

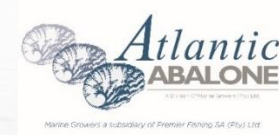


Premier Fishing
The First Choice

Premier Food & Fishing
**TEST MARKET
ROADSHOW**
November
2016

PRESENTATION CONTENT

- Premier Food & Fishing business overview
- Industry & Premier's relative market positioning
- Historical financials and growth assumptions
- Offer summary





PREMIER FOOD AND FISHING BUSINESS OVERVIEW

INTRODUCTION

Premier is a vertically integrated food and fishing group specialising in harvesting, processing, sales and distribution of the various products and species.

Some key characteristics noted are:



- **Largest black owned and managed** food and fishing company in South Africa, in existence **since 1952**.
- **Niche Products**, rock lobster, octopus, squid, abalone farm, pilchards, hake, general food products and environmentally friendly Agri-biotechnology products.
- Owns and manages a **significant infrastructure and value chain** through production facilities, fishing vessels, sales and marketing business with an international footprint, and an aquaculture farm operating nationally.
- **Accreditations and memberships:** South African Fishing Ethically (SAFE) association, Food and Drug Administration (FDA) , Hazard Analyses & Critical Control Points (HACCP) certified.
- **Employs** more than 300 employees.
- AEEI the **majority shareholder of Premier Food** and Fishing recently received the following awards:
 - Most empowered company – Empowerdex 2016
 - Most empowered management - Empowerdex 2016
 - Highest sustainability Transparency Index Score – financial services 2016
 - Top 10 JSE listed company for financial performance - Financial Mail 2016



KEY DETERMINANTS & COMPETITIVE ADVANTAGES



- Controls 60% of the South African South Coast Rock Lobster market which is exported to the USA
- Holds 17% of the total West Coast Rock Lobster in South Africa which is exported
- Holds 7% of the total Pilchards quota, the third largest allocated quota
- Consistent high quality products delivered to their customers
- Owns and controls top class production facilities nationally
- Trusted strong brands that have been developed over many decades
- An experienced and dynamic management team comprising of a broad array of qualifications and experience
- Significant growth over the past 5 years have been achieved organically
- An experienced and dynamic management team
- Above market returns to its stakeholders and especially its shareholders

CURRENT GROUP STRUCTURE



PREMIER FOOD & FISHING QUOTA'S



PRODUCTS	GEOGRAPHIC LOCATION	EMPL EXC ABALONE	VESSELS	PRODUCT CERTIFIC.	PROCESSING PLANT	QUOTA SIZE AND MANAGED KG	GLOBAL TAC KG
South Coast Rock Lobster	Cape Town, Waterfront	110	4	HACCP, FDA and EU	1 Plant	144,025	316,000
West Coast Rock Lobster	Hout Bay, Cape Town	36	2	HACCP, FDA and EU	1 Plant	264,943	1,489,433
Squid	Port Elizabeth	103	4	HACCP and EU	1 plant	TAE	1,118,146
Pilchards	Saldanha Bay, Cape Town	89	6	HACCP	00	6,683,000	90,000,000
Anchovy	Saldanha Bay, Cape Town		Note 1	HACCP	00	19,378,000	145,023,000
Hake	Cape Town	20	1	HACCP and EU	Not Applicable	744,000	134,717,000

Note 1: Pilchards and anchovies share 6 vessels together.

TAE: Total Allowable Effort.

TAC: Total Allowable Catch.



