COMMENTARY

Highlights

19%	37%	59%	63%
Revenue $71.4m	Maize Seed Sales Volumes	EBITDA $15,5m	Basic EPS 2,86c

Overview
The past season was mixed, marked by good rainfall in Eastern and Central Africa which drove seed demand, while in Southern Africa the region experienced below average rainfall resulting in subdued perfomance. Overall, the Group experienced a rebound in product demand following devasting drought experienced in all markets last year.

Depreciating currencies dampened the revenue growth despite impressive volumes perfomance in both East Africa and Central Africa.

Income Statement
Revenue
A combination of normal to above normal rainfall in Tanzania, Malawi and some parts of Zambia together with improved maize commodity prices drove product demand resulting in maize seed sales volumes growing by 37%. Revenue however only increased by 19% due to sharp depreciation of the Zambian Kwacha against the reporting currency.

Net operating expenses
Net operating expenses decreased by a marginal 1% due to the reduction in credit losses and the positive impact of local currencies' depreciation on translation to the Group's US$ presentation currency.

Finance costs
Delayed settlement of receivables from major Government customers kept our facilities at higher levels resulting in increased finance costs.

Joint Venture Operations
Unfavorable currency movements especially towards the end of the financial year adversely affected the vegetable business in Zambia and South Africa with exchange losses negating the positive trading results that had been achieved.

Profit for the year
The 62% increase in Group profit for the year was driven by strong product demand in all markets.

Statement of financial position
Property, plant and equipment
The increase in non-current assets was due to the acquisition and capitalization of the seed production farms in Zambia, and capitalization of right of use of assets as well as breeding rights.

Inventories and biological assets
A combination of excessive rains in Kenya in the first season and COVID-19 movement restrictions in the second season towards the end of the financial year stalled the sales volumes in this market and this resulted in increased inventories at year end.

Trade and other receivables
A combination of increased revenue growth and slow movement in the regional Government debts increased the receivables at year end. Efforts to get these paid are continuing.

Amounts due from related parties - mainly from Zimbabwe - declined by 25% compared to prior year and initiatives to have these balances settled are ongoing.

Equity
The decrease in equity is due to net exchange differences on translation of foreign operations whose currencies weakened against the reporting currency.

Net debt
The net debt increased due to higher seed production volumes as well as capital expenditure.

Seed supply
Despite the challenges posed by COVID-19 restrictions, the Group is adequately stocked to meet anticipated demand in the ensuing season. Fortunately in all markets, Agriculture has been designated as an essential and critical area and operations have been allowed to continue with limited interuptions.

Research & development
The first proprietary highland maize variety and 2 Maize Lethal Necrosis Disease (MLND) resistant varieties were released in Kenya.

Four new maize products and 3 soyabean varieties were released in Uganda to spearhead market penetration in the Great Lakes region.

The Group continues to improve training of its agro-scientists and increase networking and collaborations with other breeding institutions across the globe.

Outlook
The Group will continue to implement measures to ensure business continuity amid the challenges being brought by COVID-19 whose full effects on the business will be felt in the new financial year.

Market development initiatives will continue in East Africa and the adjacent markets of Angola, DRC and Mozambique.

The Group is expected to remain on a growth trajectory with adequate stocks and competitive product performance is all markets.

Directorate
There were no changes to the directorate during the period under review.

Dividend
Due to the uncertainties presented by the COVID-19 challenges in most of our markets, the Board has recommened that, out of prudence, no dividend be declared this year in order to retain cash in the business.

By Order of the Board

E. Kalaote
Secretary

Registered Office	Transfer Secretaries
Plot 70713	Corpserve
Phakalane	Second Floor, Unit 206 Showgrounds Close
Gaborone	Plot 64516, Fairgrounds
Botswana	Gaborone
	Botswana

Directors: D E B Long (Chairman), M Nzwere*, N Armstrong, F Azanza, A G Barron, R C D Chitengu, P Gowero, D Jacquemond, C Kabaghe, J Matorofa*, M S Ndoro, S Ruwisi*, F Savin, P Spadin.
*Executive

SUPPLEMENTARY INFORMATION

1. Corporate information
- Seed Co International Limited is a company which is incorporated and domiciled in Botswana and listed on the Botswana Stock Exchange and the Zimbabwe Stock Exchange.
- Seed Co International Limited has subsidiaries located in Botswana, Democratic Republic of Congo, Ghana, Kenya, Malawi, Nigeria, Rwanda, South Africa, Tanzania, and Zambia. Operations in Angola, Ethopia, Mozambique and parts of West Africa are at a developmental stage.
- Seed Co Limited, from which the Group was unbundled, is celebrating 80 years of existence this year.
- These financial statements are presented in United States Dollars.

