ZEDER

INVESTMENTS LIMITED

ABRIDGED FINANCIAL RESULTS FEBRUARY 2020

OVERVIEW

Zeder is an active investor in the broad agribusiness and related industries, with a historical focus on the food and beverage sectors. Its underlying investment portfolio was valued at R11.58bn on 29 February 2020.

CORPORATE POSITIONING

Zeder actively drives and assists with portfolio and investee strategies, while monitoring and overseeing optimal capital allocations to ensure sustainable investment returns. Its portfolio consists of strategic interests in leading companies that provide it with a diversified exposure across the agribusiness spectrum, ranging from strategic agri-inputs to fast moving consumer goods while incorporating related logistical and enabling services. In recent years measured diversification has been achieved by expanding platform investment companies into adjacent industries, sectors and markets.

STRATEGIC FOCUS

The macro environment in which Zeder and its portfolio companies operated in remained severely constrained during the year under review and our strategic focus therefore was deliberately cautious, conservative and largely unchanged. The effect thereof was that we dedicated most of our efforts to existing investments, strengthening their operating models and balance sheets where possible while driving for additional and diversified growth from within existing investment platforms. Additional strategic focus was given to ensure the successful disposal of its largest investment, Pioneer Foods. This approach contributed to satisfactory results. New and adjacent opportunities are continuously reviewed, and we will add to our portfolio when opportune.

NOTEWORTHY TRANSACTIONS

Category 1 disposal of investment in Pioneer Foods and application of proceeds

In line with the relevant announcements, circulars and shareholder approvals obtained, Zeder disposed of its entire interest in Pioneer Foods on 23 March 2020 for a total consideration of R6.41bn.

Zeder has used R1.55bn of the cash proceeds received to settle all its debt and related obligations and has declared a special dividend of 230 cents per share to shareholders that was paid on 28 April 2020.

This marks the end of a long and proud association with Pioneer Foods and its stakeholders for which Zeder is grateful. Zeder would like to wish PepsiCo, as the new beneficial owner of Pioneer Foods, and all employees the very best for the journey that lies ahead.

Further investments in Zaad

Over the past number of years, Zeder has established and positioned Zaad as a strategic holding company that invests and operates in the specialised agri-inputs industry with a focus on emerging markets, especially Africa. Through acquisitions and organic growth, it has aggregated and developed attractive businesses and currently owns, develops, imports and distributes a broad range of agricultural seeds in Africa, Europe and other international emerging markets.

Through its subsidiaries and associates it has a history spanning more than 50 years of developing, distributing and owning leading seed genetics in Southern Africa, the Middle-East, Turkey and the Netherlands. In recent years, Zaad has added strategic plant nutrition and agrochemicals to its portfolio to complement its product offering, particularly in emerging markets with the Farm-Ag and Hygrotech acquisitions. In terms of agreements previously entered into, Zaad acquired all the remaining shares in Farm-Ag effective 1 September 2019.

Zaad also concluded transaction agreements whereby it will acquire a 40% stake in the EAS group of companies ("EAS") in Kenya, with an option to acquire an additional stake in the future. EAS was established in 1972 and has steadily grown to become the leading independent seed company within the Eastern and Central African regions. It has business operations in Kenya, Uganda, Rwanda, Tanzania and Zambia and its products are distributed through a wide distribution network of appointed dealers and stockists in major cities and towns throughout Eastern and Central Africa.

Zaad has identified East and Central Africa as important growth areas for seed and agrochemicals, and upon completion, this investment will provide Zaad with access to these markets. Furthermore, Zaad's seed products and genetics will enhance the profile of EAS. Shareholders should note that the agreement is still subject to several conditions precedent, including receipt of relevant regulatory and competition approvals.

Zeder has committed an additional R200m-R300m investment during the next 12 months into Zaad, to enable the aforementioned transactions.

REVIEW OF BUSINESS ENVIRONMENT

During the year under review, Zeder and its investee companies were impacted by constrained economic conditions and corresponding downward adjustments to market valuations. The full effect was moderated by the announcement of the Pioneer Foods disposal at R110 per share, reflecting a premium of 58% at the time. This uplift ensured that Zeder's *Sum-of-the-Parts* valuation, at an aggregate level, increased by 5.8% during the year.

Notwithstanding the challenging conditions and valuation implications, Zeder and its investee companies managed controllable elements well and delivered satisfactory operating results across the portfolio with *recurring* headline earnings per share increasing by 18.4% during the year under review. Apart from Quantum Foods, all portfolio companies stabilised or reversed the corresponding lower levels of profitability reported in the results for the previous year.

COVID-19

The financial results reported and business environment reviewed reflect the year ended 29 February 2020, as well as subsequent events that transpired prior to the publication of these results. It is, however, critical to note that, at the time of producing this report, there is a global coronavirus pandemic and corresponding international health and economic crises unfolding. South Africa, similar to many countries around the world, is locked-down in terms of strict regulations imposed by government. While the final outcome is unclear, it is anticipated that the negative economic impact in South Africa and around the world will be severe in the short- to medium term. While Zeder and its portfolio companies will not be immune to these challenges, the deliberate process over the past few years to strengthen balance sheets, reduce debt and preserve cash resources should assist Zeder during this crisis.

It is worth noting though that many of Zeder's portfolio companies fall within the "essential services" classification under the current regulations and have been allowed to continue certain operations.

FINANCIAL RESULTS

The two benchmarks which Zeder believes to measure performance by are *Sum-of-the-Parts value* per share and *recurring* headline earnings per share.

SUM-OF-THE-PARTS ("SOTP")

Zeder's *SOTP* value per share, calculated using the quoted market prices for all JSE-listed investments, and internal valuations for unlisted investments, increased by 5.8% during the reporting period to R5.97 as at 29 February 2020. Shareholders are referred to the company's SENS announcement dated 29 April 2020, regarding the update on the *SOTP value* following payment of the special dividend on 28 April 2020.

	28 Feb 2019		29 Feb 2020	
Company	**Interest (%)**	**Rm**	**Interest (%)**	**Rm**
Pioneer Foods	27.1	4 689	**28.6**	**6 348**
Zaad	95.3	2 235	**95.7**	**2 034**
The Logistics Group	97.4	978	**98.6**	**1 028**
Capespan	97.4	1 193	**96.7**	**999**
Kaap Agri	41.1	959	**41.0**	**723**
Agrivision Africa	56.0	493	**56.0**	**242**
Quantum Foods	29.3	216	**32.1**	**188**
Other		19		**19**
Total investments		10 782		**11 581**
Cash and cash equivalents		254		**83**
Other net assets		109		**40**
Debt funding		(1 500)		**(1 500)**
SOTP value		9 645		**10 204**
Number of shares in issue *(net of treasury shares)* (million)		1 710		**1 710**
***SOTP value* per share (rand)**		5.64		**5.97**

Note: Zeder's live SOTP *is available at www.zeder.co.za.*

The SOTP *valuations of Zeder's unlisted investments have been based on the respective investee companies' latest financial results as contained in Zeder's consolidated results for the financial year ended 29 February 2020. Such valuation methodologies are consistent with those applied in previous years.*

Suffice to say, the wide-spread impact of COVID-19 on the global economy and financial markets is already evident. The short- to medium term severity thereof and consequent impact on the profitability and valuation of our investments, however, remain uncertain.

