



The African Seed Company

ZWG

SEED CO LIMITED

**ABRIDGED SPECIAL PURPOSE
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2025



THE HOME OF BUMPER HARVESTS





LIMITED

ABRIDGED SPECIAL PURPOSE FINANCIAL STATEMENTS

Issued in terms of practice Note 13 of the Zimbabwe Stock Exchange (ZSE)

FOR THE YEAR ENDED 31 MARCH 2025

KEY METRICS

52%

Sales
Volume
Growth

93%

Revenue
Growth

173%

Export
RevenueSPECIAL PURPOSE STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

	31 March 2025 Audited ZWG'M	31 March 2024 Restated ZWG'M
Revenue	1,906	987
Cost of sales	(815)	(592)
Gross profit	1,091	396
Other income	163	1,516
Operating expenses	(700)	(600)
Operating profit	554	1,312
Finance income	14	-
Finance costs	(93)	(128)
Monetary loss	-	(374)
Share of profit from associates and joint venture	100	31
Profit before tax	575	841
Income tax expense	(106)	(274)
Profit for the year	469	567
Other comprehensive income		
Foreign exchange differences on translation of foreign operations	(13)	(27)
Share of other comprehensive profit/(loss) from associate	63	(22)
Revaluation of property, plant and equipment	156	2
Deferred tax on revaluation of property, plant and equipment	3	(78)
Total other comprehensive income for the year	209	(126)
Total comprehensive income for the year	678	442
Earnings per share - cents		
BEPS -cents	1.87	2.26
DEPS -cents	1.64	2.09
HEPS -cents	1.75	1.74

SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY

	31 March 2025 Audited ZWG'M	31 March 2024 Restated ZWG'M
Opening shareholders' equity	2,790	2,296
Comprehensive income	678	441
Exercise of share options	-	(0)
Share based payments	6	9
Effects of changes in functional currency	-	44
Closing shareholders' equity	3,473	2,790

SPECIAL PURPOSE STATEMENT OF FINANCIAL POSITION

ASSETS

Property, plant & equipment	1,202	1,068
Investment in associates & joint venture	853	712
Non-current financial assets	3	58
Inventories	688	774
Trade and other receivables	1,395	1,052
Amount due from related entities	398	262
Other current financial assets	57	19
Cash and cash equivalents	8	8

Total assets

EQUITY AND LIABILITIES

Shareholders Equity	3,473	2,790
Long-term borrowings	149	234
Deferred tax liability	205	221
Short-term borrowings	440	298
Bank Overdrafts	62	52
Trade and other payables	84	225
Amount due to related entities	1	-
Provisions	83	52
Income tax payable	107	79

Total equity and liabilities

	31 March 2025 Audited ZWG'M	31 March 2024 Restated ZWG'M
4,605	3,952	
4,605	3,952	

SPECIAL PURPOSE STATEMENT OF CASH FLOWS

Operating activities

Profit before tax	575	841
Reconciling items to net cash flows	26	(688)
Working capital changes	(538)	(686)
Tax paid	(92)	(41)

Operating cash flows

Proceeds from disposal of PPE	3	2
Purchase of PPE	(58)	(63)
Proceeds from financial assets	23	32
Purchase financial assets	(9)	-
Dividends received	9	7
Interest received	14	-

Investing cash flows

Net proceeds from borrowings	133	693
Interest paid	(85)	(103)

Financing cash flows

Net cash flows during the year	1	(6)
Effects of currency translation	-	(8)
Net changes in cash and cash equivalents	1	(14)
Opening cash and cash equivalents	8	21
Closing cash and cash equivalents	8	8

DIRECTORS

P Gowero (Chairman), M Nzwere (Group CEO)*, T Chatiza (Group CFO)*, A Carvalho, R C D Chitengu (Mrs), Dr D Garwe (Mrs), M P Karombo, K Mafukidze, N C Bennett, F Savin. *Executive

SUPPLEMENTARY INFORMATION
Issued in terms of Practice Note 13 of the Zimbabwe Stock Exchange

This abridged financial results notification has been prepared and authorized by the Board of Directors. It provides a condensed overview of the full announcement and does not contain comprehensive details. All investment decisions by shareholders and investors should be made after careful consideration of the complete financial results publication. A copy of the full announcement is available on the Zimbabwe Stock Exchange website at www.zse.co.zw as well as on the Company's website at www.seedcogroup.com for further reference and analysis.