2. Accounting policies
- The principal accounting policies of the Group have been consistently followed in all material respects from prior year except the adoption of IFRS 16.

3. Basis of preparation
-The basis of preparation of these financial statements is International Financial Reporting Standards.

4. Capital expenditure
- Capital expenditure for the period was US$7,367,727 (2019:US$4,337,509).

5. Commitments for capital expenditure
- Authorised by directors but not contracted was US$7,872,563 (2019:US$7,179,296).
- The capital expenditure will be financed out of the Group's own resources and banking facilities.

6. Depreciation
- Depreciation for the period was US$3,245,315 (2019:US$2,740,213).

7. Contingent liabilities
- Contingent liabilities amounted to $166,920 (2019: US$465,439).

8. Audit opinion
- The Group auditors, Ernst & Young have issued an unqualified opinion on the consolidated financial results of the Group.
- The signed audit opinion is available for inspection at the registered office of Seed Co International Limited.

9. Approval of financial statements
- The underlying financial statements to these results were approved by the Board on the 12th of June 2020 and duly signed by the Chairman and Chief Executive Officer on behalf of the Board.

D. E. B. Long	M. Nzwere
Chairman	Chief Executive Officer

ABRIDGED GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

	2020 US$	2019 US$
Revenue	71,357,970	60,136,380
Cost of sales	(36,488,368)	(30,255,451)
Gross profit	**34,869,602**	**29,880,929**
Operating expenses - net	(22,582,072)	(22,837,472)
Operating profit	**12,287,530**	**7,043,457**
Net finance cost	(2,845,980)	(1,804,276)
Share of loss from joint venture	(495,947)	(85,041)
Profit before taxation	**8,945,603**	**5,154,140**
Income tax expense	(2,874,407)	(1,375,906)
Profit for the year	**6,071,196**	**3,778,234**
Attributable to:		
Equity holders of the parent	6,195,338	3,778,030
Non-controlling interest	(124,142)	204
	6,071,196	**3,778,234**
Earnings per share		
Basic earnings per share - cents	2.86	1.75
Diluted earnings per share - cents	2.86	1.74

ABRIDGED GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	2020 US$	2019 US$
Profit for the year	**6,071,196**	**3,778,234**
Other comprehensive (loss)/income		
Net exchange difference on translation of foreign operations	(16,211,131)	(14,909,043)
Share of other comprehensive loss of a joint venture	(102,990)	(28,350)
Revaluation of property, plant and equipment	1,340,841	168,807
Deferred tax on revaluation of property, plant and equipment	(134,084)	(34,027)
Total comprehensive loss for the year, net of tax	**(9,036,168)**	**(11,024,379)**
Attributable to:		
Equity holders of the parent	(8,687,395)	(11,024,583)
Non-controlling interest	(348,773)	204
	(9,036,168)	**(11,024,379)**

