

PREMIER TECH REPORT

— 2023 —

P100

Beyond

100



Contents

Premier Tech Report 2023

- 8 One hundred years of being Premier Tech
- 10 Message from the Leadership Team
- 20 Driven by a will to create value
- 40 Moving forward to the Power of One
- 44 Celebrating 40 years of innovation
- 48 What sustainability means for Premier Tech
- 58 Our cycling teams
- 68 Leadership Team
- 72 Board of directors
- 76 Financial review

**People and
Technologies**

**making a
difference**

**Feed
Protect
Improve**



One hundred years of being Premier Tech

We are 100 years young. That's right, young. Because everything we have yet to accomplish can only be matched by the strength and extent of the capabilities we have built as one team over the past century. Now more than ever, the parallel between our century-long history and the power of our potential could not be stronger and more inspiring.

Here, now, together

So, what now? At 100 years young, we see ourselves carrying on making a difference in a big way. As we journey together into our second century — merging our rich history with our passion, our commitment, our agility and our energy — our focus will unwaveringly remain on delivering value to our clients around the world. This is where we stand and what we commit to.

Looking back to better leap forward

We started small, but bold. In 1933, as we were celebrating our 10th year in business, we opened our first manufacturing facility in Canada. At sixty, in 1983, our thirst for innovation and delivering value led us to open the first research centre in North America focusing on peat moss and its wide range of potential. By the end of the 1990s, our ingenuity was conveyed into the diversification of our industries, namely automation and wastewater treatment. And by the time we turned eighty, we started expanding overseas and turbocharged our growth.

As we look back at this first century, we are thankful for all those that came before us and cognizant that they were such an integral and fundamental part of our past, but even more importantly of our future successes. They showed us the importance of doing things for the right reasons and remaining authentic in our intent, while never being afraid of disrupting and reinventing ourselves by being bold, ingenious and staying genuine.

The road ahead is inspiring and we want that future to be shaped by the strength of one team, coloured by long-lived traditions and fuelled by a culture that travels beyond borders. We know this is core to the next 100 years, yet we purposely leave plenty of room for the unexpected, stumps on the road and strategic detours, as well as for exploring new ideas; knowing all too well that it is what made this first centennial the foundation from which we can launch the second one.

This is 100 years of celebrating life, connecting people, mastering technologies, fostering innovation and everything that makes us who we are — and we are beyond ready to do it all again.

Here's to this milestone, here's to our team — past, present and future. But most of all, here's to what comes next.

Now more than ever, we are Premier Tech and this is our time as we move beyond 100.

— The Premier Tech Team

Message from the Leadership Team

Fiscal year 2023 will have been marked by much more volatility and turbulence than anticipated by Premier Tech. This is now the third consecutive fiscal year, following 2021 and 2022, in which our teams around the world had to face significant challenges and uncertainty. It is important for us to highlight their dedication, acknowledge their commitment and energy, and thank them for the agility and resilience they have shown once again.

In fiscal 2022, we reached the milestone mark of \$1 billion in revenue with a year-over-year growth of \$113 million on the strength of sustained organic growth and several strategic acquisitions. Revenue in fiscal 2023 experienced a more moderate growth, up from \$1 095 million in fiscal 2022 to \$1 118 million, to close out the year with a slight year-over-year growth of \$23 million despite the turbulent global economic and socio-political environment.

This result is relatively stable, in comparison with the growth of recent years. It caps a period during which several external elements that were not anticipated in 2021, when we worked on our strategic plan — VISION 2027 —, significantly impacted Premier Tech's activities. While certain issues such as global supply

chain challenges had been foreseen — albeit at a lower level — others only manifested themselves in the last quarter of fiscal 2022 or at the very beginning of fiscal 2023.

Spiking energy and transportation costs due to global political tensions, adverse weather in spring and summer 2022 affecting some of our business sectors, and inflation — which hit much harder and faster than anticipated during the last fiscal year —, had major impacts on our cost structure, on the cost of goods sold of our products as well as on the demand for some of our commercial offers. The nearly simultaneous combined effects of these events had a significant impact on the financial performance in fiscal 2023, with Premier Tech posting operating EBITDA of \$92 million, a decrease of \$17 million over fiscal 2022.

Instability and turbulence

Instability and uncertainty ensuing from the war in Ukraine led to marked increases in oil and fuel prices — and consequently energy and transportation costs. These hikes have directly affected the cost of raw materials throughout the organization, the operating costs for several of our manufacturing processes, and both the upstream and downstream logistics costs of our operations. At the same time, inflation has risen much more quickly and intensively than anticipated, further contributing to a sharp rise in our operating costs.

Given that some of these issues only emerged at the start of 2023, the timeframe to implement mitigation action plans and develop new strategies was practically non-existent. Therefore, it became rather difficult to make real-time adjustments, in particular for the Growers and Consumers business group, which accounts for a significant percentage of its consumer market sales in the first months of the fiscal year. Our teams had to be proactive despite the challenging context to put in place the required actions to mitigate the effects of these various events. For several of our market sectors, adjustments could not be made until summer and early fall 2022, leading to a limited impact during fiscal 2023.

The sharp increase in energy costs had repercussions for both our manufacturing processes and transportation activities. Rising gas prices, especially in Europe, had a significant impact on production costs for the Water and Environment business group. That being said, the Premier Tech Water and Environment team has been able to pivot quickly and address these rising costs through internal savings and price adjustments to the market, thereby alleviating the effects on the financial performance.

The effects of inflation on the cost of components, as well as their availability, had a significant impact throughout the year, as did the supply chain and logistics instability we are experiencing since 2021. These impacts, which significantly affected Premier Tech Systems and Automation in fiscal 2022, continued in fiscal 2023. However, the mitigation measures implemented by the teams enabled the group to navigate this period with more control than in the previous year and to limit the financial impact to a large extent.

In addition, while market analysis and consumer trend forecasts had all predicted consumer engagement would remain high in 2022, North American weather patterns — with a cold and rainy spring — combined with more flexible measures for international travel had a significant impact on the gardening season, driving consumption down and directly impacting sales volumes. Peat harvesting operations were also affected across Canada by the unfavourable weather and rising fuel costs, resulting in higher production costs and lower production volumes.

The adverse weather also had a significant effect on the first year of Virentia operations in the Life Sciences business group which ended up with a close-to-none alfalfa harvest, delaying the commercial launch of its product. Since then, the team of this business unit has implemented solutions that have almost eliminated the likelihood of such a situation from happening again. Had it not been for delays in the delivery of key equipment, these solutions would have even allowed reasonable volumes to go on the market during this fiscal year.

These various elements will still have an impact in the coming year, despite the efforts the teams have made as well as the strategies and actions they have implemented. Nonetheless, we expect the situation to stabilize, and even improve in some areas. Our long-term view, though, remains unchanged in regards of our business groups' potential — and their various market sectors — in light of our trends' analysis supporting the demand for our commercial offerings. We operate in diverse and promising industries highlighted by both the strong foundations of our long-standing business groups and the potential generated by our two newest groups: Premier Tech Digital and Premier Tech Life Sciences.

A strategic and forward-looking investment program

The portfolio of industries in which Premier Tech operates has always allowed us to face periods of unpredictable turbulence, while staying focused on the long-term.

This is why we were able to balance the short term and the long term throughout fiscal 2023. It also allowed us to continue investing in alignment with the objectives of VISION 2027, while balancing our actions to adapt to changing circumstances.

This led to \$111 million in tangible fixed assets of which nearly \$75 million were allocated to increase our manufacturing capacity, reduce our production costs and support the launch of new commercial offerings. These investments became necessary as the organic growth experienced over the past five years — a 31% increase representing some \$250 million — had almost entirely consumed the excess capacity of our 48 plants across 16 countries. \$20 million have also been allocated to modernize our equipment inventory and to improve health and safety for production team members.

Premier Tech Systems and Automation completed two major projects in the United States: a significant expansion resulting in the construction of a new

manufacturing site in Montgomery, Alabama — its new U.S. headquarters —, as well as the expansion of its manufacturing facility in Salt Lake City, Utah, which was relocated in a building bought and redesigned for its specific needs. These two sites were inaugurated in the spring of 2023, following an investment of \$40 million for Montgomery and \$15 million for Salt Lake City.

Last year, Premier Tech Growers and Consumers focused a significant portion of its investments to add a perlite expansion facility in Rexton, New Brunswick. This \$8 million investment is a strategic move to support the group's growing media ambition for the American East Coast market. This investment will allow to optimize operational efficiency, effectively reduce costs and improve delivery timelines for its clients.

Some \$9 million have been invested by Premier Tech Water and Environment to generate meaningful short to long-term impacts aiming to modernize and amplify the operational capabilities of several manufacturing facilities across Europe. These actions aligned to support the launch of new products in the marketplace for fiscal 2024.



Our most recent addition, Premier Tech Life Sciences, invested \$3 million to pivot part of Virentia's production process from its factory to the harvesting zones. Not only does this increase productivity and bring operational savings, but it also reduces the exposure to varying climatic conditions on operations.

Over the past three fiscal years, more than \$250 million have been invested to increase our manufacturing capacity, rejuvenate our property

portfolio, improve health and safety, modernize our equipment fleet, and improve the Team Member Experience even further — both in our plants and offices. This significant program aligns perfectly with our strategic plan VISION 2027, innovation planning, product launches, growth potential, as well as the business strategies we intend to put in place in the future.

Digital transformation of our operations for our future performance

At Premier Tech, digital transformation is at the forefront of how we envision our long-term profitable growth. With this in mind, we maintained our momentum toward our digital transformation by allocating significant resources to it.

The digitalization of many operations and the deployment of seamless, automated information pathways are pivotal to our business processes. These pathways encompass the entire customer journey, from initial contact to order placement, as well as our internal business and manufacturing processes, lifecycle management, and post-delivery customer relationship management.

Our focus is put on integrating these digital advancements throughout our operations, ensuring enhanced efficiency, improving customer experiences, and strengthening relationships from end to end. We invested a fair amount of energy and time to rethink and reorganize our information technology organizational structure in the past year. We deployed an integrated technology architecture team supported by a global dedicated team for the management delivery of technological solutions

aligned with the business needs of our groups and business units. The overarching objective is to expedite our deployment velocity and capitalize on synergistic opportunities, driving our digital transformation initiatives forward.

Another element increasingly at the heart of our digital transformation is access to data. In today's rapidly changing technological environment, relevant and real-time access to contextual and actionable data will enable Premier Tech to continue bringing innovative solutions and products to the market. It will also amplify and better position the value we bring to our clients.

It is by providing our teams — and those of our clients — with relevant contextual information in real time that we will be able to further deliver value, basing our decisions and actions on facts that foster a direct impact on performance.

Acquisitions and financial discipline

For a second consecutive year, the number of transactions was fairly less substantial compared to past years. This is largely attributable to market conditions, with a significantly lower than expected deal flow and persistently high valuation expectations.

Acquisitions are much more than a simple opportunity to be seized, they become platforms to accelerate our organic growth and increase the value we deliver to our clients. Therefore, every potential deal is considered through the lens of its long-term potential. Our objective is not to transform businesses to maximize a possible resale, but to integrate them

into Premier Tech's ecosystem for the long run. It is through this methodical approach to execution and integration that we have been able to generate a profitable growth through time and create success stories around the 60 or so acquisitions of the past 25 years.

Each of our acquisitions is based on a rigorous selection process and five well-established criteria for success.

Our entry criterion:

1. The integrated company is profitable and well positioned in its markets. Its leadership team also aspires to take it further and to create strong relationships with its clients.

Then we need at least one of the three following strategic criteria:

2. We can integrate or accelerate the development of a new technological platform or add key products and brands with potential to grow internationally.

3. We can enter a new territory or market sector.

4. We can consolidate our supply chain, increase our manufacturing footprint or increase our market share.

Our exit criterion:

5. Under no circumstances can the integration slow down Premier Tech's development and growth. If challenges arise, the situation must be contained and managed while still allowing for the pursuit of opportunities and investments brought forward by our other business groups.

Although fewer transactions than usual have been completed in the last two years, the ones completed were of real strategic importance for Premier Tech's future. Early in fiscal 2023, we integrated the Syncrun™ software to our digital product and service offering in smart manufacturing. It was made possible through the acquisition by Premier Tech Digital of Québec-based Arima and its powerful optimization engine for scheduling manufacturing operations.

At the same period, Premier Tech Growers and Consumers acquired the assets of Northwoods Organics of Minnesota, allowing to increase our U.S. production and bagging capacity while securing strategic peat reserves in North America.