1 Corporate information

Seed Co Limited is a company which is incorporated and domiciled in Zimbabwe and listed on the Zimbabwe Stock Exchange.

2 Basis of Preparation

The financial statements have been prepared as special purpose in line with Regulatory Note SECZ070325 issued by the Securities and Exchange Commission of Zimbabwe. They have been prepared on a going concern basis. These financial statements are based on the statutory records that are maintained under the historical cost and are a direct translation of the primary statements included in the general purpose company financial statements which are in USD. The exchange rate used to convert is the spot rate at 31 March 2025 of US\$1 : ZWG26.77. Selected material notes have been included in these special purpose financial statements.

The special purpose financial results have not been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and therefore reading the special purpose financial statements and the auditor's report thereon, is not a substitute for reading the audited general purpose company financial statements and the auditor's report thereon. The USD financial statements comply with the requirements of IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

The general purpose financial statements of the Company were authorised for issue by the directors on 27 June 2025. The auditors' report is modified for IAS 21, The Effects of Changes in Foreign Exchange Rates, in the current and prior years, in respect of determination of US\$ opening balances for non-monetary items, prior year use of internally generated rates in accounting for transactions with growers and prior year determination of split between realised and unrealised portions of exchange gains, IAS 28, Investments in Associates and Joint Ventures, in respect of the associate entity's application of the cost model in accounting for property, plant and equipment (PPE) which is not consistent with Company's policies which require PPE to be revalued annually, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors due to these areas of non-compliance remaining uncorrected in the comparative periods. These are available for inspection at the Company's registered office.

2.1 Presentation Currency

The company special purpose financial statements are presented in Zimbabwe Gold (ZWG), the designated presentation currency for all entities, as mandated by Securities and Exchange Commission of Zimbabwe Notice SECZ070325.

The Reserve Bank of Zimbabwe (RBZ) introduced the ZWG as the new official currency on 5 April 2024, replacing the Zimbabwean Dollar (ZWL). All ZWL balances as of 5 April 2024 were translated to ZWG at a fixed exchange rate of ZWG 1 = ZWL 2,499.

3 Statement of Compliance

These special purpose financial statements have been prepared in accordance with the accounting policies detailed in Notes 1 & 2, with the objective of complying with the financial reporting requirements of the Securities and Exchange Commission of Zimbabwe Notice SECZ070325.

4 Commitments And Contingencies
Commitments

The Board approved Management's capital expenditure plans for the Company though these were not yet contracted for at the reporting date.

March 2025 ZWG'M	March 202 ZWG'M
118	81

There were no contingent liabilities at 31 March 2025

5 Loans & Borrowings

The average cost for long-term borrowings was 7.5%, including the Proparco loan secured by a Seed Co International guarantee. The average cost of short-term US\$ borrowings was 13.5% and ZWG borrowings were 40%. All short-term borrowings in this context were unsecured.

6 Going Concern

The Directors have assessed the Company's ability to continue as a going concern and confirm that the preparation of these financial statements on this basis remains appropriate. While the operating environment presents challenges including currency volatility, high inflation, political uncertainty, evolving policies, and global economic disruptions, the Company has demonstrated resilience and is well positioned to navigate these headwinds.

7 Dividend

The Board decided to declare a dividend of US\$0.91 cents per share for the financial year ended 31 March 2025.

8 Events after the reporting date

The Directors evaluated events occurring between the reporting date (31 March 2025) and the date of authorisation of these financial statements (27 June 2025). No material adjusting or non-adjusting events requiring disclosure have occurred during this period.

9 External auditors' opinion

These special purpose financial statements have been prepared, with the objective of satisfying the Securities and Exchange Commission of Zimbabwe Notice SECZ070325. They have not been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and therefore reading the special purpose financial statements and the auditor's report thereon, is not a substitute for reading the audited general purpose Company financial statements and the auditor's report thereon.

