

UNAUDITED RESULTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2024



SOTP value per share of R2.15 as at 31 August 2024

Disposal of individual pome assets

OVERVIEW

Zeder is an investor in the broad agribusiness and related industries. Its underlying investment portfolio was valued at R3.3bn on 31 August 2024.

CORPORATE POSITIONING

Zeder assists with investee portfolio strategies, while overseeing optimal capital allocation to generate sustainable investment returns.

As part of its ongoing efforts to ensure that the bourse is fair, efficient, transparent and competitive, the JSE announced on 29 August 2024 that, following public engagement and the approval of the Financial Sector Conduct Authority, the JSE's Main Board would be split into a Prime Segment and a General Segment. The latter will provide small and mid-cap JSE Main Board issuers with more bespoke listing requirements, whilst maintaining investor confidence through disclosure and appropriate safeguards (the "Market Segmentation").

After prudent consideration of the Market Segmentation framework, Zeder's board has resolved to apply to the JSE to be transferred to the General Segment. Given where the Company is in its strategic journey, the Zeder board believes that the Company and its shareholders will benefit from the increased flexibilities offered by the Market Segmentation.

NOTEWORTHY TRANSACTIONS

Category 2 disposals of individual pome assets

The Company, through its wholly-owned subsidiary, Zeder Financial Services, holds 87.1% of the issued shares in Pome Investments, which in turn holds 100% of the issued shares in Capespan Agri. Capespan Agri comprises three primary farming production units as well as the Novo fruit packhouse operation situated in Paarl.

Zeder announced on the Stock Exchange News Service of the JSE ("SENS") on 19 June 2024, 9 July 2024 and 30 July 2024 that the Company, through its indirect subsidiaries Pome Investments and Capespan Agri, had entered into agreements with various third parties to dispose of the two primary farming production units, namely TWK (R283m) and Applethwaite (R190m), as well as the Novo fruit packhouse operation (R195m), subject to certain conditions precedent, with the main conditions precedent being the approval by the relevant competition commission authorities. At the date of this report, the relevant competition commission approvals for all the aforementioned disposals were obtained, but there are still other conditions precedent outstanding.

In addition, Capespan Agri entered into an agreement to dispose of the smaller primary farming production unit, Misty Cliffs, for R45m.

The total disposal consideration for the aforementioned transactions amounts to R713m (R621m for Zeder's 87.1% interest) with no downward or upward adjustment mechanism to the disposal considerations, as the agreements do not include any profit-linked warranties. As a result, Zeder's *Sum-of-the-Parts* ("SOTP") valuation of Pome Investments has been adjusted to reflect its interest in the total disposal consideration, after considering the relevant transaction costs and other obligations in terms of the various transactions.

The aforementioned disposals are consistent with Zeder's strategic review and pursuant to the evaluation of approaches received by Zeder on various portfolio assets.

Zeder special dividends

Zeder declared and paid ad-hoc gross special dividends of 30.0 cents per share (R462m) in total during the period under review.

SUM-OF-THE-PARTS

Zeder's SOTP value per share, calculated using the internal valuations for unlisted investments, decreased to R2.15 per share from the reported R2.48 per share as at 29 February 2024. The decrease is mainly as a result of the payment of ad-hoc special dividends of 30.0 cents per share and the adjustments to the valuation of the unlisted investments during the period under review.

Company	31 Aug 2023		29 Feb 2024		31 Aug 2024	
	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Zaad	97.2	2 428	97.2	2 342	97.2	2 259
Capespan (excluding Pome Investments)	93.0	511				
Pome Investments	93.0	540	87.1	585	87.1	599
Other		14		4		4
Total investments		3 493		2 931		2 862
Cash and cash equivalents		438		694		135
Other net assets and liabilities		102		199		309
SOTP value		4 033		3 824		3 306
Number of shares						
(<i>net of treasury shares</i>) (million)		1 540		1 540		1 540
SOTP value per share (rand)		2.62		2.48		2.15

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

The SOTP valuations of Zeder's unlisted investments have either been based on the aforementioned net disposal proceeds negotiated with external 3rd parties or otherwise 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 already been communicated to the market and to the extent applicable), head office costs and other factors. It should further 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 2024, Zeder's net asset value per share ("NAVPS") was R2.15, representing a decrease of 17.9% (or R0.47 per share) compared to the NAVPS of R2.62 as at 31 August 2023. The decrease was mainly due to the payment of ad-hoc special dividends of R0.40 per share since the comparative reporting date last year and the adjustments to the valuation of the unlisted investments.

- Both headline and attributable earnings per share decreased from a gain of 3.6 cents to a loss of 4.1 cents, mainly as a result of the adjustments to the valuation of the unlisted investments.
- Profit before taxation from continued operations per Zeder's consolidated income statement decreased from a profit of R51m in the previous corresponding period to a loss of R77m.
- No ordinary dividends were declared during the six months ended 31 August 2024 (31 August 2023: nil).

STRATEGIC FOCUS

Zeder's objective remains to maximise long-term wealth for its shareholders.

The Zeder board believes that the aforementioned disposals reflect a respectable value realisation for the individual pome assets.

To the extent that the aforementioned disposal proceeds are received by Capespan Agri and special dividends declared and paid by the respective boards of Capespan Agri and Pome Investments (after payment of transaction costs and all related obligations), Zeder intends to distribute the majority of such special dividends received to Zeder shareholders.

The Zeder board remains engaged with third parties on Zaad and continues to assess further wealth maximising strategies in a responsible way, which may also include the disposal of individual assets comprising the Zaad portfolio.

BUSINESS ENVIRONMENT AND OUTLOOK

The macro environment in which Zeder and its portfolio companies operate, remained relatively constrained during the period under review, mainly due to volatile weather patterns and lower soft commodity prices.

After a sharp decline in the Agbiz Agribusinesses Confidence Index during Q2 2024, the index has subsequently recovered by 10 points to 48 points. The improvement can be attributed to the renewed optimism around the formation of the Government of National Unity, but remains below the neutral point mark.

South African Agribusiness in general remains downbeat about the business environment. The recent El Niño weather pattern led to drought conditions which were devastating to the summer grains and oilseed regions. In addition, geopolitical tensions and the persistent inefficiencies at the ports, poor rail and road infrastructure, worsening municipal service delivery and uncertainty as to sustained energy availability are factors driving the sentiment.

Zeder anticipates a continuation of the uncertainty and volatility in the markets that it operates in, in the short- and medium-term. Despite these challenges, Zeder remains well positioned with a stable balance sheet and cash resources.

DIVIDENDS

Zeder's dividend policy remains to pay dividends conditional on the Group having sufficient cash reserves to fund its operations and investees' growth plans (if required). The board has taken the decision not to declare a dividend at this time, but will consider declaring special dividends as proceeds from disposals are received.

SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the Company. The financial results for the six months ended 31 August 2024 ("Results") are available through the link in the short-form announcement released on SENS and the Company's website at www.zeder.co.za. Any investment decisions by investors and/or shareholders should be based on consideration of the Results as this short-form announcement does not provide all the details. The Company has based the short-form announcement on the Results, which have not been reviewed or audited by the Company's external auditor, Deloitte & Touche.

Chris Otto
Chairman

Stellenbosch
11 October 2024

Johann le Roux
Chief executive officer and financial director

We have removed all signatures from this document to protect the security and privacy of our signatories.

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")

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Sponsor: PSG Capital Proprietary Limited

Independent Joint Sponsor: Tamela Holdings Proprietary Limited

Auditor: Deloitte & Touche