

ZEDER INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2006/019240/06)

Share code: ZED

ISIN: ZAE000088431

LEI: 37890022AF5FD117D649

("the Company" or "Zeder")



UNBUNDLING OF KAAP AGRI SHAREHOLDING AND FURTHER CAUTIONARY ANNOUNCEMENT

Unless defined in the body of this Announcement, capitalised terms shall have the meanings ascribed to them in the definitions section at the end of this Announcement.

1. ZEDER UNBUNDLING

- 1.1. Shareholders are hereby advised that the Board has resolved to unbundle the Company's shareholding of 31 286 956 Kaap Agri Shares, comprising approximately 42.2% of the total issued share capital of Kaap Agri, to Shareholders by way of a *pro rata* distribution *in specie*, in the ratio of 1 Kaap Agri share for every 49.22692 Zeder Shares held on the Zeder Unbundling Record Date ("**Distribution Ratio**"), subject to the fulfilment of the Zeder Unbundling Condition.
- 1.2. The Zeder Unbundling, if implemented, will constitute a *pro rata* distribution *in specie* in terms of section 46 of the Companies Act and section 46 of the Income Tax Act, with Shareholders thereafter having a direct interest in Kaap Agri rather than an indirect interest via Zeder.
- 1.3. As Kaap Agri is listed on the JSE and will remain listed on the JSE on the implementation of the Zeder Unbundling, the Zeder Unbundling will not require the approval of Shareholders in terms of paragraph 5.85 of the JSE Listings Requirements.

2. RATIONALE FOR THE ZEDER UNBUNDLING

- 2.1. The Board believes that the Zeder Unbundling will be in the best interest of Shareholders in order to maximise shareholder wealth.
- 2.2. The Zeder Unbundling is aimed to theoretically maximise wealth for Shareholders for the reasons set out below –
 - 2.2.1. The Zeder Unbundling will result in Shareholders holding the Kaap Agri Distribution Shares directly, which will eliminate the current discount applied to the Kaap Agri Distribution Shares currently included in the sum of the parts ("**SOTP**") value of the Company.
 - 2.2.2. On a per Zeder Share basis, the Kaap Agri Distribution Shares had an attributable value of R1.02 on Friday, 25 February 2022 (based on Kaap Agri's volume-weighted average price ("**VWAP**") over the 30 trading days preceding that date) and accordingly comprised 21.8% of the SOTP value per Zeder Share on the same date. Kaap Agri's success resulted in it constituting a large part of the Zeder

portfolio in recent times. Post the Zeder Unbundling, Zeder will remain well capitalised and will be in a healthy liquidity position.

- 2.2.3. Zeder has been a shareholder in Kaap Agri since 2006 and was instrumental in the listing of Kaap Agri on the JSE during 2017. The Board has tremendous gratitude towards all the people at Kaap Agri for the success story it has been fortunate to be part of. A special word of thanks goes to Sean Walsh (CEO), Graeme Sim (CFO) and the rest of the Kaap Agri board of directors. Kaap Agri has a strong management team and board of directors, and remains well capitalised. Zeder is proud to have been associated with Kaap Agri.

3. FURTHER INFORMATION REGARDING THE ZEDER UNBUNDLING

3.1. Zeder Unbundling Condition

- 3.1.1. The Zeder Unbundling is subject to the fulfilment of the condition precedent that by no later than Friday, 22 April 2022 the Financial Surveillance Department of the South African Reserve Bank approves the Zeder Unbundling on terms and conditions acceptable to Zeder.
- 3.1.2. Zeder may, at any time, extend the date for fulfilment of the Zeder Unbundling Condition.

3.2. Implementation of the Zeder Unbundling

- 3.2.1. Under the Zeder Unbundling, Shareholders will receive the Kaap Agri Distribution Shares in Dematerialised form only.
- 3.2.2. Accordingly, all Certificated Shareholders wishing to receive their Kaap Agri Distribution Shares in Dematerialised form must appoint a CSDP under the terms of the Financial Markets Act, directly or through a Broker, to receive the Kaap Agri Distribution Shares on their behalf.
- 3.2.3. Should a Certificated Shareholder not appoint a CSDP under the terms of the Financial Markets Act, directly or through a Broker, to receive the Kaap Agri Distribution Shares on its behalf, such Shareholder will be issued with a statement of allocation, reflecting its Kaap Agri Distribution Shares, by the Transfer Secretaries. Such Shareholders can thereafter instruct the Transfer Secretaries to transfer their Kaap Agri Distribution Shares, represented by the statement of allocation, to their appointed CSDP or can instruct the Transfer Secretaries to issue them with a share certificate at any time following the Zeder Unbundling.
- 3.2.4. If a Shareholder is in any doubt as to what action to take in respect of the Zeder Unbundling, such Shareholder should consult its Broker, CSDP, banker, attorney or other professional advisor.

