



AL MABROOR
PROJECTS



INVESTMENT OPPORTUNITY

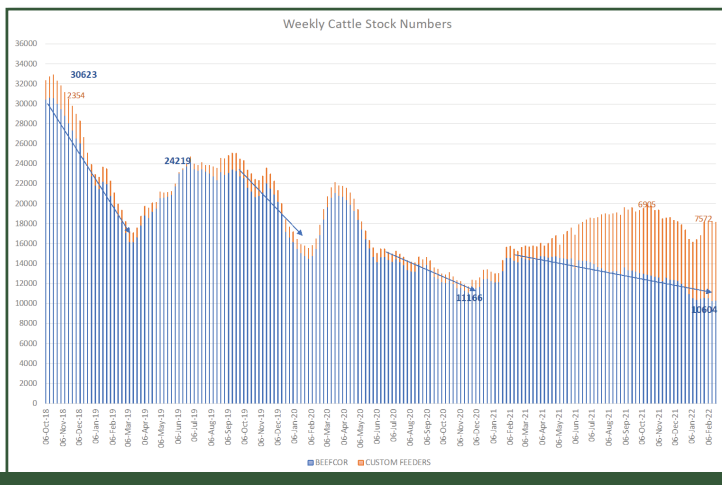
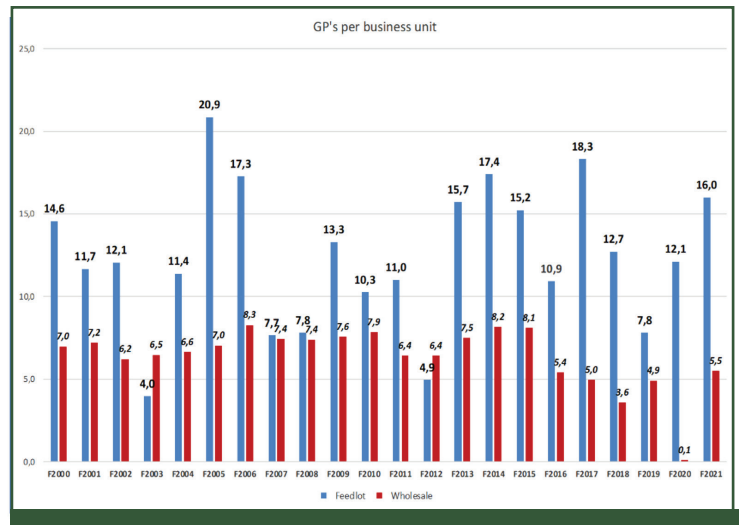
Beefcor is a cattle feedlot situated just outside Pretoria east on the R25. It procures weaner calves from selected and trusted farmers and backgrounds them for 63 days on pasture lands. Thereafter it feeds them scientifically formulated feed, produced in its own feed mixing plant, in its feedlot for another 133 days. After the 196 days feeding cycle, the cattle are sold to abattoirs that Beefcor has a long-standing relationship with. Beefcor follows high standards of Corporate Governance ensuring business ethics and sustainability. It has a proven record of profitability and value creation since its inception in 1973. Although its ventures into the abattoir and meat processing had proven less successful, it has chosen the path to re-focus the business back on its core, the feedlot, which has always been the mainstay of the business. The new committed shareholders, Al Mabroor, and management team strive to deliver top quality cattle whilst optimizing production and overhead costs to provide excellent returns to stakeholders.

Beefcor plans to grow the cattle owned and expand the cattle numbers. Previously another large feedlot had placed a significant number of around 15 000 cattle at Beefcor on a custom feeding arrangement. Due to their facilities exposure to Foot & Mouth Disease (FMD) and requirement to depopulate their feedlot totally, they are currently busy restocking their own feedlot and cannot place cattle at Beefcor. There is now an opportunity to replace these cattle in the Beefcor feedlot. Beefcor has capacity of approximately 30 000 feedlot cattle and 14 000 backgrounding weaner calves. In total the 44 000 capacity makes Beefcor one of the top 5 feedlots in the country. Because Beefcor already has the infrastructure and fixed cost structures in place, the scaling of the operations would naturally increase profitability through increased economies of scale.

