



FULL YEAR RESULTS

FOR THE YEAR
ENDED 28 FEBRUARY 2025

PRESENTED BY: JOHANN LE ROUX

DATE: 24 APRIL 2025

AGENDA

- Noteworthy transactions
- Cashflow movements
- Financial results
- Portfolio review
- Strategy
- Questions – email to cosec@zeder.co.za

NOTEWORTHY TRANSACTIONS

- Pome Investments – disposal of individual pome assets

Disposal of Pome assets	Zeder special dividends	Key transaction terms	Further cashflows
<ul style="list-style-type: none"> • Transfers completed • Cash proceeds to Capespan Agri of R713m • Related transaction and other costs/pome season impact • Zeder portion is then R602m (87.1% interest) • Zeder received special dividends of R483m 	<ul style="list-style-type: none"> • Zeder paid special dividend of 20c per share or R308m during November 2024 • Zeder paid further special dividend of 11c per share or R169m during December 2024 	<ul style="list-style-type: none"> • Warranties for 12-month period from closing • Limited to 10% of purchase price • Maximum warranty amount is R71m • Zeder portion is R62m (87.1% interest) • No material claims expected 	<ul style="list-style-type: none"> • Further special dividend of R54m received during March 2025 • Further special dividend expected during 2025, subject to warranty claims
R483m received	R477m paid	Pome SOTP R119m	Pome SOTP R65m



NOTEWORTHY TRANSACTIONS

- Zaad Holdings – internal strategic transactions

Exit of South African seed JV	Exit of African operations	Further internal transaction pursued	Rationale
<ul style="list-style-type: none"> Minority interest and not strategic to the Zaad Group Signed agreements and transaction closed Non categorised transaction for Zeder Recurring associate earnings loss reported in Zaad 30 June 2024 results 	<ul style="list-style-type: none"> Signed agreements (Zambia, Zimbabwe, Mozambique and related IP) Competition commission approvals in various jurisdictions required Anticipate July 2025 closing Category 2 transaction 	<ul style="list-style-type: none"> Negotiations in final stages (associate) Anticipate agreements to be signed during May 2025 Non categorised transaction for Zeder Recurring associate earnings loss reported in Zaad 30 June 2024 results 	<ul style="list-style-type: none"> Not strategic assets or assets operating under difficult trading environments, especially in Zimbabwe Transactions could be beneficial to other options being pursued Proceeds used to reduce Zaad 3rd party debt or settle portion of Zeder loans
R35m consideration	R135m consideration	R55m consideration	Reduce debt



CASHFLOW MOVEMENTS

- Special dividends and TLG earn-out received

Special dividends	Special dividends	Special dividends	Further cashflows
<ul style="list-style-type: none"> • Disposal of Capespan during January 2024 • 20c per share special dividend declared during February 2024 and paid after year end in March 2024 	<ul style="list-style-type: none"> • No further TLG restricted funds as from 31 March 2024 • Further 10c per share special dividend declared as part of the year end results during April 2024 and paid in May 2024 	<ul style="list-style-type: none"> • Disposal of individual pome assets during Nov/Dec 2024 • Zeder paid special dividend of 20c per share or R308m during November 2024 • Zeder paid special dividend of 11c per share or R169m during December 2024 	<ul style="list-style-type: none"> • Final earn-out of R30m from TLG transaction received during December 2024 • Further special dividend of R54m received during March 2025 • Given the global uncertainty and volatility, board taking a conservative view
R308m dividend	R154m dividend	R477m dividends	Total of R939m paid

