

ZEDER INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2006/019240/06)

Share code: ZED

ISIN: ZAE000088431

LEI: 37890022AF5FD117D649

("Zeder" or "the Company")



CATEGORY 2 DISPOSAL ANNOUNCEMENT

1. INTRODUCTION

Shareholders ("**Shareholders**") are advised that the Company, through its wholly-owned subsidiary Zeder Financial Services Limited ("**ZFS**"), entered into an agreement ("**Agreement**") with Zeder Africa Proprietary Limited ("**Zeder Africa**") and ForAfric Forestry Proprietary Limited ("**Purchaser**" or "**ForAfric**"), a company registered in the Republic of Zambia ("**Zambia**"), in terms of which ZFS will dispose of all of its shares in Zeder Africa, comprising 100% of Zeder Africa's shares in issue ("**Sale Shares**"), to the Purchaser for a disposal consideration of R160,000,000 ("**Disposal Consideration**") ("**Disposal**").

The beneficial owners of ForAfric are Elrick De Klerk, Nicholas Marthinus Jansen van Rensburg, Pieter Jacobus Jansen Van Renburg, Duncan Dukhie and Beefco Holdings Limited.

2. DESCRIPTION OF THE ASSETS

ZFS holds 100% of the issued shares in Zeder Africa, being the Sale Shares. Zeder Africa holds 55.62% of the issued shares in Agrivision Africa ("**Agrivision Africa**"), an investment holding company incorporated in Mauritius with agricultural investments in Zambia. The principal activity of Agrivision Africa is the production and milling of agricultural grain produce in Zambia.

3. RATIONALE FOR THE DISPOSAL

Agrivision Africa has been a challenging investment for Zeder due to a number of reasons including, the volatility of the agricultural landscape in Zambia and certain operational and macro challenges specific to Zambia over the past number of years. Zeder's focus over the past 24 months was on improving operational efficiencies and reducing debt at Agrivision Africa, and these actions have now enabled a clean exit from the investment on favourable terms. In this regard there is no provision for a downward adjustment of the Disposal Consideration and no representations, warranties or indemnities have been given by ZFS in favour of the Purchaser in respect of Agrivision Africa.

The Disposal is consistent with Zeder's strategic review and pursuant to the evaluation of approaches received by Zeder on various portfolio assets. The Disposal is part of an initiative to maximise wealth for Shareholders, should the opportunity arise.

4. DISPOSAL CONSIDERATION

The Disposal Consideration has been paid into an escrow account in cash and will be held in escrow until the closing date of the Disposal, subject to the fulfilment or waiver (to

the extent legally permissible) of the Conditions Precedent, as defined in paragraph 6 below, whereafter it will be released to ZFS.

5. APPLICATION OF THE DISPOSAL CONSIDERATION

As a result of limited opportunities in the sectors in which Zeder operates and to enable Shareholders to participate in the windfall proceeds, Zeder intends to distribute the majority of the Disposal Consideration to Shareholders once received, after payment of transaction costs and all directly related obligations.

6. CONDITIONS PRECEDENT

The Disposal is subject to the fulfilment or waiver (to the extent legally permissible), of the following outstanding conditions precedent ("**Conditions Precedent**"):

- that ZFS procures, and thereafter delivers to the Purchaser, the written consent to the Disposal of the applicable counterparties to material agreements in a manner and form, which is reasonably acceptable to the Purchaser. However, this Condition Precedent may be waived by ZFS; and
- the approval of the Disposal by the relevant competition authorities unconditionally, or conditionally on terms and conditions reasonably acceptable to ZFS and the Purchaser.

The Conditions Precedent must be fulfilled or waived (to the extent legally permissible) by not later than 17h00 on 30 November 2022, which date may be extended by agreement between the parties in writing.

7. EFFECTIVE DATE OF THE DISPOSAL

Delivery and payment in respect of the Sale Shares will take place on the 15th business day following the date on which the Conditions Precedent are fulfilled or waived (to the extent legally permissible).

The effective date of the Disposal is anticipated as being on or about 15 December 2022.

8. FINANCIAL INFORMATION

The value of Zeder's interest in Zeder Africa included in Zeder's latest published financial results comprising its audited consolidated annual financial statements for the year ended 28 February 2022, was R146,000,000. These audited consolidated annual financial statements were prepared in terms of International Financial Reporting Standards (IFRS).

The total fair value gain and dividend income attributable to Zeder Africa recognised in the aforementioned annual financial statements were Rnil.

9. WARRANTIES AND OTHER SIGNIFICANT TERMS OF THE AGREEMENT

The Agreement contains representations and warranties by ZFS in favour of the Purchaser in relation to Zeder Africa only, and no representations or warranties or indemnities have been given by ZFS in respect of Agrivision Africa.

10. CLASSIFICATION OF THE DISPOSAL

The Disposal constitutes a category 2 transaction in terms of the JSE Limited Listings Requirements.

Stellenbosch
29 August 2022

Transaction Advisor to Zeder and Sponsor
PSG Capital



Independent Joint Sponsor
Tamela Holdings



Transaction Advisor to ForAfric
Pangaea Securities Limited

