



ZEDER

INVESTMENTS LIMITED

CONDENSED UNAUDITED INTERIM RESULTS AUGUST 2024

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 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 amount 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.

CONDENSED UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2024 CONTINUED

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.

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 Investment)	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 in issue (<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.

Zaad (97.2%)

Zaad is a strategic holding company that invests and operates in the specialised agri-inputs industry with a focus on emerging markets, especially Africa, the Middle East and Eastern Europe. Through acquisitions and organic growth, it has aggregated and developed businesses that own, develop, import and distribute a broad range of agricultural seeds and chemicals.

Zaad reported a 26.9% decrease in *recurring* earnings to R160m for its financial year ended 30 June 2024, compared to the prior year reported R219m. On a continued business operations basis, its *recurring* earnings decreased by 18.1% to R186m from the comparative prior period's R227m.

Agricol, FarmAg (agro-chemicals), Africa and May Seed (Turkey) continue to be the main earnings contributors.

Despite a below average sunflower year because of the El Niño weather pattern, Agricol had a promising winter crop season and as a result delivered solid results for the year. Agricol has diversified in recent years to not only be an important sunflower player, but also has a key focus on soya, wheat and canola. Early indications are that a La Niña weather pattern is expected for the upcoming summer crop season which should bode well for Agricol's operations.

FarmAg is down on the prior year, largely due to the significant decrease in the price of chemical raw materials. Chemical companies that are dependent on imported raw materials from China/India had to order stock earlier to mitigate the risk of not having inventory due to the ongoing supply chain and South African port issues. As a result of the decline in raw material prices, the group had to sell these higher-cost inventory at low margins to remain competitive, which had a negative impact on their results. These challenges are not unique to FarmAg and a similar impact can be seen across the industry.

In addition, the El Niño weather pattern across Southern Africa caused a dramatic drop in late applications of herbicides and fungicides due to the dry conditions. The focus has also been on growth and clients in the South African rather than the African markets, mainly due to increased forex risks (access to forex and currency depreciation) in many of the African countries. This resulted in the decision to not trade in certain African markets that were trading partners in prior periods.

Even though Farm-Ag is down on the prior year, it is a solid business with growth prospects, especially in South Africa. The Crop Protection market in South Africa is estimated at R12bn (expected to grow by 6.1% per annum) of which Farm-Ag's share of the market is only 6.25%. Improvements can be seen in the market with gross margins returning to more normalised levels. Chinese supply prices are expected to increase over the next 12 months by roughly 10 to 12% and early indications are that the El Niño weather pattern has abated.

The Turkish economy has experienced high inflation and political uncertainty. May Seed performed well under difficult trading conditions, with a large part of sales taking place in foreign currency to mitigate the depreciating local currency. Having said that, unfavourable weather patterns and low soft commodity prices resulted in much lower hectares of sunflower, maize and cotton planted in Turkey and surrounding areas, which had a negative impact during the year on seed sales. In addition, higher interest rates led to additional pressure on earnings. We are however optimistic about future growth as the group is a market leader and has a strong product portfolio.

The operating environment in Zimbabwe initially appears to have improved with the introduction of the new ZIG currency, which is supported by government gold reserves. The African subsidiaries' results were in line with expectations, but challenges remain in terms of high interest rates, depreciating local currencies and access to forex. Zaad has been approached by third parties and is considering proposals to dispose of their operations in certain African jurisdictions, especially Zimbabwe.

Bakker delivered an improved performance, but still below our expectations. The transition from open pollinated to hybrid varieties is ongoing and in FY2024 the sales of own IP increased by 55% compared to FY2023. This transition is taking longer than expected as a result of establishing new hybrid seed sales channels in various markets, leading to long-term capital commitments to reach its full potential.

EA Seed delivered a much-improved performance from the prior year, mainly as a result of improved weather patterns. The group has intensified sales efforts and continues to negotiate better procurement terms. We remain positive about EA Seed and its growth prospects in the East African markets, especially in the hybrid seed maize market.

During the period under review, Zeder accounted for a fair value loss of R83m in respect of its investment in Zaad. This was mainly due to the decrease in the valuation of the African operations in Zimbabwe and to a lesser extent, considering the current challenges in the chemicals industry.

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

Pome Investments (87.1%)

For its six-month period ended 30 June 2024, Pome Investments reported *recurring* earnings of R26m, compared to R30m in the prior comparative period.

