ZEDER

INVESTMENTS LIMITED

REVIEWED PRELIMINARY FINANCIAL RESULTS FEBRUARY 2023

OVERVIEW

Zeder is an investor in the broad agribusiness and related industries. Its underlying investment portfolio was valued at R3.45bn on 28 February 2023.

CORPORATE POSITIONING

Zeder assists with portfolio and investee strategies, while monitoring and overseeing optimal capital allocations to ensure sustainable investment returns, including capital appreciation.

NOTEWORTHY TRANSACTIONS

Category 2 disposal of investment in Agrivision Africa

Effective 31 January 2023, the company, through its wholly-owned subsidiary, Zeder Financial Services, disposed of all of its shares in the issued share capital of Zeder Africa to ForAfric for a disposal consideration of R160m.

Zeder Africa holds 56.0% of the issued shares *(net of treasury shares)* in Agrivision Africa, an investment holding company incorporated in Mauritius with agricultural investments in Zambia.

Zeder's focus over the past 24 months was on improving operational efficiencies and reducing debt at Agrivision Africa, which has enabled a clean exit from the investment. The disposal is consistent with Zeder's strategic review and pursuant to the evaluation of approaches received by Zeder on various portfolio assets.

Unbundling of KAL Group shareholding

Effective 4 April 2022, the company unbundled all of its shares in the issued share capital of KAL Group (previously known as Kaap Agri), comprising approximately 42.2% of the total issued share capital of KAL Group, to Zeder shareholders by way of a *pro rata* distribution *in specie*, in the ratio of 1 KAL Group share for every 49.22692 Zeder shares held.

The Zeder board believes that the aforementioned unbundling was in the best interest of Zeder shareholders as it unlocks significant shareholder wealth with Zeder shareholders owning a direct interest in KAL Group rather than an indirect interest via Zeder.

Category 1 disposal of investment in The Logistics Group

Effective 31 March 2022, the company, through its wholly-owned subsidiary, Zeder Financial Services, disposed of all of its shares in the issued share capital of The Logistics Group to *inter alia*, TLG Midco and TLG Acquisition Holdings, for a disposal consideration of up to R1.57bn.

The initial disposal consideration of R1.35bn was received on 31 March 2022 and a further provision was made for two additional earn-out payments. Subsequently, an amount of R178m was received in respect of one of the earn-out payments. The remaining earn-out payment of ~R30m is generally linked to an extension and or renewal of an agreement and not associated to any profit guarantee. While the timing of the remaining extension is uncertain, it is estimated to be concluded in the financial year ending 28 February 2024, but there is no certainty regarding same.

Zeder special dividends

Zeder declared and paid gross special dividends of R1.03 per share (R1.57bn) to Zeder shareholders during the financial year.

STRATEGIC FOCUS

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

The aforementioned corporate transactions had a positive impact on Zeder's wealth creation for shareholders.

Zeder's share price was trading at R4.23 per share as at 28 February 2019. Since then, Zeder returned value of R4.56 per share to Zeder shareholders by way of special dividends of R3.53 per share and an additional R1.03 per share in terms of the KAL Group unbundling, whilst still retaining a Zeder share at the closing market price of R1.72 per share and with a *SOTP value* per share of R2.60, as at 28 February 2023:

	28 Feb 2019 R	Unbundling/ special dividends R
Zeder share price	4.23	
Value per share to Zeder shareholders		**4.56**
Zeder special dividend – Feb 2020		**2.30**
Zeder special dividend – Feb 2021		**0.20**
Value of Unbundling of KAL Group		**1.03**
Zeder special dividend – Feb 2022		**0.93**
Zeder special dividend – Nov 2022		**0.10**
Value to Zeder shareholders (Rm)		**7 413**

The Zeder board remains engaged with third parties on the remaining portfolio investments and continues to assess further wealth maximising strategies in a responsible way. Notwithstanding the aforementioned engagements, we will remain focused on growing our remaining investee companies and will evaluate opportunities as and when deemed appropriate in the interest of all stakeholders. This should allow us to deliver attractive returns.

BUSINESS ENVIRONMENT AND OUTLOOK

The macro environment in which Zeder and its portfolio companies operate, remained relatively constrained during the year, even with an improved climatic cycle. This was largely due to continued supply chain constraints resulting in increased costs and margin pressure as a result of the lagging impact of Covid-19. In addition, the impact of load-shedding and political instability were felt by most portfolio companies with operational disruptions and financial implications, leading to a further deterioration in the Agribusiness Confidence Index.