SEED CO INTERNATIONAL LIMITED
ABRIDGED GROUP AUDITED RESULTS
FOR THE YEAR ENDED 31 MARCH 2020

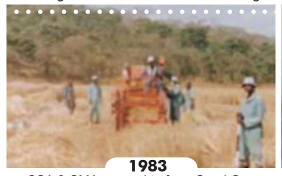
80TH ANNIVERSARY
EST. 1940

2018
Listing on the Botswana Stock Exchange

2017
Officially opened processing plant in Kenya

2015
Successful equity partnership with Limagrain

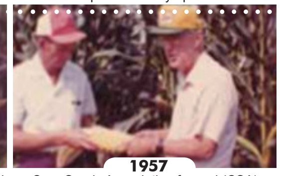
1991
Stapleford facility opened



1983
CSA & SMA merged to form Seed Co-op

1970
Rattray Arnold Research station purchased

1960
SR52 (1st commercial hybrid) released



1957
Crop Seeds Association formed (CSA)

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	2020 US$	2019 US$
ASSETS		
Non-current assets	44,754,460	40,586,361
Inventories and biological assets	19,927,401	18,013,810
Trade and other receivables	52,001,816	50,689,745
Other financial assets	-	295,564
Cash and cash equivalents	11,028,557	24,478,033
Total assets	**127,712,234**	**134,063,513**
EQUITY AND LIABILITIES		
Equity		
Stated capital	36,249,970	35,848,041
Non-distributable reserves	(38,740,055)	(23,782,173)
Retained earnings	74,472,860	69,967,873
Equity attributable to equity holders of the parent	**71,982,775**	**82,033,741**
Non-controlling interest	1,046,473	700,241
Total equity	**73,029,248**	**82,733,982**
Liabilities		
Deferred tax liability	2,102,293	1,835,510
Borrowings and lease liabilities	40,186,183	35,637,018
Trade, other payables and provisions	12,394,510	13,857,003
Total liabilities	**54,682,986**	**51,329,531**
Total equity and liabilities	**127,712,234**	**134,063,513**