The final volumes of the 2024 pome harvest are being distributed through the various marketing channels and indications of price realisation remain positive.

The Western Cape experienced a volatile season in terms of winter weather patterns. Fortunately, the farms and packhouse did not sustain any infrastructure damage, and accordingly did not have a negative impact on any of our disposal transactions.

During the period under review, Zeder accounted for a fair value gain of R14m in respect of its investment in Pome Investments.

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.

Signed on behalf of the board

Chris Otto

Chairman

Johann le Roux

Chief executive officer and financial director

Stellenbosch

11 October 2024

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2024

	Unaudited		Audited
	31 Aug 24 Rm	31 Aug 23 Rm	29 Feb 24 Rm
Assets			
Investments (note 2)	2 263	2 982	2 931
Current income tax assets	1	2	4
Loans and advances (note 7)	325	106	217
Proceeds from disposal of investment subject to earn-out payments	30	30	30
Trade and other receivables		6	1
Cash and other cash equivalents	135	438	694
Assets held for sale (note 2)	599	511	
Total assets	3 353	4 075	3 877
Equity			
Total equity	3 306	4 033	3 824
Liabilities			
Employee benefits	3	3	3
Trade and other payables	44	39	50
Total liabilities	47	42	53
Total equity and liabilities	3 353	4 075	3 877
Net asset value per share (cents)	214.7	261.9	248.3
Net tangible asset value per share (cents)	214.7	261.9	248.3

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 AUGUST 2024

	Unaudited		Audited
	31 Aug 24 Rm	31 Aug 23 ¹ Rm	29 Feb 24 ¹ Rm
Net fair value (loss)/gain	(83)	44	(42)
Investment income (note 2)	26	27	54
Income			
Other operating income			1
Expenses			
Marketing, administration and other expenses	(13)	(13)	(34)
(Loss)/profit before taxation	(70)	58	(21)
Taxation	(7)	(7)	(15)
(Loss)/profit for the period from continued operations	(77)	51	(36)
Profit for the period from discontinued operations	14	5	48
(Loss)/profit for the period²	(63)	56	12
Attributable to:			
Continued operations	(77)	51	(36)
Discontinued operations	14	5	48
	(63)	56	12
(Loss)/earnings per share (refer note 3)			
Attributable – basic (cents)	(4.1)	3.6	0.8
Attributable – diluted (cents)	(4.4)	2.1	0.3

¹ Re-presented for discontinued operations detailed in note 2.

² The group had no other comprehensive income during the periods under review.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 AUGUST 2024

	Unaudited		Audited
	31 Aug 24 Rm	31 Aug 23 Rm	29 Feb 24 Rm
Equity at beginning of the period	3 824	4 009	4 009
(Loss)/profit for the period	(63)	56	12
Net movement in treasury shares			(1)
Loss on treasury shares issued to SIT participants			(13)
Forfeited unclaimed dividends	5	42	42
Share-based payment costs – employees	2	3	6
Dividends paid	(462)	(77)	(231)
Equity at end of the period	3 306	4 033	3 824

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 AUGUST 2024

	Unaudited		Audited
	31 Aug 24 Rm	31 Aug 23 Rm	29 Feb 24 Rm
Cash (utilised by)/generated from operations (note 4)	(11)	2	(11)
Investment income	13	22	45
Taxation paid	(5)	(8)	(17)
Cash flow from operating activities	(3)	16	17
Additions to investments			(2)
Proceeds from disposal of investments		1	552
Loans and advances granted (note 7)	(227)	(100)	(208)
Repayment of loans and advances	133		2
Cash flow from investing activities	(94)	(99)	314
Treasury shares purchased			(4)
Dividends paid to shareholders	(462)	(77)	(231)
Cash flow from financing activities	(462)	(77)	(235)
Net (decrease)/increase in cash and cash equivalents	(559)	(160)	96
Cash and cash equivalents at beginning of the period	694	598	598
Cash and cash equivalents at end of the period	135	438	694

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

These condensed consolidated interim financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements ("JSE Listings Requirements") and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also contain the information required by IAS 34 *Interim Financial Reporting*.

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are in terms of IFRS and consistent with those previously applied in the prior year's consolidated annual financial statements for the year ended 29 February 2024. The group adopted other various revisions to IFRS which are effective for its financial year ending 28 February 2025; however, these revisions have not resulted in material changes to the group's reported interim financial results or disclosures.