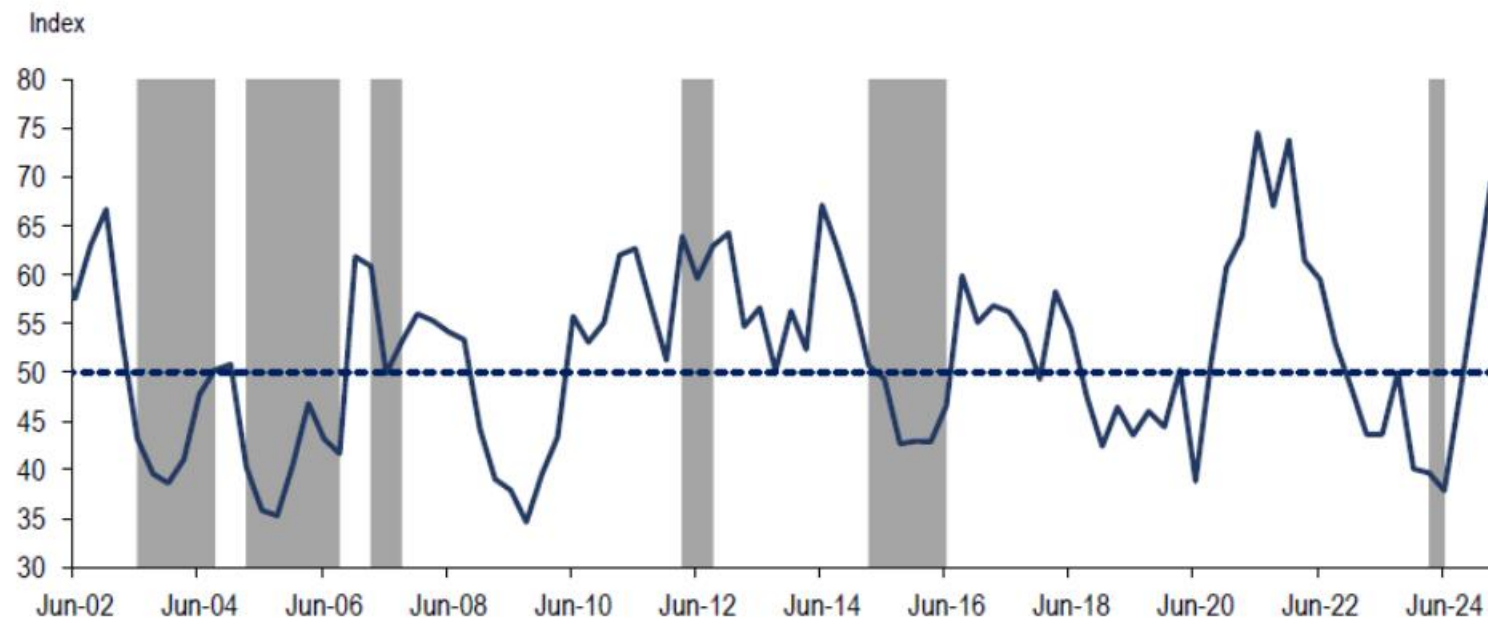
FINANCIAL RESULTS

- Business and operating environment
- Sum-of-the-parts

FINANCIAL RESULTS

BUSINESS AND OPERATING ENVIRONMENT

Figure 1: Agbiz/IDC Agribusiness Confidence Index¹



Source: Agbiz Research, South African Weather Service
(Shaded areas indicate periods indicate periods of drought in South Africa.)

¹ The Agbiz/IDC Agribusiness Confidence Index reflects the perceptions of at least 25 agribusiness decision-makers on the 10 most important aspects influencing a business in the agricultural sector (i.e. turnover, net operating income, market share, employment, capital investment, export volumes, economic growth, general agricultural conditions, debtor provision for bad debt and financing cost). It is used by agribusiness executives, policymakers and economists to understand the perceptions of the agribusiness sector, and also serves as a leading indicator of the value of the agricultural output while providing a basis for agribusinesses to support their business decisions.