We anticipate a continuation of the uncertainty and volatility in world markets in the short to medium term, driven by concerns about inflation, higher interest rates, risks to energy availability and supply chain constraints. Despite these challenges, Zeder remains well positioned with a stable balance sheet and cash resources.

SUM-OF-THE-PARTS ("SOTP")

Zeder's *SOTP value* per share, calculated using the quoted market prices for all JSE-listed investments and internal valuations for unlisted investments, decreased by R2.06 per share during the year to R2.60 per share as at 28 February 2023. The decrease was mainly due to Zeder's unbundling of its entire KAL Group shareholding amounting to R1.03 per Zeder share and the payment of special dividends of R1.03 per share in aggregate, to Zeder shareholders during the financial year ended 28 February 2023. These corporate actions resulted in an amount of R2.06 per share returned to Zeder shareholders and therefore directly result in a smaller Zeder business.

Company	28 Feb 2022 Interest (%)	28 Feb 2022 Rm	28 Feb 2023 Interest (%)	28 Feb 2023 Rm
Zaad	96.9	2 037	**97.2**	**2 384**
The Logistics Group	98.2	1 571		
Capespan	94.6	1 053	**93.0**	**1 046**
KAL Group	42.3	1 603		
Agrivision Africa	56.0	146		
Other		21		**15**
Total investments		6 431		**3 445**
Cash and cash equivalents		508		**598**
Other net assets and liabilities		229		**(34)**
SOTP value		7 168		**4 009**
Number of shares (net of treasury shares) (million)		1 538		**1 540**
SOTP value per share (rand)		4.66		**2.60**

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

The SOTP valuations of Zeder's unlisted investments have been based 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), head office costs and other factors. It should be noted that these valuations are not necessarily an indication of the values at which Zeder would consider selling any of its investments.

PERFORMANCE OF PORTFOLIO COMPANIES

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 attractive businesses and currently owns, develops, imports and distributes a broad range of agricultural seeds and chemicals.

Zaad recently changed its year-end from January to June, in order to better align the financial reporting requirements to fall outside the key summer crop cycle. As a result, for its six-months period ended 31 December 2022, Zaad reported recurring headline earnings of R124m, a decrease of 11% from the corresponding prior period.

This was off the back of good performances from Agricol, FarmAg (agro-chemicals) and May Seed (Turkey), whilst the results of Bakker, the African maize operations and EA Seeds were below expectations.

Agricol reported its best six months in history, largely as a result of price increases in the oilseed industry due to the Russian-Ukrainian conflict. South African farmers are benefitting from the low international supply and sunflower seed shortages are also supporting local canola and soybean oilseed crop prices. FarmAg achieved growth, predominantly in the local market and supply from China and India have normalised. As a result of high input costs, farmers continue to seek ways to reduce costs and we have therefore adopted a more cautious outlook for the remainder of the year. The Turkish economy has experienced high inflation and political uncertainty with an upcoming election. May Seed continues to perform well under difficult trading conditions.

The aforementioned results were unfortunately countered by disappointing results from Bakker, the African maize operations and EA Seeds. Bakker Brothers, based in the Netherlands, is in a transitional phase towards a fully-fledged IP research and development company, which results in establishing new sales channels. The business was also negatively affected by Covid-19 as a result of the limitations on cross-border trade into North Africa and the Middle East. The African subsidiaries' results were negatively affected by higher interest rates and resultant pressure on operating margins.

EA Seeds is a relatively new addition to the Zaad group and even though the business was negatively impacted by adverse weather patterns, we are excited about the opportunities this investment poses 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 Zaad with access to these markets.

The specialised agri-inputs market, and particularly the proprietary hybrid seed segment, remains attractive and Zaad is cautiously optimistic about its prospects for the remainder of the year.

During the year under review, Zeder accounted for a fair value gain of R17m in respect of its investment in Zaad.

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

Capespan (93.0%)

Capespan is a vertically integrated fruit producer with global marketing and sales capabilities servicing growers and customers in key international markets.

Despite challenging conditions in the global fresh fruit industry, Capespan reported recurring headline earnings of R89m for its financial year ended 31 December 2022, an increase of 65% from the prior year.

The global fruit industry continued to experience difficulties on the input cost and supply chain side of operations. Increased shipping rates and other logistical challenges hampered operations during the year. The inefficiencies at most of the South African ports had a negative impact in terms of the quality of fruit and resultant "time on the water" for a perishable product destined for the international markets. The increased costs and delays resulted in lower than expected price realisations and margins from the international markets.

