operations	52 992	34 612
Interest income	1 818	5 817
Finance costs	(900)	(9 433)
Tax (paid)/refunded	(14 541)	725
Net cash from operating activities	39 369	31 721
Cash flows from investing activities		
Additions to property, plant and equipment	(25 286)	(65 410)
Purchase of intangible assets	(24)	(264)
Purchases of biological assets	-	(990)
Loans to group companies repaid	2 000	2 000
Net cash flows from investing activities	(23 310)	(64 664)
Cash flows from financing activities		
Repayment of other financial liabilities	(2 022)	(3 312)
Repayment of lease liabilities	(1 893)	(6 164)
Dividends paid	(13 000)	(32 899)
Net cash flows from financial activities	(16 915)	(42 375)
Total cash movement for the year	(856)	(75 317)
Cash at the beginning of the year	107 902	183 219
Total cash at end of the year	107 046	107 902

# CONDENSED FINANCIAL STATEMENTS

## COMMENTS

### 1. Basis of Preparation

The summarised consolidated annual financial statements were prepared in accordance with the JSE Limited Listings Requirements ("JSE") for summary financial statements and the requirements of the Companies Act.

The JSE requires summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council and IAS 34 – Interim Financial Reporting.

The accounting policies applied in the preparation of the summarised consolidated financial statements are in line with IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements. This does not include the information required pursuant to paragraph 16A(j) of IAS 34.

The summarised consolidated annual financial statements were prepared under the supervision of the Group Chief Financial Officer, Brent Robertson, CA(SA).

This summarised report is extracted from the audited consolidated financial statements, but is not itself audited.

The consolidated annual financial statements were audited by the Group's external auditors, Thawt Inc and Crowe JHB., who expressed an unmodified opinion thereon. The audited consolidated annual financial statements and the auditor's report thereon are available for inspection at the Company's registered office and on the Company's website: [www.premierfishing.co.za](http://www.premierfishing.co.za). The auditor's report does not necessarily report on all of the information contained in this summarised report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the Company's registered office. The directors take full responsibility for the preparation of the summarised consolidated annual financial statements which has been extracted without adjustment from the underlying audited consolidated annual financial statements.

Any reference to future financial performance included in this summarised report is the responsibility of the directors and has not been reviewed or reported by the Company's auditors.

## GROUP SEGMENTAL ANALYSIS

Segment Revenue	Audited year ended 31 August 2021 R'000	Audited year ended 31 August 2020 – restated figures R'000
Lobster	170 723	165 703
Pelagics	93 530	70 675
Hake	33 049	21 583
Squid	206 245	141 379
Aquaculture	35 108	26 785
Cold Storage	10 412	8 821
Seagro	10 154	7 009
Processing and marketing	15 894	11 939
CONSOLIDATED REVENUE	575 115	453 894
<b>Segment Profits</b>		
Lobster	28 301	40 140
Pelagics	24 985	20 634
Hake	7 575	1 902
Squid	62 656	32 442
Aquaculture	(6 183)	(1 853)
Cold Storage	3 105	2 730
Seagro	4 797	3 444
Processing and marketing	8 278	225
TOTAL	133 514	99 664
Less inter-segmental sales		
Administration and support services	(119 989)	(100 129)
Fair value gains	1 058	12 717
Interest income	8 255	14 611
Finance costs	(5 251)	(9 433)
Total revenue and profit before tax	17 587	17 430

# CONDENSED FINANCIAL STATEMENTS

Segment Assets	Audited year ended 31 August 2021 R'000	Audited year ended 31 August 2020 - restated figures R'000
Lobster	66 877	83 920
Pelagics	108 882	112 907
Hake	5 030	7 832
Squid	162 587	161 577
Aquaculture	325 046	307 097
Cold store	1 465	1 077
Seagro	3 840	3 653
Processing and marketing	1 610	18 950
Administration and support services	323 910	327 367
Total segmental assets	999 247	1 024 380
Unallocated	22	29
<b>Consolidated total assets</b>	<b>999 269</b>	<b>1 024 409</b>
<b>Segment liabilities</b>		
Lobster	12 241	22 115
Pelagics	9 929	4 759
Hake	5 098	4 114
Squid	14 239	10 799
Aquaculture	16 331	6 591
Cold store	0	-
Seagro	0	-
Processing and marketing	2 723	9 862
Administration and support services	53 455	71 781
Total segmental liabilities	114 016	130 021
Unallocated	124 674	124 191
Consolidated Segmental liabilities	238 690	254 212