- ❑ Index recovered by 11 points during Q1 2025 to 70 points
- ❑ Third consecutive improvement to highest level since Q4 2021, a La Nina rainfall year
- ❑ Optimism a combination of factors, including La Nina rains that support the 2024-2025 agricultural summer season
- ❑ Improvements in port efficiencies that supports exports, also alternate port options
- ❑ Continued optimism around the Government of National Unity (GNU)
- ❑ Index however compiled prior to the recent South African budget approval process that could pose a risk to the GNU
- ❑ In addition, tariffs announced on goods exported to the USA, which could have a negative impact on the export agricultural sector (fresh produce) with the AGOA trade agreement at risk
- ❑ We expect a continuation of the uncertainty and volatility in the markets, Zeder remains well positioned

FINANCIAL RESULTS

SUM-OF-THE-PARTS

FY2025

SOTP value per share to 28 February 2025 decreased, mainly as a result of the successful disposals and resultant special dividends of 61c per share paid during the year. Cash movement subsequent to year end relates to the R54m special dividend received (no impact on SOTP value per share as the valuation of Pome Investments decrease by that amount).

Company	29 Feb 2024		28 Feb 2025		11 April 2025	
	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Zaad	97.2	2 342	97.2	2 156	97.2	2 156
Pome Investments	87.1	585	87.1	119	87.1	65
Other net assets/(liabilities)		203		292		296
Cash and cash equivalents		694		160		213
SOTP VALUE		3 824		2 727		2 730
Number of shares in issue <i>(net of treasury shares)</i> (million)		1 540		1 540		1 540
SOTP value per share (rand)		2.48		1.77		1.77
Zeder share price (rand)		1.78		1.57		1.48
Share price discount to SOTP value (percentage)		28%		11%		16%

Note: It should be noted that these valuations are not an indication of the values at which Zeder would consider selling any of its investments

PORTFOLIO REVIEW



Zaad is a specialist agricultural seed and agrochemicals company that develops and supplies a broad basket of proprietary seeds and chemicals to emerging markets.



PORTFOLIO REVIEW

FINANCIAL RESULTS



On a last twelve-month (LTM) basis, Zaad reported an increase of 8% in recurring earnings to R172m, mainly due to the performance of the South African seed and chemical operations, countered by the performance of May Seed in Turkey. The EBITDA from associates is not aligned to associate earnings as a result of increased interest rates and therefore higher finance charges.

Summarised Income Statement	Jun 23 12 months	Jun 24 12 months	LTM 31 Dec 24 12 months
Historical	R'm	R'm	R'm
Revenue	2 557	2 841	2 875
EBITDA *	559	541	586
EBITDA (subsidiaries)	332	342	369
EBITDA (proportionate from associates)	227	199	217
Associate earnings	86	33	11
Recurring headline earnings	219	160	172
WANOS (m)	41	41	41
Recurring HEPS (R)	5.40	3.95	4.24
Zeder loans	102	319	337
External net debt/(cash)	895	969	917

Notes: * includes EBITDA from associates

These figures are unaudited proforma financials derived from divisional accounts



PORTFOLIO REVIEW

FINANCIAL RESULTS



On a continued LTM business operations basis, the recurring earnings increased by 10% to R204m from the comparative period of R186m, as a result of the anticipated and concluded transactions on the non-performing smaller associate investments.

GENERAL COMMENTS

- These smaller associate investments are not core to the Zaad Group. Focus on the exit of non-performing investments.
- Proceeds will be used to reduce Zaad debt or partial Zeder loans and reduce finance charges.
- The valuation of Zeder's interest in Zaad has decreased by 7.9% to R2.156bn from the prior period.
- The decrease in the valuation was mainly driven by the lower valuation of Zaad's associate investment in Turkey.
- The lower valuation of our African, mainly Zimbabwean operations also had an impact – communicated at interim.
- Countered to a certain extent by strong performances from the South African seed and chemical operations.
- Valuation based on comparable EV/EBITDA multiples, adjusted for company specific factors. Market related multiples split between seed and chemicals and multiples applied to each operating business unit, where not cash generating, discounted NAV approach followed.
- EBITDA normalised and adjusted to exclude the IAS29 accounting effect of hyperinflation where relevant.
- Net debt deducted from the valuation.



