



# Annual General Meeting

Presented by:

**Norman Celliers**

Chief executive officer

26 July 2019

- **Corporate overview**
- **Significant transactions**
- **Financial results**
- **Portfolio review**
- **Social and ethics feedback**
- **Conclusion**
- **Questions**



# An investment holding company

# Corporate overview

*We play an active role in investee companies through strategic interests with a controlling influence.*

## Positioning

### Business definition

- An actively managed investment holding company listed on the Johannesburg Securities Exchange
- Long-term value investor with a primary focus on Agribusiness, food and related industries
- Key characteristics of investment considerations:
  - Sustainable growth sectors or sub-sectors
  - Management with proven track record
  - High barriers to entry
  - Unique and defendable products (brands)
  - Simple (easy to understand) and scalable business models
  - Focused execution

### Strategic Focus

- Industry:**
  - Agribusiness and related industries (*and expanding*)
- Sub-sector:**
  - Food and Beverages
  - *Adjacent and related*
- Geography:**
  - South Africa (direct)
  - Sub-Sahara Africa (direct)
  - Rest of World (via portfolio)
- Criteria:**
  - Arbitrage
  - Undervalued
  - Growth sectors
  - Consolidation
- Influence:**
  - Active
    - Boards
    - Management
    - Strategy
    - Transactions

Invest in **and build** businesses – *and deliver returns to our shareholders*

# Category 1 disposal

# Significant transactions

*The Zeder Board supports the transaction and has recommended to shareholders to vote in favour of the PepsiCo offer as announced to the market on 19 July 2019.*



- PepsiCo has offered to acquire the entire issued share capital of Pioneer Foods
- The main terms of the offer are contained in the detailed SENS released on 19 July 2019
- The offer includes inter-alia the following:
  - All cash offer by PepsiCo to acquire 100% of the Pioneer Foods shares in issue @ R110 per share
  - 56.5% premium to the Pioneer Foods 30-day VWAP of R70.31 as at 12 July 2019
  - Final dividend of R2.19 to be paid to Pioneer shareholders on top of offer consideration
  - Pioneer Foods to be delisted
- From a Zeder perspective, disposing of its investment in Pioneer Foods will:
  - be an affected transaction in terms of the Companies Act, section 112, i.e. it will imply the disposal of all or the greater part of its assets; and
  - will require shareholder approval



# Application of the proceeds

# Significant transactions

*Once the transaction has been fully implemented, the Zeder Board intends to distribute between R4.25bn and R4.75bn to shareholders by way of a special dividend.*



## Unaudited indication of anticipated application of proceeds

Gross proceeds from the disposal of investment in Pioneer Foods	R 6,400 m
Provision for settlement of debt, transaction costs and directly related obligations	(R 1,600 m)
<b>Estimated net cash available following the full implementation of the disposal</b>	<b>R 4,800 m</b>

	Intended range of dividend	
Intended distribution to shareholders by way of special dividend	R 4,250 m	R 4,750 m
Number of issued shares	1,710 m	1,710 m
<b>Intended special dividend per share</b>	<b>R 2.49</b>	<b>R 2.78</b>

*Immediately following the intended application of the proceeds, Zeder will own its remaining investments with no material long-term debt – this situation will be assessed on an ongoing basis and the purpose of this information is to provide our shareholders with an indication of the Board's intent under present circumstances.*

# Disposal and unbundling

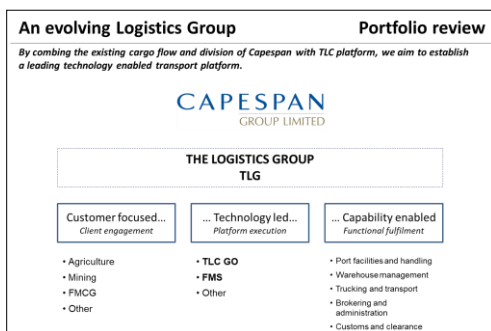
# Significant transactions

*Capespan executed and implemented significant transactions and restructuring during the period under review.*

CAPESPAN  
GROUP LIMITED



- Successfully disposed of the investment in China
- Fair value gains reported in headline earnings
- Transaction completed and proceeds received
- **Net cash received = R988m**
- Capital applied to reduce Capespan group debt
  - Long-term debt settled in SA
  - Short-term facilities reduced by balance
- As at 31 December 2018, Capespan Group effectively had no net debt



