



ANNUAL GENERAL MEETING

PRESENTED BY: JOHANN LE ROUX

DATE: 20 JULY 2022

AGENDA

- Social and ethics feedback
- Post balance sheet events and value creation
- Sum-of-the-parts update
- Investment portfolio
- Strategy and prospects
- Questions

SOCIAL AND ETHICS FEEDBACK

SOCIAL AND ETHICS FEEDBACK

Zeder implements its monitoring and adherence to Social and Ethics obligations through conscious and deliberate participation at investee company level while aligning and monitoring at holding company level.

- *Zeder's social and ethics (page 50) and governance (page 12) reports are available in the 2022 Annual Report*
- *Zeder is a responsible investor and together with its investee companies consistently aim to apply best practice from an ESG perspective*
- *The environment is critical to the long-term sustainable operations of our investee companies*
- **Listed Company (Kaap Agri)**
 - *Formally constituted Social & Ethics committee*
 - *See website and integrated annual report for details*
- **Unlisted Companies**
 - *Zaad, Capespan and The Logistics Group*
 - ❖ *Formally constituted Social & Ethics committee for unlisted companies*
 - *Agrivision Africa*
 - ❖ *Compliance with and monitoring in terms of the IFC global ESG guidelines*

SOCIAL AND ETHICS FEEDBACK (EXAMPLES)

While it is impossible to record each “social and ethical” initiative across the group, below are examples referenced to illustrate our actions and intentions.

Education

- Invested in bursaries and learnerships
- Pledges and support to make schools economically self-sustainable and introduce or invest in technology
- Early language and literacy development courses

Skills Development

- Farmer developmental programmes to empower emerging farmers and farmworkers
- Skills development programs for scholars, teachers and vulnerable women in impoverished communities
- Occupational Health & Safety and Hygiene training

Sustainability

- Distribution of vegetable garden kits to previously disadvantage communities
- Sponsorship of vegetable and maize seeds for impoverished communities
- Support and report on initiatives to mitigate effects of climate change

Community Outreach

- Contribution to meals to schools and orphanages
- Provision of basic health services on various farms
- Sponsorship of sports teams and events in farming communities
- Provision of food, water and health care facilities during the coronavirus pandemic

- We contribute significantly to society
- We view ourselves as good corporate citizens
- We are dedicated to making positive contributions to the environment, our communities and stakeholders

POST BALANCE SHEET EVENTS

- Disposal of investment in The Logistics Group

Disposal of TLG Group	Funds received	Earn-out payments
<ul style="list-style-type: none"> Zeder sold its 98.22% interest in TLG Group This disposal was duly approved by Zeder shareholders Conditions precedent met after year end, closing was on 31 March 2022 	<ul style="list-style-type: none"> The initial amount received by Zeder was R1.35bn Limited growth opportunities in the agribusiness investment space Enabled further return of capital to Zeder shareholders 	<ul style="list-style-type: none"> Additional R218m due to Zeder Linked to extensions or renewals of agreement (not profit warranties) Timing uncertain, but optimistic of earn-outs being paid during 28 February 2023 financial year
R1.6bn valuation	+ R1.35bn	+ R218m



POST BALANCE SHEET EVENTS

- Unbundling of Kaap Agri shareholding

Unbundling of Kaap Agri

- Board resolved to unbundle Kaap Agri shareholding
- Unbundling was subject to the relevant excon approval
- Condition met after year end, unbundling effective 4 April 2022

R1.6bn in value

Rational for unbundling

- Unbundling was in the best interest of Zeder shareholders
- Zeder shareholders now have a direct interest in Kaap Agri
- Theoretically eliminate the discount applied to the Kaap Agri shares

Unbundling returns R1.03 per Zeder share

Zeder's history with Kaap Agri

- Zeder has been a shareholder since 2006
- Instrumental in the listing of Kaap Agri on the JSE during 2017
- Zeder is proud to be associated with Kaap Agri, the board and the management team



