



MEDIA STATEMENT

ASTRAL ACQUIRES AN INTEREST IN QUANTUM FOODS

14 July 2020: Astral Foods Limited (Astral), South Africa's leading integrated poultry producer, confirms that the company has acquired an interest of 6.42% in Quantum Foods Holdings Limited (Quantum), South Africa's largest table egg producer with poultry breeding, broiler and animal feed operations in Southern Africa.

Following a material change in the shareholding of Quantum, Astral has been concerned that its current broiler supply agreement with the company could be jeopardised over the long-term. Quantum supplies approximately 30% of Astral's live broiler chickens processed in the Western Cape, which equates to about 12% of the total broilers being slaughtered by the Astral Group. If there is to be a change in control of Quantum, it could adversely impact the broiler supply agreement with them, and Astral would most probably have to consider a significant investment in broiler production capacity to ensure the continued supply of live broiler chickens to its County Fair operation in the Western Cape.

The acquisition by Silverlands II SCSp, a Luxembourg-based investment fund, of a 32% stake in Quantum announced on Friday the 10th July 2020, in our opinion will also assist that minority interests in Quantum are protected, and that the company continues to trade as an independent integrated poultry and table egg producer.

Chris Schutte, CEO of Astral, commented: "The rationale for Astral acquiring a minority stake in Quantum was to ensure that Astral's current arms-length medium to long term supply agreement with them remains intact."

Ends

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Issued and released by:	Keyter Rech Investor Solutions Marlize Keyter 087 351 3810 / 083 701 2021
Issue date:	14 July 2020
JSE code:	ARL
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Company background

Astral Foods Limited (Astral), a leading South African integrated poultry producer, with key activities in animal feed pre-mixes, manufacturing of animal feeds, broiler genetics, production and sale of day-old chicks and hatching eggs, with integrated breeder and broiler production operations, abattoirs as well as sales and distribution of various key poultry brands. The brands in the Astral stable include:

- County Fair
- Festive
- Goldi
- Mountain Valley
- Supa Star
- Ross Poultry Breeders
- National Chicks
- Meadow Feeds
- Tiger Animal Feeds
- Tiger Chicks
- Mozpintos
- CAL Labs