The general purpose Company financial statements of the Company, which comply with the requirements of IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) were approved by the directors on 27 June 2025 and an adverse audit opinion was issued on 30 June 2025. The adverse opinion was in respect of non-compliance with International accounting Standard 21, The Effects of Changes in Foreign Exchange Rates in the current and prior years, and IAS 8, Accounting policies, Changes in Accounting Estimates and Errors in respect of the use of an alternative method in determination of Property, plant and equipment, inventory and deferred tax balances on the change of functional currency as at 31 March 2024 and in respect of use of internally generated rates in accounting for transactions with growers and determination of split of exchange gains into realised and unrealised portions in the prior year, IAS 28, Investments in associates and joint ventures, in respect of the associate entity's application of the cost model in accounting for property, plant and equipment (PPE) which is not consistent with Company's policies which require PPE to be revalued annually.

These are available for inspection at the Company's registered office.

The engagement partner for this audit is Vinay Ramabhai (PAAB Practicing Certificate Number 0569)

10 Approval of financial statements

These abridged results have been extracted from the full set of financial statements and are the responsibility of the directors. The full set of financial statements which have been signed 'on behalf of the board by the Chairman and CEO are available on the ZSE data portal and Company website.



P. Gowero (Chairman)
27 June 2025



M. Nzwere (CEO)
27 June 2025



DIRECTORS

P Gowero (Chairman), M Nzwere (Group CEO)*, T Chatiza (Group CFO)*, A Carvalho, R C D Chitengu (Mrs), Dr D Garwe (Mrs), M P Karombo, K Mafukidze, N C Bennett, F Savin. *Executive

COMMENTARY

Overview

Zimbabwe's agribusiness sector remains a critical pillar of the economy, contributing significantly to employment, GDP, and export earnings. However, the industry faces a mix of challenges and opportunities shaped by climate variability, policy shifts, infrastructure constraints, and evolving market dynamics.

Sales Performance

The business recorded 52% in sales volume growth amid increased demand on both local and export markets. Maize seed sales outstripped the budget benefitting from regional demand in response to the El-Nino impact in the previous year. Volume growths were recorded in wheat and small grains seeds as farmers responded to effects of climate change. The business continues to face pricing pressure on the market due to exchange rate disparities and proliferation of cheaper varieties.

Financial performance

Strong revenue performance underpinned by sales volume growth, amid growth in exports and tender business on the local market in response to prior year drought. The availability of adequate seed stocks enabled the business to respond to increased demand across the region. The late onset of rains pushed customer preference towards short and medium-season varieties thereby impacting product mix and hence average selling prices.

Gross margins retreated due to restatement of opening inventory into US\$ functional currency. The business had to remeasure the cost of inventory to reflect the true value at conversion period.

Operating expenses grew year-on-year responding to the currency distortions from prior year and growth in sales performance.

Finance costs were for 5% of turnover, down from 10% the previous year. The company remained reliant on borrowings to fund the cash flow gap created by delayed settlement of Government related receivables and the inflationary increase operational costs.

The profit share from the joint venture and associates was US\$3.8million benefiting from Seed Co International and Prime Seed's notable profitability recovery as well as exchange gain anchored profitability of the local associate Quton.

The company's profitability declined by 17% year-on-year, primarily attributed to the absence of exchange gains following the adoption of the US dollar (US\$) as the functional currency. Previously, under the Zimbabwean dollar (ZWL), the company benefited from exchange rate fluctuations, recording exchange gains when the local currency depreciated against the US\$. Transitioning to a US\$ functional currency eliminated this source of income, directly impacting the bottom line.

Financial position

The carrying value of PPE increased 14% on account of upgrading of the Research laboratory, modernisation of the plant. The business' land bank continues to appreciate in value due to proposed New City plans.

Increased sales volumes in the current year offered an opportunity for the business to wind down the stocks that were on hand. Production volumes continue to be reviewed to ensure adequate stocks are available across maturity ranges. Wheat seed has since been sold in the current winter cropping

The increase in receivables is mainly attributable to increased sales and delayed settlement of Government related receivables.