- Successfully separated and unbundled logistics division and merged with TLC
- Now two separate stand-alone investments under Zeder named:
  - Capespan Group Limited (CGL)
  - The Logistics Group (TLG)

CAPESPAN  
GROUP LIMITED



FY2019

- Investor sentiment and capital allocation towards country and sector deteriorated significantly during the period under review
  - *JSE Food Producer's Index declined by 34.7% (declined further since YE)*
  - *Economy constrained / GDP numbers reflect downcycle*
- Intrinsic value of portfolio impacted by downward valuation adjustments
  - *SOTP declined by 28.2% to R5.64 per share (R6.62 at R110/Pioneer, as at 19 July 2019)*
  - *Share price declined by 34.4% to R4.23 per share (as at 28 February 2019)*
  - *Discount widened to 25.0% (as at 28 February 2019)*
- Challenging operating environment amidst constrained economic conditions
  - *Recurring Headline Earnings flat (+0.4%)*
- Attractive returns realised from successful disposal of investment in China
  - *Headline Earnings increased by 81.9%*
- Satisfactory cash generation and strengthened balance sheets
  - *Dividend maintained at 11.0c per share*
  - *Intended special dividend of R2.49 – R2.78 per share if Pioneer transaction implemented*



# Earnings and dividends

# Financial results

***Recurring Headline Earnings per share increased by 0.4% while headline earnings increased by 81.9%.***

**FY2019**

<b>AUDITED</b>	<b>28 Feb 18 Rm</b>	<b>Change %</b>	<b>28 Feb 19 Rm</b>
<i>Recurring</i> headline earnings from investments	576		<b>604</b>
Net interest, taxation and other income and expenses	(102)		<b>(133)</b>
<b><i>Recurring</i> headline earnings</b>	474	(0,6)	<b>471</b>
<i>Non-recurring</i> headline earnings	(49)		<b>296</b>
<b>Headline earnings</b>	425	80,5	<b>767</b>
Non-headline items	(171)		<b>(678)</b>
<b>Attributable earnings</b>	254	(65,0)	<b>89</b>
Weighted average number of shares in issue ( <i>net of treasury shares</i> ) (million)	1 717		<b>1 702</b>
<b><i>Recurring</i> headline earnings per share (cents)</b>	27,6	0,4	<b>27,7</b>
<b>Headline earnings per share (cents)</b>	24,8	81,9	<b>45,1</b>
<b>Attributable earnings per share (cents)</b>	14,8	(64,9)	<b>5,2</b>

## **Observations:**

### **• Recurring Headline Earnings:**

- *Apart from Capespan's Farming and Fruit Divisions, most investee companies improved on prior year numbers*
- *Capital injected into Zaad and CAN Agri that will only deliver earnings in the medium-to-long term*
- *Increased finance costs as a result of increased debt at Zeder*

### **• Headline Earnings:**

- *Upward fair value adjustment reflecting the disposal of Joy Wing Mau investment by Capespan Group*

### **• Attributable Earnings:**

- *Impairment charges recognised by Zeder on its Pioneer investment following its decline in share price*
- *If Pioneer transaction implemented, a positive impact will be recorded in future numbers*



# Sum-of-the-Parts

# Financial results

**Zeder's SOTP value is 6.36 as at 19 July 2019 (R6.62 with Pioneer at R110/share).**

Updated

Company	28 Feb 2018		28 Feb 2019		19 Jul 2019		Pioneer @ R110 ps	
	% interest	Rm	% interest	Rm	% interest	Rm	% interest	Rm
Pioneer	27.0%	7,660	27.1%	4,689	28.6%	5,971	28.6%	6,408
Zaad	93.2%	2,043	95.3%	2,235	95.3%	2,235	95.3%	2,235
Capespan Group	97.5%	2,259	97.4%	1,193	97.4%	1,193	97.4%	1,193
The Logistic Group			97.4%	978	97.4%	978	97.4%	978
Kaap Agri	40.9%	1,376	41.1%	959	41.0%	1,063	41.0%	1,063
Agrivision	56.0%	591	56.0%	493	56.0%	493	56.0%	493
Quantum	27.7%	246	29.3%	216	30.8%	219	30.8%	219
Other		33		19		19		19
<b>Subtotal</b>		<b>14,208</b>		<b>10,782</b>		<b>12,171</b>		<b>12,608</b>
Cash		111		254		134		134
Other net assets and liabilities		108		109		122		122
Debt funding		(1,000)		(1,500)		(1,546)		(1,546)
<b>SOTP value</b>		<b>13,427</b>		<b>9,645</b>		<b>10,881</b>		<b>11,318</b>
<b>Shares in issue (net of treasury shares) (m)</b>		1,710		1,710		1,710		1,710
<b>SOTP value per share (R)</b>		<b>7.85</b>		<b>5.64</b>		<b>6.36</b>		<b>6.62</b>

