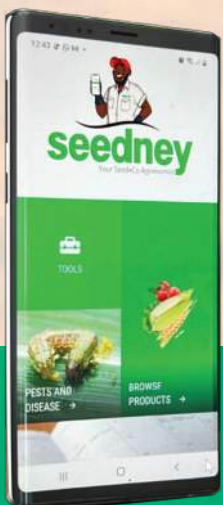




The African Seed Company

# SEED CO INTERNATIONAL LIMITED 2024 ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024



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[www.seedcogroup.com](http://www.seedcogroup.com)

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Why Horticulture?

- High return on investment
- Readily available market
- Foreign currency earner
- Support enterprise for the main activity
- Nutritional value
- A large contributor to agriculture

SEED CO  
VEGETABLES

# CORPORATE OVERVIEW

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## SEED CO MILESTONES

Seed Co International, one of Africa's leading certified seed companies, was founded in Botswana on July 7, 2000. The Company is an associate of Seed Co Limited, a company founded in 1940 and resident in Zimbabwe. On August 9, 2018, Seed Co Limited's shareholders approved the partial split and separate listing of Seed Co International with Seed Co Limited retaining an associate stake in the Company. Seed Co has grown on the African continent by breeding, producing, and marketing hybrid field and vegetable crop seeds. The Group runs the largest single out-grower scheme in the seed business and has one of the most extensive networks of farmers, infrastructure, resources, geographical reach, and know-how in Africa.