Beefcor is seeking to procure funding of R120m for cattle in its operations and to increase the cattle numbers by approximately 12 000.

HISTORY AND THE RE-FOCUS

Beefcor has always been making good gross margins in its feedlot business as the below graphs sets out. Lower fixed running costs of feedlot also meant that the feedlot was carrying other business units. Moreover, the investment into the abattoir drew much needed working capital away from the feedlot and feedlot numbers dropped over time, causing Beefcor to replace own cattle with custom feeding contracts to ensure throughput. However, divesting from the abattoir and wholesale meat industry meant renewed focus on Beefcor's core strength in raising cattle profitable.



Despite the many challenges, Beefcor has shown its resilience over the 50 years of being in business. Recent events such as FMD that was prevalent in the industry, has also been experienced and lived through. Beefcor has increased its bio-security measures to ensure both traceability as well as keeping flow of cattle, vehicles and people to a minimum, significantly reducing any chance infections. Separating the backgrounding farms and feedlot and using an "all-in-all-out" system successfully also provides much more peace of mind.



AL MABROOR AND A NEW ERA

The investment by Al Mabroor into Beefcor has provided a new era for Beefcor of being part of a bigger Agri focused group bringing new capital and synergies to bear. With its significant footprint into the cattle custom feeding market, existing routes to market, business partnerships and access to investment capital, new opportunities are opening for Beefcor. Al Mabroor's strategic intent for growing the balance sheet and profitability through maximizing of capacity utilization, is already starting to take effect and will be enhanced further through scaling the business in the next year. From the attached schedule it is clear that fixed infrastructure, already in place for historic levels operations, provides the opportunity to maximize profits.



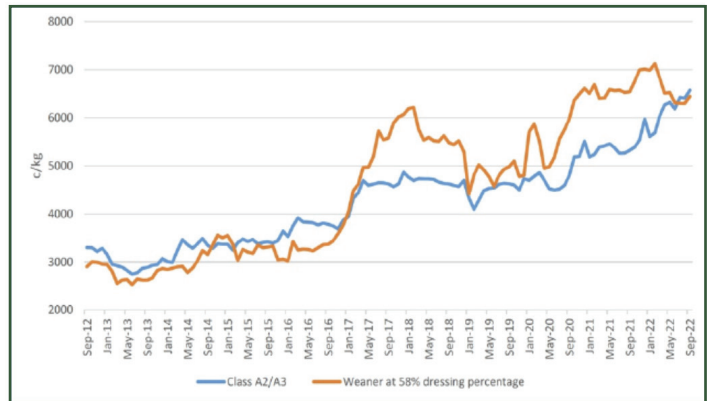
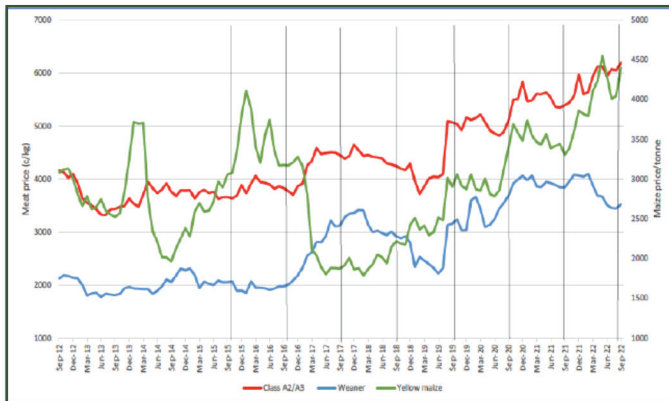
The opportunity in simplistic form:

| NUMBER OF CATTLE STANDING | 20 000 | 28 000 | 44 000 |
|--|--------|--------|--------|
| Calf acquisition cost | 7 700 | 7 700 | 7 700 |
| Feeding cost for 26 weeks | 6 047 | 6 047 | 6 047 |
| Mortalities | 139 | 139 | 139 |
| Fixed & variable overhead costs / head | 1 710 | 1 363 | 1 062 |
| Total per head | 15 596 | 15 249 | 14 948 |
| Selling price per head | 16 550 | 16 550 | 16 550 |
| Profit / (loss) per head | 953 | 1 301 | 1 602 |
| Net Margin per head over 26 weeks | 6,1% | 8,5% | 10,7% |

Currently Beefcor manages around 20 000 head of cattle after de-population completely in February 2023 and is in the process of ramping up stock levels.