After its consolidation and simplification initiative a few years ago, Capespan's sales and distribution division continues to grow its service business model. The difficult trading conditions put pressure on this division's margins as Capespan constantly aims to maximise grower returns, especially during difficult market conditions. Due to improved efficiencies and enhanced service levels following its restructuring, Capespan's fruit division managed to grow its volumes across all three core product categories and across all regions. Capespan anticipates continued growth in this division on the back of enhanced service levels and competitive market returns to growers.

Capespan's farming diversification strategy and favourable agricultural conditions on several of its own farming operations contributed to increased export volumes from South Africa. These improved yields were unfortunately negatively influenced by the supply chain and input cost challenges and lower price realisations in the markets.

The pome farming division performed well with significantly improved yields. The increased volumes compensated for lower price realisations. Early indications are that the 2023 season will again deliver good pome yields. The citrus farming division was negatively affected by labour strikes in certain farming areas as well as lower production yields. In addition, there were further challenges in terms of the important European Union markets during the year. The lower citrus volumes combined with lower prices and high logistical costs resulted in a challenging year for the citrus farming division. These challenges were not unique to Capespan and continue to pose a threat to the South African citrus industry. The grape farming division experienced mixed fortunes. The Namibian operations delivered good yields whilst, due to unfavourable climatic conditions, the Northern Cape operations delivered lower yields. Combined the grape farming operations realised decent prices in the local and export markets and as a result delivered a solid performance.

Capespan remains well positioned with a strong balance sheet, world-class farming assets combined with premium brands and an experienced management team. The challenging conditions in the industry world-wide will provide opportunities for Capespan to expand and enhance its footprint.

During the year under review, Zeder accounted for a fair value loss of R7m in respect of its investment in Capespan.

Further information can be viewed at *www.capespan.com.*

DIVIDEND

Zeder's dividend policy remains to pay dividends conditional on the group having sufficient funds to fund its operations and growth plans. The board has taken the decision not to declare a dividend at this time given the amount of unrestricted cash currently available.

Signed on behalf of the board

Chris Otto
Chairman

Johann le Roux
CEO and Financial director

Stellenbosch
18 April 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 28 February 2023

	Reviewed Feb 23 Rm	Audited Feb 22 Rm
Assets		
Investments (note 2)	**3 445**	3 257
Current income tax assets	**1**	5
Loans and advances (note 8)	**2**	329
Proceeds from disposal of investment subject to earn-out payments (note 2)	**30**	
Trade and other receivables	**25**	6
Cash, money market investments and other cash equivalents (note 3)	**598**	508
Assets held for sale (note 2)		3 174
Total assets	**4 101**	7 279
Equity		
Total equity	**4 009**	7 168
Liabilities		
Deferred income tax liabilities		1
Employee benefits	**3**	2
Trade and other payables	**89**	108
Total liabilities	**92**	111
Total equity and liabilities	**4 101**	7 279
Net asset value per share (cents)	**260.3**	466.1
Tangible asset value per share (cents)	**260.3**	466.1

CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 28 February 2023

	Reviewed Feb 23 Rm	Audited Feb 22[1] Rm
Net fair value gain/(loss) on investments (note 2)	**11**	(40)
Investment income (note 2)	**40**	86
Income		
Other operating income	**25**	2
Expenses		
Marketing, administration and other expenses	**(38)**	(40)
Profit before taxation	**38**	8
Taxation	**(15)**	(12)
Profit/(loss) for the year from continued operations	**23**	(4)
(Loss)/profit for the year from discontinued operations	**(210)**	805
(Loss)/profit for the year[2]	**(187)**	801
Attributable to:		
Continued operations	**23**	(4)
Discontinued operations	**(210)**	805
	(187)	801
(Loss)/earnings per share (refer note 4)		
Attributable – basic (cents)	**(12.1)**	52.1
Attributable – diluted (cents)	**(13.4)**	45.3

[1] *Represented for discontinued operations detailed in note 2.*
[2] *The group had no other comprehensive income during the years under review.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2023

	Reviewed Feb 23 Rm	Audited Feb 22 Rm
Equity at beginning of the year	**7 168**	6 662
(Loss)/profit for the year	**(187)**	801
Share buy-back from dissenting shareholders	**(1)**	
Net movement in treasury shares	**36**	
Loss on treasury shares issued to SIT participants	**(46)**	
Forfeited unclaimed dividends	**7**	
Share-based payment cost – employees	**10**	12
Dividends paid	**(1 575)**	(307)
Unbundling of KAL Group	**(1 403)**	
Equity at end of the year	**4 009**	7 168