## OPERATING REPORT

Operating profit for the year is stated after accounting for the following:

	<b>Audited year ended 31 August 2021 R'000</b>	<b>Audited year ended 31 August 2020 R'000</b>
Management fees expenses to the holding company	6 263	3 348
Loss on disposal of property, plant and equipment	1 452	7
(Gain)/loss on foreign exchange	2 875	(3 255)
Amortisation on intangible assets	851	9 675
Depreciation and impairment on property, plant and equipment and rights of use assets	28 248	33 041
Employee costs	155 804	114 907
Storage costs	3 752	5 201
Fair value gain on biological assets	1 058	(12 707)

## EARNINGS PER SHARE

Earnings per share ("EPS") is derived by dividing the earnings attributable to equity holders of the Company by the weighted average number of ordinary shares.

	<b>Audited year ended 31 August 2021 R'000</b>	<b>Audited year ended 31 August 2020 R'000</b>
Basic earnings per share	(3.79)	1.54
Diluted earnings per share	(3.79)	1.54

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	<b>Audited year ended 31 August 2021 R'000</b>	<b>Audited year ended 31 August 2020 R'000</b>
Earnings attributable to owners of Premier Fishing and Brands Limited	(9 849)	4 001
Premier Fishing and Brands Limited (R'000)	260 000	260 000

# CONDENSED FINANCIAL STATEMENTS

## RECONCILIATION OF HEADLINE EARNINGS

	Audited year ended 31 August 2021 R'000	Audited year ended 31 August 2020 R'000
Earnings/(loss) attributable to ordinary equity holders of parent entity	(9 849)	4 001
Adjusted for:		
Effect of (profit)/loss on disposal of property, plant and equipment	1 452	7
Insurance income	-	(377)
Impairment of PPE	-	945
Impairment of loans	-	2 521
Taxation effect	(407)	(593)
Headline earnings	(8 801)	6 503
Weighted average number of shares on which earnings and headline earnings per share is based	260 000 000	260 000 000
Headline and diluted headline earnings per share (cents)	(3.39)	2.50

## EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any other material facts or circumstances, which occurred between the statement of financial position date and the date of this report that would require any adjustments to the annual financial statements.

## DIVIDENDS

	Audited year ended 31 August 2021 R'000	Audited year ended 31 August 2020 R'000
*Dividend declared after reporting date (R'000)	13 000	26 000
Dividends per share (cents)	5	10

## SHAREHOLDERS' INFORMATION

Shareholder information as at 31 August 2021

The Company's shareholders as at 31 August 2021 can be summarised as follows:

### ANALYSIS OF SHAREHOLDINGS AS AT 31 AUGUST 2021

Number of shareholders	No. of Holders	Percentage of total shareholders	Number of shares	Percentage of total issued share capital
1 – 5 000	1 388	84.48%	662 959	0.25%
5 001 – 10 000	71	4.32%	553 848	0.21%
10 001 – 100 000	146	8.89%	4 974 956	1.91%
100 001 – 1 000 000	29	1.77%	7 461 889	2.87%
1 000 001 and more	9	0.55%	246 346 348	94.75%
<b>Total</b>	<b>1 643</b>	<b>100.00%</b>	<b>260 000 000</b>	<b>100.00%</b>

### MAJOR SHAREHOLDERS (5% AND MORE OF THE SHARES IN ISSUE)

	Number of shares	% of total issued share capital
African Equity Empowerment Investments Limited	146 200 000	56.23%
Government Employees Pension Fund	51 297 256	19.73%
3 Laws Capital (Pty)Ltd	23 753 011	9.14%

### SHAREHOLDER SPREAD

Shareholders	No. Of holders	% of total shareholders	No. of shares	% Of total issued shares
<b>NON-PUBLIC:</b>	<b>4</b>	<b>0.24%</b>	<b>197 583 756</b>	<b>75.99%</b>
Directors	2	0.12%	86 500	0.03%
Greater than 10% of issued capital	2	0.12%	197 497 256	75.96%
<b>PUBLIC</b>	<b>1 639</b>	<b>99.76%</b>	<b>62 416 244</b>	<b>24.01%</b>
<b>Total</b>	<b>1 643</b>	<b>100.00%</b>	<b>260 000 000</b>	<b>100.00%</b>