ABRIDGED GROUP STATEMENT OF CASH FLOWS

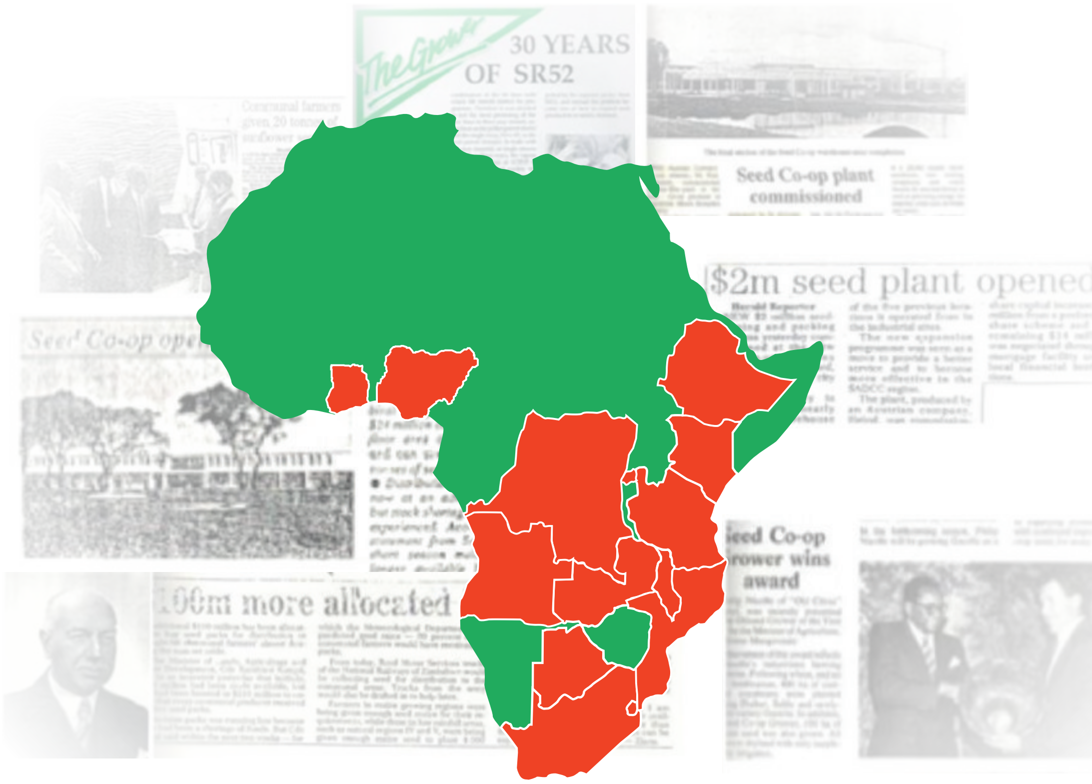
FOR THE YEAR ENDED 31 MARCH 2020

	2020 US$	2019 US$
Operating activities		
Operating profit	12,287,530	7,043,457
Non-cash adjustment to reconcile operating profit to net cash flows	4,191,325	4,738,857
Working capital adjustments and tax paid	(21,715,569)	(19,468,003)
Net cash flows utilised in operating activities	**(5,236,714)**	**(7,685,689)**
Investing activities		
Proceeds from sale of property, plant and equipment	395,827	386,425
Capital expenditure	(7,367,727)	(4,337,509)
Investment in joint venture	(655,817)	-
Proceeds from disposal of associates	6,000	-
Interest received	570,637	783,735
Net cash flows utilised in investing activities	**(7,051,080)**	**(3,167,349)**
Financing activities		
Proceeds from issue of share capital net of transaction costs	-	17,263,166
Share buyback	-	(3,737,113)
Net proceeds from borrowings and lease liabilities	5,029,339	6,797,425
Introduction of equity by non-controlling interest	397,604	1,333,975
Dividend paid	(1,368,376)	(93,124)
Interest paid	(3,416,617)	(2,588,011)
Net cash flows generated from financing activities	**641,950**	**18,976,318**
Net (decrease)/increase in cash and cash equivalents	(11,645,844)	8,123,280
Effects of exchange rate changes on cash and cash equivalents	(1,803,632)	(58,645)
Cash and cash equivalents at beginning of period	24,478,033	16,413,398
Cash and cash equivalents at end of period	**11,028,557**	**24,478,033**

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Attributable to owners of the parent					
	Stated capital	Non-distributable reserves	Retained earnings	Total	Non-controlling interest	Total
	US$	US$	US$	US$	US$	US$
As at 1 April 2018	18,584,875	(8,795,970)	65,069,678	**74,858,583**	65,057	**74,923,640**
Profit for the year	-	-	3,778,030	**3,778,030**	204	**3,778,234**
Other comprehensive income	-	(14,802,613)	-	**(14,802,613)**	-	**(14,802,613)**
Total comprehensive income	-	(14,802,613)	3,778,030	**(11,024,583)**	204	**(11,024,379)**
Issue of share capital net of transaction costs	17,263,166	-	-	**17,263,166**	-	**17,263,166**
Share based payments	-	330,704	-	**330,704**	-	**330,704**
Realisation of revaluation reserve through use	-	(514,294)	514,294	-	-	-
Dividends	-	-	(93,124)	**(93,124)**	-	**(93,124)**
Non-controlling equity interest	-	-	698,995	**698,995**	634,980	**1,333,975**
As at 31 March 2019	**35,848,041**	**(23,782,173)**	**69,967,873**	**82,033,741**	**700,241**	**82,733,982**
Impact of adoption of IFRS 16	-	-	(90,904)	**(90,904)**	-	**(90,904)**
As at 1 April 2019 - restated	**35,848,041**	**(23,782,173)**	**69,876,969**	**81,942,837**	**700,241**	**82,643,078**
Profit for the year	-	-	6,195,338	**6,195,338**	(124,142)	**6,071,196**
Other comprehensive income	-	(14,882,733)	-	**(14,882,733)**	(224,631)	**(15,107,364)**
Total comprehensive income	-	(14,882,733)	6,195,338	**(8,687,395)**	(348,773)	**(9,036,168)**
Exercise of share options	401,929	(401,929)	-	-	-	-
Share based payments	-	393,110	-	**393,110**	-	**393,110**
Realisation of revaluation reserve through use	-	(276,861)	276,861	-	-	-
Non-controlling equity interest	-	210,531	(507,932)	**(297,401)**	695,005	**397,604**
Dividends	-	-	(1,368,376)	**(1,368,376)**	-	**(1,368,376)**
As at 31 March 2020	**36,249,970**	**(38,740,055)**	**74,472,860**	**71,982,775**	**1,046,473**	**73,029,248**



It starts with the right seed

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Independent Auditor's Report

To the Shareholders of Seed Co International Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Seed Co International Limited and its subsidiaries (the Group) set out on pages 11 to 79, which comprise the consolidated and separate statements of financial position as at 31 March 2020, and the consolidated and separate income statements, statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Seed Co International Limited as at 31 March 2020, and of its consolidated and separate financial performance and of its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act (CAP 42:01).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (IESBA code)* and other independence requirements applicable to performing the audit of the Group and Company. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of the Group and Company. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements. The Key Audit Matters apply equally to the audit of the consolidated and separate financial statements