The acquisition of the British firm Envirowise, finalized in May 2022 by Premier Tech Water and Environment, resulted in a heightened presence for the business group in England, facilitating the further deployment of its client solutions offerings across the United Kingdom.

Aligned with our approach to acquisitions, we maintained our focus in regards with valuation, remained patient and applied our usual financial discipline — we only move forward if it is for the long term. Our ambition remains unchanged in this regard: to make strategic acquisitions that generate organic growth, amplify the presence and the reach of our product brands, bring us geographically closer to our clients, and add technological platforms — all at the right time and at the right price.

In it for the long run

Our efforts on sustainability continued to progress throughout the year as planned in VISION 2027. While our sustainability initiatives used to be the result of a more intuitive and organic approach, they are now part of an intentional drive that finds its roots in our promise, our Values and our Culture. Through engaging in open and dynamic conversations with all stakeholders over the past 12 months, we have been able to define and firm-up our position and sustainability strategy for each of the impact areas we have chosen to prioritize.

This year, as Premier Tech celebrates its first century in a period of uncertain times, the sustainability of our actions and decisions brings further meaning. This is not the first time the company has gone through a period of uncertainty, and it will certainly not be the last. However, the true difference lies within the team members — the team members of every business group around the world who have carried on over the past three turbulent years with tremendous dedication, agility, and resilience.

As fiscal 2024 is anticipated to be yet another year that demands focused and disciplined performance, we will continue to position ourselves for the future with confidence and assurance — determined to achieve our short- and long-term goals to deliver lasting impacts. Until the external environment regains a certain level of stability, we will keep implementing the actions and strategies of VISION 2027 with coherence, balancing the short-term and the long-term in order to meet our strategic goals.

We trust that our teams will continue to deliver on Premier Tech's promise — to make a difference and to support clients and partners in their successes with all the energy, commitment, and courage to lead they have demonstrated over the past few years. Resolutely focused on the future and driven by Premier Tech's rich history, this is how we will move forward in a relevant and sustainable way.

— Leadership Team

WE ARE PT

Driven by a will to create value

Creating value, which defines and drives Premier Tech's entrepreneurial spirit and ambition to build, is at the heart of our journey since our beginnings in 1923. Fully aligned with our promise to make a difference, this determination is conveyed through two clearly defined axes. First, there is our commitment toward our clients to deliver value to them that makes a difference and to support them actively in their development. Then, there is our capacity to innovate, which accelerated in 1983 through our first structured Innovation, Research and Development (IR&D) efforts. In 2023, not only are we celebrating being 100 years young, but also 40 years of ongoing IR&D efforts and investments dedicated to new products. This is one of the driving factors behind Premier Tech's sustained growth, which is also at the very origin of our business diversification which began in 1990.

Without the vision of leveraging biotechnology as a way to make our horticultural offering stand out, without the commitment toward enhancing health

and safety in our plants and increasing efficiency, and without the strong determination to find new ways to use peat moss, Premier Tech would not be the leader it is today in its various business sectors.

This entrepreneurial spirit and our ambition to build — which rely on our commitment to leverage our competencies, knowledge base and assets — are the governing factors that led to our diversification over the years. These elements, along with a systematic and rigorous strategic planning approach, worked together and fuelled our organic and external growth, making Premier Tech the multinational company it is today. That is how we now offer innovative technological solutions across five verticals.



PT Growers and Consumers

Offers unique solutions for horticulture, agriculture as well as lawn and garden

1923



1968 — Launch of the first soil-free ready-to-use growing medium in the European and North American industries under the PRO-MIX® brand



1983 — IR&D debut at Premier Tech with research on microorganisms and bacteria, and their use as biostimulants and biocontrols for the horticulture and agriculture industries



2010 — Acquisition of Sure-Gro, positioning the business group as a leader in the lawn and garden market thanks to the addition of Wilson®, Alaskan® and C-I-L® to the PRO-MIX® brand

PT Growers and Consumers

Increasing crop quality through biotechnology

In 2023, California Transplants — a company specializing in vegetable transplant seedlings for the agriculture field grown market — improved the quality and uniformity of its vegetable transplants by selecting a PRO-MIX® growing medium. This unique growing medium includes a biological active ingredient, namely a natural control agent developed and produced by Premier Tech that reduces root diseases and improves plant growth.

California Transplants previously blended its own growing medium for its transplants but, in the fall of 2022, followed the recommendations of agronomic specialists at Premier Tech Growers and Consumers (PTGC) to use a PRO-MIX® BIO-FUNGICIDE™ growing medium, a product that draws on Premier Tech's industry-leading biotechnology expertise.

Developed by Premier Tech, the natural strain of bacterium used for biofungicide stimulates plant growth and provides pathogen resistance by forming a biofilm around the root system to prevent root diseases. This presence in the growing medium results in healthier, stronger, and more productive plants. The effectiveness of PRO-MIX® BIO-FUNGICIDE™ growing medium has been renowned in the vegetable transplant market for many years. Drawing on its history and performance data, the PTGC team supported California Transplants in every step of their transition from conventional to biotech growing media. As a result of the change, the Newman, California-based company obtained healthier crops that require less maintenance and improved its overall performance.

It is a significant benefit for an organization with 1.8 million square feet of greenhouse space to manage.

“Crops now require less care and less watering, which is especially important in light of labour shortages and the water rights and costs that often affect the region,” said **Scott Thornton**, vice-president sales — professional horticulture for North America, at PTGC.

The teams at Premier Tech Growers and Consumers drew on their expertise and know-how in agronomy and biotechnology to support California Transplants in maximizing the production of their vegetable transplants.

“In just a few months, we could see the benefits and full potential of biotech growing medium for our crops. PRO-MIX® BIO-FUNGICIDE™ growing medium provided better-quality and more uniform transplants for our clients,” said **Robbie Johnson**, general manager at California Transplants.



PT Systems and Automation

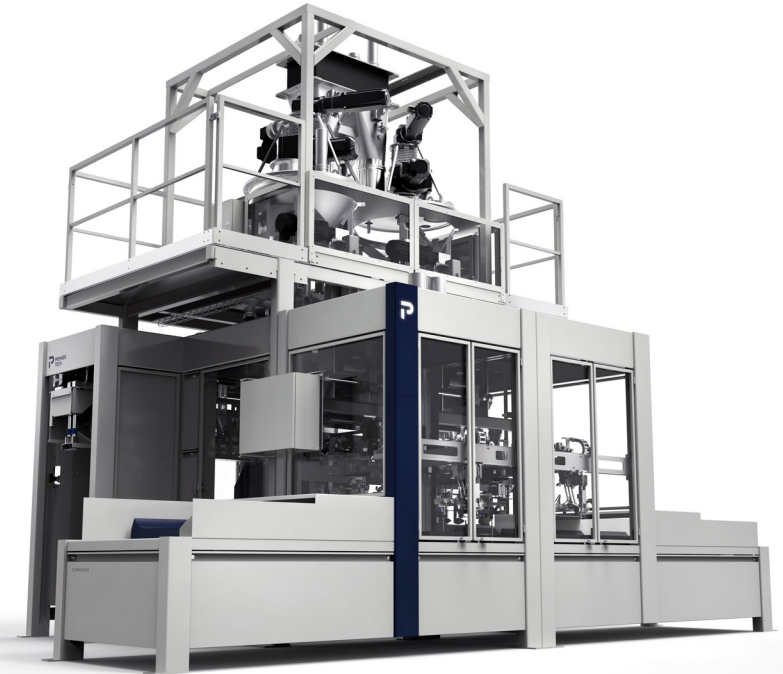
Delivers material handling and packaging solutions for the manufacturing industry in various industrial sectors



1997 — Launch of a joined packaging and palletizing system — FFS-200 and AP-435 — for undensified products

1990

2002 — Acquisition of Chronos Richardson, a world-renowned German company, supporting the acceleration of Premier Tech's internationalization and making the Systems and Automation business group the leader in its industry



2009 and 2012 — Arrival of Premier Tech Systems and Automation in the United States with the integration of STONEPAK in Salt Lake City, Utah, and vonGAL in Montgomery, Alabama, two sites where we announced major investments in the first quarter of fiscal year 2024



PT Systems and Automation

Robots lend a helping hand to the pharmacy division of METRO

In 2021, Premier Tech Systems and Automation (PTSA) was selected by METRO to automate palletization operations at its distribution centre in Varennes, Québec — which supplies some 650 pharmacies. Although this was the first time that PTSA had applied its technology to such a large-scale distribution centre, a relatively new type of client for the business group, the project was a resounding success.

Automating the palletization system in a way that allowed to optimize order preparation and increase overall efficiency had become a number one priority. To meet the needs of METRO, PTSA installed eight rail-mounted robotic cells capable of preparing 80 orders at a time on a continuous basis. Thanks to this solution, 16 additional orders are now prepared simultaneously by the robots 24 hours a day, six days a week — a major gain in capacity.

Installation at the Varennes facility also went seamlessly, as **Pierre-Luc Bouillon**, Premier Tech project manager, points out:

“ We were able to install the robot cells one by one over an extended period of time. This meant the solution could be built in sequence without interfering with ongoing distribution centre operations.”

The project, which showcases the ingenuity of the Premier Tech Systems and Automation teams, was an immediate success, as **Martin Chagnon**, vice-president logistics and distribution — pharmacy division of METRO, notes:

“ The solution that Premier Tech designed and installed gave us the adaptability to increase our production when needed. The efficiency and the precision of the robots are impressive. The project has become an inspiration for future projects of this type.”



PT Water and Environment

Offers a wide range of products for wastewater treatment
as well as for on-site rainwater harvesting and recycling



1995 — Launch of the Ecoflo® biofilter, now the world's best-selling system for on-site wastewater treatment with the largest installed base

1995



2010 — Internationalization of Premier Tech Water and Environment with the acquisition of APC & CALONA PURFLO in France



2016 and 2017 — Launch in the United States and in Québec of the Ecoflo® biofilter Pack version, a ready-to-use system with a filter made with coconut husk fragments

PT Water and Environment

End-to-end reliable support

In 2020, Eaurizon, a well-known wastewater treatment corporation based in Angers, France, was seeking to enhance its market positioning through innovative and sustainable products.

Premier Tech Water and Environment (PTWE) identified two products that met the relevant criteria as part of the research led by Eaurizon:

1. The compact Ecoflo® biofilter, a zero-energy domestic wastewater treatment system with a plant-based natural filter made of coconut husk fragments.
2. Decentralized Rewatec™ water management solutions, which were designed to meet Eaurizon's rainwater treatment and recovery needs and included all-water pits.

For a well-known specialized corporation like Eaurizon, the relevance of the products it sells and installs is key. Premier Tech's offerings add value not only for the corporation, but also for its customers, who benefit from reliable, environmentally friendly equipment and 360-degree support, as **Christophe Charrier**, manager at Eaurizon, points out:

“ The Premier Tech team members know their products inside out. It is reassuring to know that they can answer our questions and that we can rely on their expertise throughout the sales process. The fact that the products are manufactured in France and are sustainable is also important for us.”

The end-to-end support Premier Tech provides and the relationship of trust it has established with Eaurizon also played an important role in building this new business partnership, says **Florian Fromenteau**, area manager at Premier Tech Water and Environment:

“ Because we master our technologies, we can provide reliable service meeting the client's expectations before, during, and after the sale. That kind of support, combined with the fact that these are innovative, sustainable, locally manufactured products, will pave the way for greater collaboration between the two companies in the years ahead.”



PT Digital

As a leading actor in the digital industry, helps companies in various industries tackle their digital transformation — from manufacturers aiming to improve their efficiency, through companies looking to develop digital products, to original equipment manufacturers looking to digitally improve their operations



2018 — Acquisition of Manevco Management Inc., a team located in Québec which specializes in the design and rollout of Industrial Internet of Things (IIoT)-type connected solutions through the implementation of Manufacturing Execution Systems (MES)

2017



2021 — Launch of the first digital product developed internally: the real-time production line configurator Liveline®, a 3D visualization solution



2021 — Integration of Mirego, a Québec company creating digital products and services

An app to support Winnipeg Jets fans' engagement

In October 2022, the Mirego team of Premier Tech Digital, in partnership with the National Hockey League's Winnipeg Jets, launched a mobile app. This was the second project of its kind for the Mirego team after a similar endeavour for the Montreal Canadiens.