PORTFOLIO REVIEW

BUSINESS AND OPERATING ENVIRONMENT



GENERAL COMMENTS

- **Agricol** delivered results exceeding expectations for the 6-month reporting period and had a great start to the early summer season. This was mainly due to record soybean sales for the period. Maize sales were more or less as expected, but late rains in the summer rainfall area in South Africa led to lower than expected sunflower sales. There are however numerous sunflower opportunities starting to develop for Agricol on the exports side of the business. Agricol has diversified in recent years to not only be an important sunflower player, but also a key focus on the soya, wheat and canola markets.
- **Farm-Ag** has shown a significant improvement on the prior reporting period, largely due to an improvement in gross profit margins and a focus on reduced costs. Global chemical markets are currently in a recovery phase with chemical prices improving.
- This, combined with lower cost inventory levels, is leading to an improvement in margins and resultant earnings. In addition, the focus has been on growth and clients in the South African (now 70% of revenue) rather than many of the previously traded African markets, mainly due to increased forex risks (access to forex and currency depreciation) in many of these countries.
- Farm-Ag has good 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 the Farm-Ag share of the market is only 6.25%.
- 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 made the decision to exit these trading operations and signed disposal agreements.

PORTFOLIO REVIEW

BUSINESS AND OPERATING ENVIRONMENT



GENERAL COMMENTS

- **Bakker Brothers**, based in the Netherlands, remains in a transitional phase towards a fully-fledged IP research and development vegetable company. This transition is taking longer than expected as a result of establishing new hybrid seed sales channels in various markets (many of these markets in turmoil due to the Middle-East conflict), leading to long-term capital commitments to reach its full potential. The global vegetable seed industry is growing by a stable 6%-8% annually and therefore provides an opportunity for Bakker in certain vegetable crops. The business has made significant progress in this regard and the sales of own IP as a % of revenue is increasing, in-line with the strategy.
- The Turkish economy has experienced high inflation, resultant high interest rates and political uncertainty. These factors negatively impacted the performance of **May Seed** which is operating under very difficult trading conditions.
- In addition, unfavourable weather patterns and pressure on farmers, led to lower hectares of sunflower, maize and cotton being planted in the prior sales season. May Seed is currently in their agri-input cost cycle and despite various challenges, we are optimistic about the upcoming season as May Seed is a market leader and has a strong product portfolio.
- **EA Seeds** continues to deliver a much-improved performance, mainly as a result of improved weather patterns, but also the continued sales efforts in neighbouring countries. We remain excited about the opportunities this investment holds for the Zaad group. Zaad management has identified Eastern and Central Africa as important growth areas for seeds and agrochemicals and this investment will provide it with access to these markets.