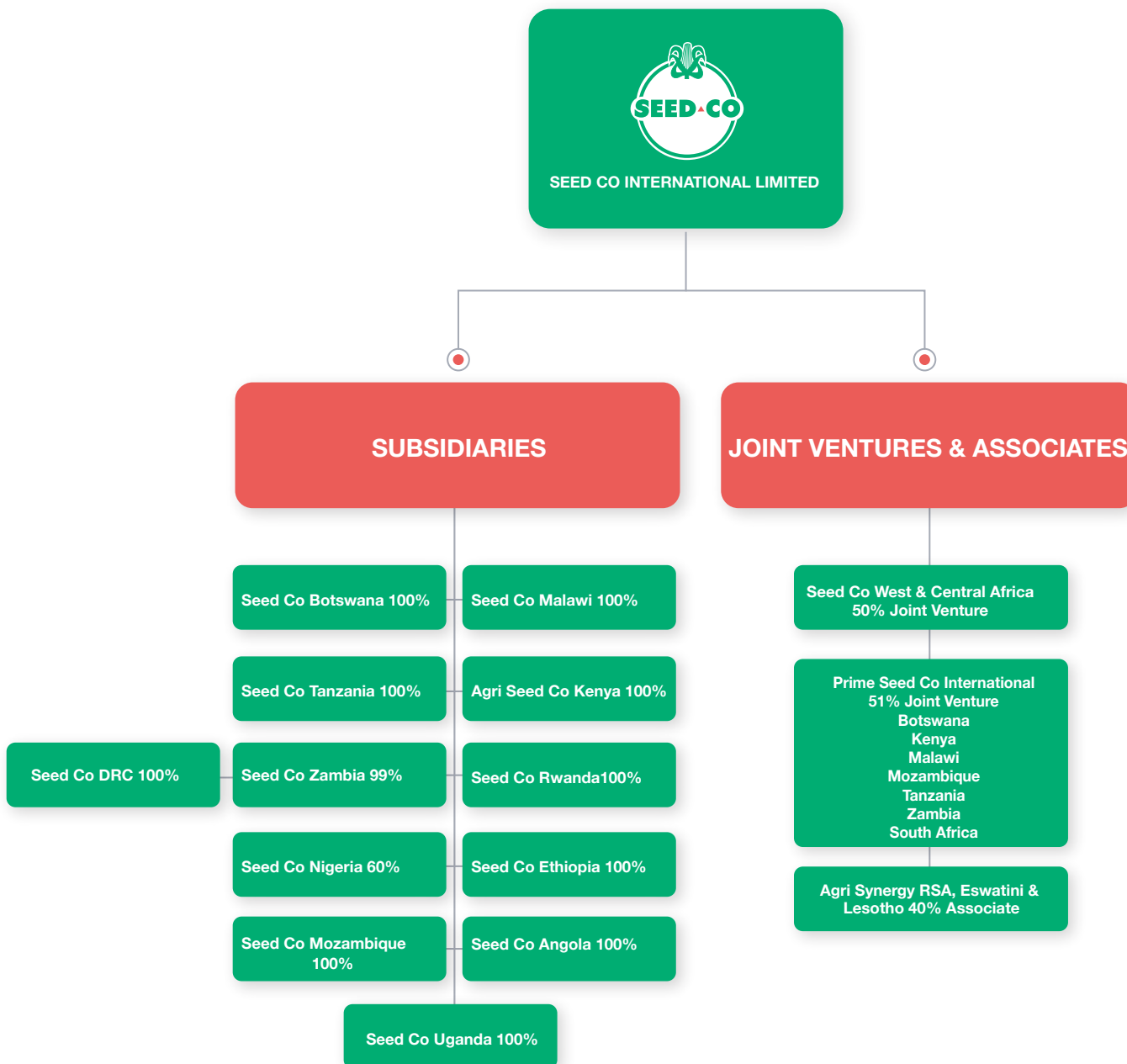


SC719 is a top late maturing, pan African, well adapted and high yielding white maize hybrid (148 - 155 days to maturity)



# SEED CO INTERNATIONAL LIMITED AT GLANCE

Seed Co is the leading certified seed Group authorised to market seed varieties developed by itself (“proprietary intellectual and property”), and other associated seed breeders (“licensed intellectual property”) in over fifteen (15) African countries. The Group is involved in the breeding, multiplication and distribution of hybrid maize and vegetable seeds as well as open-pollinated varieties of cereal crops such as soya beans, sorghum, wheat, beans, sugar beans, cowpeas, sorghum, groundnuts, and vegetables.



Prime Seed Co International is a 51% joint venture specialising in vegetable seeds currently operating in 7 countries.

Seed Co West & Central is a 50% joint venture specialising in field crop seeds targeting the Francophone West Africa zone and some parts of Central Africa.

### Group Ownership

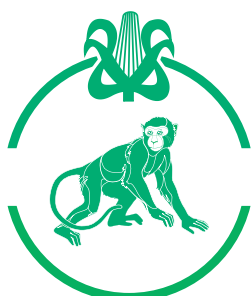
Seed Co International Limited is a public listed company with primary listing on the Botswana Stock Exchange (BSE) and secondary listing on the Victoria Falls Stock Exchange (VFEX). Significant shareholding is held by Vilmorin & Cie (32.36%), Seed Co Limited (27.48%) and the rest by various shareholders. There is no single individual or entity with ultimate control over the company.

# OUR BRANDS

We produce and market a wide variety of maize, cereal crop, and vegetable seeds.



