

UNAUDITED RESULTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2021



SOTP value per share R4.45 as at 31 August 2021

OVERVIEW

Zeder is an 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 R6.1bn on 31 August 2021, an increase of 7% from the 28 February 2021 reported numbers, mainly as a result of increased valuations of TLG and Kaap Agri.

CORPORATE POSITIONING

Zeder assists with portfolio and investee strategies, while monitoring and overseeing optimal capital allocations to ensure sustainable investment returns, including capital appreciation. 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 agri-retail while incorporating related logistical and enabling services.

STRATEGIC FOCUS

Our focus during the coronavirus pandemic was, and remains, deliberately cautious and conservative. Accordingly, we are dedicating most of our efforts to existing investments, strengthening their operating models and balance sheets where possible, while driving growth from within existing investment platforms.

The disposal of our investments in Pioneer Foods and Quantum Foods and the declaration of the substantial special dividends during the past 18 months, resulted in a material change to the size and composition of the Zeder group. This has necessitated the Zeder board to reconsider Zeder's future strategy.

During this evaluation process, Zeder also received third party approaches on various portfolio investments. The Zeder board is currently evaluating these approaches and a strategy shift towards value unlock options. Good progress has been made in this regard, but unfortunately Covid-19 has led to delays in certain instances. Any potential value unlock will be executed in an appropriate and responsible manner in an attempt to maximise shareholder value.

Zeder will communicate in more detail to the market on the value enhancing progress, as may be required from time to time. Notwithstanding the above, Zeder remains focused on growing its investee companies and will evaluate opportunities as and when deemed appropriate.

Zeder shareholders are further advised to take note of a further cautionary announcement released on SENS on Thursday, 30 September 2021.

BUSINESS ENVIRONMENT

Despite an improvement in the climatic cycle during the period under review, the macro environment in which Zeder and its portfolio companies operate remains relatively constrained. Apart from the South African economy struggling and business confidence being low, challenges are being experienced on the supply chain side of various operations, largely as a result of Covid-19.

The financial results reported and business environment reviewed, reflect the six months ended 31 August 2021, as well as subsequent events that transpired prior to the publication of these results. It is, however, important to note that, at the time of producing this report, the uncertainty around the global coronavirus pandemic remains, with Zeder and its portfolio companies not immune to these challenges inherent thereto.

PERFORMANCE OF PORTFOLIO COMPANIES AND COVID-19

Our investment portfolio as a whole has proven more resilient than expected during this period. The improved agricultural conditions have resulted in a better performance across a large part of the portfolio, with the majority having reported acceptable earnings growth. As a result, and also due to pro-active portfolio management interventions, we are pleased with the portfolio companies' performance during the reporting period.

On a relative basis, our portfolio companies appear to be better positioned than most companies with regards to the Covid-19 risks. It, however, remains difficult to predict the business environment that will unfold in the short- to medium term.

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

Zeder's SOTP value per share, calculated using the quoted market prices for all JSE-listed investments and valuations performed for unlisted investments, increased during the period to R4.45 as at 31 August 2021.

Company	28 Feb 2021		31 Aug 2021	
	Interest (%)	Rm	Interest (%)	Rm
Zaad	97.0	2 010	97.0	2 010
The Logistics Group	98.5	1 325	98.2	1 430
Capespan	96.0	1 117	94.6	1 117
Kaap Agri	42.3	1 102	42.3	1 391
Agrivision Africa	56.0	146	56.0	146
Other		24		28
Total investments		5 724		6 122
Cash and cash equivalents		876		476
Other net assets		62		246
		6 662		6 844
SOTP value				
Number of shares in issue (<i>net of treasury shares</i>) (million)		1 538		1 538
SOTP value per share (rand)		4.33		4.45

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. The wide-spread impact of Covid-19 on the global economy and financial markets remains evident.

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 tax on potential disposal of underlying assets, head office operating costs and other factors. It should be noted that these valuations are not necessarily an indication of the values at which Zeder would consider selling any of its investments.

SALIENT FEATURES

The net asset value per share increased by 19.3%, from 373 cents per share at 31 August 2020 to 445 cents per share at 31 August 2021, mainly as a result of the increased valuations of TLG, Capespan and Kaap Agri, countered by the special dividend paid to shareholders during the reporting period.

- Headline earnings per share increased from a loss of 14.3 cents per share to a gain of 31.4 cents per share mainly as a result of the increased valuations of TLG, Capespan and Kaap Agri since the prior comparative reporting period.
- Attributable earnings per share decreased by 67.1% from 95.3 cents per share to 31.4 cents per share, mainly as a result of the significant non-headline gain on deemed disposal and reacquisition of investments, as a result of the change in investment entity status from 1 March 2020 and the non-headline gain on disposals of Pioneer and Quantum, both included in the prior comparative reporting period.
- Profit before finance costs and taxation from continued operations per Zeder's consolidated income statement increased by 66.2% from R296m in the prior comparative period to R492m.

PROSPECTS AND OUTLOOK

Our portfolio represents strategic equity interests in well-run organisations that offer value.

Our immediate focus will therefore remain on ensuring that our existing companies position themselves competitively, maintain market shares and conserve balance sheets while continuously driving for operational and cash generation improvements.

The positive climatic environment and demand for commodities should contribute to improved trading conditions in the medium term and Zeder's portfolio companies are well positioned to benefit from same. This, combined with the healthy cash reserves on hand and focus on additional value unlock strategies, should allow us to deliver attractive returns.

DIVIDEND

Zeder's dividend policy remains to pay dividends conditional on the group having sufficient reserves to fund its operations, investments, and growth plans. The board has taken the decision not to declare an interim dividend for the six-month period ended 31 August 2021 (31 August 2020: Nil), also in view of the recent special dividends paid.

CHANGES IN BOARD AND SUB-COMMITTEES

Mr RM Jansen, who served as an independent non-executive director, as chairman of the audit and risk committee and as a member of the company's remuneration and nomination committees, sadly passed away on 4 September 2021. As a result, Mrs S Cassiem, a chartered accountant (SA), has been appointed as chairperson of the audit and risk committee, while Mrs NS Mjoli-Mncube has been appointed as a member of the remuneration and nomination committees.

SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the company. It contains only a summary of the information in the full announcement ("Full Announcement") and does not contain full or complete details. A copy of the Full Announcement is available through the link in the short-form announcement released on SENS and on the company's website at www.zeder.co.za or may be requested in person, at the company's registered office or the office of the sponsor, at no charge, during office hours. Any investment decisions by investors and/or shareholders should be based on consideration of the Full Announcement.

Signed on behalf of the board

Chris Otto
Chairman

Johann le Roux
Chief executive officer and financial director

Stellenbosch
6 October 2021

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), JH le Roux* (CEO and FD), S Cassiem*, WL Greeff, NS Mjoli-Mncube*, PJ Mouton, RM Jansen* (passed away on 4 September 2021) (* executive * independent non-executive)
Company secretary and registered office: Zeder Corporate Services Proprietary Limited, 2nd Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600; PO Box 7403, Stellenbosch, 7599 **Transfer secretary:** Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196; Private Bag X9000, Saxonwold, 2132
Sponsor: PSG Capital Proprietary Limited **Independent Joint Sponsor:** UBS South Africa Proprietary Limited
Auditor: Deloitte & Touche