In preparing of these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty related to the fair value of unlisted investments as detailed in Annexure A, are similar to those detailed in the consolidated annual financial statements for the year ended 29 February 2024.

The condensed consolidated interim financial statements do not include all of the information required for full consolidated annual financial statements..

Preparation

The condensed consolidated interim financial statements were compiled under the supervision of the group chief executive officer and financial director, Mr JH le Roux, CA (SA), and were not reviewed or audited by Zeder's external auditor, Deloitte & Touche.

The condensed consolidated interim financial statements have been prepared on the going-concern basis and under the historical cost convention, as modified for the effects of the revaluation of financial assets and liabilities. The condensed consolidated interim financial statements are presented in South African Rand (R), rounded to the nearest million.

Any reference to future financial performance included in this announcement, has not been reviewed or reported on by Zeder's external auditor.

2. INVESTMENTS, ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Zeder concluded that it continues to meet the definition of an Investment Entity, as its focus on wealth creation for its shareholders has not changed, and the performance of its investments is measured with reference to the fair value of each investment in Zeder's drive to meet its objective of maximising wealth through capital appreciation, investment income or both.

As required by IFRS 9, in accordance with IFRS 10, Zeder measures and classifies the majority of its financial assets at fair value through profit or loss, with any resultant gain or loss recognised in investment valuation gains/losses. Fair value is determined in accordance with IFRS 13.

Statement of financial position items carried at fair value include investments in equity instruments. The group applies a number of methodologies to determine and assess the reasonableness of the investments' fair value, which may include the following:

- Earnings multiple, including EV/EBITDA and price/earnings (P/E) multiples.
- Market-related net asset value supported by third party valuations, where applicable.
- Recent transaction prices, including closing quoted listed share prices..

The primary valuation models utilised for valuing unlisted portfolio investments are the EV/EBITDA multiple model and the market-related net asset value of investments, or a combination of both. The applicable EV/EBITDA multiple used is determined by considering the multiples of comparable listed companies and adjusting the multiple for company specific factors. The market-related net asset value used is dependent on independent third party valuations, using comparable sales within the area, less a cost to sell.

Refer to Annexure A for additional details on valuation inputs, per IFRS 13.

Investments and assets held for sale

	Unaudited		Audited
	31 Aug 24 Rm	31 Aug 23 Rm	29 Feb 24 Rm
Continued operations			
Zaad	2 259	2 428	2 342
Other	4	14	4
Discontinued operations			
Pome Investments		540	585
Total investments	2 263	2 982	2 931
Continued operations			
Capespan (excluding Pome Investments)		511	
Discontinued operations			
Pome Investments	599		
Total assets held for sale	599	511	–
	2 862	3 493	2 931

2. INVESTMENTS, ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS CONTINUED

	31 Aug 24 (Unaudited)				Investment (dividend) income Rm
	Fair value 29 Feb 24 Rm	Reclassified Rm	Fair value gain/(loss) Rm	Fair value 31 Aug 24 Rm	
Continued operations					
Zaad	2 342		(83)	2 259	
Other	4			4	
Discontinued operations					
Pome Investments ¹	585	(585)		–	
Total investments	2 931	(585)	(83)	2 263	–
Discontinued operations					
Pome Investments ¹		585	14	599	
Total assets held for sale	–	585	14	599	–
	2 931	–	(69)	2 862	–
Interest income on cash and cash equivalents and loans and advances					26
Total investment income					26

	31 Aug 23 (Unaudited)		29 Feb 24 (Audited)	
	Fair value gain/(loss) ² Rm	Investment (dividend) income Rm	Fair value gain/(loss) ² Rm	Investment (dividend) income Rm
Continued operations				
Zaad	44		(42)	
Other		1		1
Discontinued operations				
Pome Investments ¹	5		48	
Total investments	49	1	6	1
Interest income on cash and cash equivalents and loans and advances		26		53
Total investment income		27		54

¹ During the period, Pome Investments was classified as asset held for sale and discontinued operations in accordance with IFRS 5. R585m was reclassified as asset held for sale and the fair value movement of R14m (31 Aug 23: R5m and 29 Feb 24: R48m) was re-presented as discontinued operations.

² Re-presented for discontinued operations in accordance with IFRS 5.