## Observations:

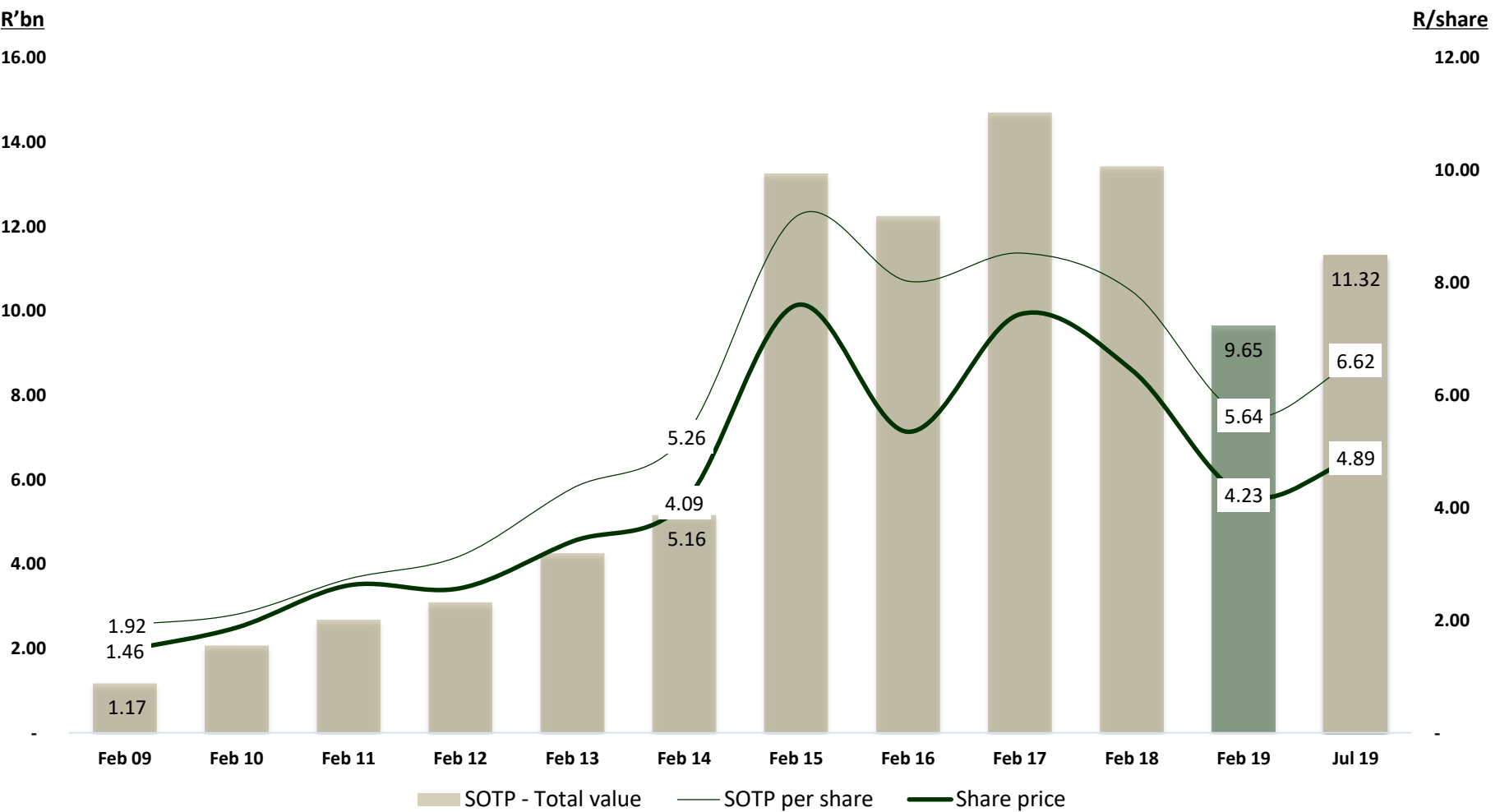
- JSE-Food Producer's Index declined 34.7% during the period under review
- Pioneer Foods's share price (JSE-listed) declined from R131.50 to R80.50 and had a –R2.97bn impact on Zeder's SOTP value
- If transaction successfully implemented, the Pioneer investment will be valued at R6.41bn
- Kaap Agri's share price (JSE-listed) declined from R45.37 to R31.60 and had a –R417m impact on Zeder's SOTP value
- Follow-on investments of R341m made into Zaad to fund R&D, working capital and acquisitions
- Increased net debt at Zeder level from R1.0bn to R1.5bn to finance follow-on investments