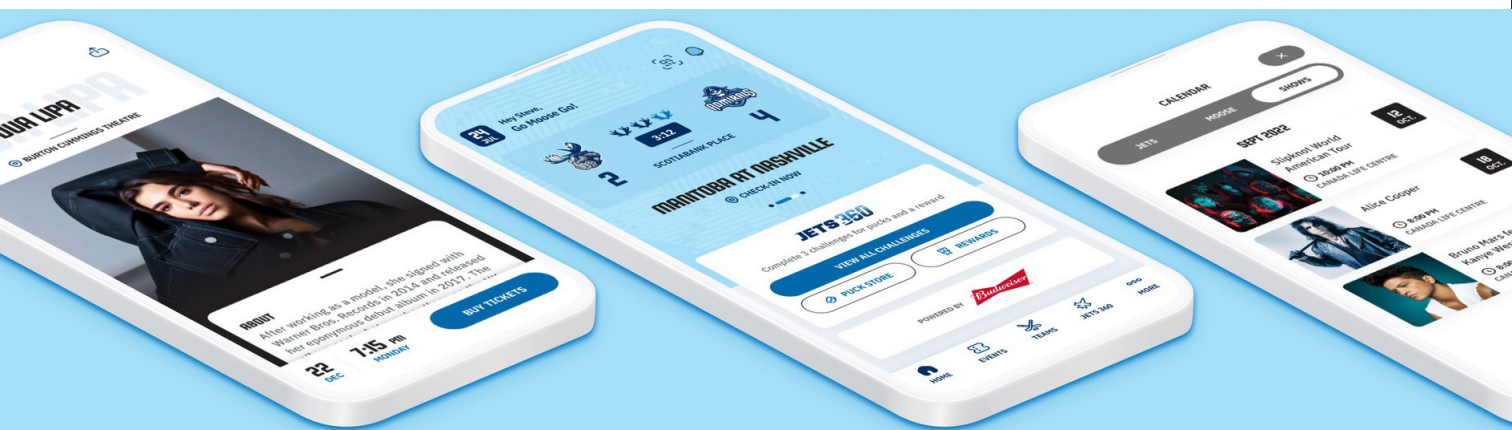
The Jets wanted a solution that would enhance the fan experience and promote engagement with the club. So, the Mirego team delved deeply into the world of Jets fans. By talking with them about their user practices and analyzing their responses, the team was able to focus its efforts to create a mobile application designed specifically with them in mind.

In addition to offering everything a fan would want on a mobile app for a sports team — stats, news, videos, and ticket sales —, the Mirego solution includes a personalized rewards program. The program gives access to unique experiences and exclusive contests while supporting the fan community. This idea was born of the powerful bond that exists between the city of Winnipeg and its hockey team.

“For the majority of the people we talked to in the streets and arenas of Winnipeg, the Jets are more than just a hockey team. Residents are proud of their team in the same way that they are proud to live in Winnipeg. It was important to take this into account in the app's design. We wanted to find a way to reward fans for their loyalty to the players and their community,” says **Sébastien Morin**, co-president and strategic chief at Premier Tech Digital — Mirego.

Since the app launched last October, it has been downloaded by more than 64 000 Jets fans.

“The Mirego team brings together dedicated experts from different industries who truly care about the product. We are confident that this app would be an attractive solution for other sports teams looking to engage and grow their fanbase,” says **Christina Litz**, chief brand & commercial officer for the Winnipeg Jets.



PT Life Sciences

Brings to the market natural active ingredients leveraging biotechnology targeting the nutrition, health and wellness markets for humans and animals

2021



2021 — Launch of Premier Tech Life Sciences, integration of Virentia to this new business group and construction of a plant in Bécancour, Québec, to produce plant-based proteins extracted from alfalfa



2023 — Beginning of a strategic partnership with Toulouse White Biotechnology (TWB) and industrial scaling of our commercial offerings

Moving forward to the Power of One

As we are turning 100 years young and looking back at everything that we have achieved together — all 5 200 of us — we are driven to keep on building our incredible story. The story of thousands of people over the years — the story of one company, Premier Tech.

With a strong foothold in 28 countries and 48 manufacturing facilities across 16 of them, we believe in the power of connection. We believe in the multiple synergies that connect us as a collective and the bond that unites us across generations, industries, countries and local cultures.

People are truly what defines and puts Premier Tech in motion. The foundation of the company rests on the depth of knowledge, expertise and experience gained over the first century. Yet, our potential is

fuelled by the potent combination of people — made of the incredible talent density and experience of all team members and new generations of experts and leaders. This balance between past, present and future has been at the heart of how we create and deliver value to our customers, enabling our way forward and long-term development.

Every day we are inspired by those who came before us and are moving forward to the Power of One — where we have the individual power to make a difference and the collective power to win together as a team. It is through learning from each other and sharing knowledge that we are moving forward and creating long-term growth opportunities for ourselves.

Structured approach to learning

Driven by the constant will to develop a complete learning ecosystem, we create the right conditions through various lasting initiatives.

Over the years, we came to broaden our range of professional development programs through our own training and development centre — the University of Premier Tech (UPT). With more than 250 trainings on either our mobile platform or in-class programs, team members can learn, evolve and add to their competencies in a rich and engaging environment. Thanks to trainings based on the current and future needs, this learning environment allows team members to stay up to date on the new ways of doing and to take part in the search for innovative ideas. By offering learning solutions meeting specific needs, UPT contributes to the sharing of knowledge and a common understanding of the organization's

challenges and goals, allowing to increase our collective learning capacity and fostering team work. Everyone contributes to the success of our clients and to the long-term continuity of the company.

We also have a string of events throughout the year to connect team members and build bridges across our industries and the regions where we are active. The Premier Tech Summit, which is held halfway through our fiscal year around mid-September, brings together internal professionals as well as up-and-coming leaders and experts. As we get ready to launch the new fiscal year, our worldwide business leaders and technological experts gather at the Top Managers Meeting in early February. These are opportunities to strengthen collaboration between team members from across the world and to elevate Premier Tech leaders and experts.

*Embedded in our Values and Culture, team members' acronyms act as a distinctive symbol of the strong links that unite the whole Premier Tech Team.



“ I have worked at Premier Tech for nearly 50 years and it makes me feel very proud. It is amazing to have been able to contribute to Premier Tech’s growth over the years and to still do it today. Together, we have built something special, and I am grateful to have played a part in the company’s success story.”

— **Mario Dubé, DUBM4***
Operations team member
Premier Tech Growers and Consumers

“ Premier Tech is a big company, yet still expanding. And that is exactly why I wanted to work here. There is still a lot of potential and challenges ahead, and I can’t wait to be a part of its future. I know there is a lot that I need to learn as well — as I am still at the beginning of my career, but I am confident that it is the perfect place to bring my contribution for the long term.”

— **Louis-Philippe Boehme, BOEL***
Customer success manager
Premier Tech Systems and Automation



“ Even as a young expert, I have been given interesting challenges and several opportunities to bring my expertise to the table. It feels empowering, as I am working alongside passionate leaders and experts who value my inputs and competence. At the same time, I have the chance to absorb their knowledge and learn from them. Developing my career in such a work environment is exciting and fun.”

— **Élizabeth Roy, ROYE***
Innovation manager — intellectual property
Premier Tech



“ I have been working for Premier Tech in Saint-Malo, France, for five years when I took the plunge and moved to Rivière-du-Loup, Québec, in 2022 to work at the Campus. I have decided to continue my journey at Premier Tech for its Values and its Culture, as well as the professional and personal learning opportunities. Of course, moving to a new country was a challenge, but I am grateful for the resources and support offered by the company to help me adapt to my new environment. I have built strong relationships with my colleagues and I value the collaborative and supportive environment within the company. I’m more than happy I have dared to make the first step!”

— **Aurélie Pitard, PITA***
Operations coordinator
Premier Tech Water and Environment



Celebrating 40 years of innovation

The year 2023 marks a significant milestone in our journey as we celebrate everything we have accomplished throughout our first century of history and the incredible potential that lies ahead.

We are committed to continue investing in our future as we build on the foundations and resources we have in place to fulfill the promise we make to our clients — to deliver value and help them achieve even greater success.

institutions and innovation centres allow us to deliver on the potential of our technology platforms and diversified expertise daily. It also showcases the difference Premier Tech makes in its various markets and industries.

Innovation is core to this promise and is closely tied to our desire to keep reinventing ourselves. Maintaining our structured approach to innovation and fostering our partnerships with educational

A structured approach to innovation

2023 is another big moment in our history as we celebrate 40 years of innovation since creating our first research team in 1983. At Premier Tech, innovation is more than just research and development — it is a state of mind. Innovation is an ongoing process that we integrate into all aspects of our business, including our operations, organizational development, sustainability and business strategy. It drives our teams to come up with innovative ideas to improve our processes, optimize performance, and reinvent the way we do things to further enhance our efficiency and expertise.

Backed by a dedicated team of 250 people, an annual budget of some \$27 million, and a five-year planning process, our structured approach to continuous innovation has led to major developments that have shaped our journey and helped us diversify into various verticals. Premier Tech holds more than 200 patents, which reflect the technological advances our teams have brought to the industry.

Where utility meets desirability

Innovation is first and foremost a matter of looking beyond technological novelty. Over the years, we have used this approach to define our Innovation Model, integrating the key aspects to developing a strong commercial offering.

Our approach to innovation is centered around creating value, where the notion of value is based not only on technological mastery, but also on the concepts of utility and desirability. These concepts encompass both the tangible and intangible aspects of all commercial offers we develop and bring to the market.

We strive to create innovative solutions that meet our clients' needs while also delivering a unique and immersive product and service experience. That means working closely with our clients to understand the challenges and opportunities they face so that we can develop concrete, relevant solutions that create value for them and their customers.



Innovation supported through partnerships

We recognize the importance of developing our ecosystem through strong partnerships with educational institutions and innovation centres. These partnerships provide us with access to leading expertise and the opportunity to work with world-renowned researchers, helping transform academic research into tangible solutions with real-life commercial applications.

Businesses and educational institutions fill complementary niches that are vital to the innovation ecosystem. Universities generate knowledge and skills through their students, while businesses put this knowledge and these skills into motion to develop products that meet specific needs. To achieve balance in the innovation ecosystem, businesses and educational institutions must both invest in innovation infrastructures and teams, and cooperate with each other. With this in mind, Premier Tech makes a point of fostering meaningful interaction between innovation actors on both sides of the equation.

Working with external partners, we have developed innovative, value-creating technologies that address highly complex challenges faced by people, businesses and communities. We also train new talents through internships and training programs within our teams and activities.

A prime example of this is our scholarship program for students in the graduate engineering programs at University of Québec at Rimouski. To date, scholarship recipients have worked on innovative projects in the field of industrial flexible and rigid packaging. Our support for universities comes full circle when the synergy it creates has a tangible and lasting impact on our technology offerings.

Another example of this kind of cooperation is the creation of the Innovation and Advanced Training Halls (HIFA — Halles d'innovation et de formation avancée), a collaborative research and development hub. HIFA is a joint initiative by businesses, educational institutions, and financial firms

to support businesses making the 4.0 transition, both with the automation of their factory processes and their digital transformation. The first project of its kind in Québec, HIFA will drive the development of new smart manufacturing and innovative packaging technologies. It will also help companies leverage their expertise and enhance their competitiveness. This long-term initiative will ultimately strengthen the innovation and training culture in Québec businesses.

At Premier Tech, innovation means creating value for our clients, our communities, and our planet. And it is by joining our passion for innovation to the way we master our technologies that we can make a difference. Innovation firmly anchors us, allowing us to envision a promising future that will take us even further.

What sustainability means for Premier Tech

At Premier Tech, sustainability is our ability to sustain ourselves over time through finding the right balance between taking care of the planet and people to ensure a shared prosperity. This long-term mindset has allowed us to reach our first 100 years and inspires us for the future. We want to reach the next milestone by making good use of the ingenuity of our teams, while always staying genuine. Our approach to sustainability, intuitive until now, naturally aligns with our Values, our Culture and our purpose. We are now integrating it into an intentional and structured position and strategy that reflects in everything we do.

Our journey to making sustainability intentional

We have structured our sustainability initiatives by opening up the conversation with our stakeholders — partners, clients, team members. Then, we have conducted a more formal materiality analysis. We have considered their expectations and the issues most relevant to them to identify the key impact areas to consider and prioritize in our journey.

We have then established a diagnosis and conducted a maturity assessment of our sustainability processes. It has allowed us to measure our internal maturity level regarding the sustainability best practices and reference frameworks. These steps have helped us identify the main issues at the heart of our commitment as well as past, current and future actions in the matter.