Assets held for sale
Disposal of individual pome assets representing Pome Investments – discontinued operations

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. During June to July 2024, the company, through its indirect subsidiaries Pome Investments and Capespan Agri, entered into various agreements with different third parties to dispose of the three primary farming production units as well as the Novo fruit packhouse operation for a total disposal consideration, payable to Capespan Agri, of R713m (R621m for Zeder's 87.1% interest), subject to certain conditions precedent. At the date of this report, the competition commission approvals for all the aforementioned disposals were obtained, but there are still other conditions precedent outstanding.

The total disposal consideration have no downward or upward adjustment mechanism, as the agreements do not include any profit-linked warranties. Zeder's 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.

As a result, Pome Investments was classified as asset held for sale during the period. The prior periods were re-presented as discontinued operations, where applicable.

Disposal of investment in Capespan (excluding Pome Investments) – continued operations

Effective 8 January 2024, the company, through its wholly-owned subsidiary, Zeder Financial Services, together with the minority shareholders of Capespan, disposed of all of its shares held in the issued share capital of Capespan (excluding Pome Investments), to 3 Sisters for a disposal consideration of R550m. Zeder Financial Services held 92.98% of the issued shares in Capespan and received a disposal consideration of R511m in cash on 5 February 2024. Following the implementation of the said disposal, the company, through Zeder Financial Services, together with minority shareholders, continue to own Pome Investments.

2. INVESTMENTS, ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS CONTINUED

Discontinued operations

Income statement

	Unaudited		Audited
	31 Aug 24 Rm	31 Aug 23 Rm	29 Feb 24 Rm
Fair value gain/(loss)	14	5	48
Profit for the period from discontinued operations	14	5	48

Financial risk factors

The group's activities as an Investment Entity expose it mainly to market risk (including price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk applicable to trade receivables and trade payables.

The condensed consolidated interim 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 2024. Risk management continues to be carried out throughout the group under policies approved by the respective boards of directors.

Price risk

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 mainly JSE-listed investments classified as fair value through profit or 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. Since level 2 investments normally 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.

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.

For unlisted investments, refer to note 2 for valuation techniques used in determining the fair value of said financial assets.

There have been no significant transfers between level 1, 2 or 3 during the period under review and the valuation techniques and inputs used to determine fair values of other financial assets and liabilities are similar to those disclosed in the consolidated annual financial statements for the year ended 29 February 2024.

For additional information in terms of IFRS 13, refer to Annexure A.

2. INVESTMENTS, ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS CONTINUED

The fair 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:

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
31 Aug 24 (Unaudited)				
Assets				
Investments			2 263	2 263
Assets held for sale – Investments			599	599
	–	–	2 862	2 862
Opening balance			2 931	
Fair value loss			(69)	
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
31 Aug 23 (Unaudited)				
Assets				
Investments			2 982	2 982
Assets held for sale – Investments			511	511
	–	–	3 493	3 493
Opening balance			3 445	
Disposals of investments			(1)	
Fair value gain			49	
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
29 Feb 24 (Audited)				
Assets				
Investments			2 931	2 931
Opening balance			3 445	
Additions to investments			2	
Disposals of investments			(522)	
Fair value gain			6	

There are no financial liabilities measured at fair value during the period under review (31 Aug 23 and 29 Feb 24: Rnil).

3. HEADLINE EARNINGS AND DIVIDEND PER SHARE

	Unaudited		Audited
	31 Aug 24 Rm	31 Aug 23 ¹ Rm	29 Feb 24 ¹ Rm
Attributable (loss)/earnings	(63)	56	12
Non-headline items			
Headline (loss)/earnings	(63)	56	12
There are no non-headline items during the period under review (31 Aug 23 and 29 Feb 24: Rnil).			
Dilutive (loss)/earnings (Rm)			
Headline	(69)	32	5
Attributable	(69)	32	5
(Loss)/earnings per share (cents)			
Headline (basic)	(4.1)	3.6	0.8
Continued operations	(5.0)	3.3	(2.3)
Discontinued operations	0.9	0.3	3.1
Headline (diluted)	(4.4)	2.1	0.3
Continued operations	(5.3)	2.7	(2.8)
Discontinued operations	0.9	(0.6)	3.1
Attributable (basic)	(4.1)	3.6	0.8
Continued operations	(5.0)	3.3	(2.3)
Discontinued operations	0.9	0.3	3.1
Attributable (diluted)	(4.4)	2.1	0.3
Continued operations	(5.3)	2.7	(2.8)
Discontinued operations	0.9	(0.6)	3.1
Dividend per share (cents)			
Special dividend per share – declared 6 February 2024, paid 18 March 2024	20.0		
Special dividend per share – declared 24 April 2024, paid 20 May 2024	10.0		
Special dividend per share – declared 25 July 2023, paid 28 August 2023		5.0	5.0
Special dividend per share – declared 17 October 2023, paid 13 November 2023			10.0
Number of shares (million)			
In issue	1 540	1 540	1 540
In issue (<i>net of treasury shares</i>)	1 540	1 540	1 540
Weighted average	1 540	1 540	1 540
Dilutive weighted average	1 551	1 557	1 552

¹ Re-presented for discontinued operations as detailed in note 2.

