

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 ANNOUNCEMENT: DISPOSAL OF CAPESPAN GROUP, EXCLUDING THE POME FARMING UNIT

1. INTRODUCTION

The Company, through its wholly-owned subsidiary Zeder Financial Services Limited ("**ZFS**"), holds 92.98% of the issued shares of Capespan Group Proprietary Limited ("**Capespan**"), with minority shareholders holding the remainder of the shares ("**Minority Shareholders**").

Capespan comprises two divisions, namely the sales and marketing division, with a global footprint in sourcing and marketing fruit, and the primary agriculture farming division, which is mainly South Africa and Namibia based and consists of several primary production units producing grapes, citrus and pome fruit as well as the Novo fruit packhouse operation situated in Paarl.

Zeder, through ZFS, entered into an agreement to dispose of Capespan ("**Disposal**"), excluding its pome fruit primary production operations and the Novo fruit packhouse ("**Pome Farming Unit**"). Following the implementation of the Disposal, Zeder will continue to own the Pome Farming Unit and as part of the Disposal will conclude a strategic relationship with Capespan in respect of the marketing and distribution of the Pome Farming Unit's crops.

Shareholders are advised that ZFS, together with the Minority Shareholders ("**the Sellers**") have entered into an agreement ("**Agreement**") with 3 Sisters Proprietary Limited ("**Purchaser**" or "**3 Sisters**"), in terms of which ZFS and the Minority Shareholders will dispose of all of their shares in Capespan (excluding the Pome Farming Unit) comprising 100% of Capespan's shares in issue, to the Purchaser for a disposal consideration of R550 million. The disposal by ZFS of all of its shares in Capespan (excluding the Pome Farming Unit), comprises 92.98% of Capespan's shares in issue ("**Sale Shares**"), for a disposal consideration of R511.39 million ("**Disposal Consideration**"), which is in-line with the Capespan valuation reported by Zeder for the part of the business being disposed of in terms of the Agreement.

3 Sisters, a special purpose acquisition vehicle, is beneficially owned and funded by Agrarius Agri Value Chain RF Proprietary Limited ("**Agrarius OpCo**"). Agrarius OpCo is fully funded through Agrarius Sustainability Engineered RF Limited ("**Agrarius ListCo**"), a JSE-listed special purpose investment vehicle. Agrarius ListCo operates a R10 billion Shariah-compliant sustainability-focused asset-backed note program, where the proceeds from Sukuk issuances under this program are exclusively invested in the agriculture sector value chain.

Agrarius OpCo is administered and driven by 27four Investment Managers Proprietary Limited ("**27four**"), a diversified financial services group that specialises in asset and fiduciary management across public and private markets.

Since its inception, 27four has supported the growth of numerous Black and women-owned fund managers, contributing to the transformation of the asset management industry. Additionally, 27four manages blended finance partnerships that invest in innovative businesses, fostering economic growth and job creation.

Agrarius, an agricultural investment cluster, is dedicated to advancing sustainability through innovative funding models.

2. RATIONALE FOR THE DISPOSAL

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.

3. DISPOSAL CONSIDERATION

The Disposal Consideration will be paid in cash to ZFS on 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 5 below, whereafter it will be released to ZFS. There is no downward or upward adjustment mechanism to the Disposal Consideration, and the Zeder board believes that the Disposal Consideration reflects a respectable value realisation for Capespan (excluding the Pome Farming Unit), taking into consideration the sum of the parts valuation of Capespan (including the Pome Farming Unit) in Zeder's annual financial statements.

4. APPLICATION OF THE DISPOSAL CONSIDERATION

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 related obligations, including but not limited to, providing financial bridging finance assistance to the remaining Pome Farming Unit.

5. CONDITIONS PRECEDENT

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

- 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 exclusion of the Pome Farming Unit from Capespan;
- the conclusion of an agreement between Capespan and the Pome Farming Unit in respect of the marketing and distribution of the Pome Farming Unit's crops and a service level agreement in terms of which Capespan will provide administrative services to the Pome Farming Unit, following the implementation of the Disposal; and
- the written consent to the Disposal of the applicable counterparties to material funding agreements with Capespan, to the extent required.
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The last of the Conditions Precedent must be fulfilled or waived (to the extent legally permissible) by not later than 19 December 2023, which date may be extended by agreement between the parties in writing.

6. EFFECTIVE DATE OF THE DISPOSAL

Delivery and payment in respect of the Sale Shares will take place on the 10th business day following the date on which the last of the Conditions Precedent are fulfilled or waived (to the extent legally permissible).

The effective date and closing date of the Disposal is anticipated as being on or about 5 January 2024.

7. FINANCIAL INFORMATION

Zeder's interest in Capespan (including the Pome Farming Unit) is valued at R1.046 billion, as per Zeder's annual financial results for the year ended 28 February 2023, which should be seen in the context of the Disposal on the basis set out above. These audited consolidated annual financial statements were prepared in terms of International Financial Reporting Standards (IFRS).

The total fair value loss attributable to Capespan, including the Pome Farming Unit, recognised in the aforementioned annual financial statements was R7 million.

8. WARRANTIES AND OTHER SIGNIFICANT TERMS OF THE AGREEMENT

The Agreement contains representations, warranties and indemnities by ZFS in favour of the Purchaser which are standard for a transaction of this nature, but does not include any profit linked warranties.

9. CLASSIFICATION OF THE DISPOSAL

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

Stellenbosch

18 September 2023

**Transaction Advisor to Zeder
and Sponsor**

PSG Capital



Transaction Funding Partners

Agrarius ListCo & Agrarius OpCo



**Administrator of Agrarius
ListCo and Agrarius OpCo**

27four Investment Managers