This has led us to the development of our position and strategy — a process consistent with our strategic planning model and approach where our strategies and ambitions take shape in iterative conversations between our business groups, the Leadership Team and the horizontal sustainability team. The close collaboration between these teams has ensured a global alignment across the realities of the groups and regions in which we are active.

This year marks the implementation of our first sustainability strategy and tools to measure our progress. The sustainability horizontal team will oversee its implementation and follow-up within the various groups.



A position and a strategy that reflect our commitment

Our position brings our sustainability story to life and embodies our commitment while remaining in line with our Values, our Culture, our purpose and the markets we serve — **sustainability and beyond, connecting planet and people for prosperity**. These words — our words — reflect our ongoing commitment toward sustainability and our priorities in three spheres: planet, people and prosperity, as well as the fields in which we have an impact — our impact areas. Stable over time, our position builds upon the essence of our impact until now and the main aspects identified as the foundation of our actions for the future.

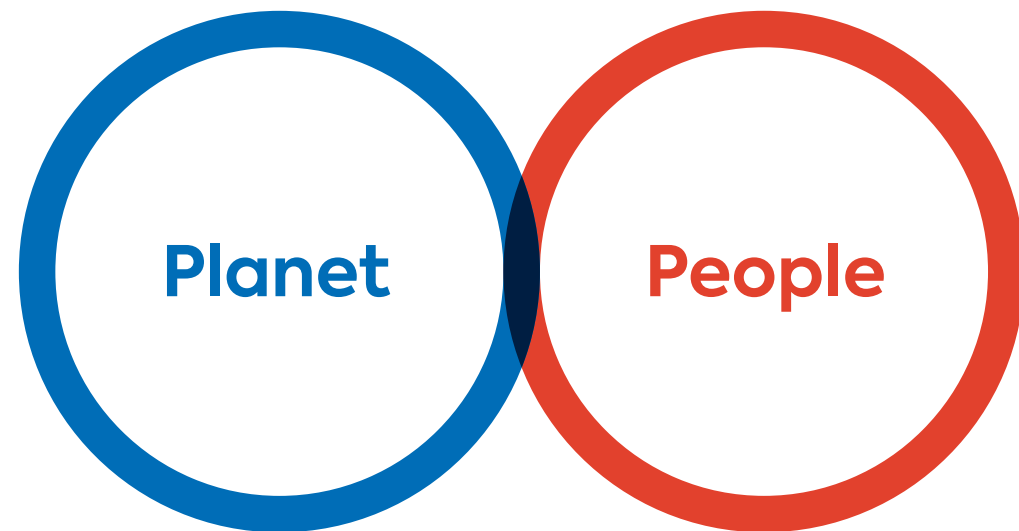
As for our strategy, it is cyclical, scalable, and in line with our strategic planning, which is renewed every three years for a five-year horizon. It also evolves every year according to the external as well as the internal contexts. It translates our position into concrete commitments and shows the importance it gives to the continuous improvement of our impact. It includes our ambitions, which are identified based on the strategic planning, as well as the specific actions planned for each impact areas within our business groups.

Implementation of a horizontal team

To ensure the development and implementation of our position and strategy, we needed to put in place an internal structure with anchors in each of our business groups. Considering the various roles and teams involved in sustainability, we have created a horizontal team with a leader in that matter for each business group. The members of this team bring their expertise related to their activities and their respective markets. This diversity of expertise and skills allows for the effective endorsement in each of the relevant positions and for a mutual enrichment that supports the exploration of innovative solutions and the concrete implementation of actions. While creating a global alignment between teams, horizontality also gives space for each business group to specify actions relevant to their industries. Thus, the realities of our different groups are represented and contribute in a unique way to the common ambition.

Sustainability and beyond

Connecting planet and people for prosperity



At Premier Tech, we believe that **sustainability** is more than just a goal, it is rather a journey. We have always taken pride in caring for natural resources, team members and communities. Moving forward, our commitment is to amplify our impact as we keep on innovating.

This commitment means taking action and embracing practices to minimize the environmental footprint of our activities and products with a comprehensive understanding of environmental challenges. Because we care for the **planet**.

It also means keeping the well-being and development of team members, partners, and communities at the heart of everything we do. Because we are committed toward **people**.

By building impactful partnerships and developing products that address societal needs, we create value for all. **We connect planet and people for prosperity.**

Sustainability and beyond is more than improving our impact, it is the ambition and spirit with which we want to address sustainability. This, by challenging ourselves to think beyond and explore ways to generate a greater positive impact.



Planet

For Premier Tech, helping to protect the planet involves developing a comprehensive understanding of environmental challenges and implementing concrete actions to minimize the footprint of our activities and products. This means taking part in the climate action by reducing our carbon footprint, keeping those efforts balanced with the other aspects of our products' environmental footprint throughout their life cycle, and continuously developing ecoresponsible production and business practices. We focus our efforts on three impact areas: GHG and climate action • ecodesign and life cycle thinking • ecoresponsible production and business practices.



What sustainability means for Premier Tech

GHG and climate action

Climate action is a collective challenge that involves businesses, individuals and communities alike. As a company, we are committed to measuring the greenhouse gas (GHG) emissions of our activities based on recognized standards, implementing an ambitious decarbonation strategy and developing a residual emissions sequestration and offset strategy.

A first complete GHG inventory

This year, we have started to compile the first greenhouse gas inventory of our global activities accounting for our direct and indirect scope 1, 2 and 3 emissions*. Once we have reached this step, we will have the required perspective to develop a decarbonation plan, tackle the main challenges with a strategic approach and commit toward climate action.

Ecodesign and life cycle thinking

Beyond our GHG footprint, we also aim to develop a comprehensive understanding of our products and services' environmental footprint — health, climate change, ecosystems, or resources use. We want to fully include ecodesign practices in our innovation process and develop products and services that consider the most relevant elements of our environmental footprint throughout their life cycle.

The Ecoflo® biofilter as an ecodesign model

As we were designing the Ecoflo® biofilter, we wanted to unlock the potential of peat moss, and its function as a natural barrier and filter in wetlands. Our goal was to recreate that ecosystem in a gravitational water treatment system, which would naturally act as a filtering medium without any additional energy source. Right from its original conception at the end of the 1980s, the Ecoflo® biofilter was innovative and included concepts inspired from a life cycle thinking — great life expectancy, gravity mechanism, compact and repairable. Life cycle analyses have since then confirmed the relevance of this process and they are now the foundation on which we keep developing the product.

Ecoresponsible production and business practices

From our roots in the horticulture industry comes our awareness of the natural resources' value and the importance of always improving our production practices' footprint. We want to maintain this commitment and integrate it in a more structured way across our activities. This includes major actions that materially change our global footprint, as well as local actions related to team members' daily work life and the impact of Premier Tech in its communities.

Responsible peat bogs management

Since the early 1990s, Premier Tech has been committed toward the protection of peat moss and peat bogs, and the active mobilization of the industry in that regard. In 2010, Premier Tech has obtained the Veriflora® Responsibly Managed Peatlands certification, which is overseen by a third-party certicator, the Scientific Certification Systems. The certification acknowledges the quality of our practices and of the responsible management of our peat bogs. The requirements of this certification include all aspects of the production: from preparing the land to restoring it, through the quality control of the products and the working conditions of team members.

*According to the GHG Protocol corporate accounting and reporting standard

People

Because we are committed toward people, our priority is to offer a work environment that ensures safety, health and well-being. We care for Premier Tech team members by investing in their development, highlighting their talent and allowing them to reach their full potential. We take care of people by committing — with team members — to the vitality and the development of our communities. We focus our efforts on three impact areas: team members development • team members' health, safety and wellness • community engagement.



Team members development

At Premier Tech, fulfilling individual ambitions is a collective strength. We are committed to create a vibrant and engaging learning environment allowing each team member to develop new skills, stay up to date in their respective field and face coming challenges. We believe that investing in the training and development of team members helps them thrive. We also enhance our collective expertise and its outreach, contributing to the development of the industry and the communities.

A unique learning ecosystem

The University of Premier Tech (UPT) was created in 2015 to support the skills development of team members. UPT offers various learning solutions thanks to 250 trainings and resources, a team of some 15 training experts and a mobile platform. It includes programs designed for managers or experts as well as trainings for the development of professional, technological and technical skills. UPT is key to the ongoing development of knowledge and skills within the company.

Team members' health, safety and wellness

Taking care of team members' health, safety and wellness is a priority for us. We want to ensure safe work environments and offer benefits that support emotional, physical, professional and financial well-being. We are committed to creating healthy and dynamic work environments that align with our Values and our Culture and that foster diversity, inclusion as well as collaboration. We want these concepts to be genuinely reflected in all our home bases.

A unique Premier Tech experience

Vast open areas, natural light, vibrant colours as well as individual and collective workspaces are some of the highlights of the Premier Tech architectural model, which aims to foster creativity and collaboration. Many other initiatives have also enhanced the Team Member Experience throughout the years — sports fields, hiking trails, cafés, points of services, medical clinic. Premier Tech continuously implements various initiatives to extend these benefits to a larger number of team members according to the reality and the specific needs of each region and home base.

Community engagement

We are proud of our ongoing and meaningful engagement in the communities. We focus on three key areas: health, sports and education, in which we mark our presence by supporting individuals as well as implementing infrastructures that will have lasting impacts. These align with who we are and meet the needs of our communities. The initiatives in which team members are engaged are also important to us and we help them support these causes. We also want to extend our positive impact through our acquisitions and home bases, always keeping in mind the local needs and cultural realities.

Support the team members' sport initiatives

The commitment of Premier Tech toward sports comes from its will to support passionate athletes of tomorrow aiming at the highest level of their sport. We invest in sports infrastructures, sponsor athletes of various levels and support sports with a global perspective. When a team member is invested in a cause, it is all the more meaningful for Premier Tech to support the initiative and take part in the project. It was the case for the Club de Canoë-Kayak de la Rance in France, that Premier Tech helped by buying new equipment. Canoe kayak, just as cycling, aligns with Premier Tech's values: passion, going above and beyond and, most of all, teamwork.

Prosperity

For Premier Tech, going beyond sustainability is an opportunity to see further ahead and address sustainability with ambition and determination. It means developing offers, business models and partnerships leading to change as well as creating value for our clients, our industries, our partners, our communities and the environment. Our efforts at challenging ourselves to go beyond are captured in two impact areas: impactful offers and business models • impactful partnerships.

Impactful offers and business models

Beyond improving our operational footprint, some of our products and services provide solutions to environmental and social challenges. We want to extend their positive impact and challenge ourselves to come up with new ideas. Pushing the limits of innovation allows us to create products and services making a real difference.

Rewatec™, an impactful business model

The waste of drinking water is a critical environmental challenge. Our Rewatec™ solutions help harvest rainwater as well as protect and optimize the use of water resources. Considering the climate change we experience and the acceleration of drought frequency in many regions, these products and services help protect the groundwater resources, save the energy needed to make it drinkable and control rainwater runoff.

Impactful partnerships

Collective actions are often required to tackle societal challenges. We believe that our positive impact is strongly increased when we address challenges specific to our industries with stakeholders from various perspectives — whether they are academic, community or business institutions. We aim to lead the way in the matter and inspire our stakeholders and the other actors of our industrial sectors to do so. We believe this collective effort can be achieved in a way that benefits all. By creating synergies and joining our expertise, we can help meet challenges such as circularity of plastics, protection of natural resources and biodiversity.

Raising the standards through collaboration

Founded in 1992 following Premier Tech's initiative, the Peatland Ecology Research Group (PERG), of which Premier Tech is a founding member, is the result of collaboration between the Canadian horticultural peat moss industry, the academic scientific community as well as federal and provincial government agencies. Our strong and historical partnership with this group shows and strengthens our commitment toward the protection of this natural resource. It also helps us maintain peat bogs management standards high and continuously improve them — not only in Canada, but also in Europe. Our collaboration has since expanded to other universities and research groups across Canada, putting together a variety of specific expertise to benefit the sustainability of this resource, which is core to Premier Tech.



The Ecoflo Chronos team: supporting the complete development of young cyclists

A truly international team with a solid Canadian foundation
8 Canadians • 3 Frenchmen • 1 Israeli

The Premier Tech U23 Cycling Project team started its second season on the European scene with a new jersey showcasing two of Premier Tech's key brands, Ecoflo® and Chronos®.