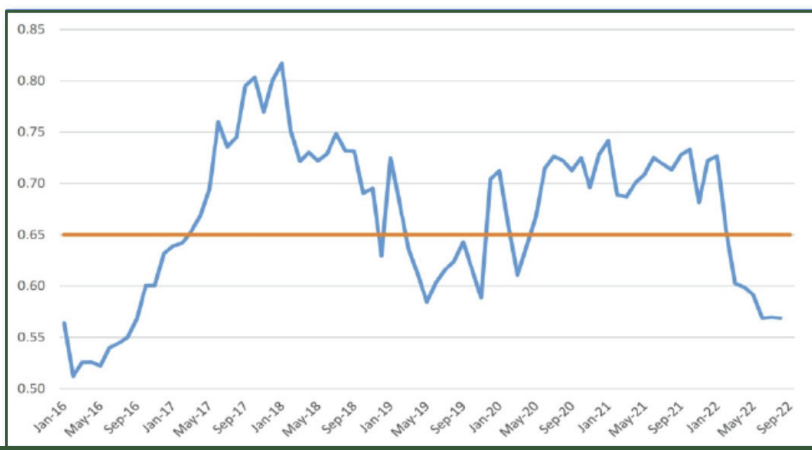
THE MARKET AND PRICING

The SA Beef market supply chain consists of a national herd of around 12,2 million animals. The herd declined markedly during 2015/16 drought conditions and this led to an increase in the weaner calf price. However, the production offtake has increased to international benchmark levels of around 27% (Aus 28%; EU 34%; South American countries 20%) and the numbers slaughtered has increased the last two years as prices stabilized and consumption increased.



Markets generally move in sync regarding pricing of weaners relative to carcass realisation price. Historically, prices have been at a ratio of around 65% weaner price per Kg to carcass price per Kg.

Short term disturbances and market shortages might cause the one to rise or fall quicker but markets tend to adjust and find equilibrium fairly soon and the feeding margin that exists and Beefcor's efficiency has always provided it with a margin to buffer these movements. Even though the calf price has been relatively expensive the last two years, it has fallen significantly and has been under the 60% level since early on last year. Beefcor's feed efficiency have always managed to secure a positive feed margin for the business. The current relatively low calf price and real chance that carcass prices will rise in line with historic trends towards the latter half of the year, presents a significant opportunity to invest currently in growing the cattle standing numbers in Beefcor.



RETURNS TO INVESTORS

The repayment terms on the investment will be as follows:

- R 5 million per month starting at the end of month 7 for a period of 6 months.
- R 10 million per month starting at the end of month 13 for a period of 12 months.
- Total repayment of R 150 million and a Return on Investment of ~17,4% per annum.
- Investors remaining for the full 24 months will get an additional 3% return when transferred to Al Mabroor Agri Fund.

PRODUCT OPTIONS

| Payout | Reinvestment | Reinvestment & Transfer to Al Mabroor Agri |
|--|---|--|
| Minimum Investment Amount | R25 000 | |
| Target Capital Raise | R120 million | |
| Repayment Schedule | 0 to 6 months: N/a 7 to 12 months: R5m per month for 6 months 13 to 24 months: R10m per month for 12 months Total Repayment: R150m | |
| Return on Investment (Estimated) | 17,4% p.a. | |
| Investors remaining for full 24 months | 3% additional return when transferred to Al Mabroor Agri | |
| Closing Date | 31 December 2023 | |