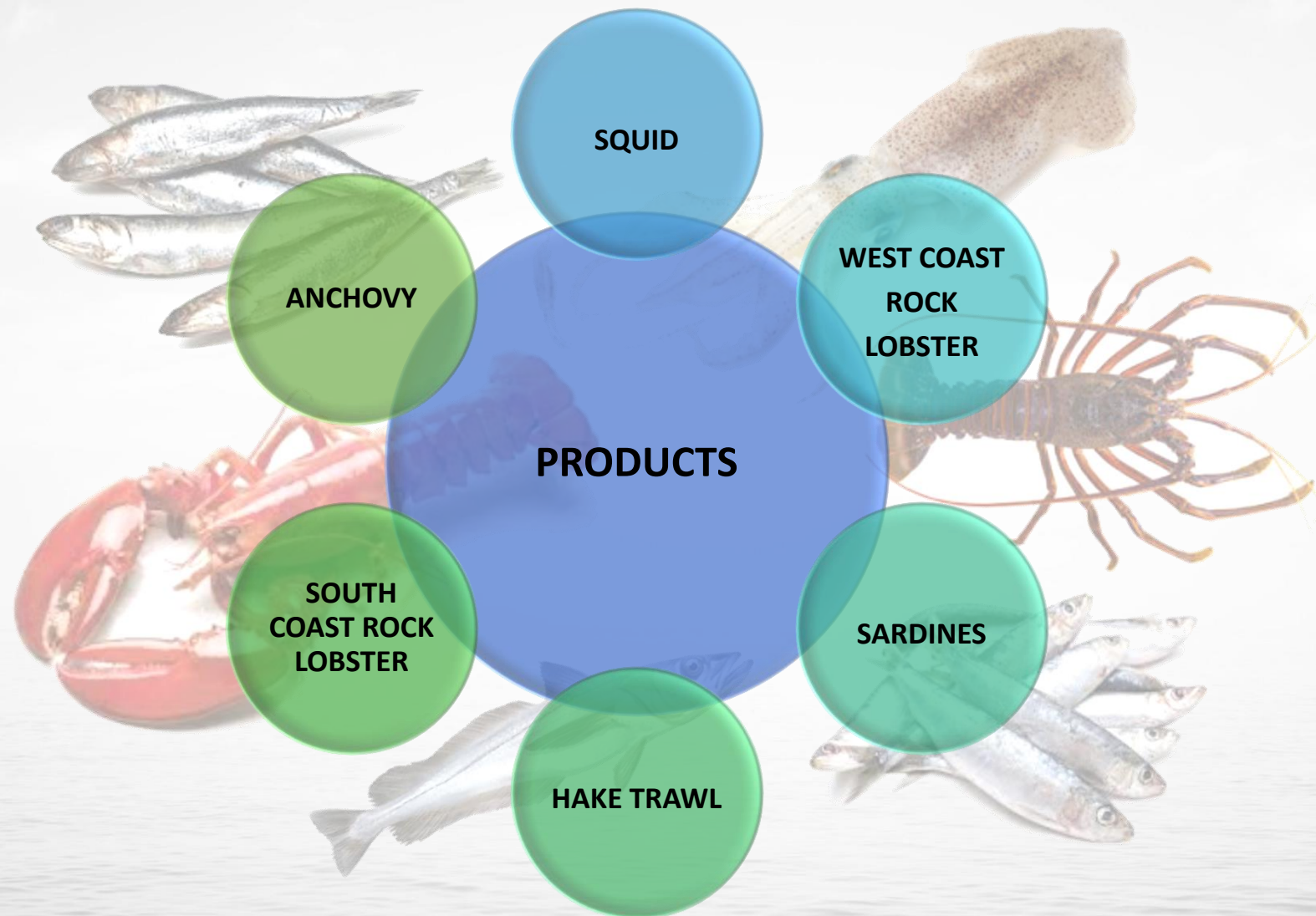
CAPACITY UTILISATION

Premier Food and Fishing is well positioned to process and cater for additional species as well as owned quota and outside quota allocations.

PRODUCT	CURRENT PERCENTAGE UTILISATION
South Coast Rock Lobster	60%
West Coast Rock Lobster	55%
Squid	50%
Pilchards and Anchovy	50%
Hake	60%
Abalone	100% with potential of tripling farm once expanded