While the SOTP *calculation is indicative of the value of Zeder's underlying portfolio of net assets, it does not take into account factors such as adjustments for the size of shareholdings, liquidity of the underlying assets, tax on the potential disposal of underlying assets, head office operating profit/loss and other factors.*

Recurring headline earnings

Zeder's consolidated *recurring* headline earnings is the sum of its effective interest in the *recurring* headline earnings of each of its underlying investments. The result is that investments in which Zeder holds less than 20% and are generally not equity accountable in terms of accounting standards, are included in the calculation of consolidated *recurring* headline earnings, whilst once-off (i.e. *non-recurring*) income and expenses are excluded. This provides management and investors with a more transparent way of evaluating Zeder's earnings performance.

AUDITED	28 Feb 19 Rm	*Change %*	29 Feb 20 Rm
Recurring headline earnings from investments	604		**725**
Net interest, taxation and other income and expenses	(133)		**(166)**
***Recurring* headline earnings**	471	*18.7*	**559**
Continued operations	177		**263**
Discontinued operations	294		**296**
Non-recurring headline earnings	296		**(155)**
Headline earnings	767	*(47.3)*	**404**
Continued operations	466		**121**
Discontinued operations	301		**283**
Non-headline items	(678)		**157**
Attributable earnings	89	*530.3*	**561**
Continued operations	374		**(234)**
Discontinued operations	(285)		**795**
Weighted average number of shares in issue (*net of treasury shares*) (million)	1 702		**1 702**
***Recurring* headline earnings per share (cents)**	27.7	*18.4*	**32.8**
Headline earnings per share (cents)	45.1	*(47.5)*	**23.7**
Attributable earnings per share (cents)	5.2	*532.7*	**32.9**

Recurring headline earnings per share increased by 18.4% to 32.8 cents mainly due to improved performance from most of Zeder's underlying investee companies.

Headline earnings per share decreased by 47.5% to 23.7 cents mainly due to the non-recurrence of the upward fair value adjustment of Capespan's investment in Joy Wing Mau prior to its disposal in the prior year.

Attributable earnings per share increased by 532.7% to 32.9 cents mainly due to the reversal of the non-headline impairment charge recognised by Zeder on its associate investment in Pioneer Foods in the prior year, partly offset by impairments of non-financial assets.

Profit before finance costs and taxation from continued operations per Zeder's consolidated income statement decreased by 70.0% to R252.4m, mainly as a result of the aforementioned prior year upward fair value adjustment of the investment in Joy Wing Mau and impairments during the current year. The reversal of the prior year impairment on its associate investment in Pioneer Foods is included in discontinued operations.

Pioneer Foods

Pioneer Foods reported a 5.6% decrease in adjusted headline earnings per share from continuing operations for the year ended 30 September 2019.

Zaad

Zaad reported an increase in *recurring* headline earnings per share of 7.9% for its financial year ended 31 January 2020. This was mainly due to the effects of hyperinflation in Zimbabwe, which translated into a substantial portion of the overall group profits, countered by a tough trading environment across most of its operations. Zeder invested an additional R130m in the business during the year under review. While these investments are attractive in the medium to long term, the short-term impact on earnings per share may not always be positive due to the delay in earnings contribution from such development or j-curve acquisitions. The specialised agri-inputs market, and particularly the proprietary hybrid seed segment, remains attractive and Zaad is well positioned to benefit from it.

Further information can be viewed at *www.zaad.co.za.*

The Logistics Group

On 2 January 2019, Capespan completed the separation and unbundling of its logistics division to its shareholders, thereby forming The Logistics Group ("TLG"). TLG has been successfully positioned to continue operating its existing strategic logistical and terminal assets in South Africa and expand its service offering and capabilities to a broader customer and market base in Southern Africa.

For its financial year ended 31 December 2019, TLG reported *recurring* headline earnings of R128m, mainly as a result of good growth experienced on the mining commodity side of the business.

Further information can be viewed at *www.tlg.co.za*.

Capespan

Following the aforementioned unbundling of TLG, Capespan proceeded to implement further and costly internal restructuring during the year. Building on its more than 70 year history, it will continue as a leaner and more focused, vertically integrated fruit producer with global marketing, sales and distribution capabilities that can service and supply growers and customers respectively in key international markets.

For its financial year ended 31 December 2019, Capespan reported a lower *recurring* headline loss of R36m than the prior year *recurring* headline loss of R146m. The improved performance was largely as a result of better performance within the South African and Namibian grape farming divisions where better production volumes and improved market pricing impacted positively on the group results. Despite the *recurring* headline losses, Zeder has largely maintained its *SOTP* values assigned to Capespan as a result of the strong NAV underpin in farming. This NAV was verified through the successful disposal of three non-core farms during the year.

Further information can be viewed at *www.capespan.com*.

Kaap Agri

With an agricultural foundation, Kaap Agri has mainly retail characteristics, which account for 80% of the revenue, augmented by a dedicated retail fuel strategy that is gaining momentum. It supplies a variety of products and services to the agri sector and the general public. It has been in existence for more than 100 years and has more than 200 operating points throughout South Africa and Namibia. With its strategic footprint, infrastructure, facilities and client network, the group follows a differentiated market approach, bolstering the core retail business with financial, grain handling and agency services.

Notwithstanding the challenging conditions, Kaap Agri delivered satisfactory results with recurring headline earnings per share increasing by 6.0% for their financial year ended 30 September 2019. The financial results of most of its divisions were marginally higher than the previous year with the grain handling division benefiting from a recovery from the Western Cape drought.

Kaap Agri is listed on the JSE and its results can be viewed at *www.kaapagri.co.za*.

Agrivision Africa

Agrivision Africa currently owns and operates two large-scale commercial farming operations and a milling business in Zambia. It has developed extensive irrigated productive farmland since 2011. After rapid expansion, the focus during the past years has been on achieving acceptable operational efficiencies, while navigating an extremely volatile and challenging phase in the macro and business cycle of Zambia and related regional markets.

While this strategy has yielded positive operational results, the corresponding financial performance has been disappointing as the subdued commodity price cycle continued to limit the full potential of the farming results. Agrivision managed to deliver improved results compared to the prior year and reported a *recurring* headline profit of $0.9m for their financial year ended 31 December 2019. The current seasonal outlook appears to have normalised and initiatives are underway to address underperforming assets and divisions.