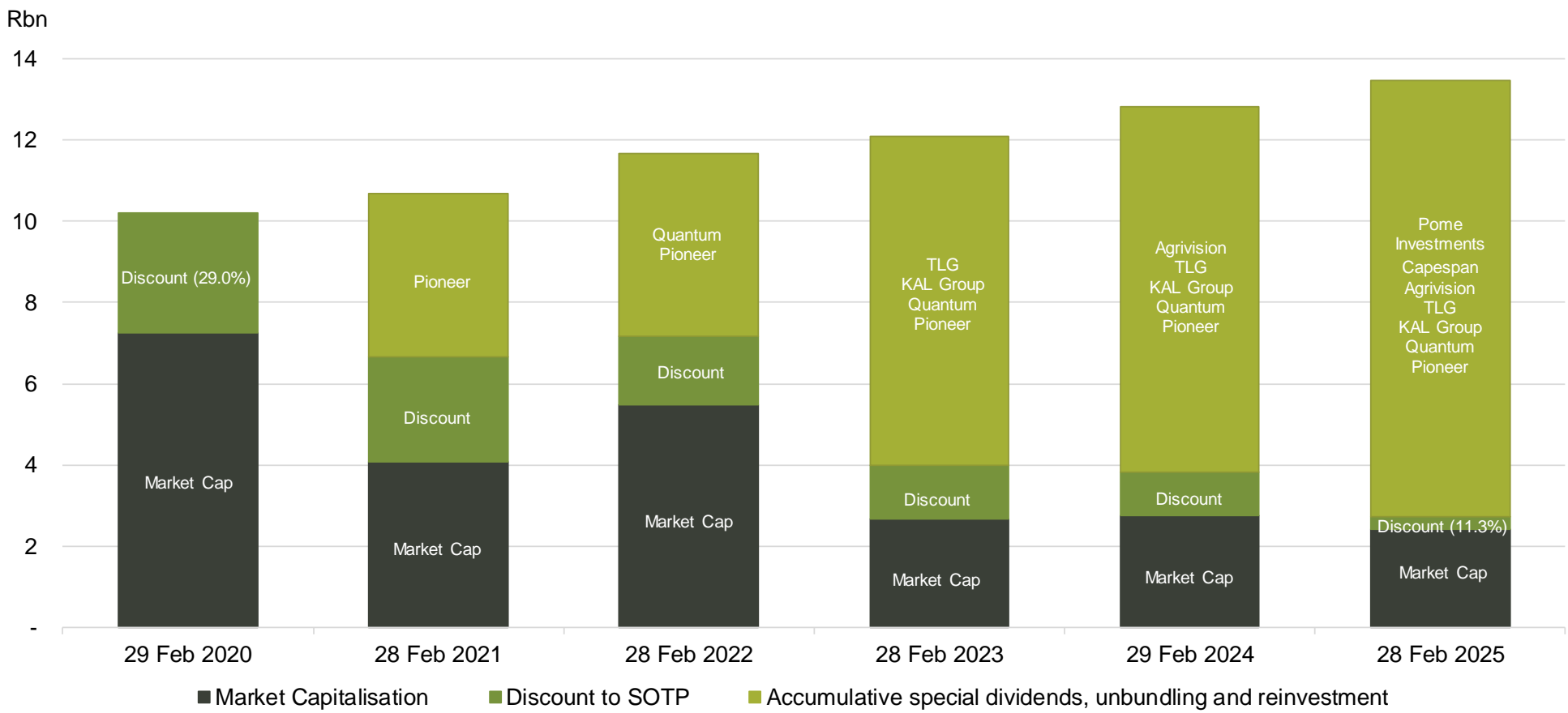
STRATEGY

STRATEGY

- Zeder's objective remains to maximise shareholder wealth
- How did we do during the 2025 financial year?
 - *Dividends to shareholders*
 - *Special dividends totalling 61c per share paid during the 2025 financial year (R939m)*
 - *Given uncertainty and volatility in markets, board has taken the decision not to declare a dividend at this time*
 - *Further special dividends anticipated and will be considered when appropriate*
 - *Corporate actions*
 - *Disposal of Capespan and the individual pome assets*
 - *Final TLG earn-out received*
 - *Combined with prior year corporate actions, value has been created for shareholders*
 - *We remain engaged with third parties on Zaad, also on assets within the group*
 - *We will consider these in a manner that is practical and reasonable to third parties and Zeder as well as other stakeholders, including management*
- Zeder remains well positioned and we remain confident of further progress

STRATEGY

Zeder’s strategy has enabled a return of over R8.5bn to shareholders in terms of special dividends and the Kaap Agri Group unbundling. Significant value has been created for shareholders and the discount has narrowed from R2.96bn to the current ~R300m as at 28 February 2025. We will continue with this strategy and anticipate further special dividends in the near future.



Thank you

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