### DISTRIBUTION OF SHAREHOLDERS

Shareholders	No. Of holders	% of total shareholders	No. of shares	% Of total issued shares
Individuals	1 561	95.01%	9 684 777	3.72%
Nominee companies and trusts	30	1.83%	3 609 989	1.39%
Public companies	22	1.34%	245 973 272	94.61%
Close corporations and private companies	30	1.83%	731 962	0.28%
<b>Total</b>	<b>1 643</b>	<b>100.00%</b>	<b>260 000 000</b>	<b>100.00%</b>

# SHAREHOLDERS' INFORMATION

## **SHAREHOLDERS' DIARY**

### **ANNUAL GENERAL MEETING**

23 February 2022 at 14h00 at Premier's head office at 3 Dock Road, South Arm Road, V&A Waterfront

### **FINANCIAL REPORTS**

Announcement of annual results – November 2021

Integrated Report – December 2021



## CORPORATE INFORMATION

### COMPANY SECRETARY

Cornell Kannemeyer – [cornellk@premfish.co.za](mailto:cornellk@premfish.co.za)

### EXECUTIVE MANAGEMENT TEAM

Chief executive officer: Rushaan Isaacs – [rushaan@premfish.co.za](mailto:rushaan@premfish.co.za)

Chief financial officer: Brent Roberson – [brentr@premfish.co.za](mailto:brentr@premfish.co.za)

### BUSINESS ADDRESS AND REGISTERED OFFICE

**Physical address:** No. 3 South Arm Road, Victoria Basin, Victoria & Alfred Waterfront, Cape Town, 8001

**Postal address:** PO Box 181, Cape Town, 8000, South Africa

**Telephone:** +27 21 427 1400

**Fax:** +27 21 419 0731

### EMAIL AND WEBSITE

**Email:** [info@premierfishing.co.za](mailto:info@premierfishing.co.za) **Website:** [www.premierfishing.co.za](http://www.premierfishing.co.za)

### COMPANY REGISTRATION NUMBER

1998/018598/06

### TRANSFER SECRETARIES

**Physical address:** Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001

**Postal address:** PO Box 4844, Johannesburg, 2000

**Telephone:** +27 11 713 0800

**Fax:** +27 86 674 4381

**Website:** [www.linkmarketservices.co.za](http://www.linkmarketservices.co.za)

### AUDITORS

Thawt Inc. and Crowe JHB

### SPONSOR

Vunani Capital

### LISTING

Johannesburg Stock Exchange Sector: Farming and fishing Share code: PFB

ISIN: ZAE000247516

# GLOSSARY OF TERMS AND ACRONYMS

AEEI	African Equity Empowerment Investments Limited
Adv.	Advocate
AFS	Annual financial statements
AGM	Annual general meeting
Board	The Board of directors
B-BBEE	Broad-Based Black Economic Empowerment
BDO	BDO Cape Incorporated
CEO	Chief executive officer
CFO	Chief financial officer
CIPC	Companies and Intellectual Property Commission
DAFF	The Department of Agriculture, Forestry and Fisheries
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
EU	European Union
EURO	European Union and its territories
EXCO	Executive committee
FAWU	Food and Allied Workers Union
FDA	Food and Drug Administration
FRAP	Fishing Rights Allocation Process
GDP	Gross domestic product
GROUP	Premier Fishing and Brands Limited Group
HAACP	Hazard Analysis and Critical Points Control
HDSA	Historically disadvantaged in South Africa
IFRS	International Financial Reporting standards
IIRC	International Integrated Reporting Council
IR	Integrated report
JSE	Johannesburg Stock Exchange
KING IV™	King IV Report on Corporate Governance for South Africa
KPI	Key Performance Indicator
MCM	Marine Coastal Management
MOI	Memorandum of Incorporation
NCFAWU	National Certified Fishing and Allied Workers Union
NRCS	National Regulator for Compulsory Specifications
PFB	Premier Fishing & Brands Limited
PREMIER	Premier Fishing SA Proprietary Limited
PIC	Public Investment Corporation
SABS	South African Bureau of Standards
SAMSA	South African Maritime Safety Authority
SARB	South African Reserve Bank
SARS	South African Revenue Service
S.A.S.M.I.A	The South African Squid Management Industrial Association
STATSA	Statistics South Africa
SCRL	South Coast Rock Lobster
TAC	Total allowable catch
TALFU	Trawler and Line Fishermen
TALHADO	Talhado Fishing Enterprises Proprietary Limited including its subsidiaries
USD	United States Dollar
WCRL	West Coast Rock Lobster
WWF	The World Wide Fund for Nature
ZAR	South African Rand



[www.premierfishing.co.za](http://www.premierfishing.co.za)