

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 THE SHARES BY ZEDER IN KAAP AGRI LIMITED ("KAAP AGRI"): UPDATE ON THE DETERMINATION OF EXPENDITURE AND TAX COST FOR SOUTH AFRICAN TAX PURPOSES

Shareholders are referred to the announcements published by the Company on the Stock Exchange News Service ("**SENS**") on 28 February 2022, 22 March 2022, 31 March 2022 ("**Apportionment Announcement**") and 1 April 2022 regarding the unbundling of the Company's shareholding in Kaap Agri ("**Zeder Unbundling**"). In particular, the Company unbundled 31 286 956 Kaap Agri no par value ordinary shares ("**Kaap Agri Distribution Shares**"), comprising approximately 42.2% of the total issued share capital of Kaap Agri, to shareholders of Zeder ("**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 by Shareholders on the record date of the Zeder Unbundling.

Capitalised terms defined in the Apportionment Announcement bear the same meaning herein.

The purpose of this announcement is to provide further details to Shareholders regarding the determination of the expenditure and tax cost of shares to Shareholders following the Zeder Unbundling, given that the Company has now been able to calculate the final tax costs that the Company is liable for as a result of the Zeder Unbundling.

As indicated in the Apportionment Announcement, the apportionment ratio is 74.22% in respect of Zeder Shares and 25,78% as to Kaap Agri Distribution Shares.

In addition, the expenditure to be apportioned to the relevant shares is increased based on the Capital Gains Tax ("**CGT**") that the Company is liable for in respect of Zeder Shares held by so-called "*disqualified persons*" on the first trading date after the entitlement to participate in the Zeder Unbundling, being 30 March 2022. In this context the unbundling provisions contained in section 46 of the Income Tax Act, 1962 provides that the rollover relief does not apply to so-called "*disqualified person*" shareholders that hold at least 5% of the equity shares in the company unbundling shares, being Zeder, immediately before the unbundling has taken place. The Company has now established that the Government Employees Pension Fund ("**GEPF**") was the only Shareholder that qualified as a "*disqualified person*" in circumstances where it held 8.9% of the issued Zeder Shares as at the date of the Zeder Unbundling. Consequently, the Company is liable for CGT in respect of the Kaap Agri Distribution Shares unbundled to the GEPF, which has been confirmed to be R19 million. The CGT has been calculated as the difference between the market value of the Kaap Agri Distribution Shares received by the GEPF on 30 March 2022 less the base cost of such Kaap Agri Distribution Shares.

80% of the net capital gain is included in the taxable income and subject to tax in the Company's hands, resulting in the amount of R19 million being payable to the South African Revenue Service.

The table below sets out the relevant information:

Issued Zeder Shares	1 543 260 354
CGT payable by Zeder (ZAR million)	19
Kaap Agri Distribution Shares	31 286 956

Shareholders should consult their own tax advisors regarding any tax consequences of the Zeder Unbundling and the manner in which the CGT payable by Zeder needs to be apportioned.

Please note that the disclaimers which applied to the previous announcements published by the Company in relation to the Zeder Unbundling apply equally to the announcement (including the information contained herein) and are incorporated by reference in full in this announcement.

Stellenbosch
23 May 2022

Transaction Advisor and Sponsor
PSG Capital



Independent Joint Sponsor
Tamela Holdings