Quantum Foods

Quantum Foods is a diversified feeds and poultry business providing quality animal protein to select South African and African markets. Having delivered exceptional results in the prior years, Quantum Foods reported a 43.9% decline in headline earnings per share for their financial year ended 30 September 2019, mainly as a result of anticipated lower egg prices during the year. Although it remains exposed to a highly cyclical industry, it has successfully restructured its business and embarked on a clearly defined growth strategy that should see it generate sustainable profits and cash flows from its established South African operations, while growing its footprint in the rest of Africa.

Quantum Foods is listed on the JSE and its results can be viewed at *www.quantumfoods.co.za*.

PROSPECTS AND OUTLOOK

The successful disposal of its largest investment and the declaration of the substantial special dividend are considered in a positive light from a Zeder shareholder's perspective. These transactions understandably also represent a material change to the size and composition of Zeder and its portfolio as it results in the disposal and distribution of a substantial portion of the underlying value of the group.

Albeit from a lower base, Zeder remains optimistic about its prospects going forward. The remainder of its portfolio represents strategic equity interests in leading organisations that span the agribusiness value chain. While the broader investor sentiment towards the sector and country is clearly negative at present and the external operating environment remains challenging, the underlying fundamentals of Zeder and its portfolio have not changed. The investee companies are well positioned with strong balance sheets and leading management teams that are committed to delivering on their respective long-term strategies.

We believe that, despite inevitable cyclicality, investing in the agribusiness industry should offer attractive long-term returns and the strength of our defensive portfolio should ensure that we deliver the required shareholder return over time.

SPECIAL DIVIDEND

Shareholders are referred to the company's SENS announcement dated 1 April 2020, regarding the declaration of a special gross dividend of 230 cents per share by the company, pursuant to the disposal of its shareholding in Pioneer Foods to a subsidiary of PepsiCo, Inc., in terms of a scheme of arrangement. The special dividend was paid on 28 April 2020.

Following the significant special dividend, the directors have resolved to amend the Zeder dividend policy. Going forward the payment of dividends will be conditional on the group having sufficient reserves to fund its operations, investments and growth plans.

DETAILS OF ANNUAL GENERAL MEETING OF ZEDER

It is anticipated that the annual general meeting of Zeder shareholders will be held on Friday, 17 July 2020, at 09:00 ("AGM") and that it will be conducted electronically.

The notice for the AGM will be dispatched to shareholders in due course, accompanied by a summary of the company's consolidated annual financial statements for the year ended 29 February 2020, with such notice also being given on SENS.

Signed on behalf of the board

Chris Otto
Chairman

Norman Celliers
Chief executive officer

Johann le Roux
Financial director

Stellenbosch
29 May 2020

ABRIDGED CONSOLIDATED INCOME STATEMENT

for the year ended 29 February 2020

Audited	**Feb 20 Rm**	**Feb 19 Rm**
Revenue	**7 492**	7 641
Cost of sales	**(5 623)**	(6 154)
Gross profit	**1 869**	1 487
Income		
Change in fair value of biological assets	**225**	194
Investment income	**51**	90
Net fair value gains	**79**	469
Other operating income	**40**	34
Total income	**395**	787
Expenses		
Marketing, administration and other expenses	**(2 078)**	(1 728)
Net monetary gain (note 1)	**118**	
Total expenses	**(1 960)**	(1 728)
Net income from associates and joint ventures		
Share of profits of associates and joint ventures	**247**	319
Impairment of associates (note 2)	**(298)**	(31)
Net (loss)/gain on dilution of interest in associates (note 2)	**(1)**	7
Net (loss)/income from associates and joint ventures	**(52)**	295
Profit before finance costs and taxation	**252**	841
Finance costs	**(351)**	(324)
(Loss)/profit before taxation	**(99)**	517
Taxation	**(97)**	(110)
(Loss)/profit for the year from continued operations	**(196)**	407
Profit/(loss) for the year from discontinued operations (note 5)	**795**	(285)
Profit for the year	**599**	122
Profit attributable to:		
Owners of the parent	**561**	89
Continued operations	**(234)**	374
Discontinued operations	**795**	(285)
Non-controlling interests	**38**	33
	599	122

DILUTIVE EARNINGS, EARNINGS PER SHARE AND NUMBER OF SHARES

	Feb 20	**Feb 19**
Dilutive earnings (Rm)		
Headline	**403**	743
Attributable	**560**	65
Earnings per share (cents)		
Recurring headline	**32.8**	27.7
Continued operations	**15.4**	10.4
Discontinued operations	**17.4**	17.3
Headline (basic) (note 2)	**23.7**	45.1
Continued operations	**7.1**	27.4
Discontinued operations	**16.6**	17.7
Headline (diluted)	**23.7**	43.6
Continued operations	**7.1**	26.8
Discontinued operations	**16.6**	16.8
Attributable (basic)	**32.9**	5.2
Continued operations	**(13.8)**	21.9
Discontinued operations	**46.7**	(16.7)
Attributable (diluted)	**32.9**	3.8
Continued operations	**(13.8)**	21.4
Discontinued operations	**46.7**	(17.6)
Number of shares (million)		
In issue	**1 715**	1 715
In issue *(net of treasury shares)*	**1 702**	1 702
Weighted average	**1 702**	1 702
Diluted weighted average	**1 702**	1 704

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 29 February 2020

Audited	Feb 20 Rm	Feb 19 Rm
Profit for the year	**599**	122
Other comprehensive loss for the year, net of taxation	**(389)**	(90)
Items that may be reclassified to profit or loss		
Currency translation adjustments inluding hyperinflation effect	**(201)**	(48)
Share of other comprehensive loss of associates and joint ventures	**(188)**	(39)
Items that may not be reclassified to profit or loss		
Losses from changes in financial and demographic assumptions of post-employment benefit obligations		(3)
Total comprehensive income for the year	**210**	32
Attributable to:		
Owners of the parent	**218**	11
Continued operations	**457**	27
Discontinued operations	**(239)**	(16)
Non-controlling interests	**(8)**	21
	210	32