POST BALANCE SHEET EVENTS

- Special dividends

Feb 2020 special dividend	Feb 2021 special dividend	Feb 2022 special dividend	Total special dividends
<ul style="list-style-type: none">• A special dividend of R2.30 per share was paid to shareholders during the prior financial year• R3.93bn of cash resources were returned to shareholders	<ul style="list-style-type: none">• A special dividend of 20c per share was declared and paid to shareholders during May 2021• R308m of cash resources were returned to shareholders	<ul style="list-style-type: none">• A special dividend of 92.5c per share was declared and paid to shareholders during May 2022• R1.42bn of cash resources were returned to shareholders	<ul style="list-style-type: none">• In total special dividends of R3.43 per share have been paid to shareholders during the past 3 years
(R3.93bn)	(R308m)	(R1.42bn)	(R5.66bn)

POST BALANCE SHEET EVENTS

VALUE CREATION

The recent corporate actions and resultant special dividends had a positive impact on Zeder's value creation for shareholders over the past 3 years, during the main Covid period.

Company	28 Feb 2019		Transactions/special dividend		Post further dividend		
	Interest (%)	Rm	Unbundling Rand	Dividend Rand	Interest (%)	Rm	Growth
Pioneer Foods	27.1	4 689					
Zaad	95.3	2 235			97.4	2 367	
The Logistics Group	97.4	978					
Capespan	97.4	1 193			93.0	1 053	
Kaap Agri	41.1	959					
Quantum Foods	29.3	216					
Other (including Agrivision Africa)		621				267	
Cash and cash equivalents		254				455	
Debt funding		(1 500)					
SOTP VALUE		9 645				4 142	
Number of shares in issue (<i>net of treasury shares</i>) (million)		1 710				1 538	
SOTP value per share (rand)		5.64				2.69	
Zeder share price discount to SOTP value per share		25%				25%	
Zeder share price/implied share price (rand)		4.23				2.02	
<i>Add:</i> Zeder special dividend paid (rand) - Feb 2020						2.30	
<i>Add:</i> Zeder special dividend paid (rand) - Feb 2021						0.20	
<i>Add:</i> Value of Unbundled Kaap Agri (rand) - Apr 2022			1.03			1.03	
<i>Add:</i> Zeder special dividend paid (rand) - Feb 2022						0.93	
Value per share to Zeder Shareholders (rand)		4.23				6.48	53%

*Value of R4.46 per share
or R7.26bn returned to
Zeder shareholders*

SUM-OF-THE-PARTS UPDATE

As on 13 July 2022, Kaap Agri and the TLG Group are no longer part of the Zeder Group, with the decrease in the cash balance as a result of the special dividend paid during May 2022. The Zeder bridge loan to Zaad was converted to equity.

Company	28 Feb 2022			13 Jul 2022		
	Interest (%)	Rm	Share of Assets (%)	Interest (%)	Rm	Share of Assets (%)
Zaad	96.9	2 037	28.4	97.4	2 367	57.1
The Logistics Group	98.2	1 571	21.9			
Capespan	94.6	1 053	14.7	93.0	1 053	25.4
Kaap Agri	42.3	1 603	22.4			
Other (including Agrivision Africa)		396	5.5		267	6.5
Cash and cash equivalents		508	7.1		455	11.0
SOTP VALUE		7 168			4 142	
Number of shares in issue <i>(net of treasury shares)</i> (million)		1 538			1 538	
SOTP value per share (rand)		4.66			2.69	
Zeder share price (rand)		3.57			1.85	

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

INVESTMENT PORTFOLIO

- Covid and Russia-Ukraine conflict
- Investment portfolio update

INVESTMENT PORTFOLIO

COVID & RUSSIA-UKRAINE CONFLICT

- Covid - Impact on Zeder and its investment portfolio
 - *Pro-active measures taken and implemented by portfolio management*
 - *Supply chain constraints leading to increased costs and margin erosion*
 - *Inefficiencies at South African and global ports a major obstacle with increased costs and delays*
 - *Zeder portfolio investments resilient, but challenges remain*
- Russia-Ukraine conflict - Impact on Zeder and its investment portfolio
 - *Pressure on agri-input costs, especially fuel and fertilizer and resultant inflation (all portfolio companies)*
 - *Availability of key agri-inputs could become problematic*
 - *Risk of agri-inputs being “late” for planting season (seed, fertilizer)*
 - *Higher soft commodity prices positive for certain farming sectors (Agrivision)*
 - *Opportunities at Zaad (May Seed investment) as Turkey aims to benefit*



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



INVESTMENT PORTFOLIO UPDATE

Zeder converted the outstanding loan of R330m to Zaad into equity via a rights issue on 30 April 2022.