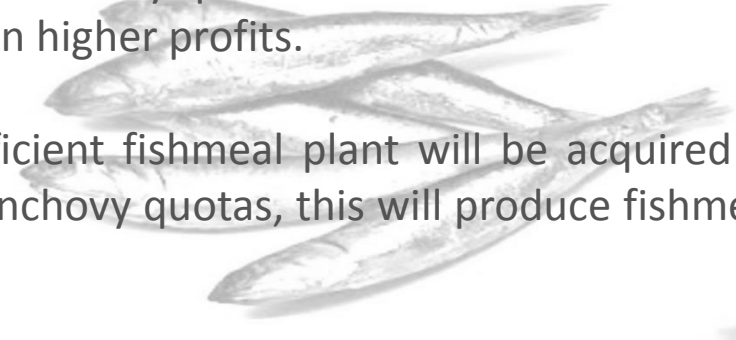


PRODUCT BASKET

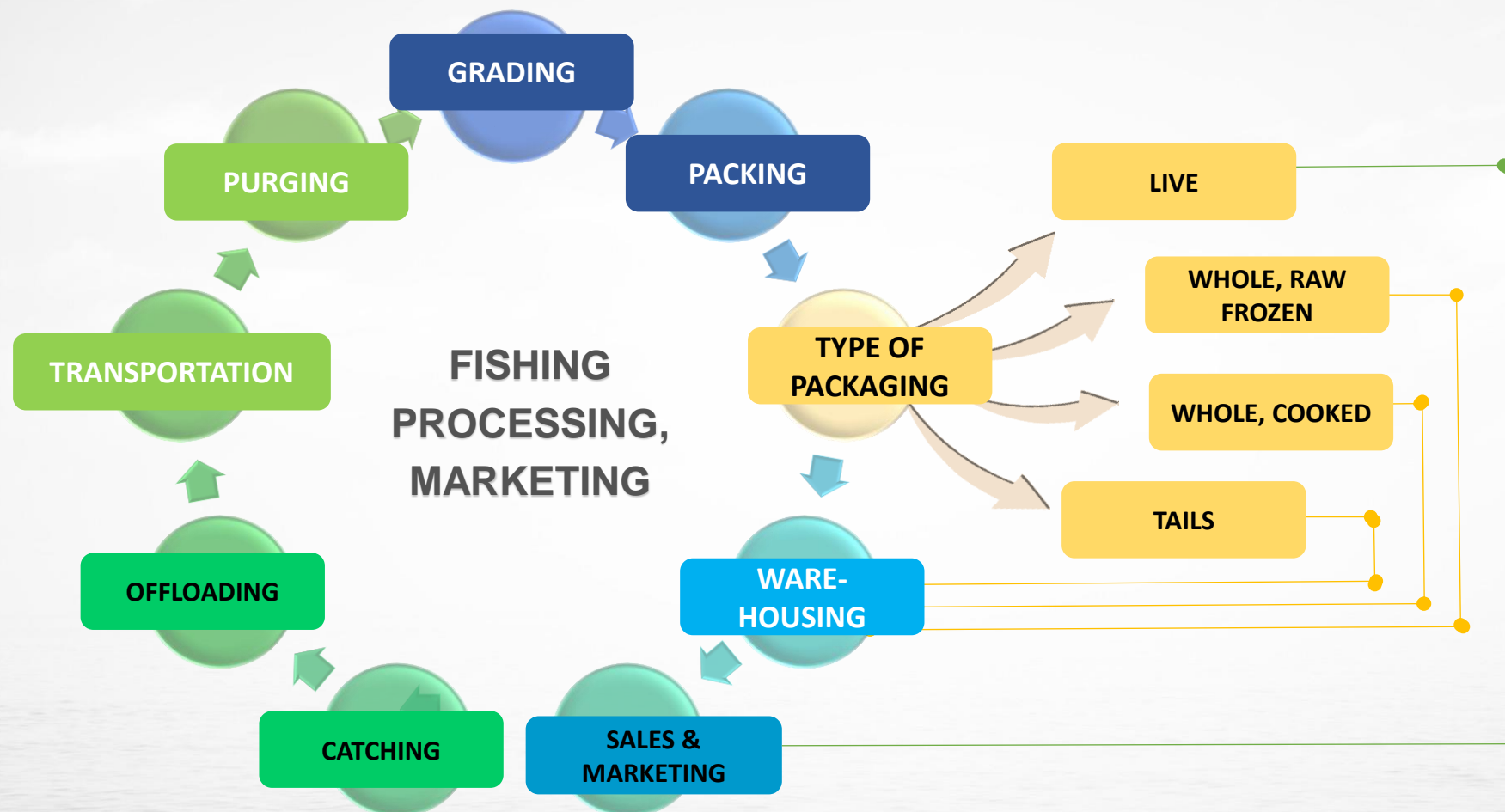


Modernisation of fishmeal plant and pilchards cannery:

- The pelagic business is a highly sorted after protein for the local and global market.
- Premier Food and Fishing currently has pilchards and anchovy quotas which is all sold locally , expansion across the entire value chain would result in higher profits.
- As a targeted growth strategy, a new and highly efficient fishmeal plant will be acquired in order to process the existing and new pilchards and anchovy quotas, this will produce fishmeal for both local and global markets.
- Fishmeal is highly sort after protein for the aquaculture and animal farming market.
- Canned pilchards is a highly sort after protein for human consumption and an area for high growth in South Africa and Africa.