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended 29 February 2020

Audited	Feb 20 Rm	Feb 19 Rm
Assets		
Non-current assets	**4 815**	9 492
Property, plant and equipment	**1 599**	1 699
Right-of-use assets (note 1.2)	**425**	
Intangible assets	**805**	669
Biological assets (bearer plants)	**413**	426
Biological assets (agricultural produce)	**15**	15
Investment in ordinary shares of associates and joint ventures	**1 272**	6 291
Loans to associates and joint ventures		166
Equity securities	**31**	30
Deferred income tax assets	**140**	74
Employee benefits	**42**	43
Loans and advances	**73**	79
Current assets	**3 862**	3 300
Biological assets (agricultural produce)	**158**	151
Derivative financial assets	**1**	
Loans to associates and joint ventures	**40**	6
Loans and advances	**16**	16
Trade and other receivables	**1 814**	1 416
Inventories	**1 413**	1 218
Current income tax assets	**9**	60
Cash, money market investments and other cash equivalents	**411**	433
Non-current assets held for sale (note 5)	**5 470**	1
Total assets	**14 147**	12 793
Equity and liabilities		
Ordinary shareholders' equity	**7 974**	8 096
Non-controlling interests	**344**	316
Total equity	**8 318**	8 412
Non-current liabilities	**1 445**	2 101
Deferred income tax liabilities	**121**	93
Borrowings	**646**	1 880
Lease liabilities (note 1.2)	**556**	
Derivative financial liabilities	**24**	25
Employee benefits	**98**	103
Current liabilities	**4 368**	2 280
Borrowings	**2 870**	1 192
Lease liabilities (note 1.2)	**76**	
Derivative financial liabilities		1
Trade and other payables	**1 309**	993
Employee benefits	**70**	63
Current income tax liabilities	**43**	31
Non-current liabilities held for sale (note 5)	**16**	
Total liabilities	**5 829**	4 381
Total equity and liabilities	**14 147**	12 793
Net asset value per share (cents)	**468.5**	475.7
Tangible asset value per share (cents)	**421.2**	436.3

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2020

Audited	Feb 20 Rm	Feb 19 Rm
Ordinary shareholders' equity at beginning of the year	**7 918**	8 247
Previously reported	**8 096**	8 269
Adjustment due to initial application of IFRS 16 (2019: IFRS 9) (note 1.1)	**(178)**	(22)
Total comprehensive income for the year	**218**	11
Net movement in treasury shares	**1**	1
Transactions with non-controlling interests	**(8)**	9
Other movements	**33**	16
Dividends paid	**(188)**	(188)
Ordinary shareholders' equity at end of the year	**7 974**	8 096
Non-controlling interests at beginning of the year	**311**	325
Previously reported	**316**	327
Adjustment due to initial application of IFRS 16 (2019: IFRS 9) (note 1.1)	**(5)**	(2)
Total comprehensive (loss)/income for the year	**(8)**	21
Shares issued	**3**	11
Transactions with non-controlling interests	**54**	(21)
Other movements	**1**	2
Dividends paid	**(17)**	(22)
Non-controlling interests at end of the year	**344**	316
Total equity	**8 318**	8 412
Dividend per share (cents)		11.0

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 29 February 2020

Audited	**Feb 20 Rm**	**Feb 19 Rm**
Cash generated from operations (note 3)	**337**	79
Investment income	**314**	385
Finance cost and taxation paid	**(393)**	(601)
Cash flow from operating activities	**258**	(137)
Acquisition of subsidiaries (note 4.1)	**(32)**	(44)
Cash acquired from acquisition of subsidiary		3
Proceeds from disposal of subsidiaries	**53**	4
Net loans granted to associates and joint ventures	**(9)**	(48)
Additions to property, plant and equipment	**(202)**	(177)
Proceeds from disposal of property, plant and equipment	**27**	19
Additions to intangible assets	**(112)**	(116)
Acquisition of equity securities		(1)
Proceeds from disposal of equity securities	**6**	1 161
Other	**51**	42
Cash flow from investing activities	**(218)**	843
Capital contributions by non-controlling interests		6
Treasury shares sold	**1**	1
Dividends paid to group shareholders	**(188)**	(188)
Dividends paid to non-controlling interests	**(17)**	(22)
Borrowings repaid	**(630)**	(1 030)
Borrowings drawn	**894**	651
Lease liabilities	**(73)**	
Other	**(20)**	(11)
Cash flow from financing activities	**(33)**	(593)
Net increase in cash and cash equivalents	**7**	113
Exchange differences on cash and cash equivalents inluding hyperinflation effect	**(29)**	(6)
Cash and cash equivalents at beginning of the year	**433**	326
Cash and cash equivalents at end of the year	**411**	433

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

These abridged consolidated financial statements are prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements ("JSE Listings Requirements") for abridged reports and the requirements of the Companies Act of South Africa, No. 71 of 2008 ("Companies Act"), applicable to summary financial statements. The JSE Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The abridged consolidated financial statements do not include all of the information required for full consolidated annual financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 29 February 2020.

The accounting policies applied in the preparation of the abridged consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements. However, the group adopted the various revisions to IFRS which were effective for its financial year ended 29 February 2020, but, these revisions have not resulted in material changes to the group's reported results or disclosures in these abridged consolidated financial statements, except for the adoption of the new standard IFRS 16 *Leases* (refer note 1.1). The group applied hyperinflation accounting in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies* ("IAS 29") for the first time during the current year. The comparative abridged consolidated financial statements were not restated.

In preparing these abridged consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were similar to those disclosed in the consolidated annual financial statements for the year ended 28 February 2019. However the group exercised judgement for the first time in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiaries, joint arrangements and associates is the currency of a hyperinflationary economy. The economy of Zimbabwe was assessed and considered to be hyperinflationary.

As a result of the first time application of IAS 29, the results and financial positions of the group's Zimbabwean subsidiaries have been expressed in terms of the measuring units current at the reporting date. As the presentation currency of the group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level in the current year. Differences between these comparative amounts and the current year hyperinflation adjusted equity balances are recognised in other comprehensive income. The impact of implementing IAS29, increased the group's profit after tax with R35.9m during the year under review and was treated as a *non-recurring* item. The general price indices, as published by the Reserve Bank of Zimbabwe, were used in adjusting the historic cost local currency results and financial positions of the group's Zimbabwean subsidiaries. The general price index as at the end of the reporting period was 563.9. As at 29 February 2020, the cumulative three-year inflation rate was 831.23%.

1.1 Adoption of IFRS 16 *Leases* ("IFRS 16")

IFRS 16, adopted by the group effective 1 March 2019, is a new standard and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use ("ROU") asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures ROU assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the ROU asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows.

Transition:

The group elected, as permitted by IFRS 16, not to restate comparitive financial statements. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet 1 March 2019.

The group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17 *Leases*:

- Applied the exemption not to recognise ROU assets and liabilities for leases with less than a 12-month lease term.
- Low-value assets. All leases that meet the criteria of a lease of a low-value asset are accounted for on a straight-line basis over the lease term.
- Use a single discount rate for a portfolio of leases with reasonably similar characteristics.

The group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 *Leases* and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

Extension options:

Extension options are only included in the lease term if the lease is reasonably certain to be extended. Factors such as significant leasehold improvements, the importance of the underlying assets to the group's operations, and past practice within the group, were taken into account to determine reasonable certainty.

Impacts on the financial statements on transition:

On transition to IFRS 16, the group recognised the lease liabilities, at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at transition date, and the corresponding ROU assets was measured on a retrospective basis as if the new rules had always been applied.