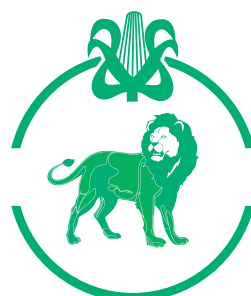
**300 Series**



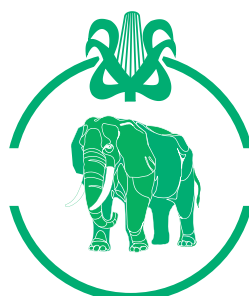
**400 Series**



**500 Series**



**600 Series**



**700 Series**



# OUR PRODUCTS



**Hybrid maize**



**Soyabean**



**Wheat**



**Sorghum**



**Groundnuts**



**Vegetables**



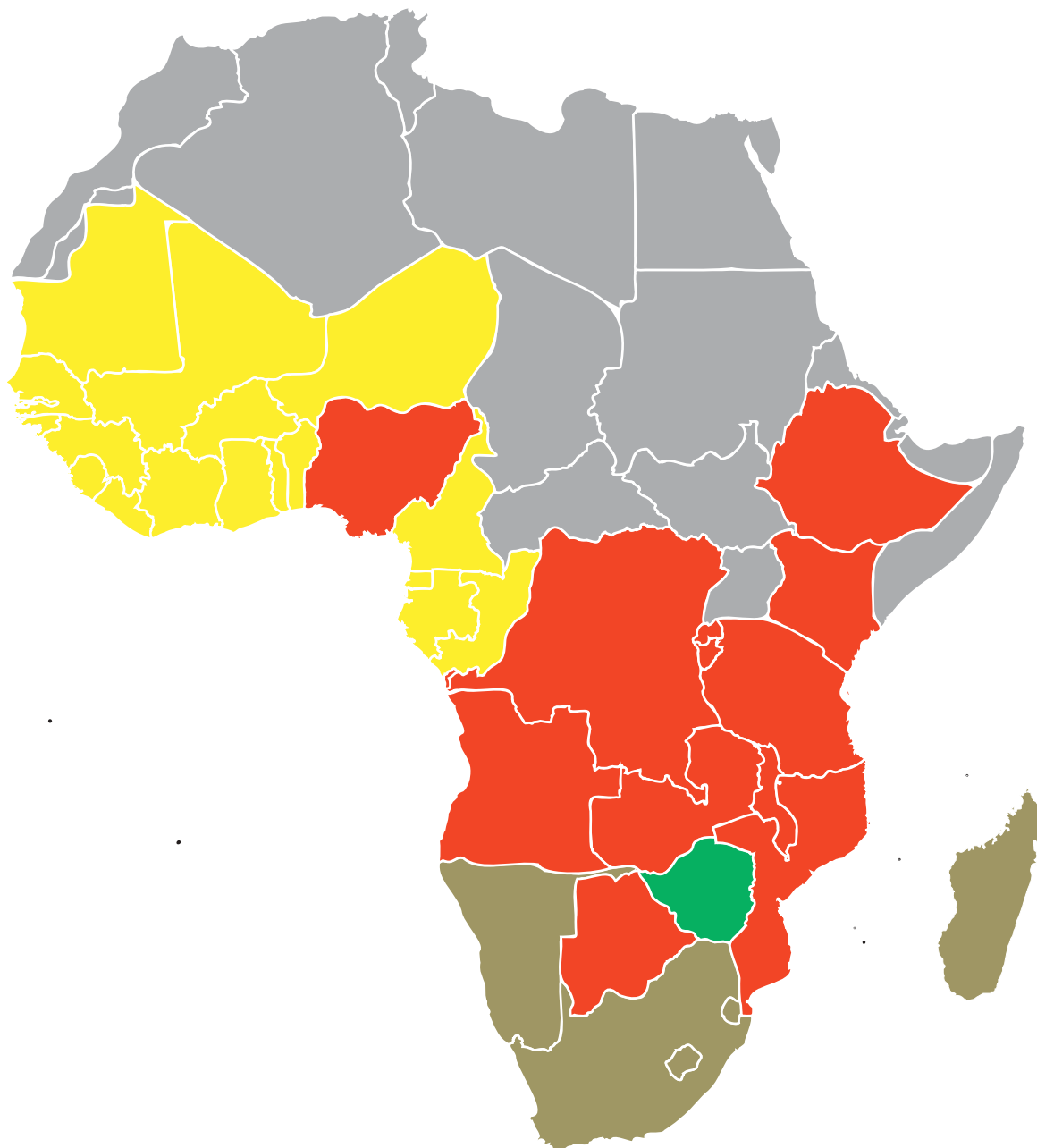
**Cotton**







**Rice**

# OUR FOOTPRINT

Seed Co International Limited operates and manages growers, warehouses, research stations and depots all over Africa.



## Key


-  Seed Co International Limited countries of operation
-  Seed Co Limited (Zimbabwe)
-  Seed Co West & Central Africa Joint Venture countries of operation
-  Limagrain South Africa countries of operation (South Africa, Lesotho, Swaziland, Madagascar, Namibia)

# CORPORATE MEMBERSHIPS AND CERTIFICATIONS




INTERNATIONAL AND LOCAL MEMBERSHIPS






International Seed Testing Association (ISTA).




International Rice Research Institute (IRRI).



International Crops Research Institute for the Semi-Arid Tropics (ICRISAT).



