

CAESPAN ANNOUNCEMENT - 18 September 2023

SALE BY ZEDER OF THEIR INVESTMENT IN CAPESPAN

We refer to the public announcement by Zeder earlier today that they have entered into an agreement to sell their shareholding in Capespan.

The purchaser of Zeder's investment in Capespan, and the new future shareholder of Capespan, is 3 Sisters (Pty) Ltd, a special purpose vehicle owned by a Black Economic Empowered investment consortium that is backed by a South African based agriculture fund. They also provide consulting services in the agri-industry and own various agri assets.

In terms of the sale of shares transaction:

- the purchaser purchases all the shares owned by Zeder in Capespan;
- Zeder will retain its investment in Capespan's pome farming unit, which consists of the three pome farms and Novo packhouse. These assets and their employees do not form part of the sale transaction;
- the pome fruit marketing function and team will remain within Capespan and will form part of the transaction;
- the grape and citrus farms, as well as Capespan's farming and marketing operations in South Africa, Namibia, USA, Canada, Europe, India and the UK will remain unaffected by the sale, apart from having a new shareholder.

Although the pome farms and Novo are excluded from the transaction, they will continue to be managed by the current farms and packhouse teams, and Capespan will continue to provide managerial, administrative and financial services to them. Capespan will also continue to market and sell all the pome fruit produced on the farms, and Novo will continue to pack all the fruit of the farms. Effectively, it is business as usual.

The purchaser believes Capespan to be a market leader in fruit production as well as on the global fruit marketing stage. They see in Capespan a successful and sustainable business, with strong leadership, good management, dedicated and committed employees, value enhancing brands and healthy customer and supplier relationships.

The purchaser's vision for Capespan is firstly that Capespan continues to conduct and grow its business on the same standards, with the same teams and employees and with no disruption to any of its customers or service levels. In short, after finalisation of the transaction, Capespan will continue to do business as usual and our growers and customers will continue to receive the high service delivery standards to which they have become accustomed.

The purchaser furthermore envisions to unlock substantial growth opportunities for Capespan in future. With its experience in the agri sector and the commercialisation of agri assets, access to cost-effective funding from its funding partner with an appetite for agri-related investments as well as its strong Black Economic Empowerment credentials, the purchaser is well-positioned to assist Capespan to explore growth opportunities and expand its farming operations and marketing footprint globally. This will unlock value and open up growth opportunities from which Capespan, its employees, growers, customers and partners will benefit going forward.

The transaction will not result in any other structural changes for Capespan, neither on the corporate side nor on the personnel side. The purchaser is not an operational company in the fruit industry, and will thus continue to rely on the Capespan team to deliver the required expertise to run the business.

The transaction is still subject to certain conditions that need to be fulfilled before it can be finally implemented, amongst others, the approval of the transaction by the Competition Commission. It is expected that the transaction will be finalised early in January 2024.

This transaction is the beginning of a new and exciting era for Capespan, its employees and other stakeholders. Capespan will continue to enhance our service delivery to our customers and maximise returns to our growers. We Deliver.

If you have any further queries or questions regarding the transaction please feel free to contact either Tonie Fuchs or Charl du Bois at any time.

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