Short-term borrowings increased as the business sought to fund seed exports and local distribution. Additional working capital requirements are driven by operating activities as well as the need to fund the debtors' book. Government related debt is usually serviced post yearend.

Research and Development

Research and Development remains the business' key competitive advantage lever. Various research initiatives are at various stages of the pipeline to 'produce climate responsive products. The maize seed basket has been expanded with the release of SC661 and SC 657 and a high yielding wheat variety SC W9104 was released.

Outlook

Zimbabwe's agribusiness sector continues to face challenges such as climate vulnerability and policy inefficiencies. However, opportunities continue to manifest in high-value crops, technology, and sustainable practices that offer a path to revival. Despite ongoing volatility in the macroeconomic landscape, the company continues to show resilience by capitalizing on its climate smart varieties, local market relevance and pursuing emerging regional opportunities.



F. Sithole (Company Secretary)
 27 June 2025

DIRECTORS

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Independent Auditors' Report

To the shareholders of Seed Co Limited

Opinion

We have audited the special purpose financial statements of Seed Co Limited (the Company), as set out on pages 7 to 31, which comprise the company statement of financial position as at 31 March 2025, the company statement of comprehensive income, the company statement of other comprehensive income, company statement of changes in equity and company statement of cash flows for the year then ended, and notes to the company financial statements, including material accounting policies.

In our opinion, the special purpose financial statements of Seed Co Limited for the year ended 31 March 2025 are prepared, in all material respects, in accordance with the basis of preparation described in note 2.1 to the special purpose financial statements, with the objective of satisfying the requirements of the Securities and Exchange Commission of Zimbabwe Notice SECZ070325.

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 special purpose financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the special purpose financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of preparation

We draw attention to note 2.1 to the special purpose financial statements, which describes the basis of preparation. The special purpose financial statements are prepared in accordance with accounting policies detailed in note 2 to the special purpose financial statements, with the objective of satisfying the financial reporting requirements of the Securities and Exchange Commission of Zimbabwe Notice SECZ070325. As a result, the special purpose financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matters

We draw attention to the matters below:

Statutory financial statements

The Company has prepared a statutory set of financial statements for the year ended 31 March



2025 in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and in a manner required by the Companies and Other Business Entities Act [Chapter 24:31], on which we issued a separate auditors' report to the shareholders of Seed Co Limited dated 30 June 2025.

The general purpose financial statements of the Company, which comply with the requirements of IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) were approved by the directors on 27 June 2025 and an adverse audit opinion was issued on the same day. The adverse opinion was in respect of non-compliance with IAS 21, *The Effects of Changes in Foreign Exchange Rates* in the current and prior years, and IAS 8, *Accounting policies, Changes in Accounting Estimates and Errors* in respect of the use of an alternative method in determination of Property, plant and equipment, inventory and deferred tax balances on the change of functional currency as at 31 March 2024 and in respect of use of internally generated rates in accounting for transactions with growers and determination of split of exchange gains into realised and unrealised portions in the prior year, IAS 28, *Investments in associates and joint ventures*, in respect of the associate entity's application of the cost model in accounting for property, plant and equipment (PPE) which is not consistent with Company's policies which require PPE to be revalued annually.

Comparatives

In addition, as this is the first year the directors have prepared these special purpose financial statements to comply with the basis of preparation as indicated in note 2.1, the comparative special purpose financial statements in ZWG for the year ended 31 March 2024 were not audited.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the special purpose financial statements in accordance with the basis of accounting described in note 2 to the special purpose financial statements, for determining that the basis of preparation is acceptable in the circumstance, with the objective of complying with the financial reporting requirements of the Securities and Exchange Commission of Zimbabwe Notice SECZ070325 and for such internal control as the directors determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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 special purpose 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 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 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 special purpose 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 Company to cease to continue as a going concern.

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG

Vinay Ramabhai
Chartered Accountant (Z)
Registered Auditor
PAAB Practicing Certificate Number 0569

30 June 2025

For and on behalf of, KPMG Chartered Accountants (Zimbabwe), Reporting Auditors

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Zimbabwe