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 28 February 2023

	Reviewed Feb 23 Rm	Audited Feb 22 Rm
Cash utilised by operations (note 5)	**(31)**	(14)
Investment income		
Continued operations	**36**	66
Discontinued operations		82
Taxation paid	**(30)**	(15)
Cash flow from operating activities	**(25)**	119
Proceeds from disposal of investments (note 2)	**7**	
Proceeds from disposal of assets held for sale (note 2)	**1 520**	
Proceeds from disposal of investment subject to earn-out payments received	**178**	
Loans and advances granted		(180)
Repayment of loans and advances	**1**	
Cash flow from investing activities	**1 706**	(180)
Share buy-back from dissenting shareholders	**(15)**	
Treasury shares purchased	**(1)**	
Dividends paid to shareholders	**(1 575)**	(307)
Cash flow from financing activities	**(1 591)**	(307)
Net increase/(decrease) in cash and cash equivalents	**90**	(368)
Cash and cash equivalents at beginning of the year	**508**	876
Cash and cash equivalents at end of the year (note 3)	**598**	508

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

These condensed consolidated financial statements are prepared on a going concern basis and in accordance with the requirements of the JSE Listings Requirements for preliminary reports, and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require preliminary 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 Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of these condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the consolidated annual financial statements for the year ended 28 February 2022. The group adopted various revisions to IFRS which were effective for its financial year ended 28 February 2023, however, these revisions have not resulted in material changes to the group's reviewed financial results or disclosures.

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty are similar to those detailed in the consolidated annual financial statements for the year ended 28 February 2022 and related mainly to the fair value of unlisted investments as detailed in Annexure A.

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

Preparation

These condensed consolidated financial statements were compiled under the supervision of the group chief executive officer and financial director, Mr JH le Roux, CA (SA), and have been reviewed by Zeder's external auditor, Deloitte & Touche, with a copy of their unmodified review conclusion attached hereto.

Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the company's 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 as 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.
- 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

	Reviewed Feb 23 Rm	Audited Feb 22 Rm
Continued operations		
Zaad	**2 384**	2 037
Capespan	**1 046**	1 053
Agrivision Africa		146
Other	**15**	21
Total investments	**3 445**	3 257
Discontinued operations		
The Logistics Group		1 571
KAL Group		1 603
Agrivision Africa		
Total assets held for sale	**–**	3 174
	3 445	6 431

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

	Reviewed Feb 23					Audited Feb 22	
	Fair value 28 Feb 22 Rm	Additions/ (disposals/ unbundling)/ reclassified Rm	Fair value gain/(loss) Rm	Fair value 28 Feb 23 Rm	Investment (dividend) income Rm	Fair value gain/(loss) Rm	Investment (dividend) income Rm
Continued operations							
Zaad	2 037	330	17	2 384		27	
Capespan	1 053		(7)	1 046		(64)	44
Agrivision Africa[2]	146	(146)		–			
Other	21	(7)	1	15	2	(3)	2
Total investments	3 257	177	11	3 445	2	(40)	46
Discontinued operations							
The Logistics Group[1]	1 571	(1 571)		–		246	35
KAL Group[1]	1 603	(1 410)	(193)	–		501	47
Agrivision Africa[1,2]		(14)	14	–			
Total assets held for sale	3 174	(2 995)	(179)	–	–	747	82
	6 431	(2 818)	(168)	3 445	2	707	128
Interest income on cash and cash equivalents and loans and advances					38		40
Total investment income					40		168

1 *Fair value gain/(loss) represents fair value gain/(loss) on disposal of asset held for sale and discontinued operations.*

2 *Agrivision Africa classified as discontinued operation during the year. R146m was reclassified as asset held for sale and Agrivision Africa was disposed of during the year for a disposal consideration of R160m. The fair value movement of R14m (2022: Rnil) was represented as discontinued operations.*

Discontinued operations

Disposal of investment in The Logistics Group
Effective 31 March 2022, the company, through its wholly-owned subsidiary, Zeder Financial Services, disposed of all of its shares in the issued share capital of The Logistics Group to *inter alia*, TLG Midco and TLG Acquisition Holdings, comprising 98.22% of The Logistics Group's shares in issue for a disposal consideration of up to R1.57bn. The initial disposal consideration of R1.35bn was received on 31 March 2022, and a further provision was made for two additional earn-out payments totalling R218m, payable in cash. Subsequently, an amount of R178m was received in respect of one of the earn-out payments. The remaining earn-out payment is generally linked to an extension and or renewal of an agreement and not associated to any profit guarantee. While the timing of the remaining extension is uncertain, it is estimated to be concluded in the financial year ending 28 February 2024, but there is no certainty regarding same.