Our cycling teams

Photo credit: Noa Toledo Armon

The staff and the young athletes, who had to adapt to the high competition level of the various European races, made the most of the 2022 season. There were some moments of great pride, including two first places at the U23 Canadian Road Cycling Championships — time trial and road race —, two stage wins in the Tour de Guadeloupe and a world scratch champion title for the Canadian Dylan Bibic at the 2022 UCI Track Cycling World Championships.



Photo credit: Noa Toledo Armon

With four wins and 12 medals in a promising first season filled with learning experiences, the Ecoflo Chronos® team is set to keep developing young Canadian athletes in 2023.



Photo credit: Noa Toledo Armon

CIC U Nantes Atlantique cycling team: a milestone year

This first season strengthened the esprit de corps within the team, both among the athletes and the staff, fostering a strong relationship of trust and solidarity that guided them to three podiums despite many injuries.

In cycling, esprit de corps refers to the cohesion and solidarity within the members of a team. It is a key quality in this sport where riders work together toward common goals.



Photo credit: Léa Suignard

The team started the 2023 season strong with three wins and six podiums — promising results for these young athletes who can look forward to the next races.



Photo credit: Léa Suignard

The young athletes have consistently shown strong determination amidst many challenges throughout the season. They delved into their individual and collective strengths, resulting in many local and national wins in France.

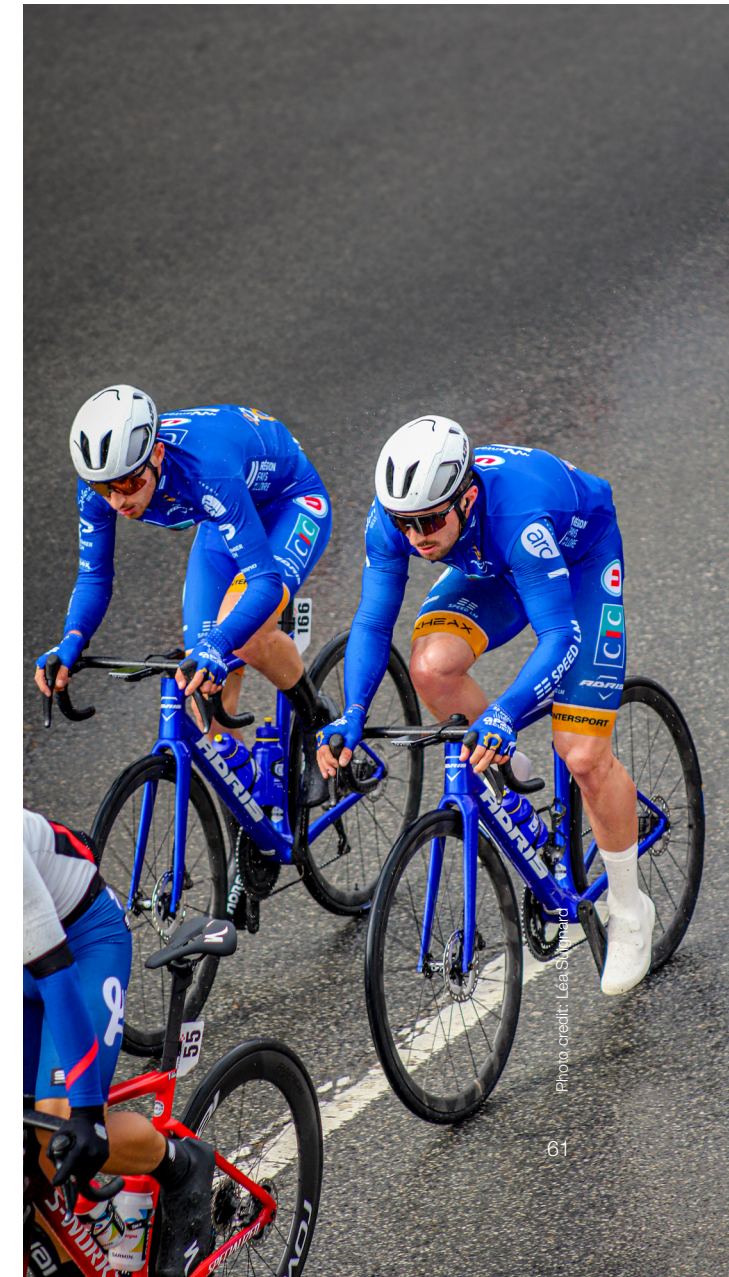


Photo credit: Léa Suignard

Israel – Premier Tech: an historic 2022 Tour de France

Two stage wins and three podiums

On July 6, 2022, the Australian Simon Clarke makes history for Israel – Premier Tech.



“ Israel – Premier Tech came up with an offer as I thought my career was over and I took this chance, meaning anything can happen when you seize the opportunity.”

— Simon Clarke



Simon Clarke wins the fifth stage of the Tour de France following an intense and tight sprint with the Dutchman Taco van der Hoorn.

“ This stage win is a childhood dream finally coming true!”

— Simon Clarke





Photo credit: Sprint Cycling Agency

On July 19, 2022, Hugo Houle makes Canadian cycling history on the French roads between Carcassonne and Foix. The Québec rider delivers the best performance of his career, winning the 16th stage of the Tour de France — a few days only after finishing third in stage 13. This victory is even more historic as Hugo shared the podium with another member of Israel – Premier Tech, the Canadian Michael Woods, who came in third.

He became the first cyclist from Québec to win a stage of the Tour de France. The Ontarian Steve Bauer, who now acts as the sports director of Israel – Premier Tech, is the only other Canadian to have accomplished this feat 35 years ago.



Photo credit: Sprint Cycling Agency

“ I was dreaming of this picture — an arm raised in the air, looking at the sky and thinking of my brother. Those were amazing emotions. That is why we make that many sacrifices for so many years — to get this moment of joy today.”

— Hugo Houle

“ There were so many emotions. It was stressful to see him alone at the finish line. That was a perfect race with [Michael] Woods. He won like a real champion.

He has a great professional attitude, and he works hard. I have known for years that he could win a stage. I am so proud of him.

I told him to enjoy the moment. He deserved it. It is not easy for young Canadian athletes who want to become road cyclists. I hope it will inspire them. Hugo is a great mentor.”

— Steve Bauer



Photo credit: Noa Toledo Armon

Israel – Premier Tech on the Campus

Before heading off to the Grands Prix Cyclistes de Québec et de Montréal, the Israel – Premier Tech team stopped by the Premier Tech Headquarters in Rivière-du-Loup to celebrate Simon Clarke and Hugo Houle's historic victories.

The athletes learned more about the company's various expertises and technologies. They also became more familiar with the Premier Tech Culture and Values, witnessing its similarities with cycling.



After an autograph session, the athletes got ready for their last training before the Grands Prix Cyclistes. A few team members of the Premier Tech Cycling Club joined them on the road. An opportunity that Britanie Cauchon, member of the Espoirs Premier Tech team, seized with great pleasure.

“ It was so great to speak with them, especially Hugo Houle and Guillaume Boivin who are both from Québec. I was able to ask them for advice so I can keep improving my performances.”

— Britanie Cauchon





Back row, from left to right

Bernard Bélanger
Chairman of the Board

Yves Goudreau
Senior Vice-President
Corporate Development

Yvan Pelletier
Senior Vice-President
Organizational Development

Henri Ouellet
President
Premier Tech Water and Environment

Nadine Leclerc
Vice-President
Marketing and Brands

Front row, from left to right

Michel Noreau
Senior Vice-President
Operational Excellence and
Property Management

Pierre Talbot
Senior Vice-President
Innovation



Back row, from left to right

Jean Bélanger
President
Chief Executive Officer

Wilhelm Bielert
Senior Vice-President
Chief Information Officer

Martin Noël
Senior Vice-President
Chief Financial Officer

Albert Dang-Vu
President
Premier Tech Digital

Germain Ouellet
Senior Vice-President
Corporate Secretary

Martin Pelletier
President
Premier Tech Growers
and Consumers

Front row, from left to right

André Noreau
President and Chief Executive Officer
Premier Tech Systems and Automation

Jean-Pierre Bérubé
Senior Vice-President
Special Projects

From left to right

Bernard Bélanger ▲

Chairman of the Board
Premier Tech

Hon. Martin Cauchon ▲■

PC, LL.M., ICD.D, Ad.E.
Legal Adviser
DS Lawyers Canada LLP

*Chairman, Human
Resources Committee*

Louis Hébert ▲

Professor of Strategy
HEC Montréal

Corporate Director

Anne Darche ▲

Corporate Director

Jean Bélanger

President
Chief Executive Officer
Premier Tech

Pierre Alary ■

Corporate Director

*Chairman, Audit and Corporate
Governance Committee*

Germain Ouellet

Senior Vice-President
Corporate Secretary
Premier Tech

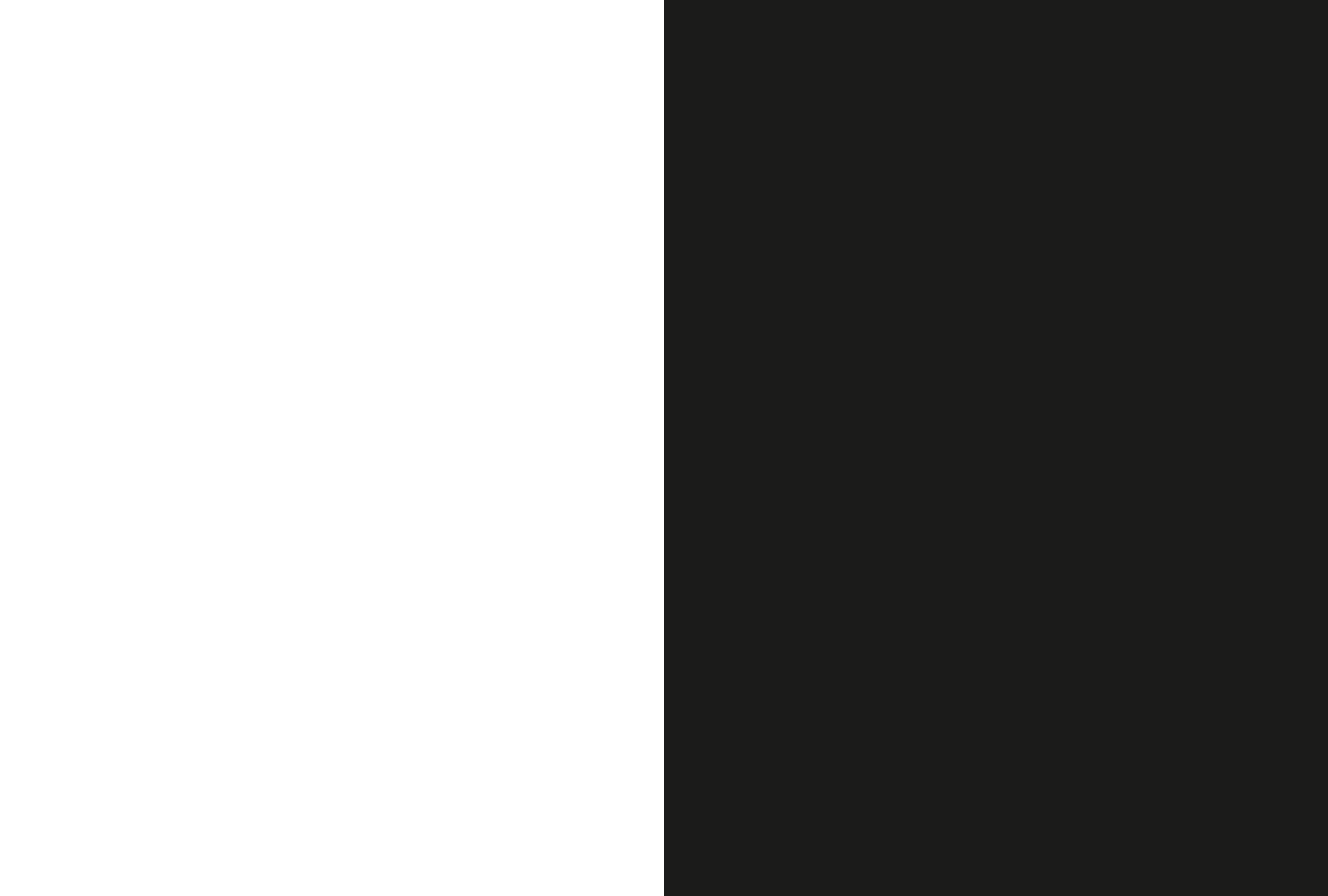
Jean-Yves Leblanc ■

Corporate Director

Lead Independent Director

▲ Human Resources Committee member
■ Audit and Corporate Committee member





Fiscal year 2023 at a glance

Sales

\$1118^M

Although we make multiple acquisitions over the course of a year, our growth is mostly organic. Indeed, our impressive growth over the past five years, and that of the last three decades, is due mostly to the sale of our own products and services as well as our ongoing investments in Innovation, Research and Development and in our brands. The acquisitions fuel our growth, of course, but their role is to accelerate our organic growth.

