

# UNAUDITED RESULTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2023



SOTP value per share of R2.62 as at 31 August 2023

## OVERVIEW

Zeder is an investor in the broad agribusiness and related industries. Its underlying investment portfolio was valued at R3.49bn on 31 August 2023.

## CORPORATE POSITIONING

Zeder assists with portfolio and investee strategies, while monitoring and overseeing optimal capital allocations to ensure sustainable investment returns, including capital appreciation.

## NOTEWORTHY TRANSACTIONS

Zeder announced on 18 September 2023 that Zeder, through its wholly-owned subsidiary, Zeder Financial Services, together with the minority shareholders of Capespan, ("the Sellers") entered into an agreement with 3 Sisters, in terms of which the Sellers will dispose of Capespan (excluding the Pome Farming Unit) for a total disposal consideration of R550m ("Disposal"), subject to certain conditions precedent. Zeder Financial Services holds 92.98% of the issued shares in Capespan and will receive a disposal consideration of R511m ("Disposal Consideration"). Following the implementation of the Disposal, Zeder, together with the minority shareholders, will continue to own the Pome Farming Unit, comprising of the pome fruit primary production operations and the Novo fruit packhouse. The effective date of the Disposal is anticipated as being on or about 5 January 2024.

Zeder paid an ad-hoc gross special dividend of 5.0 cents per share (R77m) on 28 August 2023 to Zeder shareholders. In addition, a further gross special dividend of 10.0 cents per share (R154m) was declared as part of these interim results.

## STRATEGIC FOCUS

Zeder's objective remains to maximise long-term wealth for its shareholders. The Zeder board believes that the aforementioned Disposal reflects a respectable value realisation for Capespan (excluding the Pome Farming Unit), taking into consideration the Sum-of-the-Parts ("SOTP") valuation of Capespan (including the Pome Farming Unit) in Zeder's annual financial statements.

To enable Zeder shareholders to participate in the windfall proceeds, Zeder, with due consideration to the remaining investee's growth plans, intends to distribute the majority of the Disposal Consideration to shareholders once received, after payment of transaction costs and all related obligations, including but not limited to, providing bridging finance assistance to the remaining Pome Farming Unit.

The Zeder board remains engaged with third parties on the remaining portfolio investments and continues to assess further wealth maximising strategies in a responsible way. Notwithstanding the aforementioned engagements, we will remain focused on growing our remaining investee companies and will evaluate opportunities as and when deemed appropriate in the interest of all stakeholders.

## BUSINESS ENVIRONMENT AND OUTLOOK

The macro environment in which Zeder and its portfolio companies operate, remained relatively constrained during the period even with an improved climatic cycle. There was, however, a slight improvement in the Agribusiness Confidence Index. This improvement implies that agribusinesses are cautiously adapting to the challenging operating business conditions in the country.

We anticipate a continuation of the uncertainty and volatility in markets in the short- to medium-term, driven by concerns about inflation, higher interest rates, deteriorating infrastructure, failing municipalities and the risks to energy availability. Despite these challenges, Zeder remains well positioned with a stable balance sheet and cash resources.

## PERFORMANCE OF PORTFOLIO COMPANIES

The interim reporting period traditionally represents the lesser half of the portfolio's annual earnings as this period reflects the annual input-cost cycle associated with our agriculture investments. This is especially relevant at Capespan, where year-on-year comparisons at the interim stage of reporting may reflect seasonal variances.

**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 (\* executive \* independent non-executive)

Special dividend of 5.0 cents per share paid

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

Zeder's SOTP value per share, calculated using the internal valuations for unlisted investments, increased marginally to R2.62 per share from the reported R2.60 per share as at 28 February 2023. The increase is mainly as a result of an increase in the valuation of unlisted investments, countered by the special dividend paid during the period.

Company	31 Aug 2022		28 Feb 2023		31 Aug 2023	
	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Zaad	97.4	2 384	97.2	2 384	97.2	2 428
Capespan	93.0	1 046	93.0	1 046		
Group (excluding Pome Farming Unit)					93.0	511
Pome Farming Unit					93.0	540
Agrivision Africa	56.0	160				
Other		15		15		14
<b>Total investments</b>		3 605		3 445		3 493
Cash and cash equivalents		442		598		438
Other net assets and liabilities		95		(34)		102
<b>SOTP value</b>		4 142		4 009		4 033
Number of shares						
(net of treasury shares) (million)		1 540		1 540		1 540
<b>SOTP value per share (rand)</b>		2.69		2.60		2.62

Note: Zeder's live SOTP is available at [www.zeder.co.za](http://www.zeder.co.za).

The SOTP valuations of Zeder's unlisted investments have been based on the respective investee companies' latest financial results.

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 (apart from where specific corporate actions have been communicated to the market and to the extent applicable), head office 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

As at 31 August 2023, the net asset value per share ("NAVPS") was R2.62, representing a decrease of 2.6% when compared to the NAVPS of R2.69 at 31 August 2022. The decrease was mainly as a result of the payment of special dividends during the period, countered by an increase in the valuation of unlisted investments.

- Headline earnings per share increased from a loss of 13.5 cents to a gain of 3.6 cents, mainly as a result of the previous corresponding period decrease in the listed KAL Group share price at the date of unbundling in April 2022, countered by an increase in the valuation of unlisted investments during the period.
- Attributable earnings per share increased from a loss of 13.5 cents to a gain of 3.6 cents, mainly as a result of the above.
- Profit before taxation from continued operations per Zeder's consolidated income statement increased by 384.6% from R13m in the previous corresponding period to R63m.

**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

Further special dividend of 10.0 cents per share declared

## SPECIAL DIVIDEND

Zeder's dividend policy remains to pay dividends conditional on the Group having sufficient reserves to fund its operations and investees' growth plans (if required).

Accordingly, shareholders are advised that the Zeder board has approved and declared a non-recurring gross special dividend of 10.0 cents per share, from income reserves ("Special dividend"), subject to the required South African Reserve Bank approval being obtained for the declaration of the special dividend ("condition"). The Special dividend amount, net of South African dividend tax of 20%, is 8.0 cents per share for those shareholders who are not exempt from dividend tax or who are not subject to a reduced rate in terms of any applicable agreement for the avoidance of double taxation between South Africa and such shareholders' country of residence.

There are 1 540 160 354 no par value Zeder ordinary shares in issue on this declaration date. The Company's income tax number is 9406891151.

The salient dates of this Special dividend distribution are as set out below, on the basis that the Condition has been fulfilled by Tuesday, 24 October 2023:

Declaration date	Tuesday, 17 October 2023
Finalisation date anticipated to be on	Tuesday, 24 October 2023
Last day to trade cum dividend	Tuesday, 31 October 2023
Trading ex-dividend commences	Wednesday, 1 November 2023
Record date	Friday, 3 November 2023
Date of payment	Monday, 6 November 2023

To the extent that the Condition is not fulfilled by Tuesday, 24 October 2023, a further announcement will be released by the Company to inform shareholders thereof and to provide an updated timetable in respect of the Special dividend.

Share certificates may not be dematerialised or rematerialised between Wednesday, 1 November 2023 and Friday, 3 November 2023, both days inclusive.

Any shareholder who is in doubt as to its tax status or position or any other matter, including, *inter alia*, any applicable exchange control requirement or the rate of dividend tax that may be applicable, should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

## 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](http://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

Stellenbosch  
17 October 2023

**Johann le Roux**  
Chief executive officer and financial director

**Sponsor:** PSG Capital Proprietary Limited

**Independent Joint Sponsor:** Tamela Holdings Proprietary Limited

**Auditor:** Deloitte & Touche