Unbundling of KAL Group shareholding
Effective 4 April 2022, the company unbundled all of its shares in the issued share capital of KAL Group (previously known as Kaap Agri), comprising approximately 42.2% of the total issued share capital of KAL Group, to Zeder shareholders by way of a pro rata distribution in specie, in the ratio of 1 KAL Group share for every 49.22692 Zeder shares held.

Disposal of investment in Agrivision Africa
Effective 31 January 2023, the company, through its wholly-owned subsidiary, Zeder Financial Services, disposed of all of its shares in the issued share capital of Zeder Africa, comprising 100% of Zeder Africa's shares in issue, to ForAfric for a disposal consideration of R160m. Zeder Africa holds 56.0% of the issued shares (net of treasury shares) in Agrivision Africa, an investment holding company incorporated in Mauritius with agricultural investments in Zambia. As a result, Agrivision Africa was classified as an asset held for sale and a discontinued operation during the year. The previous year were represented as discontinued operations, where applicable.

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

Discontinued operations – Income statement

	Reviewed Feb 23 Rm	Audited Feb 22[5] Rm
Net fair value (loss)/gain on investments	**(179)**	747
Investment income		82
Other operating income	**2**	2
Impairment loss from proceeds from disposal of investment subject to earn-out payments[3]	**(10)**	
Transaction cost	**(5)**	(26)
Taxation[4]	**(18)**	
(Loss)/profit for the year from discontinued operations	**(210)**	805

[3] *During the year, Zeder impaired the earn-out payment resulting from the disposal of The Logistics Group with R10m (refer note 9).*

[4] *As a result of the unbundling of the KAL Group shares, Zeder has an obligation to pay capital gains tax on the distribution of the KAL Group shares to a disqualified shareholder in terms of section 46 of the Income Tax Act.*

[5] *Represented for discontinued operation Agrivision Africa.*

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 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 28 February 2022. 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 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 years 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 28 February 2022.

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
28 Feb 2023 (reviewed)				
Assets				
Investments			**3 445**	**3 445**
Opening balance			**4 828**	
Additions to investments			**330**	
Disposals to investments and assets held for sale			**(1 738)**	
Fair value gain			**25**	

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
28 Feb 2022 (audited)				
Assets				
Investments			3 257	3 257
Cash and cash equivalents – money market investments	66			66
Assets held for sale – Investments	1 603		1 571	3 174
	1 669	–	4 828	6 497
Opening balance			4 622	
Fair value gain			206	

There are no financial liabilities carried at fair value for the year under review (2022: Rnil).

3. CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS

On closing of the disposal of the investment in the TLG Group on 31 March 2022, the parties agreed to a restricted cash reserves mechanism, for the settlement of any potential warranty claims which may arise subsequent to the sale of said investment for a period of 24 months from closing. At 28 February 2023, an amount of R306m, or 20% of the proceeds and earn-out received, is included in the Cash, money market investments and other cash equivalents balance for this purpose. 50%, or R153m, of this balance will be released from the restrictive cash reserves on 30 September 2023, with the remaining balance of R153m released on 31 March 2024. The restricted cash is held with other cash balances and is under the control of Zeder.

4. EARNINGS AND DIVIDEND PER SHARE

	Reviewed Feb 23 Rm	Audited Feb 22[1] Rm
Attributable (loss)/earnings	**(187)**	801
Non-headline items		
Headline (loss)/earnings	**(187)**	801
Continued operations	**23**	(4)
Discontinued operations	**(210)**	805
There are no non-headline items for the year under review (2022: Rnil).		
Dilutive (loss)/earnings (Rm)		
Headline	**(209)**	700
Attributable	**(209)**	700
(Loss)/earnings per share (cents)		
Headline (basic)	**(12.1)**	52.1
Continued operations	**1.5**	(0.2)
Discontinued operations	**(13.6)**	52.3
Headline (diluted)	**(13.4)**	45.3
Continued operations	**0.1**	(2.9)
Discontinued operations	**(13.5)**	48.2
Attributable (basic)	**(12.1)**	52.1
Continued operations	**1.5**	(0.2)
Discontinued operations	**(13.6)**	52.3
Attributable (diluted)	**(13.4)**	45.3
Continued operations	**0.1**	(2.9)
Discontinued operations	**(13.5)**	48.2
Dividends per share (cents)		
Special dividend per share – declared 12 October 2022, paid 14 November 2022	**10.0**	
Special dividend per share – declared 12 April 2022, paid 9 May 2022	**92.5**	
Special dividend per share – declared 13 April 2021, paid 10 May 2021		20.0
Number of shares (million)		
In issue	**1 540**	1 543
In issue *(net of treasury shares)*	**1 540**	1 538
Weighted average	**1 539**	1 538
Diluted weighted average	**1 556**	1 546