GENERAL COMMENTS

- Good performances from Agricol, FarmAg (chemicals) and May Seed. EA Seed now also contributing (EA Seeds investment will be key to growth in terms of distribution of own IP products)
- Bakker Brothers not yet recovered from Covid (trading into North Africa and Middle East markets)
- Russia/Ukraine conflict impact minimal on May Seed, opportunities in Turkey
- Going forward – higher input costs, more sunflower, less maize planted – focus on margin enhancement
- Valuation only adjusted at interim and full year reporting (apart from rights issue)
- Valuation based on comparable EV/EBITDA multiples, adjusted for company specific factors (split between seeds and chemicals)
- EBITDA normalised and adjusted downwards to exclude the accounting effect of hyperinflation in Zimbabwe
- Net debt deducted from the valuation



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Capespan is an internationally diversified group with a primary exposure to fruit farming, marketing, distribution and related services.

CAPESPAN
GROUP LIMITED

 **ZEDER**
INVESTMENTS LIMITED

INVESTMENT PORTFOLIO UPDATE

The Capespan farming operations (citrus and pome) had good agricultural seasons and produced good volumes.

GENERAL COMMENTS

- Significant supply chain constraints and inefficiencies at South African ports and global shipping, leading to higher costs and margin pressure
- Longer lead times for perishable products leading to quality control issues and as a result, lower price realisation in the market.
- Pome division relatively immune, but citrus and grapes more perishable and therefore more at risk
- Industry wide dynamics are not unique to Capespan – going forward focus on managing volumes, quality and market risk
- Valuation only adjusted at interim and full year reporting
- Valuation based on Capespan Group NAV, adjusted for company specific factors
 - Independent 3rd party valuations performed on all farms and packhouses
 - Associate investments valued at appropriate p/e multiples
- Market related discount applied to Capespan Group NAV as mentioned above



Agrivision Africa is a vertically integrated, grain-related food supplier that farms, mills and distributes products in the northern region of Zambia and southern parts of the DRC.



Agrivision Africa



INVESTMENT PORTFOLIO UPDATE

The Mpongwe milling operation has been sold (agreements signed) and higher soft commodity prices bodes well for the Agrivision farming operations.

GENERAL COMMENTS

- Improved performance:
 - Mkushi farming operation fully planted (summer rainfall sporadic with less water in dams)
 - Mpongwe milling operation mothballed in anticipation of sale (no more losses)
 - High soft commodity prices (soya and wheat)
- Focus on inflation cost management and timely availability of agri-inputs and equipment for planting seasons
- Expect soft commodity prices to remain high in medium term
- Mpongwe milling sale and good operational performance will reduce debt
- Valuation only adjusted at interim and full year reporting
- Valuation based on Agrivision Group NAV, adjusted for company specific factors
 - Independent 3rd party valuations performed on all farms
- Market related discount applied to Agrivision Group NAV as mentioned above

STRATEGY AND PROSPECTS

STRATEGY

- *Zeder's objective remains to maximise shareholder wealth*
 - *Grow the investee portfolio companies*
 - *Dividends to shareholders*
 - *Evaluate disposals when appropriate (timing and price)*
- *The TLG Group disposal, Kaap Agri unbundling and special dividends had a positive impact on Zeder's value creation for shareholders and on the Zeder share price*

PROSPECTS

- *Grow and support our existing portfolio*
 - *Agricultural conditions remain mostly favourable*
 - *Covid recovery and Russia-Ukraine conflict implications will impact portfolio*
 - *Global supply chain challenges and resultant inflation pressure will remain*
- *Approaches received on portfolio investments*
 - *We remain engaged with third parties on our portfolio assets*
 - *Maximise shareholder wealth in an appropriate and responsible manner*
 - *Zeder will communicate to the market when appropriate*

Thank you

**WE ARE BASED IN STELLENBOSCH,
WESTERN CAPE, SOUTH AFRICA.**

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