# Intrinsic value

*The recent trend has been disappointing, but we are committed to resuming an upward trend through value enhancing initiatives.*

# Financial results









## Historical overview



# Strategic interests across value chain

# Portfolio review

***Portfolio offers strategic exposure to meaningful and leading companies across value chain with strong management teams focused on driving growth in the long-term.***

Company	Salient features	Zeder Share	Zeder Value	Value of 100%
 <b>PIONEER FOODS</b>	<ul style="list-style-type: none"> <li>SS Africa's 2nd largest FMCG (Food and Beverage) Company</li> <li>Packaged staple foods, milling, baking, groceries, beverages</li> <li>Unmatched platform from which to grow and expand</li> <li>Africa + Exports + Selective international expansion (UK)</li> </ul>	28.6%	R 6,410 m	R 23,500 m
 <b>zaad HOLDINGS</b>	<ul style="list-style-type: none"> <li>Leading independent non-GMO, Hybrid Seed Company</li> <li>Broad basket of Agri-seeds and strategic Agri-inputs</li> <li>Advanced R&amp;D with proprietary Intellectual Property</li> </ul>	95.3%	R 2,235 m	R 2,345 m
 <b>KAAP AGRI</b>	<ul style="list-style-type: none"> <li>South Africa's leading Agri-retailer</li> <li>Leading Western Cape grain handler + related services</li> <li>Well established Fuel-retail and wholesale division</li> </ul>	40.9%	R 1,063 m	R 2,593 m
 <b>THE LOGISTICS GROUP</b>	<ul style="list-style-type: none"> <li>Port and warehousing assets in CT, Dbn, PE and Maputo</li> <li>Inland warehousing plus related services</li> <li>Leading proprietary tech-led logistical platform</li> </ul>	97.4%	R 978 m	R 1,004 m
 <b>CAPESPAN GROUP LIMITED</b>	<ul style="list-style-type: none"> <li>South Africa's leading fruit exporter with primary production</li> <li>Global fruit marketing offices ensuring global retail access</li> <li>Proprietary trading platform under development</li> </ul>	97.4%	R 1,193 m	R 1,225 m
 <b>Agrivision Africa</b>	<ul style="list-style-type: none"> <li>Zambia's 2<sup>nd</sup> largest commercial grain farming enterprise</li> <li>Regionally dominant maize and wheat milling operations</li> <li>Significant development and acquisition completed</li> </ul>	56.0%	R 493 m	R 880 m
 <b>QUANTUM FOODS</b>	<ul style="list-style-type: none"> <li>South Africa's largest egg supplier (vertically integrated)</li> <li>Regionally dominant animal feeds operations</li> <li>Leading broiler, layer (grand-parent + parent) farming ops</li> </ul>	29.3%	R 219 m	R 747 m
 <b>CAN-AGRI vertical farming</b>	<ul style="list-style-type: none"> <li>A vertical farming start-up with enormous potential</li> <li>South African concept + patent + innovators</li> <li>Unique intellectual property with international patents</li> </ul>	34.4%	R 81 m	R 81 m
			<b>R 12,672 m</b>	<b>R 32,375 m</b>

\* CAN Agri values reflect loans advanced to date – no equity value recognised yet as it is a greenfield start-up business