The growth of the operating EBITDA in the past five years — which represents a 30% increase — also reflects the ongoing efforts and the investments made over the years. Operational EBITDA is an indicator of our performance and ability to generate profitable growth.

In the past year, our company experienced a growth in sales of \$23M, or 2.1%, of which \$20M (87%) is organic growth and \$3M (13%) is acquisition growth.

Sales growth in the past 5 years

\$324^M

77% Organic

23% By acquisition

Operating EBITDA growth in the past 5 years

\$21^M

Operating EBITDA

\$92^M

This year was marked by the end of the pandemic, the challenges encountered in the supply chain, an unusual context of inflation compared to what we have experienced in the last 25 years, and particularly high energy and transportation costs in the spring of 2022, which required constant agility from the Premier Tech Team.

The financial performance of our latest fiscal year was unfavourably affected, for instance, by:

- the increase in oil costs and a decrease in the availability of trucking in the spring of 2022 for the delivery of products in our Growers and Consumers business group.
- the sudden increase in the cost of raw materials, which could only be reflected in sales prices with a certain delay, particularly in our Systems and Automation and Growers and Consumers business groups.
- the significant increase in the cost of energy, particularly for our Water and Environment business group in Europe.

Forward-looking statements

Fiscal year ended February 25, 2023

The Premier Tech Report includes forward-looking statements regarding the objectives, projections, estimates, expectations and forecasts of the Company or management. These statements are indicated by positive or negative verbs such as believe, plan, estimate, expect and assess, or by related expressions.

The Company cautions that, by their very nature, forward-looking statements involve major risks and uncertainties, which means that the Company's activities or results could differ substantially from what is indicated, whether explicitly or implicitly, in such statements.

Earnings before interest on the long-term debt, interest and bank charges, income taxes on earnings, depreciation and amortization, and nonoperational elements — operating earnings before interest, tax, depreciation and amortization: operating EBITDA — is a measurement that has no standardized definition under the Canadian Accounting Standards for Private Enterprises (ASPE). It is included in this Premier Tech Report to provide readers with additional information about the evolution of the results of the Company's operations.

Unless otherwise indicated, all amounts are expressed in Canadian dollars.

External factors to consider

As a business operating in several different sectors, Premier Tech is subject to many external factors that must be taken into consideration to ensure that the Company continues to grow and to generate a satisfactory financial performance. These external factors include credit risk management, exchange rates, interest rates, weather conditions, general economic factors, competition, and various other operational and financial risks.

As such, the Company must not only be forward-looking and proactive, but also adapt to the conditions — whether economic, climatic, operational or competitive — in the markets it services.

Operational results

Evolution of sales

Consolidated sales for the fiscal year that ended on February 25, 2023, reached \$1 118 million, which represents an increase of \$23 million, or 2.1% of sales, compared to the \$1 095 million reported for the preceding 12-month period. This growth was generated by business acquisitions made during fiscal years 2022 and 2023 in the amount of \$3 million, and by organic growth in the amount of \$20 million, or 1.8% of organic growth compared to the previous fiscal year's sales. This performance follows a growth of 11.5% in fiscal year 2022, yielding compounded annual growth of 6.7% over the past two years.

In fiscal year 2023, the Company reported a 6.5% decrease in sales (an increase of 2.7% in 2022 and of 20.8% in 2021) for Premier Tech Growers and Consumers (PTGC), a 4.3% increase (30.0% in 2022 and 10.1% in 2021) for Premier Tech Water and Environment (PTWE), a 7.9% increase — following a 11.1% increase in 2022 and a 8.1% decrease in 2021 — for Premier Tech Systems and Automation (PTSA), while Premier Tech Digital (PTD) reported an increase of 30.6% in the year following the one in which the acquisition of Mirego took place. Our Life Sciences business group was in a start-up mode and has not contributed to the consolidated sales during fiscal year 2023 nor in the preceding fiscal years.

Evolution of assets to sales ratio

At year-end of fiscal year 2022, the Company reported \$0.87 in total assets for each dollar of sales, and now reports \$1.01 in total assets for each dollar generated in fiscal year 2023. The \$0.14 increase per sales dollar comes from an approximately \$0.04 increase in the working capital asset ratio and a \$0.10 increase in the long-term asset ratio. This reflects the Company's significant investments in fixed assets during fiscal years 2022 and 2023 of \$74 million and \$111 million, respectively.

Sales growth

\$23^M ↑ 2.1%

Total assets per sales dollar

\$1.01 \$0.87

2023

2022

Increase

mainly due to significant investments in fixed assets

\$0.14

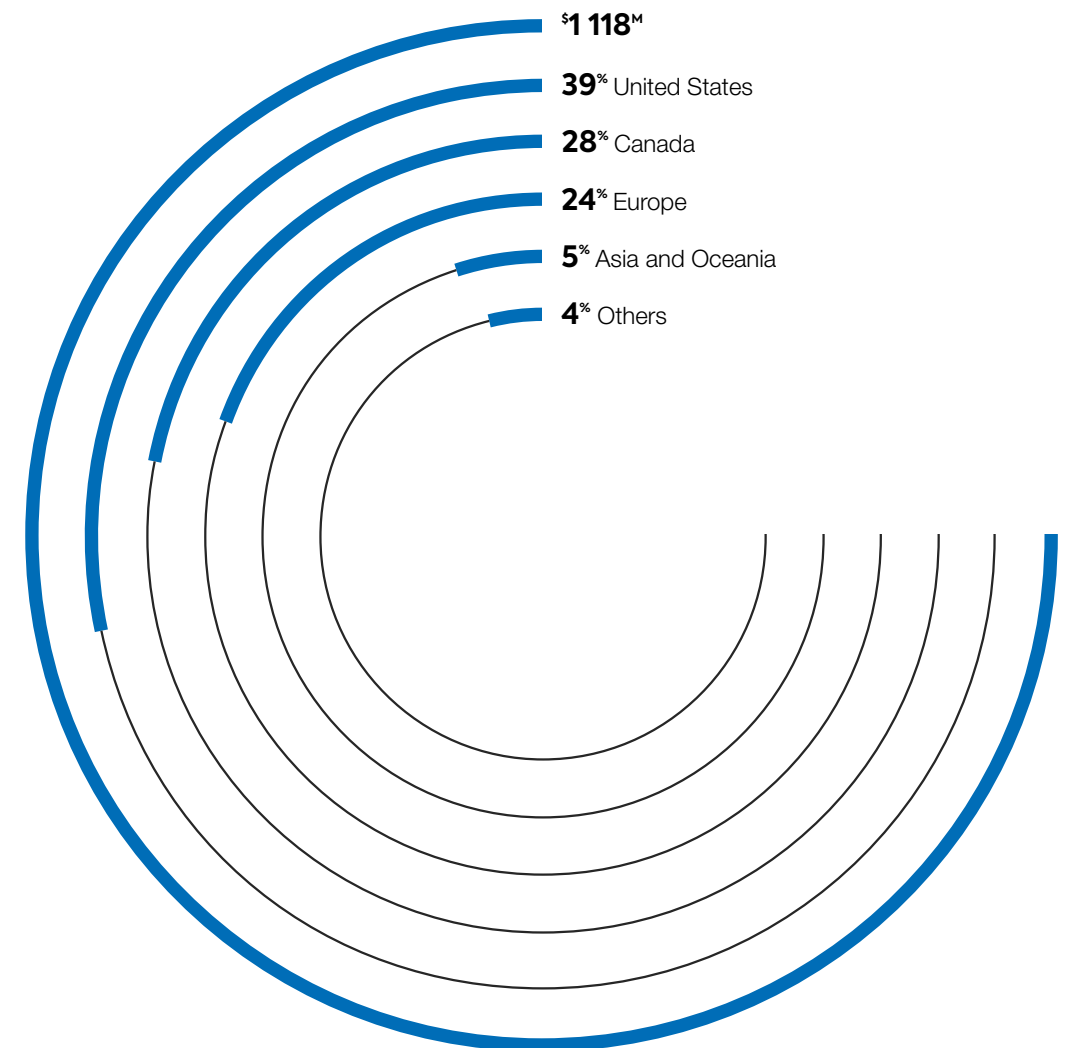
Geographic distribution of sales

PTGC generated nearly 88% of its sales in North America (88% in 2022), including approximately 47% in the United States and 41% in Canada, and nearly 12% of its sales in the European Union in 2023 (12% in 2022). As most of PTGC's North American manufacturing operations are in Canada, this means that PTGC is primarily exposed to fluctuations in the exchange rate of the US dollar against the Canadian dollar, and to a much lesser extent, of the Euro against the Canadian dollar.

PTSA generated approximately 70% of its sales in North America (70% in 2022) and is therefore exposed to variations in the exchange rate of the US dollar against the Canadian dollar, since most of its manufacturing takes place in Canada whereas the majority of its sales are made in US dollars. Europe represented approximately 20% of PTSA's sales (19% in 2022), whereas Asia and Oceania accounted for about 10% (11% in 2022).

PTWE, which generated some 29% of its sales in North America (27% in 2022), about 59% in Europe (62% in 2022) and approximately 12% in Asia (11% in 2022), had relatively few exchange rate variations to deal with since its revenues, expenses and investments were almost in balance in each of the four main currencies in which it operates. It should be noted that PTWE is the only business group that has larger sales and manufacturing operations in Europe than in North America. PTD generates approximately 90% of its sales in North America and 10% in Europe.

Geographic distribution of consolidated sales



Operating earnings before interest, tax, depreciation and amortization

With respect to its financial performance, Premier Tech recorded operating earnings before interest, tax, depreciation, and amortization (operating EBITDA) of \$92 million excluding the start-up costs of Premier Tech Life Sciences for fiscal 2023, which corresponds to 8.2% of sales generated. This performance represents a \$17 million decrease (-15.6%) in operating EBITDA in absolute figures and a 1.7% decrease in operating EBITDA as a percentage of sales over the previous year which did not include any start-up costs for Premier Tech Life Sciences and the same also applied in 2021.

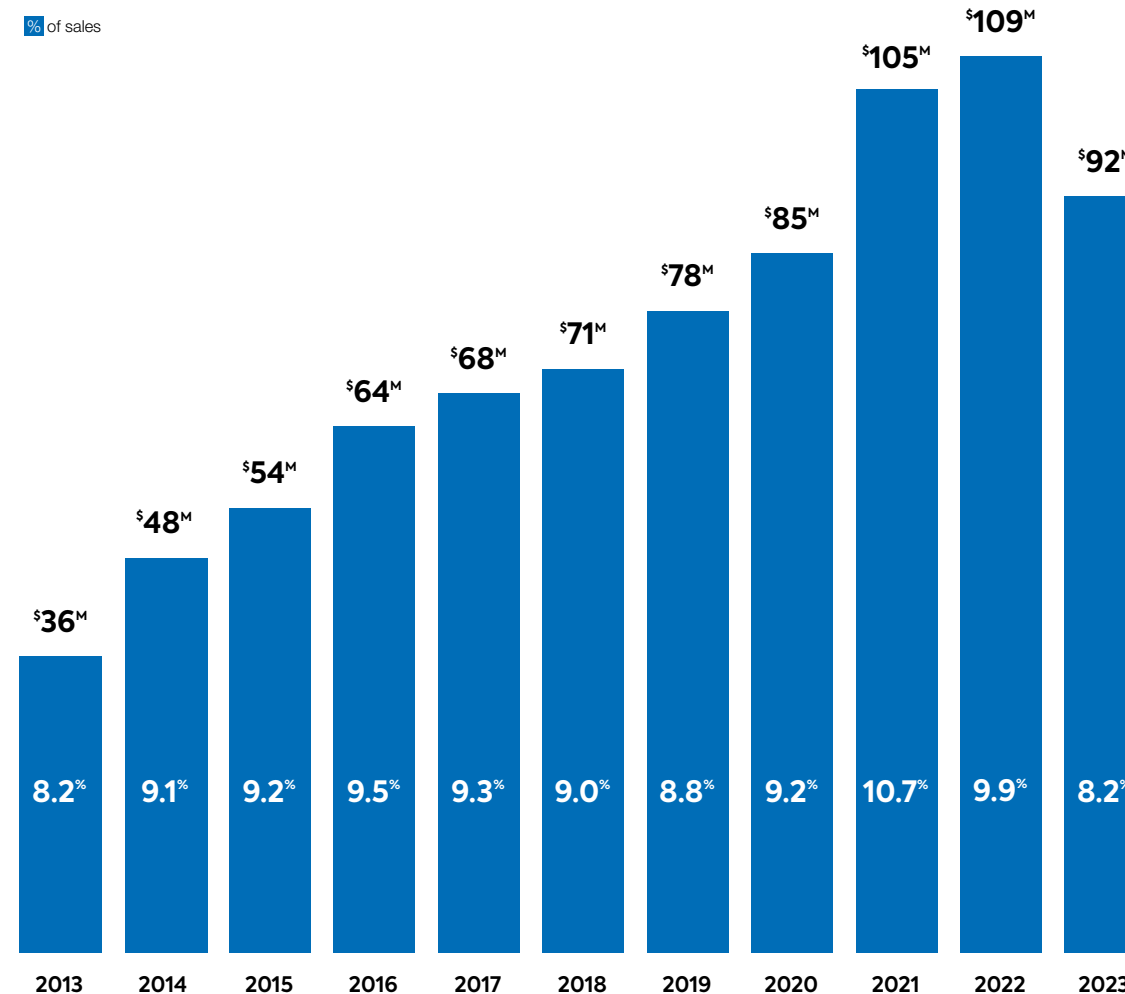
Operating EBITDA decreased by \$17 million to \$92 million as of February 25, 2023, compared with \$109 million for the previous year and \$105 million for fiscal year 2021.