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES CONTINUED

1.1 Adoption of IFRS 16 *Leases* ("IFRS 16") continued

The impact on transition is recognised below as at 1 March 2019:

Audited	1 Mar 2019 Rm
Recognition of right-of-use assets	441
Recognition of lease liabilities	(641)
Derecognition of previously recognised straightlining lease liability	(2)
Deferred tax impact	38
Share of opening balance adjustment of retained earnings of associates and joint ventures on transition[1]	(19)
Adjustment due to intial application of IFRS 16 on 1 March 2019	(183)
Ordinary shareholders'equity	(178)
Non-controlling interests	(5)

[1] *IFRS 16 also has an impact on the retained earnings opening balances of the group's underlying associates and joint ventures. The equity method of accounting applied in terms of IAS 28* Investments in Associates and Joint Ventures *requires the group to account for its share of post-acquisition movements in other comprehensive income and other equity movements are recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Due to the aforementioned, an estimation calculation was performed on the adjustment due to the initial application of IFRS 16 on the underlying associates and joint ventures financial assets and liabilities.*

Lease liability reconciliations at 1 March 2019:

Audited	1 Mar 2019 Rm
Non-cancellable operating lease commitments disclosed as at 28 February 2019	**1 037**
Less: lease payments associated with low-value items recognised on a straight-line basis as expense	**(34)**
Less: lease payment associated with short-term leases recognised on a straight-line basis as expense	**(6)**
Less: adjustments as a result of different treatment of leases	**(91)**
	906
Less: discounting effect using the incremental borrowing rate	**(265)**
Lease liability recognised at the date of transition	**641**

1.2 Reconciliation of Right-of-use assets and Lease liabilities

29 February 2020 (audited)	Right-of-use assets Rm	Lease liabilities Rm
Balances recognised at initial application (1 Mar 2019)	**441**	**(641)**
Transfers of existing finance leases	**23**	**(19)**
New leases entered into	**64**	**(63)**
Completion/cancellation of leases	**(1)**	**1**
Payments		**137**
Finance cost		**(64)**
Depreciation	**(81)**	
Exchange differences including hyperinflation effect	**(2)**	**5**
Transferred to held for sale	**(15)**	**12**
Other movements (e.g. remeasurements)	**(10)**	**11**
Subsidiaries acquired	**6**	**(11)**
Closing balance	**425**	**(632)**

Also in relation to those leases under IFRS 16, the group recognised depreciation and finance costs, instead of operating lease expenses. During the year ended 29 February 2020, the group recognised R81m of depreciation in marketing, administration and other expenses and R64m of finance costs for the leases.

There were no significant impact on earnings for the year ended 29 February 2020 as a result of the adoption of IFRS 16

2. HEADLINE EARNINGS

Audited	Feb 20 Rm	Feb 19 Rm
Profit for the year attributable to owners of the parent	**561**	89
Non-headline items	**(157)**	678
Gross amounts		
Profit on disposal of subsidiaries' operations	**(2)**	
Net fair value gain resulting from disposal of subsidiary and step up of associate and joint venture to subsidiary	**(58)**	
Impairment of associates	**298**	31
Net loss/(gain) on dilution of interest in associates	**1**	(7)
Non-headline items of associates and joint ventures	**(8)**	
Non-headline items of discontinued operations (note 5)	**(512)**	586
Net loss on sale and impairment of property, plant and equipment	**108**	2
Impairment of intangible assets and goodwill	**46**	66
Other	**3**	
Non-controlling interests	**(20)**	(1)
Taxation	**(13)**	1
Headline earnings	**404**	767
Continued operations	**121**	466
Discontinued operations	**283**	301

During the year under review, Zeder reversed the prior year impairment charge recognised on its associate investment in Pioneer Foods, countered by its impairment on its investments in two associates, Quantum Foods and Kaap Agri due to the recent decline in their JSE listed share prices. Other impairments include impairments in other Capespan associates, goodwill from two subsidiaries and Agrivision Africa's fair value uplift on the initial take-on of property, plant and equipment of the milling and farming operations.

During the previous year, Zeder impaired its investments in two associates, Pioneer Foods and Quantum Foods due to the decline in their JSE listed share prices, as well as goodwill relating to the investment in Agrivision Africa as a result of tough trading conditions in Zambia.

3. CASH GENERATED FROM OPERATIONS

Audited	Feb 20 Rm	Feb 19 Rm
(Loss)/profit before taxation	**(99)**	517
Investment income	**(51)**	(90)
Finance costs	**351**	324
Depreciation and amortisation	**297**	219
Changes in fair value of biological assets	**(225)**	(194)
Net fair value gains	**(11)**	(425)
Profit on disposal of subsidiaries' operations	**(2)**	
Net fair value gain resulting from disposal of subsidiary and step up of associate and joint venture to subsidiary	**(58)**	
Share of profits of associates and joint ventures	**(247)**	(319)
Impairment of associates	**298**	31
Net loss/(gain) on dilution of interest in associates	**1**	(7)
Net loss on sale and impairment of property, plant and equipment	**108**	2
Impairment of intangible assets and goodwill	**46**	66
Impairment of loans to associates	**89**	
Impairment/(reversal of impairment) of trade and other receivables	**46**	(6)
Net harvest short-term biological assets	**98**	105
Net monetary gain	**(70)**	
Other non-cash items	**(68)**	2
	503	225
Changes in working capital and other financial instruments	**49**	21
Additions to biological assets	**(215)**	(167)
Cash generated from operations	**337**	79

4. ACQUISITION OF SUBSIDIARIES AND PROCEEDS FROM DISPOSAL OF SUBSIDIARIES

4.1 Acquisition of subsidiaries

GAP Chemicals Proprietary Limited ("GAP Chemicals")

On 1 September 2019 the group, through Zaad, exercised its call option to acquire the remaining 50.3% shareholding, together with the shareholder claims, in GAP Chemicals for a total consideration of R111m. The remaining portion of the purchase consideration and balance of the loan claim is payable in cash in or around May 2020 and included in the Trade and other payables.

Farm-Ag International Proprietary Limited ("Farm-Ag")

On 1 September 2019 the group, through Zaad, exercised its call option to acquire the remaining 50.0% shareholding in Farm-Ag for a total consideration of R32m. The remaining portion of the purchase consideration is payable in cash in or around May 2020 and included in the Trade and other payables.

The expected synergies associated with the aforementioned business combinations include, *inter alia*, broadening the Zaad group's product range, cross selling a wider range of chemical products to existing clients of the Zaad group and vice versa, with both acquirees having a strong footprint in Africa which will allow Zaad to expand into new markets, as well as improved utilisation of the Zaad group's existing distribution network.

The summarised assets and liabilities recognised at the acquisition date was:

Audited	GAP Chemicals Rm	Farm-Ag Rm	Total Rm
Identifiable net assets acquired	123	122	245
Transfer from investment in ordinary shares of associates	(101)	(35)	(136)
Non-controlling interest		(66)	(66)
Goodwill recognised	89	11	100
Cash purchase consideration	111	32	143
Cash consideration paid	(75)	(16)	(91)
Cash and cash equivalents acquired	4	55	59
Net cash flow for subsidiaries acquired	(71)	39	(32)

The aforementioned business combinations do not contain any contingent consideration or indemnification asset arrangements and the acquisition-related costs expensed were insignificant.