3.3. Fractional Entitlements

- 3.3.1. Where a Shareholder's entitlement to the Kaap Agri Distribution Shares in terms of the Zeder Unbundling, calculated in accordance with the Distribution Ratio, gives rise to a fraction of a Kaap Agri Distribution Share, such fraction will be rounded down to the nearest whole number, resulting in allocations of whole Kaap Agri Distribution Shares and a cash payment in respect of the fraction to such Shareholder. The fractional entitlements will be delivered in aggregate to each

CSDP and they will be responsible for the payment of the cash fractional payment to Shareholders, which will be funded from the disposal of the fractional entitlements to which they are entitled on the market.

3.3.2. In accordance with the JSE Listings Requirements, the weighted average traded price for a Kaap Agri Distribution Share on the last day to trade, currently anticipated to be Tuesday, 5 April 2022, plus one business day less 10% will be used to calculate the cash value of the respective fractions of Kaap Agri Distribution Shares to be paid to the applicable Shareholders. The cash value in respect of the fractions of Kaap Agri Distributions Shares will be announced on SENS on the day immediately preceding the Zeder Unbundling Record Date, which is currently anticipated to occur on Thursday, 7 April 2022.

3.3.3. Certificated Shareholders whose bank account details are not held by the Transfer Secretaries, are requested to provide such details to the Transfer Secretaries to enable payment of the cash amount due for the aforementioned fraction of a Kaap Agri Distribution Share. Should no details be on record, the funds will be held by the Company in trust until such time as the details have been provided and the cash fraction will thereafter be paid to the Shareholder upon its request without interest, subject to the applicable laws of prescription.

3.4. **Tax considerations in relation to the Zeder Unbundling**

3.4.1. Shareholders should consult their own tax advisors regarding any tax consequences of the Zeder Unbundling.

3.4.2. It is expected that the distribution of the Kaap Agri Shares in terms of the Zeder Unbundling should qualify as an “unbundling transaction” for purposes of section 46(1) of the Income Tax Act and should accordingly qualify for rollover relief for tax purposes in South Africa for Zeder and its Shareholders, save to the extent that the relevant Shareholder falls within one or more of the categories described in paragraph 3.4.8 below, in which case section 46 of the Income Tax Act will not be applicable to such Shareholder and the distribution in those cases will be deemed to be a dividend in specie. The tax consequences for Foreign Shareholders should be confirmed by such Foreign Shareholders with advisors in those jurisdictions.

3.4.3. Consequently, the receipt of the Kaap Agri Distribution Shares by Shareholders resident in South Africa should qualify for tax relief and should not constitute a “return of capital” or a “dividend”.

3.4.4. Any Shareholder holding Zeder Shares as trading stock or on capital account, as the case may be, will be deemed to acquire the Kaap Agri Distribution Shares as trading stock or as capital assets on the same basis. The Shareholders must allocate a portion of the expenditure or base cost in respect of the Zeder Shares to the Kaap Agri Distribution Shares and reduce the expenditure or base cost in respect of the Zeder Shares with reference to market values of these shares. The Shareholders will be deemed to have incurred the expenditure or base cost allocated to the Kaap Agri Distribution Shares on the same date that it was incurred in respect of the Zeder Shares.

3.4.5. The expenditure or base cost, as the case may be, to be allocated to the Kaap Agri Distribution Shares will be determined by applying the ratio that the market value of Kaap Agri Distribution Shares, as at the last day to trade Zeder Shares in

order to be recorded in the Register to participate in the Zeder Unbundling, plus one Business Day, currently anticipated to be Wednesday, 6 April 2022, bears to the sum of the market value, at the end of that day, of the Kaap Agri Distribution Shares and the Zeder Shares.