[1] *Represented for discontinued operations detailed in note 2.*

5. CASH UTILISED BY OPERATIONS

	Reviewed Feb 23 Rm	Audited Feb 22[1] Rm
Profit before taxation		
Continued operations	**38**	8
Discontinued operations	**(192)**	805
Investment income (note 2)		
Continued operations	**(40)**	(86)
Discontinued operations		(82)
Net fair value (gain)/loss on investments		
Continued operations	**(11)**	40
Discontinued operations	**179**	(747)
Impairment loss from proceeds from disposal of investment subject to earn-out payments (note 2)		
Discontinued operations	**10**	
Reversal of impairment on loans and advances	**(19)**	
Equity-settled share-based payment cost	**10**	12
	(25)	(50)
Changes in working capital	**(6)**	36
Cash utilised by operations	**(31)**	(14)

[1] *Represented for discontinued operations detailed in note 2.*

6. SEGMENTAL REPORTING

The group is organised in five reportable segments, representing the major investments of the group, mainly Zaad, The Logistics Group, Capespan, KAL Group and Agrivision Africa.

All segments operate predominantly in South Africa. However, the group has exposure to operations outside of South Africa through, *inter alia*, Zaad, The Logistics Group, Capespan and Agrivision Africa.

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*, JSE-listed investments are valued using quoted market prices, whereas 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 gains/(losses) on investments Rm	Investment (dividend) income Rm	Other income and expenses Rm	Headline earnings Rm	*SOTP value* Rm
28 Feb 2023 (reviewed)					
Continued operations					
Zaad	**17**		**4**	**21**	**2 384**
Capespan	**(7)**			**(7)**	**1 046**
Other	**1**	**2**	**19**	**22**	**15**
Discontinued operations					
The Logistics Group			**(12)**	**(12)**	
KAL Group	**(193)**			**(193)**	
Agrivision Africa	**14**		**(1)**	**13**	
Unallocated (mainly head office)			**2**	**2**	
Cash and cash equivalents					**598**
Other net assets and liabilities					**(34)**
Total				**(154)**	**4 009**
Non-headline items (note 4)					
Taxation				**(33)**	
Loss for the year				**(187)**	
Profit for the year from continued operations				**23**	
Loss for the year from discontinued operations				**(210)**	
***SOTP value* per share (rand)**					**2.60**

6. SEGMENTAL REPORTING CONTINUED

	Fair value gains/(losses) on investments Rm	Investment (dividend) income Rm	Other income and expenses Rm	Headline earnings Rm	*SOTP value* Rm
28 Feb 2022 (audited)					
Continued operations					
Zaad	27		20	47	2 037
Capespan	(64)	44		(20)	1 053
Other	(3)	2		(1)	21
Discontinued operations					
The Logistics Group	246	35	(26)	255	1 571
KAL Group	501	47		548	1 603
Agrivision Africa			2	2	146
Unallocated (mainly head office)			(18)	(18)	
Cash and cash equivalents					508
Other net assets and liabilities					229
Total				813	7 168
Non-headline items (note 4)					
Taxation				(12)	
Profit for the year				801	
Loss for the year from continued operations				(4)	
Profit for the year from discontinued operations				805	
***SOTP value* per share (rand)**					4.66

7. CAPITAL COMMITMENTS, CONTINGENCIES AND SURETYSHIPS

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

8. 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 28 February 2022 took place during the year under review, although they will not impact the fair value basis on which these financials were compiled. Included in the group's dividends paid is an amount of R767m paid to PSG Group (the largest shareholder in the company) (2022: R150m paid to PSG Financial Services).

During the prior year, Zeder advanced R180m to Zaad and as at 28 February 2022, the amount of R326m was outstanding. The loan carried interest at prime and included in the group's investment income is R4m (2022: R20m) interest income from Zaad. During the year, Zeder converted the outstanding loan of R330m, as at 30 April 2022 to Zaad into equity via a rights issue.