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working world

Key Audit Matter	How the matter was addressed in the audit
Impairment of trade and other receivables As at 31 March 2020, the Group and Company recognised net trade and other receivables amounting to USD40.2 million (2019: USD31.3 million) and USD4.0 million (2019: USD2.5 million) respectively net of allowances for impairment (estimation of credit losses) of USD12.2 million (2019: USD13.6 million) and USD5.7 million (USD5.7 million) respectively. The associated impairment provisions are a significant estimate in the consolidated and separate financial statements in respect of IFRS 9, Financial Instruments. The estimation of credit losses is inherently uncertain and is subject to significant judgement and estimates. Furthermore, models used to determine credit impairments are complex, and certain inputs used in the models are not observable. The expected credit loss model requires the application of forward-looking information in determining key inputs such as economic variables that affect the output of the model. Forward-looking information inherently involves judgement and estimates supported by historical experience and analysis in determining the inputs in the variables. This estimation uncertainty surrounding the forward-looking information is further increased by ongoing volatility in geographical sectors in which the group operates in light of the changing economic and operating environment induced by inflation and policy inconsistency. In the current year, we considered the valuation and concentration of trade receivables from governments to be significant to the audit of the Group. This is an area that involves uncertain future outcomes, including primarily the timing and ultimate full settlement of the receivables, considering the budget pressures on the treasury of the respective Governments due to COVID-19 induced pressure on financial resources. Additionally, the Group and Company are owed significant amounts of money by a related party operating from Zimbabwe. The continued deterioration of the Zimbabwean economy in the current year increased the uncertainty of the recovery of the outstanding balances from the related party. Given the combination of inherent subjectivity in the application of the expected credit loss models, and the judgement and estimates involved in determining the inputs into the models which is increased the uncertainties by the forward-looking information (discussed above), we considered the allowance	Our audit procedures included, amongst others: ➢ We obtained an understanding of management's process over credit origination, credit monitoring and credit remediation; ➢ We assessed the appropriateness of the accounting policies and impairment methodologies applied by comparing these to the requirements of IFRS 9: Financial instruments; ➢ We assessed the ECL models developed by management. This included involving our internal experts in our assessment of key judgements and assumptions applied in the calculation of allowances for impairment; ➢ We tested the arithmetical accuracy of the models used by management; ➢ We evaluated the reasonableness of key data inputs into the model for example, by recalculating the past due days per the models and, where applicable, comparing the data used in the models to the data in the accounting system. ➢ We assessed the reasonableness of the data points used to build the forward-looking factors by benchmarking these against external evidence and economic data; ➢ We evaluated the concentration risk of Government receivables as a percentage of total receivables to ascertain the risk exposure; ➢ We evaluated reasonableness of management's plans to recover the outstanding balances from related parties by reviewing contracts and arrangement in place; ➢ We reviewed the recovery rate included as an input into the model based on management's plan to recover outstanding balances from related parties;

for impairment of these trade and other receivables to be a key audit matter specifically due to the judgements applied by management which a have a significant impact on the level of provision required for trade receivables in our audit of the consolidated and separate financial statements. The disclosures associated with respect to the application of IFRS 9 in determining the allowance for ECLs are disclosed in: • Note 2.3 "Summary of significant accounting policies" • Note 3 "Significant accounting judgements, estimates and assumptions" • Note 15 "Trade and other receivables" • Note 28 "Financial Instruments"	➢ We also assessed the adequacy of the disclosures regarding the allowance for impairment of trade and other receivables in the consolidated and separate financial statements to determine whether they were in accordance with IFRS.

Other Information

The directors are responsible for the other information. The other information comprises the information included on page two to five of the document titled "Seed Co International Limited Consolidated and Separate Financial Statements 31 March 2020", which includes the Directors' Report as required by the Companies Act (CAP 42:01), which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation of the consolidated and separate financial statements which give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act (CAP 42:01), and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting processes.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group and company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young
Practising Member: Thomas Chitambo
Partner
Certified Auditor
Membership number: 20030022
Gaborone

26 June 2020