4. CASH (UTILISED BY)/GENERATED FROM OPERATIONS

	Unaudited		Audited
	31 Aug 24 Rm	31 Aug 23 ¹ Rm	29 Feb 24 ¹ Rm
(Loss)/profit before taxation			
Continued operations	(70)	58	(21)
Discontinued operations	14	5	48
Investment income (note 2)			
Continued operations	(25)	(27)	(53)
Discontinued operations	(1)		(1)
Net fair value loss/(gain) on investments (note 2)			
Continued operations	83	(44)	42
Discontinued operations	(14)	(5)	(48)
Equity-settled share-based payment cost	2	3	6
	(11)	(10)	(27)
Changes in working capital		12	16
Cash (utilised by)/generated from operations	(11)	2	(11)

¹ Re-presented for discontinued operations as detailed in note 2.

5. SEGMENTAL REPORTING

The group is organised into two reportable segments, representing the major investments of the group, namely Zaad and Pome Investments (31 Aug 23: three reportable segments namely Zaad, Pome Investments and Capespan (excluding the Pome Investments); 29 Feb 24: two reportable segments namely Zaad and Pome Investments).

All segments operate predominantly in South Africa, although, the group has exposure to operations outside of South Africa through, *inter alia*, Zaad (31 Aug 23: Zaad and Capespan (excluding Pome Investments); 29 Feb 24: Zaad).

SOTP value remains a key tool used to measure Zeder's performance pursuant to its objective of shareholder wealth creation through, *inter alia*, capital appreciation. In determining the SOTP value, unlisted assets are valued internally using appropriate valuation methods.

The segments' performance can be analysed as set out below and also in Annexure A:

	Fair value gain/ (loss) on investments Rm	Investment income Rm	Other income and expenses Rm	Headline earnings Rm	SOTP value Rm
31 Aug 24 (Unaudited)					
Continued operations					
Zaad	(83)	12		(71)	2 259
Other				–	4
Discontinued operations					
Pome Investments	14	1		15	599
Unallocated (mainly head office)		13	(13)	–	
Cash and cash equivalents					135
Other net assets and liabilities					309
Total				(56)	3 306
Non-headline items (note 3)					
Taxation				(7)	
Loss for the period				(63)	
SOTP value per share (rand)					2.15

	Fair value gain/ (loss) on investments Rm	Investment income Rm	Other income and expenses Rm	Headline earnings Rm	SOTP value Rm
31 Aug 23 (Unaudited)					
Continued operations					
Zaad	44	4		48	2 428
Capespan (excluding Pome Investments)				–	511
Other		1		1	14
Discontinued operations					
Pome Investments	5			5	540
Unallocated (mainly head office)		22	(13)	9	
Cash and cash equivalents					438
Other net assets and liabilities					102
Total				63	4 033
Non-headline items (note 3)					
Taxation				(7)	
Profit for the period				56	
SOTP value per share (rand)					2.62

5. SEGMENTAL REPORTING CONTINUED

	Fair value gain/ (loss) on investments Rm	Investment income Rm	Other income and expenses Rm	Headline earnings Rm	SOTP value Rm
29 Feb 24 (Audited)					
Continued operations					
Zaad	(42)	8		(34)	2 342
Capespan (excluding Pome Investments)		6		6	
Other		1		1	4
Discontinued operations					
Pome Investments	48	1		49	585
Unallocated (mainly head office)		38	(33)	5	
Cash and cash equivalents					694
Other net assets and liabilities					199
Total				27	3 824
Non-headline items (note 3)					
Taxation				(15)	
Profit for the period				12	
SOTP value per share (rand)					2.48

6. CAPITAL COMMITMENTS, CONTINGENCIES AND SURETYSHIPS

Zeder, as an Investment Entity, and its wholly-owned subsidiaries that provide investment-related services to the Zeder group, had no material capital commitments or contingencies as at the reporting date.