# Financial results

# Portfolio review

***Pioneer Foods reported a 25.1% increase in adjusted RHEPS for the period ended 30 September 2018.***



Summarised Income Statement	Sep 13	Sep 14	Sep 15	Sep 16	Sep 17	Sep 18
Historical	R'm	R'm	R'm	R'm	R'm	R'm
Revenue	16,236	17,699	18,748	20,600	19,575	20,152
EBITDA	1,499	2,006	2,488	2,615	1,664	2,040
EBITDA margin	9.2%	11.3%	13.3%	12.7%	8.5%	10.1%
EBIT	1,153	1,716	2,153	2,273	1,277	1,603
EBIT margin	7.1%	9.7%	11.5%	11.0%	6.5%	8.0%
<b>Recurring headline earnings</b>	<b>853</b>	<b>1,242</b>	<b>1,534</b>	<b>1,637</b>	<b>823</b>	<b>1,032</b>
WANOS (m)	183	184	185	186	186	187
<b>Recurring HEPS (R)</b>	<b>4.70</b>	<b>6.78</b>	<b>8.32</b>	<b>8.83</b>	<b>4.42</b>	<b>5.53</b>
Dividend per share (cents)	132.0	221.0	332.0	365.0	365.0	365.0

## Observations:

- *Constrained consumer environment with inflationary cost pressures*
- *Operationally remains competitive with strong management teams*
- *Market shares maintained or recovered*
- *Operational efficiencies continuously improved*
- *Cash generation strong – maintained dividend*
- *Strong balance sheet with conservative levels of debt*

# Business overview

# Portfolio review

*Zaad is a specialist agricultural seed company that develops and supplies a broad basket of proprietary seeds to more than 96 international markets.*



GROWING  
POSSIBILITIES

# Financial results

# Portfolio review

*Zaad reported commendable operating results but RHEPS declined by 5.5% for the year ended 31 January 2019 due to share dilution resulting from rights issues.*



Summarised Income Statement	Feb 14	Feb 15	Feb 16	Jan 17	Jan 18	Jan 19
Historical	R'm	R'm	R'm	R'm	R'm	R'm
Revenue	465	947	1,217	1,344	1,409	1,635
EBITDA	92	142	223	222	223	253
EBITDA margin	19.8%	15.0%	18.3%	16.5%	15.8%	15.4%
EBIT	80	120	188	185	173	200
EBIT margin	17.2%	12.7%	15.4%	13.8%	12.3%	12.2%
<b>Recurring headline earnings</b>	<b>54</b>	<b>77</b>	<b>98</b>	<b>133</b>	<b>123</b>	<b>131</b>
WANOS (m)	13	17	20	22	24	27
<b>Recurring HEPS (R)</b>	<b>4.06</b>	<b>4.44</b>	<b>4.97</b>	<b>6.04</b>	<b>5.03</b>	<b>4.76</b>
Net asset value per share (R)	25.16	29.00	41.28	41.86	46.90	50.40

## Observations:

- Significant business unit expansion and additions made over past 3-4 years
- Capital of R341m raised during the year through rights issues
- Growth and development capital deployed with fully anticipated delay in corresponding earnings
- Group has been exposed to the challenging agri-cycle that Southern Africa experienced the past 24 months
- Sector recovery underway but still not at normalised levels yet – impact on working capital requirements
- R&D spend remains high but IP tested on an ongoing basis and verified for attractive commercial use
- M&A pipeline healthy but managed within acceptable capital allocation parameters

\* Financial year end changed from 28 February to 31 January

# Business overview

*Kaap Agri is a leading Agri-related retail, trade, supply and services company.*

# Portfolio review



## KAAP AGRI

is a retail services group that supplies a variety of products and services mainly to the agricultural sector, but also to the general public.

Kaap Agri has 183 operating points that stretch over 97 cities, towns and places, and include areas such as the Swartland, Boland, Winelands, Overberg, Langkloof, Namaqualand, Orange River, Sundays River Valley, Namibia and adjacent areas, as well as Limpopo, Mpumalanga and Gauteng.





