

Premier Foods plc
General Meeting - 11 January 2021
Shareholder Q & A

General Meeting process

How do I vote my shares in advance of the General Meeting?

Please submit your vote electronically or by post as soon as possible, by logging on to www.sharevote.co.uk (to use this service you will need your Voting ID, Task ID and Shareholder Reference Number printed on your form of proxy). This must be received by no later than 11.00 am on Saturday 9 January 2021. If you wish to appoint a proxy, you are recommended to appoint the Chairman of the meeting as your proxy, as the Board has concluded that shareholders or their proxies cannot be permitted to attend the meeting in person. This is in light of the UK Government's current guidance on public gatherings, and the new regulations set out in Schedule 14 of the Corporate Insolvency and Governance Act.

How do I submit a question for the General Meeting?

You can submit questions in advance of the meeting via email at investor.relations@premierfoods.co.uk by no later than 11.00 am on Thursday 7 January 2021. We will endeavour to answer questions received in advance, by publishing responses on thematic topics on our website either prior to, or shortly after, the General Meeting.

Proposed Capital Reduction

What is the purpose of the Capital Reduction?

The Company had a profit and loss (P&L) account deficit in October 2020 of £460.3m (on an unaudited pro forma basis), at the same time the Company's share premium account showed a positive balance of £1,409.8m (on an unaudited pro forma basis). The share premium account is an 'undistributable' reserve and so the purposes for which the Company can use it are extremely restricted. The Company is, therefore, proposing a capital reduction in order to cancel the amount standing to the credit of the share premium account and to transfer it to the Company's P&L account. The realised profits thereby created would be applied to increase the accumulated profit on the Company's P&L account, which is intended to eliminate the profit and loss deficit and, in addition, to create additional distributable reserves for the Company. The Board believes that the proposed Capital Reduction will provide greater flexibility in how the Company manages its capital resources going forward.

Is the Company planning to resume dividend payments?

The Board believes that the Capital Reduction will provide greater flexibility in how the Company manages its capital resources going forward. Although this would potentially include the ability to pay dividends, the Board has not made any decision as to the use of the realised profits, should the Capital Reduction take place.

Why are you proposing the Capital Reduction now?

In order to affect the Capital Reduction, the Company needs to obtain shareholder approval and also consent of the High Court. If shareholders approve the Capital Reduction, it is expected that Court approval will be received on or around 10/11 February 2021. This will enable the Capital Reduction to be completed ahead of the Company's year end, which is 3 April 2021.

Will the Capital Reduction impact the Company's financial performance for the year?

The Capital Reduction will not impact the performance of the business and will not involve any distribution or repayment of capital or share premium by Premier Foods and it will not reduce the underlying net assets of the Company.

Will the Capital Reduction result in the executives becoming eligible to receive bonus payments?

The Capital Reduction will not have any impact on the Company's financial performance or the award of any executive director bonus for the year.

What is the cash impact of this capital reduction?

There is no cash impact of this capital reduction exercise. This exercise is a transfer of reserves from the share premium account to the accumulated P&L account and as such is an accounting adjustment with no cash impact.