7. RELATED-PARTY TRANSACTIONS

Related-party transactions, which are in the ordinary course of business, are similar to those disclosed in the consolidated annual financial statements for the year ended 29 February 2024 took place during the period under review, although they will not impact the fair value basis on which these financial statements were compiled. Included in the group's dividends paid is an amount of R225m (31 Aug 23: R37m and 29 Feb 24: R112m) paid to PSG Group (the largest shareholder in the company).

During the period under review, Zeder Financial Services advanced in aggregate loan amounts of R205m to Zaad to assist with its capital investment in Intellectual Property and to enable Zaad to increase its interest in May Seed to 49%. As at 31 August 2024 the total amount of R325m was outstanding across the various loans. The loans to Zaad carry interest between prime less 3.55% and prime plus 4% and is repayable by 30 June 2025, 31 October 2024 and 31 December 2025.

Subsequent to the implementation of the disposal of Capespan (excluding Pome Investments) and during the previous period under review, Zeder Financial Services provided a working capital loan facility to Capespan Agri, a wholly-owned subsidiary of Pome Investments, for a maximum facility of R150m. During the period, Capespan Agri refinanced the working capital loan facility and repaid the working capital loan facility in full on 10 April 2024.

Included in the group's investment income for the period under review, is an amount of R12m (31 Aug 23: R4m and 29 Feb 24: R8m) interest income from Zaad and R1m (31 Aug 23: Rnil and 29 Feb 24: R1m) interest income from Pome Investments, respectively.

8. EVENTS SUBSEQUENT TO THE REPORTING DATE

The directors are unaware of any matter or event which is material to the financial affairs of the group that occurred between the end of the interim reporting period and the date of approval of these condensed consolidated interim financial statements.

ANNEXURE A: SOTP VALUE

FOR THE SIX MONTHS ENDED 31 AUGUST 2024

Investment	Voting rights ¹ %	Number of shares held m	31 Aug 24 (Unaudited)				SOTP value			IFRS 13 Fair value		
			Country of incorporation ²	Nature of business	Listed/unlisted	Classification	29 Feb 24 Rm	Movement Rm	31 Aug 24 Rm	Valuation method	Categorisation	R/share
Continued operations												
Zaad	97.2	39.4	South Africa ³	Specialist agricultural seed and agrochemical company	Unlisted	Subsidiary	2 342	(83)	2 259	Mainly EV/EBITDA multiple, but also discounted NAV where applicable (note A)	Level 3	57.33
Other				Various	Unlisted	Various	4		4	Refer note B	Level 3	
Discontinued operations												
Pome Investments	87.1	359.0	South Africa ⁴	Farming	Unlisted	Division of subsidiary	585	14	599	Market-related net asset value underpinned by farming operations (note A)	Level 3	1.67
Total investments and assets held for sale							2 931		2 862			
Cash and cash equivalents							694		135			
Other net assets and liabilities							199		309			
Total SOTP value							3 824		3 306			
SOTP value per share (rand)							2.48		2.15			
Fair value gains/(loss) from investments and asset shares for sale (note 2)								(69)				

¹ Voting rights equal economic interests.² Principle place of business is the country of incorporation, unless otherwise stated.³ Operating via subsidiaries in Southern Africa, Europe and the Middle East.⁴ Operating via subsidiaries in South Africa. Pome investments was classified as discontinued operations.

ANNEXURE A: SOTP VALUE

FOR THE SIX MONTHS ENDED 31 AUGUST 2024 CONTINUED

Valuation inputs: additional details in respect of the investment portfolio entities, per IFRS 13 Fair Value disclosure:

Note A – unlisted investments:

For an overall description with regard to the valuation methods and judgements applied refer to note 2.