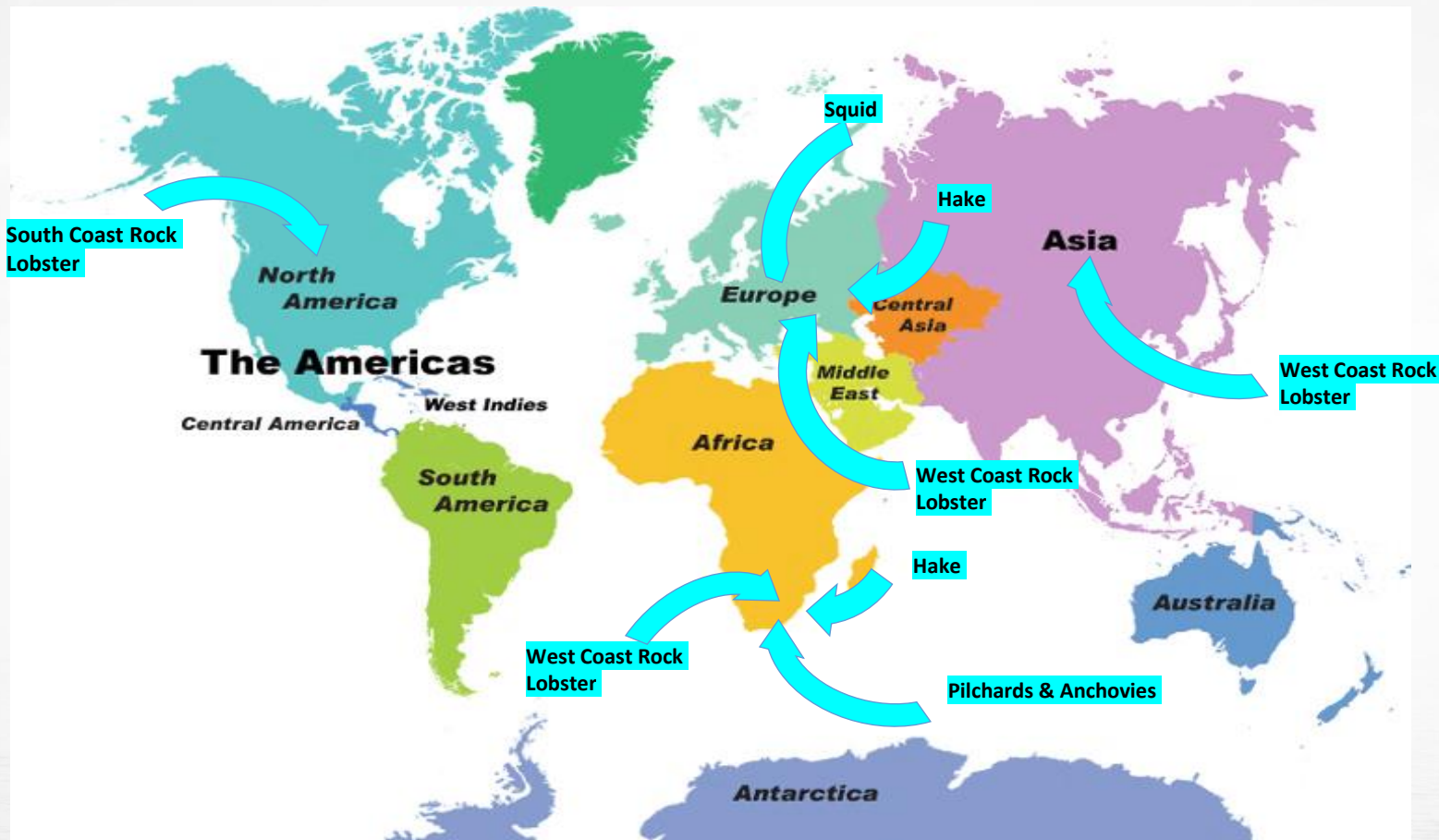
OPERATIONAL FLOW



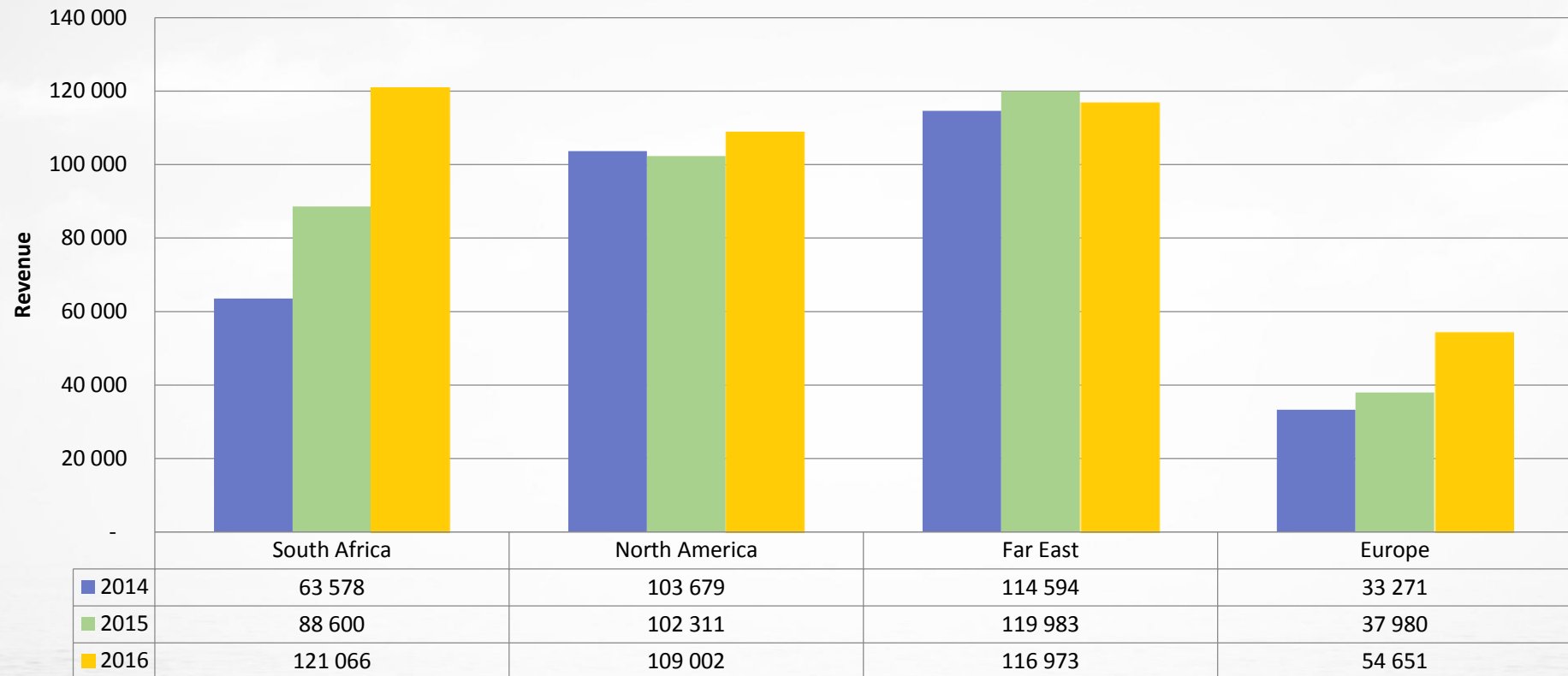
Premfresh Seafood is the sales and marketing arm for the Group:

