

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 THEEWATERSKLOOF FARM

1. INTRODUCTION

The Company, through its wholly-owned subsidiary Zeder Financial Services Limited ("**ZFS**"), holds 87.1% of the issued shares of Zeder Pome Investments Proprietary Limited ("**Pome Investments**"), which in turn holds 100% of the issued shares of Capespan Agri Proprietary Limited ("**CS Agri**"). CS Agri comprises three primary farming production units as well as the Novo fruit packhouse operation situated in Paarl.

Shareholders are advised that ZFS, through its direct and indirect subsidiaries Pome Investments and CS Agri, entered into an agreement with the trustees for the time being of the Japie Groenewald Trust ("**Purchaser**"), to dispose of one of the primary farming production units, namely, Theewaterskloof ("**TWK Farming Business**"), for a disposal consideration of R283 000 000 (two hundred and eighty three million Rand) inclusive of VAT at 0% (zero percent) plus the value of the agricultural inputs on hand and the 2025 seasonal costs already incurred (which will not exceed the category 1 threshold in terms of the JSE Listings Requirements) ("**Purchase Consideration**") ("**Disposal**").

The beneficiaries of the Purchaser are Jacob Petrus Johannes Groenewald, Roux Wilhelm Groenewald and Jacobus Petrus Wessel Groenewald.

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 Purchaser will settle the Purchase Consideration as follows :

- a portion of the Purchase Consideration will be paid on the 5th business day following the fulfilment or waiver (to the extent legally permissible) of the last condition precedent ("**Takeover Date**"), being the amount equal to the value of the agricultural inputs on hand and the 2025 seasonal costs already incurred, which will be determined at such point in time ("**Initial Purchase Consideration**"); and
- the remaining balance of the Purchase Consideration will be paid on the date of registration of transfer of the immovable properties of the TWK Farming Business into the name of the Purchaser ("**Transfer Date**").

4. APPLICATION OF THE DISPOSAL CONSIDERATION

In terms of the Agreement, the Disposal Consideration will be paid to CS Agri as set out in paragraph 3 above. To the extent the respective boards of directors of CS Agri and

Pome Investments declare and make payment of dividends (after the payment of transaction costs and all related obligations) then Zeder intends to distribute the majority of such dividends received to Shareholders once received.

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 written consent to the Disposal of applicable counterparties to material agreements with CS Agri;
- certain regulatory approvals and consents relating to dam safety and water use rights in relation to the TWK Farming Business.

The last of the Conditions Precedent must be fulfilled or waived (to the extent legally permissible) by not later than 30 September 2024, which date may be extended by agreement between the parties in writing.

6. TRANSFER DATE OF THE DISPOSAL

The TWK Farming Business will be transferred by CS Agri to the Purchaser on the Takeover Date against payment of the Initial Purchase Consideration and the immovable properties of the TWK Farming Business will be transferred by CS Agri to the Purchaser on the Transfer Date, against payment of the remaining balance of the Purchaser Consideration.

7. FINANCIAL INFORMATION

The value of the net assets comprising the TWK Farming Business as at 31 December 2023, being the date of the last audited annual financial statements of CS Agri, was R231,000,000.

The audited profits after tax attributable to the TWK Farming Business for the period ended 31 December 2023, was R1,600,000, based on the audited annual financial statements of CS Agri for the year ending 31 December 2023, which were prepared in terms of IFRS.

8. WARRANTIES AND OTHER SIGNIFICANT TERMS OF THE AGREEMENT

The Agreement contains representations and warranties by Pome Investments 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

19 June 2024

**Transaction Advisor and
Sponsor**

PSG Capital



PSG CAPITAL