Level 3 unobservable inputs and additional information	Recurring EBITDA ⁵ Rm	Average EV/EBITDA multiple ⁶ times	Net debt and cash ⁷ Rm	Recurring headline earnings ⁸ Rm	Headline earnings	Comparable market prices ⁹ per hectare	Market-related net asset value ¹⁰ Rm	Net company specific discounts ¹¹ %
31 Aug 24 (Unaudited)								
Zaad ¹²	541		1 288	160	649			
Seed	247	6 – 7	1 015	91				0 – 55
Chemical	95	8 – 9	273	36				35
Associates								
Seed	198	6 – 7		38				0 – 38
Chemical	1	3 – 4		(5)				75
Pome Investments ¹³						R0.3m – R0.7m	R711m	

⁵ For Zaad, the recurring EBITDA include the proportionate EBITDA of the associates. The recurring EBITDA is as per IAS29 (Financial Reporting in Hyperinflationary Economies), adjusted for mostly non-recurring hyperinflation balance sheet items, in order to present the operational results of the business for the period. In terms of the valuation of the operations of the business, the recurring EBITDA was used as the base and then further appropriate discounts applied in order to consider the general effect and risks associated with hyperinflation. A 5% increase in said additional discount would result in a R12m decrease and a 5% decrease would result in a R13m increase in estimated value.

⁶ EV/EBITDA and P/E ratios comparable to other similar companies, adjusted for company-specific factors that include a combination of liquidity, marketability, and minority/controlling discount/premiums, where applicable.

⁷ For Zaad, the net debt and cash include the shareholder loan (refer note 7), as well as considering the changes in the working capital over the last six months.

⁸ Recurring headline earnings is calculated on a see-through basis. The investments' recurring headline earnings is the sum of its effective interest in the recurring headline earnings of each of its underlying operations and represent its sustainable earnings.

⁹ Comparable market prices per hectare include pome and farm land valuations, obtained from an independent third-party valuator, measured against the comparable sales. Full independent third-party valuations were performed as part of the FY2024 financial year.

¹⁰ Valuations based on market-related net asset values of underlying assets, determined by reference to the comparable market prices per hectare, adjusted for company-specific factors, that include, inter alia, liquidity and marketability discounts as well as a net asset value discount to the primary farming assets and the ability of the company to realise these assets at market-related net asset values.

¹¹ For Zaad, specific discounts applied to the comparable group EV/EBITDA multiple for each operating business unit, based on company-specific factors that include a combination of liquidity, marketability, country, and minority/controlling discount/premiums, where applicable.

¹² Represents the year ended 30 June 2024. Different year-ends do not have a material impact on the valuation of the investment. The specific sector which Zaad operates in is generally characterised by valuations that translate into high earnings multiples, due to their unique product offerings developed through its own research and development divisions and their widespread presence in international markets. Zaad is earnings generative and thus valued on an EV/EBITDA multiple, comparable to other similar companies, adjusted for company-specific factors that include a combination of, inter alia, liquidity, marketability, and minority/controlling discount/premiums, where applicable. The Zaad group consists of two divisions which operate on a global scale namely a Seed and Chemical business. For non-profitable associates and divisions, where the earnings do not currently support a market-related EV/EBITDA multiple, a discounted net asset value approach is followed.

¹³ Pome Investments is an asset-heavy business with large Southern African fruit farming operations. Pome Investments has an asset value under-pin, given the number of farms that it owns. Given the asset intense investment, it remains appropriate to value Pome Investments on a market-related net asset value basis (fair value less cost to sell). These valuations are supported by third party valuations and recent agreement signed on the disposal of the individual pome assets.

Note B – other unlisted investments:

Certain equity securities included in other 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 that trade infrequently 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. As at 31 August 2024, based on the assumption that the over-the-counter prices of the traded equity securities were 20% higher/lower for the full year, the fair value would have been R1m higher/lower than the current fair value.

ANNEXURE A: SOTP VALUE

FOR THE SIX MONTHS ENDED 31 AUGUST 2024 CONTINUED

Post-tax profit sensitivity analysis:

	Increase Rm	Decrease Rm
31 Aug 24 (Unaudited)		
EV/EBITDA (1x)	314	(313)
Multiple discounts (5%)	(79)	80
Comparable market prices per hectare (10%)	39	(39)
Net asset value discounts (5%)	(25)	25

The change in valuation disclosed in the above tables shows the relative increase or decrease in the input variables deemed to be subject to the most judgement and estimate, and respective impact on the fair value presented in the summary consolidated financial statements. An increase in the EBITDA multiple and control premium inputs, would lead to an increase in the estimated value. However, an increase in the discount due to the lack of liquidity and marketability and minority discount inputs, would lead to a decrease in the estimated value. An increase in the comparable market prices per hectare, would lead to an increase in the estimated value. However, an increase in the net asset value discount, would lead to a decrease in the estimated value.

ZEDER INVESTMENTS LIMITED

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

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AUDITOR

Deloitte & Touche

DATE OF ANNOUNCEMENT

11 October 2024