Had GAP Chemicals been consolidated with effect from 1 March 2019 instead of its acquisition date, the consolidated income statement would have reflected additional revenue of R387m and loss after tax of R8m.

Had Farm-Ag been consolidated with effect from 1 March 2019 instead of its acquisition date, the consolidated income statement would have reflected additional revenue of R262m and profit after tax of R10m.

4.2 Proceeds from disposal of subsidiaries

Aggrigate Investments Proprietary Limited ("Aggrigate")

On 1 August 2019, the group, through Capespan, disposed of a Northern Cape Grape farming subsidiary, Aggrigate, for a consideration of R36m.

Dormell Properties 485 Proprietary Limited ("Dormell")

On 1 August 2019, the group, through Capespan, disposed of a Northern Cape Grape farming subsidiary, Dormell,for a consideration of R17m.

Seed Brothers Proprietary Limited ("Seed Brothers")

On 1 September 2019, the group, through Zaad disposed of its shareholding in Seed Brothers for a consideration of R101.

The summarised assets and liabilities effectively disposed of was:

Audited	Aggrigate Rm	Dormell Rm	Seed Brothers Rm	Total Rm
Property, plant and equipment	14	6		20
Biological assets	18	11		29
Deferred income tax assets			2	2
Equity securities	1			1
Inventories	1		33	34
Trade and other receivables	1		1	2
Deferred tax liability	(1)			(1)
Borrowings			(36)	(36)
Total identifiable net assets	34	17	–	51
Profit on sale of subsidiaries	2			2
Net cash flow on disposal of subsidiaries	36	17	–	53

5. NON-CURRENT ASSETS/LIABILITIES HELD FOR SALE/DISCONTINUED OPERATIONS

As at 29 February 2020, the non-current assets held for sale and discontinued operation comprise mainly of the investment in Pioneer Foods (associate) of R5.05bn as a result of the offer received from the Pepsico Inc. group to acquire all of Pioneer Foods issued ordinary shares at a cash consideration of R110 per share. The scheme of arrangement was approved by the Zeder and Pioneer Foods ordinary shareholders and subsequent to the reporting date, by the Competition Tribunal.

The remaining portion of the non-current assets/liabilities held for sale comprise of investments in associates held through Capespan (Goodview and Van Wylick) of R108m and other assets (R311m) and liabilities (R16m) of Zaad's investment in Klein Karoo Saad Bemarking, all of which are in the process of being sold.

In the prior year, it included property in Gauteng amounting to R0.6m, subsequently sold during the year.

Financial performance and cash flow information relating to the discontinued operation for the year to the date of disposal is set out below:

Audited	Feb 20 Rm	Feb 19 Rm
Net income from associates and joint ventures		
Equity accounted earnings	**264**	318
Reversal of/(impairment) of associates	**617**	(617)
Net (loss)/profit on sale/dilution of interest	**(86)**	14
Profit/(loss) for the year from discontinued operation	**795**	(285)
Cash flow from operating activities	**189**	213
Cash and cash equivalents at end of year	**189**	213

Non-headline items of the discontinued operations comprise mainly of the reversal of/(impairment) of associates and net (loss)/profit on sale/dilution of interest.

6. FINANCIAL INSTRUMENTS

6.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

The abridged consolidated financial statements do not include all financial risk management information and disclosures set out in the consolidated annual financial statements, and therefore they should be read in conjunction with the consolidated annual financial statements for the year ended 29 February 2020. Risk management continues to be carried out throughout the group under policies approved by the respective boards of directors.

6.2 Fair value estimation

The information below analyses financial assets and financial liabilities, which are carried at fair value, by level of hierarchy as required by IFRS 13. The different levels in the hierarchy are defined below:

Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1 and comprise primaly JSE-listed equity securities classified as "fair value through profit and loss".

Level 2

Financial instruments that trade in markets that are not considered to be active but are valued (using valuation techniques) based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include over-the-counter traded financial instruments. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. If all significant inputs in determining an instrument's fair value are observable, the instrument is included in level 2.

Instrument	Valuation technique	Main inputs
Derivative financial assets and liabilities	Exit price on recognised over-the-counter platforms	Not applicable – prices available publicly
Equity securities	Closing price on recognised over-the-counter platforms	Not applicable – prices available publicly

6. FINANCIAL INSTRUMENTS CONTINUED

6.2 Fair value estimation continued

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

Certain equity securities included in level 3 of the fair value hierarchy as at the most recent reporting date consisted of the unquoted equity securities. The unquoted equity securities include advances which are linked to equity securities traded in over-the-counter markets. In terms of these agreements, the group is entitled to the majority of the increase in the market value of the underlying over-the-counter traded equity securities and the dividends received on these securities. The advances are carried at the fair value of the underlying over-the-counter traded equity securities. Based on the assumption that the over-the-counter prices of the traded equity securities were 20% (2019: 20%) higher/lower for the full year, the fair value would have been R4.3m (2019: R4.7m) higher/lower than the current fair value.

Other derivative liabilities included in level 3 relate to put options held by non-controlling interests against the group. These fair values are calculated by applying the contractually agreed price/earnings multiple to the relevant subsidiary's board-approved budgeted profits and discounting it at a market-related interest rate. Based on the assumption that the interest rates were 1% (2019: 1%) higher/lower for the full year, with all other variables (e.g. the relevant subsidiary's board-approved budgeted profits) held constant, the fair value would have been R0.5m (2019: R0.7m) higher/lower than the current fair value.

There have been no significant transfers between level 1, 2 or 3 during the year under review and the valuation techniques and inputs used to determine fair values are similar to those disclosed in the consolidated annual financial statements for the year ended 28 February 2019.

The carrying value of financial assets and liabilities carried at amortised cost approximates their fair value, while those measured at fair value in the statement of financial position can be summarised as follows:

Audited	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
29 February 2020				
Assets				
Cash and cash equivalents – money market fund	**82**			**82**
Derivative financial assets		**1**		**1**
Equity securities		**2**	**29**	**31**
	82	**3**	**29**	**114**
Opening balance			**29**	
Disposals			**(6)**	
Fair value gains			**7**	
Disposal of subsidiaries			**(1)**	
Liabilities				
Derivative financial liabilities			**24**	**24**
Opening balance			**25**	
Fair value gains			**(4)**	
Finance cost			**3**	
28 February 2019				
Assets				
Cash and cash equivalents - money market fund	252			252
Equity securities		1	29	30
	252	1	29	282
Opening balance			679	
Disposals			(1 177)	
Fair value gains			473	
Currency translation adjustments			54	
Liabilities				
Derivative financial liabilities		1	25	26
Opening balance			39	
Disposals			(15)	
Fair value gains			(3)	
Finance cost			4	

7. SEGMENTAL REPORTING

The group is organised into five reportable segments, namely i) food, beverages and related services, ii) logistical services, iii) agri-related retail, trade and services, iv) agri-inputs and v) agri-production. The segments represent different sectors in the broad agribusiness and related industries.