- Experienced marketing team with over 16 years' experience in marketing of fish and fish related products.
- Assists small quota holders with marketing of their fish.
- Separate trading company with an assessed loss which is almost fully utilised.
- Low fixed overhead structure consisting of 5 employees
- Product is bought from Premier Food and Fishing at cost plus 6%.
- The niche nature of products enable the products to be pre-sold before they are caught or farmed;
- Market prices are monitored in conjunction with foreign exchange fluctuations on a daily basis and are linked to total industry catch and Premier's catches for the period. Premier's exco will take a view of future catching and competitive market prices and decide on the extent of forward cover required. The executives continually assess a margin of safety on foreign exchange and the current margin of safety is approximately 35-40% on forex.

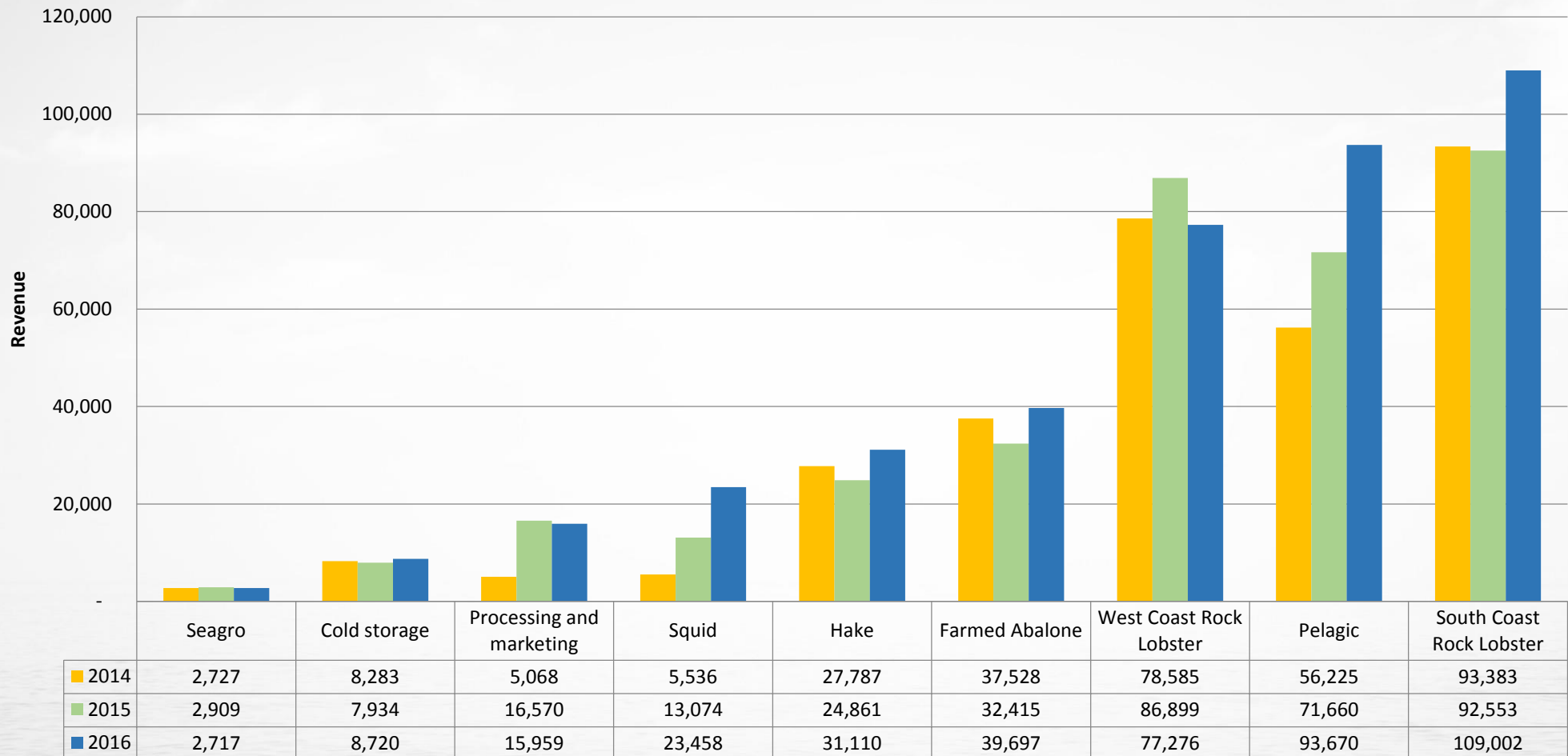
REVENUE GEOGRAPHIC SPREAD



REVENUE GEOGRAPHIC SPLIT



REVENUE PER SPECIE



MARINE GROWERS OVERVIEW

Abalone aquaculture business, is involved in abalone farming and sells its abalone through the Atlantic Abalone brand.

The following statistics can be noted:

- High margin, low risk business with an approximate 70% Gross Profit;
- Marine growers do not rely on quotas, higher production results in higher sales;
- The farm produces 120 tons of cultured abalone per annum and is currently running at 100% capacity;
- The operation currently consists of a hatchery, a grow-out facility, grading and a live pack processing plant;
- The farm is operated by personnel with over 15 years' experience in aquaculture;
- For every one tonne of produce it requires one additional staff member;
- The farm is rated as one of the top abalone farms in South Africa.