# Financial results

# Portfolio review

*Kaap Agri reported an increase of 0.7% in RHEPS for the year ended 30 September 2018 amidst the drought experienced in the Western Cape.*



Summarised Income Statement	Sep 13	Sep 14	Sep 15	Sep 16	Sep 17	Sep 18
Historical	R'm	R'm	R'm	R'm	R'm	R'm
Revenue	4,008	4,875	5,341	5,653	6,416	6,549
EBITDA	219	263	311	370	447	478
EBITDA margin	5.5%	5.4%	5.8%	6.5%	6.8%	7.3%
EBIT	202	243	291	338	402	431
EBIT margin	5.0%	5.0%	5.4%	6.0%	6.2%	6.6%
<b>Recurring headline earnings</b>	<b>129</b>	<b>158</b>	<b>183</b>	<b>210</b>	<b>248</b>	<b>249</b>
WANOS (m)	70	70	70	70	70	70
<b>Recurring HEPS (R)</b>	<b>1.83</b>	<b>2.24</b>	<b>2.59</b>	<b>2.98</b>	<b>3.52</b>	<b>3.54</b>
Net asset value per share (R)	14.13	15.83	17.81	19.95	22.45	24.84
Dividend per share (cents)	50.0	65.0	82.0	94.5	112.0	116.7

## Observations:

- Tough year negatively impacted by the Western Cape drought – drought ended and current season encouraging
- Weaker retail and trade environment - Fuel licence regulatory delays
- Strong TFC volume growth (38%) – now larger than agri direct fuel
- Agri and building material expansion in KZN – strong growth in Limpopo and Eastern Cape
- Dividends increased by 4.2%

# Business overview

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

# Portfolio review

CAPESPAN  
GROUP LIMITED



# Financial results

# Portfolio review

***Strong performance from Logistics Division off-set by losses incurred in the Farming and Fruit Divisions resulting in a recurring loss at consolidated level.***

**CAPESPAN**  
GROUP LIMITED

Summarised Income Statement	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18
Historical	R'm	R'm	R'm	R'm	R'm	R'm
Revenue	7,149	7,392	7,688	8,311	6,619	5,557
EBITDA	228	227	299	250	241	172
EBITDA margin	3.2%	3.1%	3.9%	3.0%	3.6%	3.1%
EBIT	191	169	220	155	123	40
EBIT margin	2.7%	2.3%	2.9%	1.9%	1.9%	0.7%
<b>Recurring headline earnings</b>	<b>139</b>	<b>159</b>	<b>171</b>	<b>98</b>	<b>78</b>	<b>(21)</b>
WANOS (m)	319	321	324	338	362	366
<b>Recurring HEPS (R)</b>	<b>0.44</b>	<b>0.49</b>	<b>0.53</b>	<b>0.29</b>	<b>0.21</b>	<b>(0.06)</b>
Net asset value per share (R)	4.34	4.62	6.26	5.37	5.01	5.55
Dividend per share (cents)	10.0	16.5	19.8	9.6	-	-

**Observations:**

- *Logistics: Diversified further and reported encouraging results*
- *Farming: Disappointing losses reported largely due to lower grape volumes and market price realisations*
- *Fruit: Lower profits reported due to lower volumes marketed and costs related to strategic restructuring*
- *Climatic conditions have mostly normalised*
- *Capitalised balance sheet should reduce finance charges going forward*
- *SOTP values largely maintained due to JWM capital injection and strong NAV underpin in farming division*

*Note: These figures represent the Capespan Group inclusive of the logistics division.*

# Financial results

# Portfolio review

*The diversification and expansion of logistical customers and capabilities has delivered pleasing results and reduced volatility.*



Summarised Income Statement	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18
Historical	R'm	R'm	R'm	R'm	R'm
Revenue	508	523	511	609	794
EBITDA	152	172	122	172	226
EBITDA margin	29.9%	32.9%	23.9%	28.2%	28.5%
EBIT	122	136	84	120	165
EBIT margin	24.0%	26.0%	16.4%	19.7%	20.8%
<b>Recurring headline earnings</b>	<b>79</b>	<b>79</b>	<b>42</b>	<b>89</b>	<b>125</b>
WANOS (m)	321	323	338	364	366
<b>Recurring HEPS (R)</b>	<b>0.25</b>	<b>0.24</b>	<b>0.12</b>	<b>0.24</b>	<b>0.34</b>

## Observations:

- Retains core business of fresh-produce logistics in ports and warehouses (cold-chain)
- Expanded licences and capabilities into break-bulk, bulk and general cargo
- Expanded service offering to non-perishable agri, mining and FMCG
- Invested in associates and service providers to compliment offering
- Developing technology applications to scale
- Positioned to continue expanding in SA and neighbouring Sub-Saharan African markets