- 3.4.6. Zeder will advise Shareholders of the specified ratio at which expenditure must be allocated by way of an announcement expected to be published on SENS on Thursday, 7 April 2022. The allocated expenditure must be used in the determination of any profits or losses or capital gains or losses, as the case may be, derived on any future disposals of the Zeder Shares or Kaap Agri Distribution Shares.
- 3.4.7. The distribution of the Kaap Agri Distribution Shares to ordinary Shareholders will be exempt from the payment of any STT.
- 3.4.8. The provisions of section 46 of the Income Tax Act will not apply to the unbundling of the Kaap Agri Distribution Shares to a Shareholder who is not a resident or a person that is exempt from tax in South Africa, for instance pension funds and the Government of South Africa, and which holds at least 5% of the ordinary shares in Zeder immediately before the Zeder Unbundling.
- 3.4.9. In terms of sections 46(5) and 46(5A) of the Income Tax Act, the distribution of the Kaap Agri Distribution Shares must be disregarded for dividends tax purposes and must also not be treated as a return of capital for the purposes of paragraph 76B of the Eighth Schedule to the Income Tax Act.
- 3.4.10. Shareholders who are non-resident for tax purposes in South Africa are advised to consult their own professional tax advisors regarding the tax treatment of the Zeder Unbundling in their respective jurisdictions, having regard to the tax laws in their jurisdiction and any applicable tax treaties between South Africa and their country of residence.

3.5. Foreign Shareholders

- 3.5.1. No action has been taken by Zeder to obtain any approval, authorisation or exemption to permit the distribution of the Kaap Agri Distribution Shares or the possession or distribution of this Announcement (or any other publicity material relating to the Kaap Agri Distribution Shares) in any jurisdictions other than South Africa.
- 3.5.2. The Zeder Unbundling is being conducted under the procedural requirements and disclosure standards of South Africa which may be different from those applicable in other jurisdictions. The legal implications of the Zeder Unbundling on persons resident or located in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction. Such persons should consult their professional advisors and inform themselves about any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such persons wishing to participate in the Zeder Unbundling to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith.
- 3.5.3. Foreign Shareholders should refer to and take into account the disclaimers set out at the end of this Announcement in relation to those jurisdictions.

3.6. Exchange Control

- 3.6.1. Zeder will apply for the requisite exchange control approval from the Financial Surveillance Department of the South African Reserve Bank for the Zeder Unbundling.
- 3.6.2. Shareholders who are not resident in, or whose registered addresses are outside the Common Monetary Area, will need to comply with the Exchange Control Regulations with further details to be included in the finalisation announcement.
- 3.6.3. If Shareholders are in any doubt as to what action to take, they should consult their professional advisors.

3.7. Further information

- 3.7.1. There are 1 543 260 354 Zeder Shares in issue at the date of this Announcement. The Company's income tax number is 9406891151.
- 3.7.2. The Zeder Unbundling will occur from income reserves.

4. SALIENT DATES AND TIMES

- 4.1. The salient dates for the Zeder Unbundling are as follows:

2022

Assuming the Zeder Unbundling Condition is fulfilled:

Declaration Date	Monday, 28 February
Finalisation announcement in respect of the Zeder Unbundling expected to be published on SENS by 11:00 a.m. on	Tuesday, 29 March
Last day to trade Zeder Shares in order to be recorded in the Register to participate in the Zeder Unbundling expected to be on	Tuesday, 5 April
Trading ex entitlement to participate in the Zeder Unbundling expected to commence on	Wednesday, 6 April
Announcement in respect of the apportionment of base costs (for tax purposes) and cash value of fractional entitlements applicable to the Zeder Unbundling expected to occur by 11:00 a.m. on	Thursday, 7 April
Zeder Unbundling Record Date expected to be on	Friday, 8 April
Implementation of Zeder Unbundling (CSDP or Broker accounts updated to reflect the Kaap Agri Distribution Shares, alternatively, statements of allocation issued in respect of applicable Kaap Agri Distribution Shares)	Monday, 11 April

Notes:

- (i) If the finalisation date has not occurred by Tuesday, 29 March, 2022, an updated timetable will be published on SENS.
- (ii) Share certificates may not be Dematerialised or rematerialised between Wednesday, 6 April 2022 and Friday, 8 April 2022, both dates inclusive.