Headline earnings comprise *recurring* and *non-recurring* headline earnings. *Recurring* headline earnings (being a measure of segment profit) is calculated on a see-through basis. Zeder's *recurring* headline earnings is the sum of its effective interest in the *recurring* headline earnings of each of its underlying investments. The result is that investments which Zeder does not equity account or consolidate in terms of accounting standards, are included in the calculation of *recurring* headline earnings.

Non-recurring headline items include the elimination of equity securities' see-through *recurring* headline earnings not equity accounted, the related net fair value gains/losses and investment income (as recognised in the profit and loss). Associates' and subsidiaries' once-off gains and losses are excluded from *recurring* headline earnings and included in *non-recurring* headline items.

Segmental income comprises revenue and investment income, as per the income statement.

SOTP is a valuation tool used to measure Zeder's performance. The *SOTP value* is calculated using the quoted market prices for all JSE-listed investments, and internal valuations for unlisted investments. These values will not necessarily correspond with the values per the statement of financial position since the latter are measured using the relevant accounting standards which include historical cost and the equity accounting method.

The chief operating decision-maker (executive committee) evaluates the following information to assess the segments' performance:

***Recurring* headline earnings segmental analysis: Audited**	**Food, beverages and related services[1] Rm**	**Logistical services[1] Rm**	**Agri-related retail, trade and services Rm**	**Agri-inputs Rm**	**Agri-production Rm**	**Unallocated (mainly head office) Rm**	**Total Rm**
29 February 2020							
Recurring headline earnings from investments	**315**	**125**	**114**	**163**	**8**		**725**
Continued operations	**19**	**125**	**114**	**163**	**8**		**429**
Discontinued operations	**296**						**296**
Net interest, taxation and other income and expenses						**(166)**	**(166)**
***Recurring* headline earnings**	**315**	**125**	**114**	**163**	**8**	**(166)**	**559**
Continued operations	**19**	**125**	**114**	**163**	**8**	**(166)**	**263**
Discontinued operations	**296**						**296**
Other *non-recurring* headline earnings[2]	**(96)**	**(6)**	**7**	**24**		**(84)**	**(155)**
Headline earnings	**219**	**119**	**121**	**187**	**8**	**(250)**	**404**
Continued operations	**(64)**	**119**	**121**	**187**	**8**	**(250)**	**121**
Discontinued operations	**283**						**283**
Non-headline items	**(46)**	**(9)**	**(1)**		**(24)**	**237**	**157**
Attributable earnings	**173**	**110**	**120**	**187**	**(16)**	**(13)**	**561**
Continued operations	**(91)**	**110**	**120**	**187**	**(16)**	**(544)**	**(234)**
Discontinued operations	**264**					**531**	**795**
28 February 2019							
Recurring headline earnings from investments	250	122	115	124	(7)		604
Continued operations	(44)	122	115	124	(7)		310
Discontinued operations	294						294
Net interest, taxation and other income and expenses						(133)	(133)
***Recurring* headline earnings**	250	122	115	124	(7)	(133)	471
Continued operations	(44)	122	115	124	(7)	(133)	177
Discontinued operations	294						294
Other *non-recurring* headline earnings[2]	314		(10)	(6)		(2)	296
Headline earnings	564	122	105	118	(7)	(135)	767
Continued operations	263	122	105	118	(7)	(135)	466
Discontinued operations	301						301
Non-headline items	6	(1)	1	(8)		(676)	(678)
Attributable earnings	570	121	106	110	(7)	(811)	89
Continued operations	252	121	106	110	(7)	(208)	374
Discontinued operations	318					(603)	(285)

7. SEGMENTAL REPORTING CONTINUED

Audited	Feb 20 Rm	Feb 19 Rm
Earnings per share (cents)		
Recurring headline earnings per share	**32.8**	27.7
Continued operations	**15.4**	10.4
Discontinued operations	**17.4**	17.3

[1] *Zeder has restated the 28 February 2019 segmental information to reflect the discontinued operations effect, as well as the Capespan unbundling of its logistical division in the prior year. The restatement had no impact on previously reported income statements and statements of financial position, comprehensive income, changes in equity and cash flows for the year then ended.*

[2] *During the year,* non-recurring *items comprised mainly of the impairment of loans to associates and restructuring costs, countered by a net monetary gain due to Zimbabwe being classified as a hyperinflationary economy for the first time during the year. During the previous year,* non-recurring *items comprised mainly of the upward fair value adjustment reflecting the disposal value of Capespan's investment in Joy Wing Mau.*

	Feb 20 Rm	Feb 19 Rm
***SOTP* segmental analysis:**		
Segments		
Food, beverages and related services[1]	**7 535**	6 098
Continued operations	**1 187**	1 409
Discontinued operations	**6 348**	4 689
Logistical services[1]	**1 028**	978
Agri-related retail, trade and services	**742**	978
Agri-inputs	**2 034**	2 235
Agri-production	**242**	493
Cash and cash equivalents	**83**	254
Other net assets	**40**	109
Debt funding	**(1 500)**	(1 500)
SOTP value	**10 204**	9 645
***SOTP value* per share (rand)**	**5.97**	5.64

[1] *Zeder has restated the 28 February 2019 segmental information to reflect the discontinued operations effect, as well as the Capespan unbundling of its logistical division in the prior year. The restatement had no impact on previously reported income statements and statements of financial position, comprehensive income, changes in equity and cash flows for the year then ended.*

	Feb 20 Rm	Feb 19 Rm
(Loss)/profit before tax from continued operations segmental analysis:		
Segments		
Food, beverages and related services[1]	**716**	640
Continued operations	**(79)**	925
Discontinued operations	**795**	(285)
Logistical services[1]	**179**	178
Agri-related retail, trade and services	**114**	104
Agri-inputs	**264**	131
Agri-production	**(48)**	(22)
Management fees and other income and expenses (including impairments)	**(529)**	(799)
Profit before tax	**696**	232
(Profit)/loss for the year from discontinued operations	**(795)**	285
(Loss)/profit before tax from continued operations	**(99)**	517

[1] *Zeder has restated the 28 February 2019 segmental information to reflect the discontinued operations effect, as well as the Capespan unbundling of its logistical division in the prior year. The restatement had no impact on previously reported income statements and statements of financial position, comprehensive income, changes in equity and cash flows for the year then ended.*

7. SEGMENTAL REPORTING CONTINUED

Audited	Feb 20 Rm	Feb 19 Rm
IFRS revenue (revenue and investment income) segmental analysis:		
Segments		
Food, beverages and related services[1]	**3 969**	4 796
Revenue	**3 952**	4 762
Investment income	**17**	34
Logistical services[1]	**939**	848
Revenue	**937**	837
Investment income	**2**	11
Agri-inputs	**2 128**	1 652
Revenue	**2 113**	1 636
Investment income	**15**	16
Agri-production	**491**	407
Revenue	**490**	406
Investment income	**1**	1
Unallocated investment income (mainly head office interest income)	**16**	28
IFRS revenue	**7 543**	7 731

[1] *Zeder has restated the 28 February 2019 segmental information to reflect the discontinued operations effect, as well as the Capespan unbundling of its logistical division in the prior year. The restatement had no impact on previously reported income statements and statements of financial position, comprehensive income, changes in equity and cash flows for the year then ended.*

8. CAPITAL COMMITMENTS, CONTINGENCIES AND SURETYSHIPS

Capital commitments, contingencies and suretyships similar to those disclosed in the consolidated annual financial statements for the year ended 28 February 2019 remained in effect during the year under review.