*Note: These figures are unaudited proforma financials derived from divisional accounts*



# Business overview

***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.***

## Farming & Development



- 4,200 ha (irrigated)
- 2,500 ha (dry-land)

## Milling & Processing



- 50,000 tons (Maize)
- 24,000 tons (Wheat)

# Portfolio review



Agrivision Africa

## Brands & Distribution



- Formal retail
- Distribution depots

# Financial results

# Portfolio review

***Disappointing recurring losses reported but conservative approach supports Sum-of-the-Parts values in ZAR.***



Agrivision Africa

Summarised Income Statement	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18
Historical	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	14,304	32,532	31,711	39,718	34,994	30,571
EBITDA	2,831	3,576	2,199	7,326	1,726	3,373
EBITDA margin	19.8%	11.0%	6.9%	18.4%	4.9%	11.0%
EBIT	(245)	5	(955)	4,305	(191)	(209)
EBIT margin	(1.7%)	0.0%	(3.0%)	10.8%	(0.5%)	(0.7%)
<b>Recurring headline (loss)/earnings</b>	<b>(1,509)</b>	<b>(3,385)</b>	<b>(3,615)</b>	<b>1,305</b>	<b>(4,109)</b>	<b>(983)</b>
WANOS (m)	0.8	1.3	1.9	1.9	1.9	1.9
<b>Recurring HEPS (\$)</b>	<b>(1.80)</b>	<b>(2.60)</b>	<b>(1.90)</b>	<b>0.69</b>	<b>(2.20)</b>	<b>(0.53)</b>
Net asset value per share (\$)	38.33	30.64	19.08	55.15	52.55	49.45

## Observations:

- *Disappointing Soya bean harvest due to late disease outbreak*
- *Acceptable yields on other cropping but insufficient irrigation water resources at Mkushi units*
- *Subdued commodity pricing and challenging sales/export environment*
- *Under performance of milling operations – turnaround under way*
- *Favourable rain fall conditions during past summer – full water resources for the first time since 2013*
- *Improved outlook for current season and performance*

# Business overview

# Portfolio review

*Quantum is South Africa's #1 commercial egg supplier and operates a regionally dominant and nationally recognised premium animal feeds business.*





# Financial results

# Portfolio review

*Quantum Foods reported an increase of 234% in RHEPS and declared dividends of 90c per share during the year ended 30 September 2018.*



Summarised Income Statement	Sep 13	Sep 14	Sep 15	Sep 16	Sep 17	Sep 18
Historical	R'm	R'm	R'm	R'm	R'm	R'm
Revenue	3,483	3,561	3,468	3,913	4,052	4,122
EBITDA	(40)	84	220	134	232	544
EBITDA margin	(1.1%)	2.4%	6.3%	3.4%	5.7%	13.2%
EBIT	(251)	(21)	164	124	170	473
EBIT margin	(7.2%)	(0.6%)	4.7%	3.2%	4.2%	11.5%
<b>Recurring headline earnings</b>	<b>(80)</b>	<b>26</b>	<b>126</b>	<b>66</b>	<b>112</b>	<b>361</b>
WANOS (m)	233	233	233	233	229	220
<b>Recurring HEPS (R)</b>	<b>(0.34)</b>	<b>0.11</b>	<b>0.54</b>	<b>0.28</b>	<b>0.49</b>	<b>1.64</b>
Net asset value per share (R)	-	6.26	6.49	6.89	7.03	8.82
Dividend per share (cents)	-	-	10.0	6.0	34.0	90.0

## Observations:

- Strong performance throughout the group
- Exceptional results delivered by egg division (AI, commodities)
- Inevitable cyclicalities recognised – but much improved and resilient business
- Strong cash generation and improved dividends

# Business overview

***CAN Agri is a green-field, startup vertical farming business that owns international patents through which improved yields are delivered at lower costs.***



## Small seeds planted

## New platform investments

*We have partnered with an innovative team and invested in a new company that gives us an entry into smart, vertical farming.*



- Urbanisation and vertical farming is a growing global theme
- Decline in cost effective available agricultural land and damage to environment is forcing a rethink of the sustainability of current approach
- Identified a South African team and concept – suggests:
  - best yields
  - lowest costs
- Total comprehensive urban farming solution
  - water + climate + efficiency + technology + nutrients + control systems + patents