5. RENEWAL OF CAUTIONARY ANNOUNCEMENTS

Shareholders are referred to Zeder's cautionary announcement dated 14 April 2021, advising that the Company had received several approaches from third parties interested in acquiring a number of Zeder portfolio investments ("**Approaches**"), and to Zeder's subsequent further cautionary announcements.

One of the Approaches resulted in the conclusion of the agreement for the disposal by Zeder Financial Services Limited, a wholly-owned subsidiary of Zeder, of its shareholding in The Logistics Group Proprietary Limited, as set out in the announcement of 12 November 2021 ("**TLG Disposal**"). Notice has been given that the general meeting of Shareholders relating to the TLG Disposal will be held on 15 March 2022.

The Approaches are unfortunately not vanilla in nature creating significant complexities, and even if ultimately accepted, are likely to take longer than originally anticipated to conclude should the Board ever decide to accept same. Should the remaining Approaches result in the Company entering into further transactions with one or more of these parties, such transactions may have a material effect on the price of the Company's securities.

As Zeder is still considering the Approaches and continues to engage with various parties, Shareholders are advised to continue exercising caution when dealing in the Company's securities until a further announcement is made.

The Board will re-evaluate the status of the Approaches and continued renewal of the cautionary at its board meeting scheduled for April 2022.

Stellenbosch
28 February 2022

Transaction Advisor and Sponsor
PSG Capital



Independent Joint Sponsor
UBS South Africa Proprietary Limited



DEFINITIONS

In this Announcement, unless the context indicates the contrary, the following expressions have the meanings given to them below:

"Announcement" means this announcement published on SENS by Zeder;

"Board" means the board of directors of Zeder from time to time;

“Broker” means any person registered as a “broking member (equities)” in accordance with the provisions of the Financial Markets Act;

“Certificated Shareholder” means a Shareholder who holds Certificated Shares;

“Certificated Shares” means shares which are not Dematerialised, title to which is represented by a share certificate or other Document of Title;

“Common Monetary Area” means South Africa, the Republic of Namibia and the Kingdoms of Eswatini and Lesotho;

“Companies Act” means the Companies Act, 2008 (Act No. 71 of 2008), as amended from time to time;

“CSDP” means a central securities depository participant registered in terms of the Financial Markets Act with whom a beneficial holder of shares holds a Dematerialised share account;

“Dematerialised” means the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded as such in a sub-register of security holders maintained by a CSDP and “Dematerialised” shall bear a corresponding meaning;

“Distribution Ratio” means the ratio of 1 Kaap Agri Distribution Share for 49.22692 Zeder Shares held on the Zeder Unbundling Record Date, to be distributed to Zeder Shareholders in terms of the Zeder Unbundling, should the Zeder Unbundling Condition be fulfilled and the Zeder Unbundling be implemented;

“Documents of Title” means share certificates, certified transfer deeds, balance receipts or any other documents of title to Certificated Shares acceptable to Zeder;

“Exchange Control Regulations” means the South African Exchange Control Regulations, promulgated in terms of the South African Currency and Exchanges Act, 1933 (Act No. 9 of 1933), as amended from time to time;

“Financial Markets Act” means the Financial Markets Act, 2012 (Act No. 19 of 2012), as amended from time to time;

“Foreign Shareholders” means Zeder Shareholders that are registered in a jurisdiction outside of South Africa, or who are resident, domiciled or located in, or who are a citizen of, a jurisdiction other than South Africa;

“Income Tax Act” means the Income Tax Act, 1962 (Act No. 58 of 1962), as amended from time to time;

“JSE” means JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa and which is licensed as an exchange in terms of the Financial Markets Act;

“JSE Listings Requirements” means the Listings Requirements of the JSE;

“Kaap Agri” means Kaap Agri Limited (registration number 2011/113185/06), a public company duly incorporated in accordance with the laws of South Africa, the ordinary shares of which are listed on the JSE;

“Kaap Agri Distribution Shares” means 31 286 956 Kaap Agri Shares, comprising approximately 42.2% of the total issued share capital of Kaap Agri, that will be distributed by Zeder to Shareholders in terms of the Zeder Unbundling, should the Zeder Unbundling Condition be fulfilled and the Zeder Unbundling be implemented;

“Kaap Agri Shares” means no par value ordinary shares in the issued share capital of Kaap Agri;

“SENS” means the Stock Exchange News Service of the JSE;