Growth plans

- Acquired an extra 6 hectares of land which was Environmental Impact Assessment (EIA) approved in October 2016;
- Expand farm from 120 tonnes to 320 tonnes;
- R220 million investment of Capex;
- Sustainable growth and consistent pipeline.

FARMING COMPETITIVE ADVANTAGES

Sustainable:

- Aimed at food security. Farming requires no quota allocation;
- Stock pipeline consistent and growing;
- Excellent growth rates;
- Current GP% of 72% and a NP% of 35%;
- High demand;
- Excellent Rand/Dollar hedge.

Low risk:

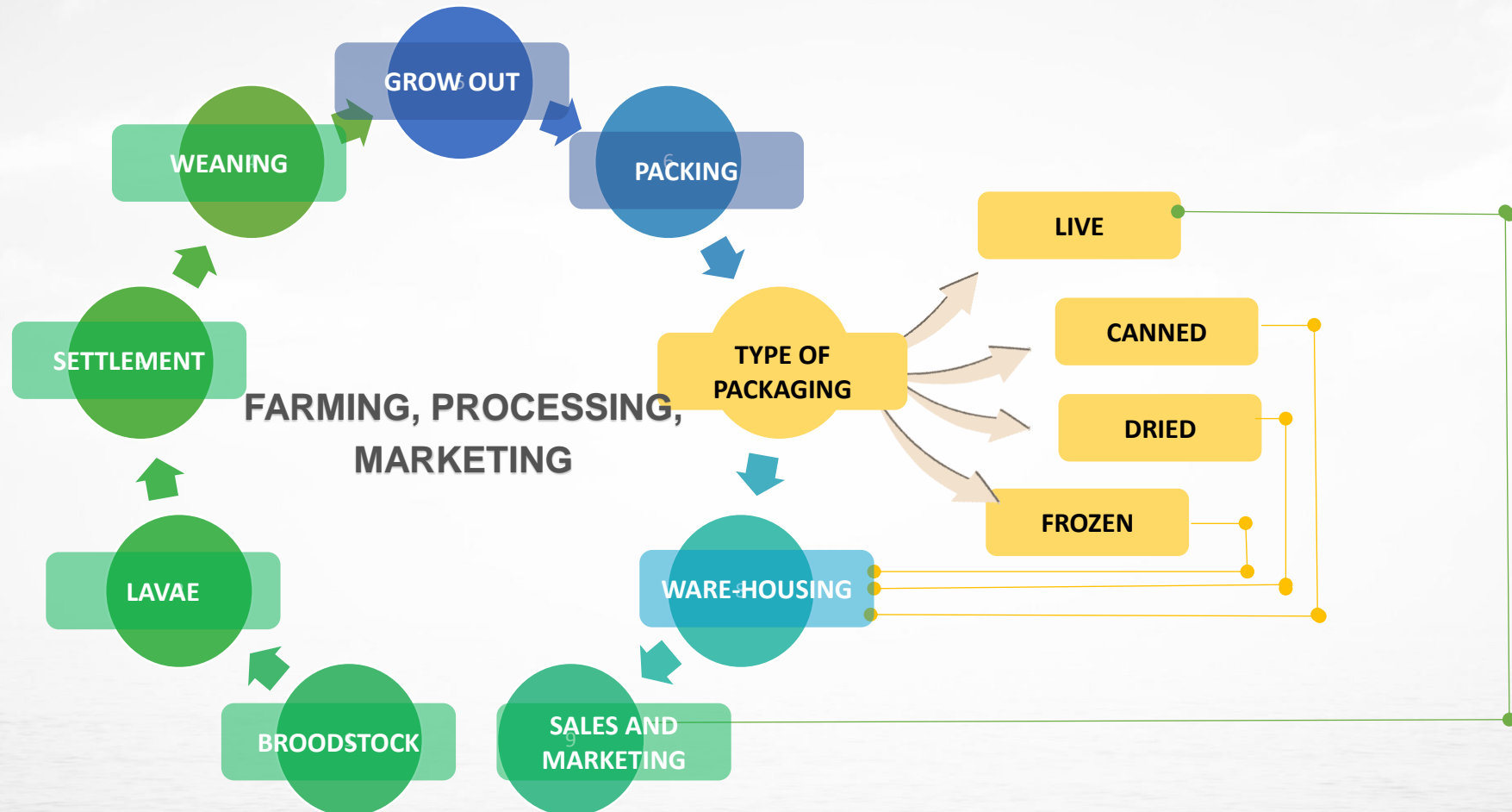
- Owned land with excess available land for further expansion;
- Strategically located in the Overberg area (Gansbaai);
 - Access to excellent quality water with low risk of contamination;
 - No other farms in close proximity reducing the risk of cross contamination;
 - Successful solar implementation due to location amongst other factors – phase 1 completed;
 - Location lends itself to easy expansion next to the harbour.