9. 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 has occurred between the end of the reporting year and the date of approval of the condensed consolidated financial statements.

ANNEXURE A: *SOTP VALUE*

for the year ended 28 February 2023

	Reviewed												
	Feb 23		SOTP value										
Investment	Voting rights[1] %	Number of shares held m	Country of incorporation[2]	Nature of business	Listed/unlisted	Classification at Feb 23	Feb 22 Rm	Movement Rm	Feb 23 Rm	Portion %	Valuation method	Fair value Categorisation	R/share
Continued operations													
Zaad	**97.2**	**39.4**	South Africa[3]	Specialist agricultural seed and agrochemical company	Unlisted	Subsidiary	**2 037**	**347**	**2 384**	**69**	EV/EBITDA multiple (note A)	Level 3	60.50
Capespan	**93.0**	**356.9**	South Africa[4]	Fruit marketing and farming	Unlisted	Subsidiary	**1 053**	**(7)**	**1 046**	**30**	Market-related net asset value underpinned by farming operations including P/E multiple on other operations (note A)	Level 3	2.93
Other				Various	Unlisted	Various	**21**	**(6)**	**15**	**1**	Refer note D	Level 3	
Discontinued operations													
The Logistics Group			South Africa[5]	Integrated logistics provider	Unlisted		**1 571**	**(1 571)**	**–**		Recent transaction price (note B)	Level 3	
KAL Group			South Africa[5]	Retail and agricultural trade services group	Listed		**1 603**	**(1 603)**	**–**		Closing JSE-listed share price (note C)	Level1	
Agrivision Africa			Mauritius[6]	Farming and milling operation	Unlisted		**146**	**(146)**	**–**		Recent transaction price (note B)	Level 3	
Total investments and assets held for sale							**6 431**		**3 445**	**100**			
Cash and cash equivalents							**508**		**598**				
Other net assets and liabilities							**229**		**(34)**				
Total SOTP value							**7 168**		**4 009**				
SOTP value per share (rand)							**4.66**		**2.60**				
Sub-total								**(2 986)**					
Adjust for disposals/unbundling/(additions) included in movement (note 2)								**2 818**					
Fair value gains/(loss) from investments and asset shares for sale (note 2)								**(168)**					

[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 various subsidiaries throughout the world.*

[5] *Operating via subsidiaries in Southern Africa. The Logistics Group and KAL Group classified as discontinued operations.*

[6] *Operating via subsidiaries in Zambia. Agrivision Africa classified as a discontinued operation.*

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

Note A – unlisted investments – continued operations:

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

Level 3 unobservable inputs and additional information	Re-curring EBITDA Rm	Average EV/EBITDA multiple[7]	Net debt and cash Rm	Recurring headline earnings[8] Rm	P/E multiple[7] times	Comparable market prices[9] per hectare	Market-related net asset value[10] Rm	Net company specific discounts[11] %	Implied P/E multiple times
28 Feb 23 (reviewed)									
Zaad[12]	**516**		**909**	**225**					**8–12**
Seed	**208**	**7–8**	**640**	**81**				**0–45**	**10–12**
Chemical	**160**	**6–7**	**269**	**84**				**20**	**8–10**
Associates									
Seed	**117**	**7–9**		**47**				**0–25**	
Chemical	**31**	**5–6**		**13**				**35**	
Capespan[13]									
Mainly South African farming assets						**R0.2m–R1.1m**	**1 673**	**31**	
Other operations				**6**	**5**				

[7] *EV/EBITDA and P/E ratio's comparable to other similar companies, adjusted for company specific factors that include a combination of liquidity, marketability, and minority/controlling discount/premiums, where applicable.*

[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, citrus and grapes farm land valuations, obtained from an independent third-party valuator, measured against the comparable sales. Full independent valuation were performed during the previous year and a desktop valuation for the current year, as there were no significant changes to the farm land valued.*

[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, attributed to the appetite for primary farming assets and the ability of the company to realise these assets at market-related net asset values. This exclude the fair value of other operations, in the case of Capespan, that is valued on a P/E multiple basis.*

[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 last twelve months ended 31 December 2022. 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 don't currently support a market-related EV/EBITDA multiple, a discounted net asset value approach is followed.*