## Small seeds planted

## New platform investments

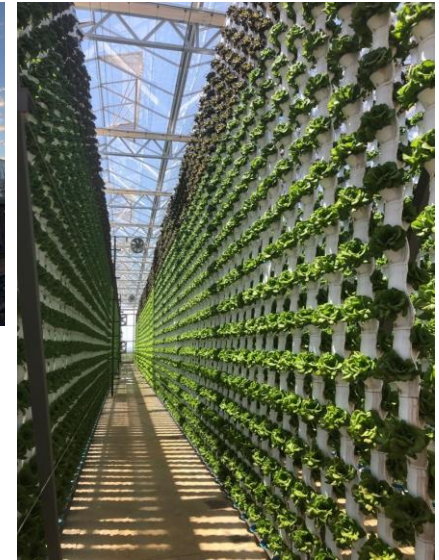
*We have committed the funding to build full-size commercial unit and are currently well advanced with construction.*



- Build full size unit in RSA
- Validate assumptions and KPI's
- Roll out in SA
- Test global application



- First full-scale unit completed in January 2019 – *within budget*
- First harvest completed in February 2019 – *within targets*
- Commercial viability being assessed and confirmed
- South African roll-out being planned
- International market assessment underway



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

Feedback

## Listed Companies

- **Pioneer Foods**
  - Formally constituted Social & Ethics committee
  - See website and integrated annual report for details
- **Kaap Agri**
  - Formally constituted Social & Ethics committee
  - See website and integrated annual report for details
- **Quantum Foods**
  - Formally constituted Social & Ethics committee
  - See website and integrated annual report for details

## Unlisted Companies

- **Capespan**
  - Formally constituted Social & Ethics committee
- **The Logistics Group**
  - Formally constituted Social & Ethics committee
- **Zaad**
  - Formally constituted Social & Ethics committee
- **Agrivision Africa**
  - Compliance with and monitoring in terms of the IFC global ESG guidelines

**Zeder oversees and participates at portfolio level while aligning and monitoring at holding company level**

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

Feedback

Education	Skills Development	Sustainability	Community Outreach
<ul style="list-style-type: none"><li>• &gt;187 bursaries</li><li>• &gt;113 learnerships</li><li>• &gt;R2.3m in school grants and improvements</li><li>• Pledges and support to make the schools. economically self-sustainable.</li><li>• Early language and literacy development courses.</li></ul>	<ul style="list-style-type: none"><li>• Wellness programs for Farm workers.</li><li>• Skills development programs aimed at equipping participants to acquire the necessary skills as care and support assistants.</li><li>• Occupational Health &amp; Safety and Hygiene training.</li></ul>	<ul style="list-style-type: none"><li>• Recollection of bread bags which is then recycled (6m plastic bags to date).</li><li>• Seed supplies without compensation to the value of R3.0m. These were mainly for drought relief programs, seed development and food programs.</li></ul>	<ul style="list-style-type: none"><li>• Provision of breakfast to more than 26 000 learners in 29 schools.</li><li>• Provision of basic health services on various farms.</li><li>• Distribution of personal hygiene hampers.</li><li>• Funding to support black-owned businesses.</li></ul>

- **We view ourselves as good corporate citizens with the best interest of our stakeholders at heart**
- **We contributes significantly to society**
- **We are dedicated to making positive contributions to our direct and indirect communities and stakeholders**

## Our thoughts:

- Investor sentiment towards country and sector is likely to remain subdued in the short- medium term (*will recover in the long-term*)
- Underlying South African economy likely to remain under pressure with constrained consumer spending in the short-medium term (*will recover in the longer term*)
- But, when the last “optimist” turns a “pessimist”, the next person will be an “optimist”
- We have a healthy portfolio of good companies with exceptional people
- We believe the Pioneer transaction is the right transaction for Zeder and all stakeholders



## Our undertaking:

- We aim to complete the Pioneer disposal and distribute between R4,25 – R4,75 billion to shareholders by way of a special dividend
- Thereafter, we will continue to grow our remaining ~ R6 billion portfolio as we see further opportunities for value creation
- We undertake to deliver sustainable shareholder returns through various methods and will carefully consider these within a broader strategic framework

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**Thank you**



**Questions**