FARMING COMPETITIVE ADVANTAGES

Operational , processing and marketing:

- Current demand for South African abalone is in excess of 2000 tonnes, with the current South African supply at 1000 tonnes;
- Access to broad international sales footprint;
- Product price found to be inelastic, market prices can be offset to counter limited forex risk;
- 16 years track record and industry IP created;
- Job creation within a smaller community;
- Limited almost non existent labour matters over the 16 years;
- Excellent yields and Gross Profits;
- Excellent Rand/Dollar hedge.

OPERATIONAL FLOW



BOARD OF DIRECTORS



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

SALIM YOUNG - Bproc LLB (UWC) , LLM
CHAIRMAN



Mr Abdulla has been appointed to numerous company boards and NGOs. He has over 30 years' commercial experience related to healthcare, technology, financial services, events and tourism as well as fishing. He is a regular invitee and participant at the World Economic Forum in Africa as well as the Summer Davos in China. He was the recipient of the Black Business Executive Circle (BBEC)/Absa Bank Kaelo Awards in April 2010 for leadership. He was a finalist of the 2015 Oliver Empowerment Awards – Top Male Leader of the Year. Khalid Abdulla was ranked amongst the 10 best executives of 2015 by Financial Mail as one of the best CEOs in the country.

KHALID ABDULLA - MBA (UCT), B.Compt(Hons), CTA (Unisa), Project Management (UCT)
DEPUTY CHAIRMAN



BOARD OF DIRECTORS



Mogamat Samir Saban is a qualified Chartered Accountant with more than 13 years commercial experience. He joined Premier Fishing SA (Pty) Ltd in various senior financial positions since 2007. During 2009 was promoted to general manager of the group and during 2011 appointed as the CEO. He has won numerous awards in the group such as CEO of the year as well as outstanding management for the year as well.

SAMIER SABAN – Bcom (Hons), CTA, CA (SA)
CHIEF EXECUTIVE OFFICER



Tatenda Bundo is a chartered accountant by profession and is currently the Group Finance Manager for Premier Fishing SA (Pty) Ltd. He has over 5 years of experience as the group head of finance at Premier Fishing. As part of the executive management team he is responsible for the financial and administrative functions of the group, IT, procurement, risk management, systems reviews, assisting operations teams on operations review and improvements and corporate finance.

TATENDA BUNDO – Bcom, CA (SA), PGDA (UCT)
FINANCIAL DIRECTOR

BOARD OF DIRECTORS



Miss Ah Sing is the Group chief financial officer of African Equity Empowerment Investments Limited and joined the AEEI Group in 2007.

She held various financial directorship positions in the health and biotherapeutics subsidiaries before being appointed as the Group financial officer and an executive director in November 2009.

CHANTEL AH SING – CA (SA)
NON EXECUTIVE DIRECTOR



Miss Hendricks is the corporate affairs and sustainability director responsible for corporate affairs, which include sustainability, regulatory compliance, corporate social investment and group communication. She has more than 17 years' experience in the AEEI Group and currently sits on the boards of the Group's major investments and links the Group's subsidiaries with the Group's corporate office.

CHERIE HENDRICKS
NON EXECUTIVE DIRECTOR



BOARD OF DIRECTORS



Mr Hove worked for African Equity Empowerment Investments Ltd from April 2009 until September 2013 and held several positions, including Group financial manager and corporate finance executive. He is very knowledgeable of the Group's diverse operations, having worked closely with the operational heads of the Group's diverse businesses. He is currently an executive director of Independent Media (South Africa) (Pty) Ltd and is also responsible for mergers and acquisitions.

TAKUDZWA HOVE – Bcom (Hons) Accounting CA (SA), ACMA, CGMA
NON EXECUTIVE DIRECTOR



Mrs Amod is a businesswoman who has successfully grown her import, export and manufacturing business into four branches and has more than 30 years' experience. She established a network of industries related to manufacturing and provided employment opportunities to the wider local community.

AZIZA AMOD
NON EXECUTIVE DIRECTOR



INDUSTRY & PREMIER FISHING'S RELATIVE MARKET POSITIONING

Premier Food & Fishing is currently well positioned in the fishing industry for growth due to the following:

- Strong and solid Empowerment credentials;
- Market share and size in relation to the 22 fishing sectors available in the SA market;
- Currently only has 5% market share;
- Supported by various legislative rules.

Market Share

- Industry consists of 22 sectors, which has a total value of **R 6 billion** (*excluding aquaculture, processing and value add*);
- Premier is one of 8 comparable fishing groups in South Africa in terms of size and product basket and holds **5%** of the total market and 10% of 6 sectors where it holds allocations.



Why is Empowerment Advantageous?

Fishing Rights Allocation Process (FRAP) 2015/2016 quota allocation:

Process undertaken by government to award companies/individuals/co ops fishing rights for a duration of time to be utilised. Criteria to qualify:

- Strong history of fishing experience
- Strong empowerment credentials
- Investment into fishing industry
- Job creation

Marine Living Resource Act

- The Marine Living Resource Act is the act that governs all fishing regulations in South Africa
- The act prioritises companies with greater empowerment and transformation credentials, Premier Food and Fishing is well positioned.