[13] *Represents the year ended 31 December 2022. Capespan is an asset-heavy business with large Southern African fruit farming operations and an international fruit marketing capability. Capespan has an asset value under-pin, given the number of farms that it owns. Given the asset intense investment and inconsistent earnings, it remains appropriate to value Capespan on a market-related net asset value basis (fair value less cost to sell). These valuations are supported by third party valuations or comparable sales, adjusted for company specific factors, that include, inter alia, liquidity and marketability discounts as well as a net asset value discount, attributed to the appetite for primary farming assets and the ability of the company to realise these assets at market-related net asset values. Associates of Capespan, who is earnings generative, are valued on a P/E multiple, based on comparable sales of similar associates, adjusted for company specific factors, that include a combination of, inter alia, liquidity, marketability, and minority discount. Included in the market-related net asset value in the above table, based on an independent third-party valuer, a valuation of a fruit packing facility with cold storage based on a discounted cash flow model, with the following inputs: Net profit of R17m, represented by affordable net annual rent; capitalisation rate of 11%; and with a property value of R158m. Sensitivity on the capitalisation rate: A 1% increase would result in a R13m decrease and a 1% decrease would result in a R16m increase in estimated value.*

Note B – unlisted assets held for sale – discontinued operations:

As at 28 February 2022, Zeder's investment in The Logistics Group was valued at R1.57bn. The total disposal consideration of R1.57bn, comprising of an initial disposal consideration of R1.35bn, which was received on 31 March 2022, and a further provision for two additional earn-out payments totalling R218m, payable in cash. Subsequently, an amount of R178m was received in respect of one of the earn-out payments. The remaining earn-out payment is generally linked to an extension and or renewal of an agreement and not associated to any profit guarantee. The timing of the remaining extension cannot be determined, although it is estimated to be concluded in the financial year ending 28 February 2024, but there is no certainty regarding same.

Effective 31 January 2023, the Zeder disposed of all of its shares in the issued share capital of Zeder Africa for a disposal consideration of R160m. Zeder Africa holds 56.0% of the issued shares (*net of treasury shares*) in Agrivision Africa. As a result, Agrivision Africa was classified as a discontinued operation.

Note C – listed assets held for sale – discontinued operations:

As at 28 February 2022, Zeder's investment in KAL Group was valued using its closing JSE-listed share price.

Note D – 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. The balance previously included a 32.4% interest in Clean Air Nurseries, an associate, valued at the loans converted to equity during the previous year. The investment in Clean Air Nurseries was impaired in full during the previous year and disposed for R1 000, with a R19m recovery of the previously impaired loan, during the current year. As at 28 February 2023, 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 R2m higher/lower than the current fair value.

Post-tax profit sensitivity analysis:

	Increase Rm	Decrease Rm
EV/EBITDA (1x)	**330**	**(330)**
Multiple discounts (5%)	**(30)**	**30**
Comparable market prices per hectare (10%)	**59**	**(59)**
Net asset value discounts (5%)	**(36)**	**36**

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 condensed 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.

Deloitte.

PO Box 7416
Stellenbosch 7599
South Africa

Deloitte & Touche
Registered Auditors
Unit 11 Ground Floor
La Gratitude
97 Dorp Street
Stellenbosch 7600
Western Cape
Docex 5 Claremont

Tel: +27 (0)21 861 3960
Fax: +27 (0)21 413 2773
www.deloitte.com

INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF ZEDER INVESTMENTS LIMITED

We have reviewed the condensed consolidated financial statements of Zeder Investments Limited, contained in the accompanying preliminary financial report, which comprise the condensed consolidated statement of financial position as at 28 February 2023, the condensed consolidated income statement and the condensed statement of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require condensed consolidated financial statements contained in a preliminary report to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by International Accounting Standard (IAS) 34, Interim Financial Reporting.

Auditor's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Zeder Investments Limited for the year ended 28 February 2023 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa.

DocuSigned by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditor
Per: JHW de Kock
Partner
18 April 2023

MAKING AN IMPACT THAT MATTERS since 1845

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

DIRECTORS
CA Otto# (Chairman), JH le Roux* (CEO & FD), S Cassiem#, WL Greeff, NS Mjoli-Mncube#, PJ Mouton
* *executive*
# *independent non-executive*

COMPANY SECRETARY AND REGISTERED OFFICE
Zeder Corporate Services Proprietary Limited
2nd Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600
PO Box 7403, Stellenbosch, 7599

TRANSFER SECRETARY
Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
Private Bag X9000, Saxonwold, 2132

SPONSOR
PSG Capital Proprietary Limited

INDEPENDENT JOINT SPONSOR
Tamela Holdings Proprietary Limited

AUDITOR
Deloitte & Touche

DATE OF ANNOUNCEMENT
19 April 2023