The Company has seen operating EBITDA decrease by \$13 million over the past two years, and \$21 million increase over the past five years.

Over the 2013-2023 period, operating EBITDA as a percentage of sales fluctuated, going from 8.2% in 2013 to a steady rise until 2016, when it reached 9.5%. This percentage then slightly dropped to 9.3% in 2017 and stabilized around 9% between 2018 and 2020, before reaching a high of 10.7% in 2021, reducing to 9.9% in 2022, which represents a decrease of 0.8 percentage point, and then reducing to 8.2% in 2023, which represents a decrease of 1.7 percentage point.

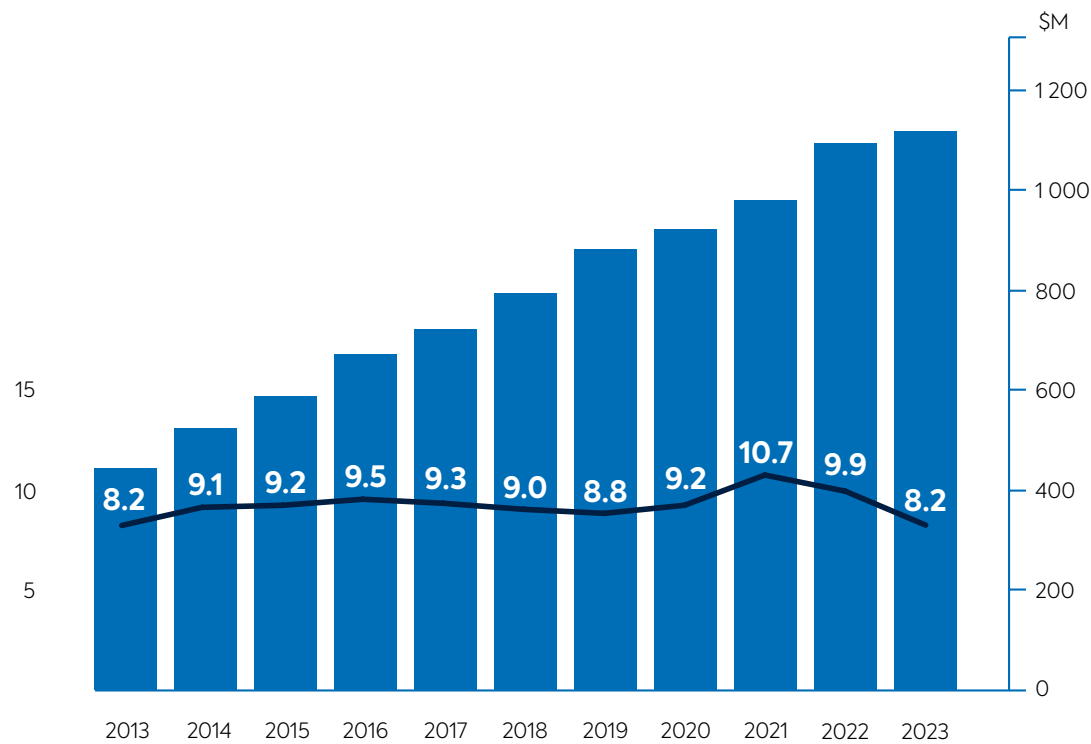
To present it on a comparable basis to the previous year, the operating EBITDA commented in this Premier Tech Report represents the financial performance achieved by all of our business groups — excluding our Life Sciences group, which is in a burn rate mode and had no contribution to sales in fiscal year 2023 nor in previous fiscal years.

Operating EBITDA



Sales and operating EBITDA

% Operational EBITDA/Sales



— % Operational EBITDA/Sales
 ■ \$M Sales

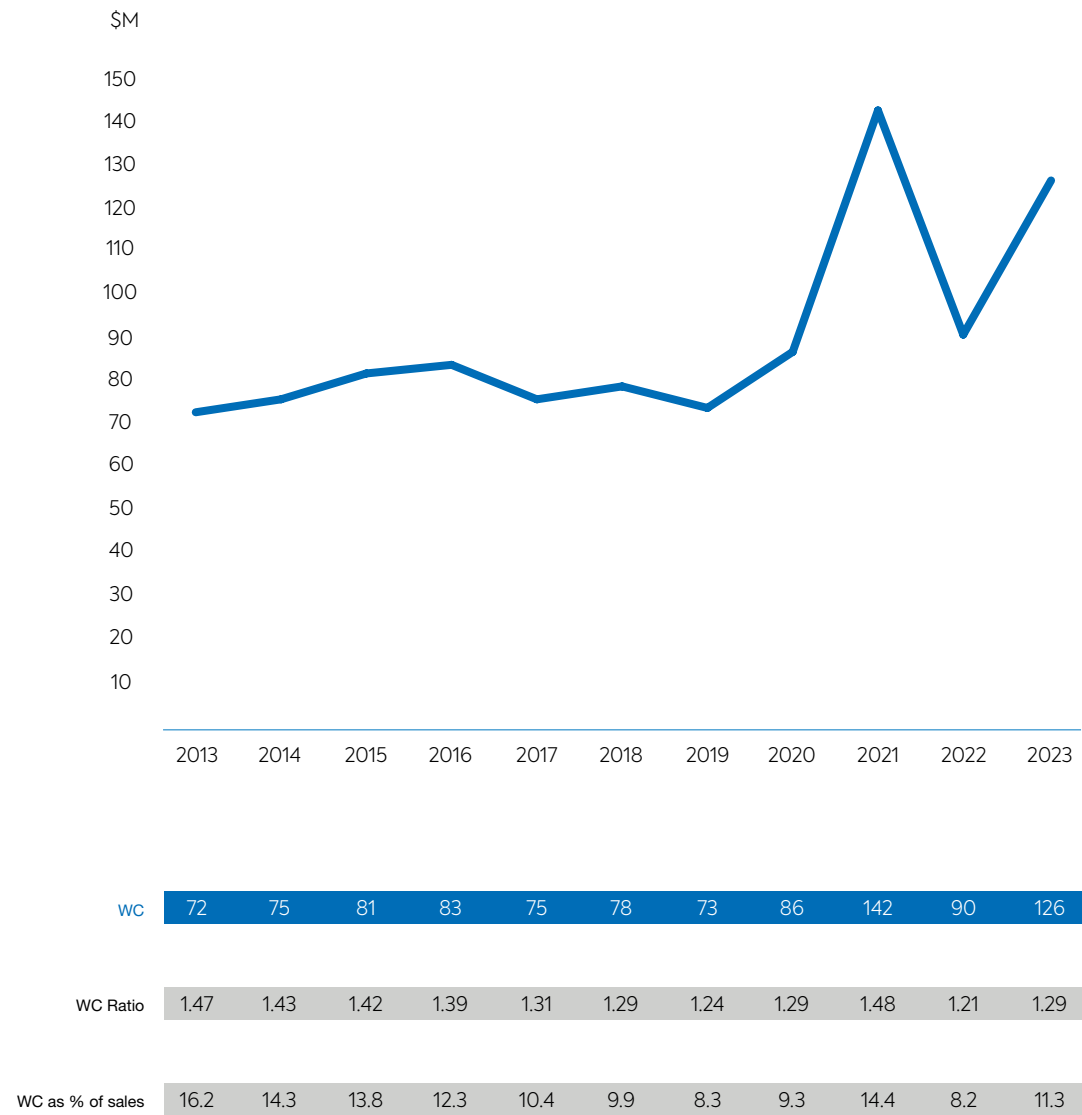
Working capital and total assets

Working capital remained fairly stable in dollars from 2013 to 2020, varying between \$72 million and \$86 million, and then hit a peak in 2021 by reaching \$142 million, before returning near its historic range at \$90 million in 2022 and increasing by \$36 million to hit \$126 million in 2023. The strong decrease of the working capital in 2022 is related to the Company's choice to temporarily finance the vast majority of its fixed assets acquisitions straight from its operating line of credit while it was in the process of refinancing its long-term debt. If the financing operation had been completed before the end of fiscal year 2022, the Company would have presented a working capital of \$135 million in its balance sheet at the end of February 2022. The increase of \$36 million in 2023 is mostly due to the refinancing transaction completed in April 2022 which contributed to \$45 million, which partially included investments in fixed assets which were still funded by the operating line of credit in 2023.

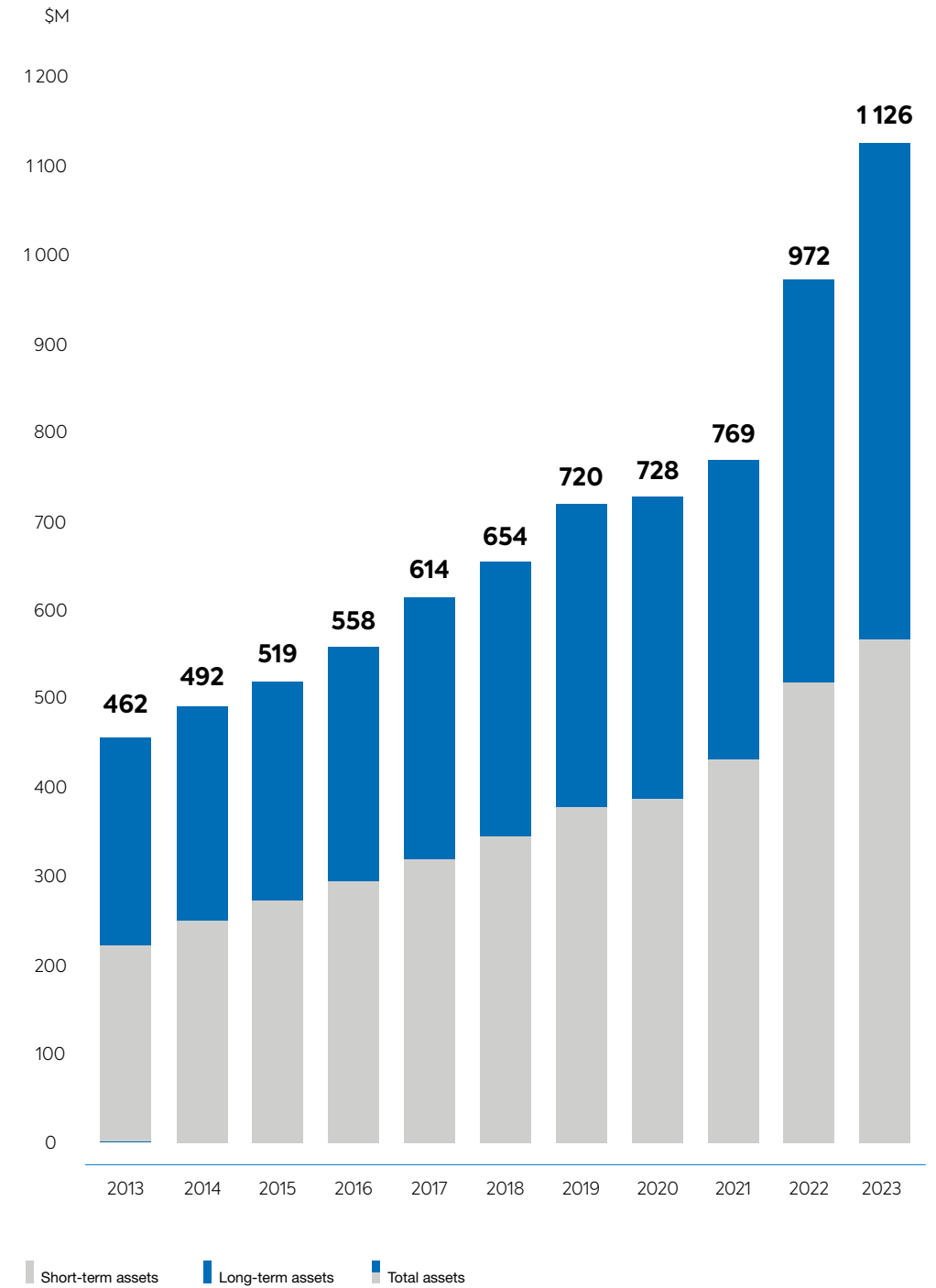
Working capital as a percentage of annual sales fluctuated between 8.2% and 16.2% between 2013 and 2023, with a floor achieved in 2022 at 8.2% of sales since the financing operation that had generated an injection of \$45 million in the working capital was only completed in April 2022. If the financing operation had been completed before the end of fiscal year 2022, the working capital would rather have represented 12.3% of sales, placing it