INDUSTRY & PREMIER FISHING'S RELATIVE MARKETING POSITIONING



SPECIES	OVERALL ALLOCATION	PREMIER'S ALLOCATION KG	APPLYING FOR	CAPEX REQUIRED
Hake inshore	9 057 000	0	Yes	No
Horse mackerel	41 927 000	0	Yes	Yes
WCRL Nearshore	371 287	0	2020	No
WCRL Offshore	1 118 146	81 092	Yes	No
Wild Abalone	94 046	0	Yes	No
SCRL	316 000	133 000	Yes	No
Hake long line	9 594 000	49 000	2020	No
Anchovy	145 023 000	19 378 000	Yes	No
Patagonian tooth fish	575 000	0	2020	No
Sardine	90 000 000	6 683 000	2020	No
Squid	Effort	TAE	2020	No
Sole	977 000	0	2020	No

INDUSTRY & PREMIER FISHING'S RELATIVE MARKETING POSITIONING



DAFF POLICY REQUIREMENTS	PREMIER FISHING POSITION
Ownership	<ul style="list-style-type: none"> • Largest black owned fishing company
Transformation	<ul style="list-style-type: none"> • Strong transformation credentials • 100% black managed
Job creation	<ul style="list-style-type: none"> • Strong creator of sustainable jobs
Investment	<ul style="list-style-type: none"> • Heavily invested in the fishing industry
Employees	<ul style="list-style-type: none"> • Skills and training development • Educational bursaries • Internal mentorship programme
Communities	<ul style="list-style-type: none"> • Built solid partnerships and up-lifting of fishing communities
Corporate Social Investment	<ul style="list-style-type: none"> • Significant investments in: • Education in fishing communities • Feeding schemes • Youth development • Sports and recreation in townships and fishing communities
Supporter of small scale fishing policy	<ul style="list-style-type: none"> • Strong supporter of small scale fishing policy • Open and transparent relationships with small scale fishing businesses • Beneficial commercial agreements with small scale fishing businesses



HISTORICAL FINANCIALS & GROWTH ASSUMPTIONS

HISTORICAL FINANCIAL INFORMATION

Profit history	Aug/13 Audited R'000	Aug/14 Audited R'000	Aug/15 Audited R'000	Aug/16 Audited R'000	4 year CGAR
Revenue	272,079	315,123	348,874	401,609	
Gross profit	91,392	119,070	125,710	182,142	26%
EBITDA	41,607	64,838	64,761	77,283	23%
Profit before tax	21,327	49,462	54,521	73,518	51%
Profit after tax	7,120	30,700	51,237	52,235	94%
Cash profits		94,567	98,535	126,065	15%
Revenue growth rate		16%	11%	15%	
Gross profit margin		38%	36%	45%	
Cash profits growth			4%	28%	

- Growth derived organically
- 2016 assessed losses fully utilised
- All growth scenarios performed with an effective tax rate of 28%

POTENTIAL GROWTH SCENARIO

Growth Scenarios	Aug/17 R'000	Aug/18 R'000	Aug/19 R'000	4 year CGAR
Revenue	517,094	789,338	872,288	
Gross profit	262,088	345,182	389,611	29%
EBITDA	125,727	186,697	216,424	41%
Profit before tax	110,839	167,882	191,242	38%
Profit after tax	76,944	117,013	135,264	37%
Cash Profits	131,939	200,648	231,942	23%

Assumptions

- Raised capital at listing
- Deployed into abalone farm by 2018
- Expansion in-house processing plant by 2018

KEY SELLING POINTS

EMPOWERED CREDENTIALS

- Empowered credentials result in high allocations

BEE RATNG

- As a result of BEE rating potential to acquire other fishing business

NICHE PRODUCTS

- Niche product offerings, high margins abalone farms

SUSTAINABLE PROFITS

- Sustainable profits and high cash generation

EXPANSION

- Expansion of existing abalone farm and into small pelagic facilities

INFRASTRUCTURE

- Infrastructure across a broad footprint

INTERNATIONAL MARKETS

- Global footprint and strong relations with international markets

CAPEX REQUIREMENT

- Running at approximately 60% capacity without further capex requirements

RAND HEDGE

- Premier Food and Fishing has a Rand hedge



VALUATION SUMMARY

Premier Food & Fishing

Valuation on listing

Share price

R 5,00

Assumed

Assumed capital raise – 49%

R 635,000,000

	Growth Scenario 17	Growth Scenario 18
Revenue	517,094,000	789,338,000
PAT	76,944,000	117,013,000
Cash Profits	131,939,000	200,648,000
EPS per share (cents)	35.54 *	41.79
Implied PE ratio	14.1x	12.0x

*New shares issued are weighted for 6 months

OFFER SUMMARY

LISTING

- Johannesburg Stock Exchange

OFFER SIZE

- Estimated 127 million shares, representing 49% of Premier Food and Fishing's fresh issue
- R 635 million

INDICATIVE PRICE

- R5

INDICATIVE P/E

- 14,1 (August 2017 growth scenario)

INDICATIVE MARKET CAPITALISATION

- R 1,4 billion

ESTIMATED LISTING DATE

- End February 2017

GROUP STRUCTURE POST LISTING