9. RELATED-PARTY TRANSACTIONS

Related-party transactions similar to those disclosed in the consolidated annual financial statements for the year ended 28 February 2019 took place during the year under review.

10. EVENTS SUBSEQUENT TO THE REPORTING DATE

During the year under review the Pepsico Inc group made an offer to the Pioneer Foods ordinary shareholders to acquire all of Pioneer Foods' issued ordinary shares for a cash consideration of R110 per share. As at 29 February 2020, the company transferred its investment in Pioneer Foods (previously classified as an investment in associate) to non-current assets held for sale (refer notes 5). Subsequent to year-end, the Competition Commission Tribunal approval was obtained and all suspensive conditions were met.

Subsequent to year-end and out of the proceeds of the Pioneer Foods disposal, Zeder declared a special dividend of 230 cents per share (paid on 28 April 2020) and settled it's redeemable preference share debt obligations in full.

As a result of the global coronavirus pandemic and corresponding international health and economic crises unfolding, South Africa, similar to many countries around the world, is locked-down in terms of strict regulations imposed by government. While the final outcome is unclear, it is anticipated that the negative economic impact in South Africa and around the world will be severe in the short- to medium term. While Zeder and its portfolio companies will not be immune to these challenges, many of the portfolio companies fall within the "essential services" classification under the current regulations and have been allowed to continue certain operations, albeit at significantly reduced demand conditions. In addition, the deliberate process over the past few years to strengthen balance sheets, reduce debt and preserve cash resources should assist Zeder during this crisis. The company currently has no external debt and has cash resources available to assist portfolio companies during this time. The short- to medium term severity thereof and consequent impact on the profitability and valuation of our investments, however, remain uncertain.

Apart from the above, the directors are unaware of any matter or event which is material to the financial affairs of the group that have occurred between the end of the reporting year and the date of approval of the abridged consolidated financial statements.

11. CHANGE STATEMENT

The audited consolidated annual financial statements and the abridged consolidated financial statements (together the "audited results") contain no modifications to the reviewed preliminary consolidated financial results ("reviewed results") which were announced on SENS on 17 April 2020, save for the following reclassification adjustments:

- a bank overdraft, to the value of R135m that was previously disclosed under non-current liabilities in the reviewed results, has been reclassified to current liabilities in the audited results. The total liabilities balance remains unchanged at R5.83 billion in both the reviewed results and audited results; and
- arising from the recognition of the hyperinflationary economy in Zimbabwe, R46m has been reclassified from net monetary gain to net fair value gains. This has a net zero impact on the *recurring*, headline and attributable earnings in the income statement.

The reclassification of R46m from net monetary gain to other non-cash items is reflected within the cash generated from operations note to the statement of cash flows (note 3). This has no effect on the face of the statement of cash flows.

The above had no impact on Zeder's current or previously reported profitability, total assets, total liabilities, equity, total cash flows from either operating activities, investing activities or financing activities, or on cash and cash equivalents available at either the beginning or the end of the financial year.

No other balances or amounts were affected by this reclassification. Furthermore, it has not necessitated any reclassification or restatement in respect of the financial statements for previous years.

12. PREPARATION

The abridged consolidated financial statements were compiled under the supervision of the group financial director, Mr JH le Roux, CA (SA), and have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated annual financial statements from which the abridged consolidated financial statements were derived.

A copy of the auditor's report on the abridged consolidated financial statements and of the auditor's report on the consolidated annual financial statements are available for inspection at the company's registered office, together with the financial statements identified in the respective auditor's reports. In addition, electronic copies of the consolidated annual financial statements may be requested and obtained, at no charge, from the company at *cosec@zeder.co.za.*

The auditor's report does not necessarily report on all of the information contained in this announcement and/or financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

Signed on behalf of the board

Chris Otto
Chairman

Norman Celliers
Chief executive officer

Johann le Roux
Financial director

Stellenbosch
29 May 2020

INDEPENDENT AUDITOR'S REPORT ON ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

to the shareholders of Zeder Investments Limited

Opinion

The abridged consolidated financial statements of Zeder Investments Limited, contained in the accompanying abridged report, which comprise the abridged consolidated statement of financial position as at 29 February 2020, the abridged consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated annual financial statements of Zeder Investments Limited for the year ended 29 February 2020.

In our opinion, the accompanying abridged consolidated financial statements are consistent, in all material respects, with the audited consolidated annual financial statements, in accordance with the JSE Limited Listings Requirements for abridged reports, as set out in note 1 to the abridged consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Abridged consolidated financial statements

The abridged consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the abridged consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated annual financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated annual financial statements in our report dated 29 May 2020. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated annual financial statements of the current period.

Directors' responsibility for the abridged consolidated financial statements

The directors are responsible for the preparation of the abridged consolidated financial statements in accordance with the JSE Listings Requirements for abridged reports, set out in note 1 to the abridged consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the abridged consolidated financial statements are consistent, in all material respects, with the audited consolidated annual financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements.*

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: D De Jager
Registered Auditor

Stellenbosch
29 May 2020

Zeder Investments Limited
Incorporated in the Republic of South Africa
(Registration number: 2006/019240/06)
JSE Ltd ("JSE") share code: ZED
ISIN number: ZAE000088431
LEI:37890022AF5FD117D649
("Zeder", "company" or "the group")

DIRECTORS
CA Otto# (Chairman), N Celliers* (CEO), JH le Roux* (FD), GD Eksteen#, RM Jansen#, WL Greeff, ASM Karaan#, NS Mjoli-Mncube#, PJ Mouton
* *executive*
\# *independent non-executive*

COMPANY SECRETARY AND REGISTERED OFFICE
Zeder Corporate Services Proprietary Limited
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Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
PO Box 61051, Marshalltown, 2107

SPONSOR
PSG Capital Proprietary Limited

AUDITOR
PricewaterhouseCoopers Inc.