“Shareholders” or “Zeder Shareholders” means registered holders of Zeder Shares;

“South Africa” means the Republic of South Africa;

“STT” means securities transfer tax levied under the STT Act;

“STT Act” means the Securities Transfer Tax Act, 2007 (Act No. 25 of 2007), as amended from time to time;

“Transfer Secretaries” means Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated under the laws of South Africa;

“Zeder Shares” means no par value ordinary shares in the Company’s share capital;

“Zeder Unbundling” means the proposed distribution *in specie* by Zeder of the Kaap Agri Distribution Shares to the Zeder Shareholders in the Distribution Ratio and *pro rata* to their respective shareholdings in Zeder;

“Zeder Unbundling Condition” means the condition precedent to the Zeder Unbundling, as set out in paragraph 3.1 of this Announcement; and

“Zeder Unbundling Record Date” means the date on which a Shareholder must be registered in the securities register of Zeder in order to be eligible to participate in the Zeder Unbundling.

DISCLAIMERS

This Announcement does not constitute or form part of any offer or invitation to purchase, subscribe for, sell or issue, or any solicitation of any offer to purchase, subscribe for, sell or issue, Zeder Shares, Kaap Agri Distribution Shares, or any other securities.

The release, publication or distribution of this Announcement in jurisdictions other than South Africa may be restricted by law. The distribution of the Kaap Agri Distribution Shares to Foreign Shareholders in terms of the Zeder Unbundling may be affected by the laws of the relevant Foreign Shareholders’ jurisdiction. In this regard, Foreign Shareholders are referred to the further detail set out below.

FOREIGN SHAREHOLDERS: GENERAL

No action has been taken by Zeder to obtain any approval, authorisation or exemption to permit the distribution of the Kaap Agri Distribution Shares or the possession or distribution of this Announcement (or any other publicity material relating to the Kaap Agri Distribution Shares) in any jurisdictions other than South Africa.

The Zeder Unbundling is being conducted under the procedural requirements and disclosure standards of South Africa which may be different from those applicable in other jurisdictions. The legal implications of the Zeder Unbundling on persons resident or located in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction. Such persons should consult their professional advisors and inform themselves about any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such persons wishing to participate in the Zeder Unbundling to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith.

Foreign Shareholders should refer to and take into account the disclaimers set out in this Announcement in relation to those jurisdictions.

Foreign Shareholders should nevertheless consult their own professional advisors and satisfy themselves as to the applicable legal requirements in their jurisdiction.

NOTICE TO FOREIGN SHAREHOLDERS LOCATED IN THE UNITED STATES

This Announcement is not an offer of securities for sale in the United States (the “**US**”). The Kaap Agri Distribution Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or with any regulatory authority of any state or other jurisdiction in the US and may not be offered, sold, exercised, transferred or delivered, directly or indirectly, in or into the US at any time except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state and other securities laws of the US.

The Kaap Agri Distribution Shares have not been and will not be listed on a US securities exchange or quoted on any inter-dealer quotation system in the US. Zeder does not intend to take any action to facilitate a market in the Kaap Agri Distribution Shares in the US. Consequently, it is unlikely that an active trading market in the US will develop for the Kaap Agri Distribution Shares.

The Kaap Agri Distribution Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other regulatory authority in the US, nor have any of the foregoing authorities passed comment upon, or endorsed the merit of, the Zeder Unbundling or the accuracy or the adequacy of this Announcement or the information contained herein. Any representation to the contrary is a criminal offence in the US.

NOTICE TO FOREIGN SHAREHOLDERS LOCATED IN THE EUROPEAN ECONOMIC AREA (“EEA”) AND THE UNITED KINGDOM (“UK”)

This Announcement is not a prospectus, as such term is defined in the Prospectus Regulation (EU) 2017/1129, on the basis that the Kaap Agri Distribution Shares are not being admitted to trading on a regulated market situated or operating within the EEA or the UK, nor is there an offer to the public in respect of the Kaap Agri Distribution Shares in any member state of the EEA or in the UK. Accordingly, any person making or intending to make any offer for the Kaap Agri Distribution Shares should only do so in circumstances in which no obligation arises for Zeder or Kaap Agri to produce a prospectus for such offer. Zeder has not authorised the making of any offer for the Kaap Agri Distribution Shares through any financial intermediary.