in the middle range of fiscal years 2013 to 2023, which is considered standard. The significant increase in net working capital from \$86 million to \$142 million between 2020 and 2021 was due to the improvement in profitability, the call for capital repayment moratoriums and the delay of some fixed asset acquisition projects — outcomes of the COVID-19 pandemic. The increase in working capital as a percentage of sales, going from 9.3% in 2020 to 14.4% in 2021, were mainly caused by the factors aforementioned, which reduced to nil the use of the operating credit line at the end of fiscal year 2021, as opposed to previous fiscal years. Had these factors not occurred, the working capital as a percentage of sales would have been in the range of 9.5% at the end of 2021. The increase of the working capital as a percentage of sales at 11.3% in 2023 is mainly the result of the refinancing operation completed in April 2022. It is also important to note that the Company cashed out \$33 million of long-term financing in March 2023, which represents the long-term financing of fixed assets acquisitions completed in fiscal year 2023. If these financings had been received in February, the Company would have presented \$156 million of working capital, which represents 13.9% of its sales, and a working capital ratio of 1.38, placing the Company at a historic peak in working capital and at a very comfortable working capital ratio.

Working capital



Total assets



Financing and outlook

As of February 25, 2023, and all along fiscal year 2023, the Company met all ratios applicable under its financing agreements. Management also expects that it will continue to meet these, and other obligations related to its financing agreements, throughout the next fiscal year ending March 3, 2024. Management also believes that the Company's existing and future sources of financing will allow it to pursue its operations, investment, and Innovation, Research and Development activities in accordance with its VISION 2027.

On April 6, 2022, the Company completed the financing initiative aiming to meet the goals of its business groups as part of VISION 2027, which was launched at the beginning of fiscal year 2022. At the end of this financing operation, the Company increased its available operating line of credit financing by \$50 million, its authorized secured term loan financing by \$135 million and its authorized unsecured long-term loan financing by \$110 million.

Line of credit financing

During fiscal year 2023, the average use of the operating lines of credit stood at \$97 million (\$35 million in 2022 and \$25 million in 2021). The low use between 2021 and 2022 resulted mainly from a combination of the following factors: the improvement of profitability, the call of capital repayment moratoriums by the Company's financial partners for a total of about \$12 million and delaying some fixed asset acquisition projects. The significant increase during fiscal year 2023 is rather associated with the acquisition of over \$111 million of fixed assets in 2023 mainly financed straight from the operating line of credit during the fiscal year. As of February 25, 2023, the Company had an authorized operating line of credit with a limit of \$125 million from the Canadian Imperial Bank of Commerce and BMO Bank of Montreal. This operating line of credit was renewed for a five-year term on April 6, 2022. This line of credit also includes the option of increasing the authorized limit to \$200 million, provided there are sufficient securities with regard to inventories and accounts receivable. The operating line of credit thus has the necessary features to allow the Company to cover its financial needs in a context of sustained growth and the pursuit of its operations and investment activities.

Considering the financing operation completed on April 6, 2022, the expected growth, various business acquisitions, and other investment projects financed in whole or in part using the net availability from the line of credit during fiscal years 2022 and 2023, and absent any additional business acquisitions funded through the line of credit in 2024, the Company foresees that the average use of its operating line of credit will amount to approximately \$76 million in fiscal year 2024. Net availability from the operating line of credit in fiscal year 2023 is expected to average \$80 million (\$45 million in 2023 and \$77 million in 2022), which provides the Company with ample leeway to meet the seasonal needs of its various business groups, and still have sufficient financial resources at its disposal to take advantage of any business opportunities that may come its way.

Long-term debt financing

On March 31, 2022, the Company put in place a \$300 million credit facility with its principal term lenders — Farm Credit Canada, Roynat Inc., Business Development Bank of Canada, HSBC Bank, Toronto-Dominion Bank and the Fédération des Caisses Desjardins du Québec.

On February 25, 2023, the balance due with respect to this credit facility amounted to \$222 million, out of the \$232.5 million cashed by the Company to this date. This new five-year credit facility, which includes a \$175 million tranche with an amortization period of 15 years, was entirely disbursed on April 6, 2022. Of this amount, \$130 million was used to pay the then existing term loans and \$45 million was injected in the working capital to refinance fixed assets acquisitions as well as some business acquisitions completed during fiscal year 2022. An additional \$125 million tranche is available for the Company to finance some of the fixed assets acquisitions and business acquisitions that will be completed during fiscal years 2023 to 2025. Any disbursement under this second tranche will be repayable under a 12-year period starting from the date of each disbursement. The Company received \$58 million on three disbursements (made in September, December and February) mainly associated with the fixed assets acquisitions completed during fiscal year 2023.

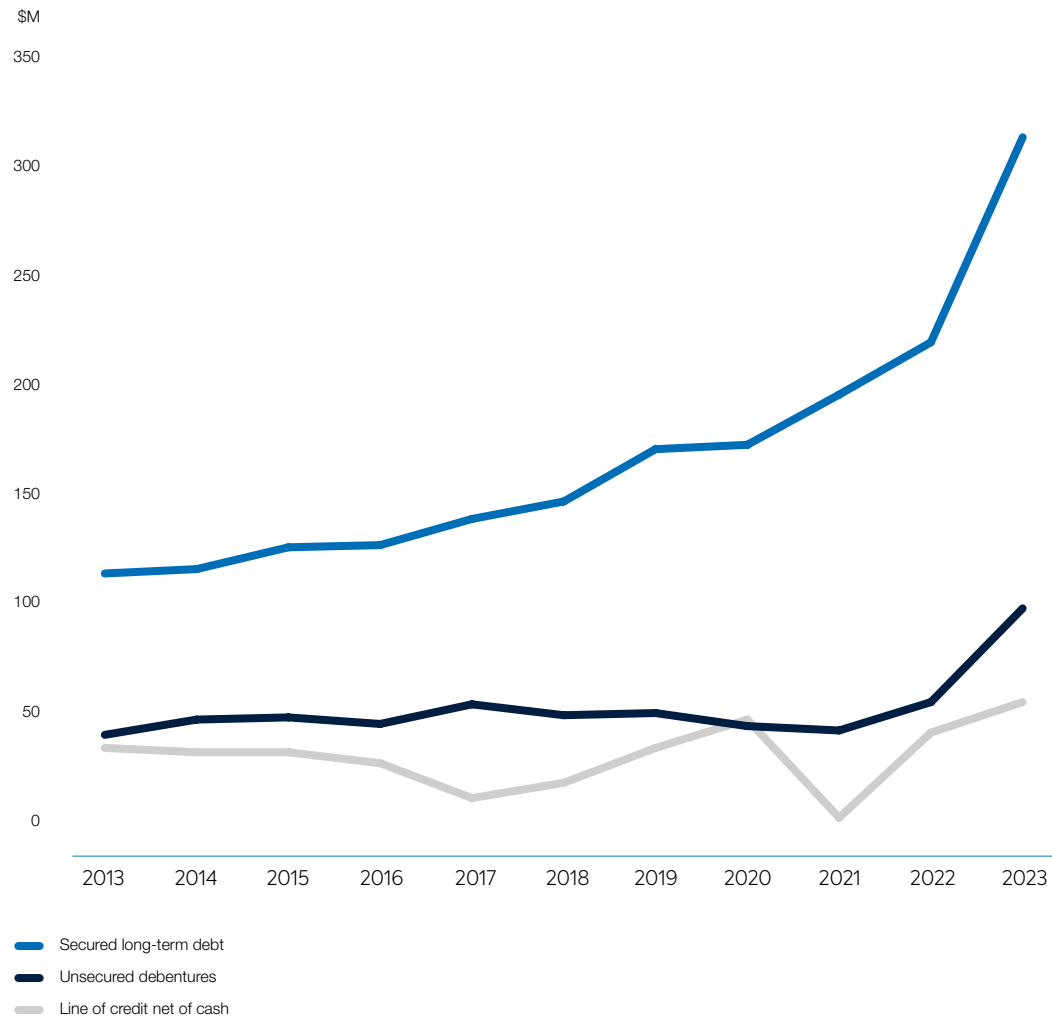
On July 20, 2022, the Company and Fonds de solidarité FTQ agreed to consolidate outstanding unsecured debentures totalling \$50.5 million to allow for repayment over a five-year period through monthly capital instalments of \$440 000 plus interest, with the balance of \$24.1 million being repayable in July 2027.

On March 31, 2022, the Company concluded an additional \$110 million pre-authorized financing agreement with Fonds de solidarité FTQ and Capital Régional et Coopératif Desjardins in the form of unsecured debentures to finance, in part, business acquisitions and some fixed assets acquisitions the Company will realize by February 2025. An amount of \$51.3 million has been disbursed during the fiscal year and \$17.6 million — out of the \$58.7 million available under this credit facility at the end of fiscal year 2023 — were banked on March 22, 2023, reducing the balance available under this credit facility to \$41.1 million. Monthly repayments will be based on a ten-year amortization period starting from the date of each disbursement and any remaining balance due will be repayable on the 8th anniversary of the disbursement.

The company also signed three interest-free term financing agreements with the Government of Québec. The first agreement of \$18 million will finance the fixed asset investments made in Québec as part of the Company's AVENIR program and the disbursement of this loan was banked during fiscal year 2023. The second agreement of up to \$45 million will finance the fixed asset investments and the Innovation, Research and Development investments made in Québec until August 2025. The third agreement of \$25.5 million aims to support the digital development of the Company during years 2022 to 2027. The first request for disbursement under the \$45 million loan will be submitted during the Company's fiscal year 2024 and it will likely be the same for the \$25.5 million loan.

During fiscal years 2019 and 2020, the Company collected \$12 million out of a loan granted by Caisse centrale Desjardins for the construction of an office building that the Company is occupying since September 2018. As of February 25, 2023, the balance due under this loan amounted to \$10.1 million.

Evolution of the interest-bearing debt



\$405^M

Long-term loans balance

\$180^M

New loans

\$43^M

Repayments completed

Main financial partners

BMO BANK OF MONTREAL

BUSINESS DEVELOPMENT BANK OF CANADA

CANADA ECONOMIC DEVELOPMENT

CANADIAN IMPERIAL BANK OF COMMERCE

CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

EXPORT DEVELOPMENT CANADA

FARM CREDIT CANADA

FÉDÉRATION DES CAISSES POPULAIRES DESJARDINS DU QUÉBEC

FONDS DE SOLIDARITÉ FTQ

HSBC BANK

INVESTISSEMENT QUÉBEC

ROYNAT INC.

TORONTO-DOMINION BANK

Auditors

ERNST & YOUNG LLP

QUÉBEC (QUÉBEC)

CANADA



**PREMIER
TECH**

1, avenue Premier
Campus Premier Tech
Rivière-du-Loup (Québec)
G5R 6C1 CANADA
PREMIERTECH.COM



Created by the Premier Tech Team
© Premier Tech Ltd., 2023

—1923—