International Maize and Wheat Improvement Centre (CIMMYT)



Network for Accelerated Rice Varieties for Impact (NARVI)

## BOTSWANA.

- Business Botswana.

## KENYA

- Seed Traders Association of Kenya - STAK.
- Cereals Growers Association of Kenya.

## MALAWI

- Seed Trade Association of Malawi

## CORPORATE AWARDS

### ZAMBIA

- Best Compliance Company – Tax.
- Best Customer Service organisation of the Year.

### TANZANIA

- National Seed Industry Grand Winner

## ZAMBIA

- Zambia Institute of Marketing. Africa Seed Traders Association.
- Association of Manufacturers.
- Seed Traders Association of Zambia.
- National Farmers Union.
- Rain Forestry Association.

## TANZANIA

- Seed Traders Association of Tanzania.

### KENYA

- Best Farmer
- Most Climate responsive Company with resilient varieties

# BUSINESS VALUE CHAIN

## OVERVIEW

Our teams in our areas of operation combine their local knowledge with our assets and expertise in tailoring solutions that create value for farmers. Seed Co owns and controls its research and development, quality control, product development and processing facilities. The business partners and capacitates local farmers as contracted growers for seed production and local retailers for distribution. The Group also supervises the entire production stage to ensure the certification standards and the purity of the seed is maintained. Seed Co is fully responsible and liable to regulators for the quality of the seed and its reputation is always at stake.




**Research & Development**

- Germplasm creation.
- Varietal development.
- Basic seed production.
- (99-100% genetic purity)
- Variety maintenance.
- Variety purification.

Without the intellectual property developed by R&D there is no seed and there is no Seed Co.




**Quality Control**

- Genetic Purity.
- Soil emergence test.
- Vigour tests.
- Germination tests.
- Defects tests.
- Moisture tests.
- Pathology examinations. Pre & post processing quality tests.
- In trade quality tests.

To guarantee the certification seal and assure farmers get seeds that perform to certified standards




**Product Development**

- Agronomy services
- Farmer engagement promoting use of improved seeds and best farming practices.
- Demonstration plots.
- Field days.

Raising awareness and educating farmers on hybrid varieties.




**Production**



- In partnership with Growers.
- Multiplication of seed (ploughing, planting and care and harvesting).
- Parent seed is supplied every season by Seed Co and dedicated Agronomists/Seed Inspectors are assigned to growers.
- Pure parent seed and technical assistance is provided to contracted growers to produce certified seeds.




**Manufacturing/Processing**

- Seed conditioning.
- Seed cleaning.
- Seed grading.
- Seed treatment.
- Seed packaging.

No seed is processed if it does not meet minimum quality standards.

**Distribution**

- Seed placement with agro-dealers, retailers, cooperatives etc.
- No seed is delivered to distributors if it does not meet minimum quality standards.




**Stakeholders**

- Farmers, communities, employees, shareholders, Government departments, statutory and independent regulatory bodies, agriculture colleges & other agricultural focussed development partners.
- Collaborating with stakeholders to promote use of improved certified seeds.



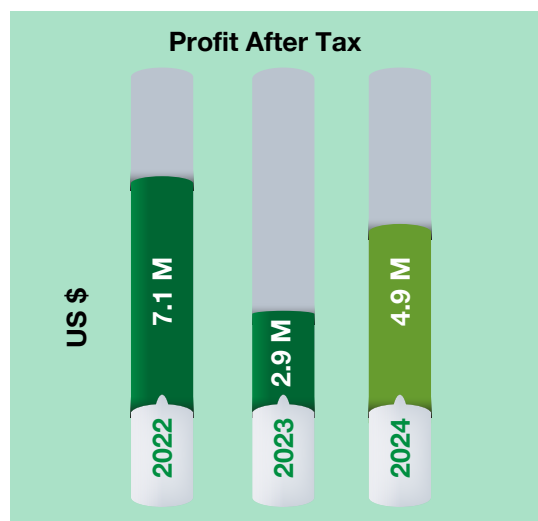
## PERFORMANCE HIGHLIGHTS

### IN THIS SECTION

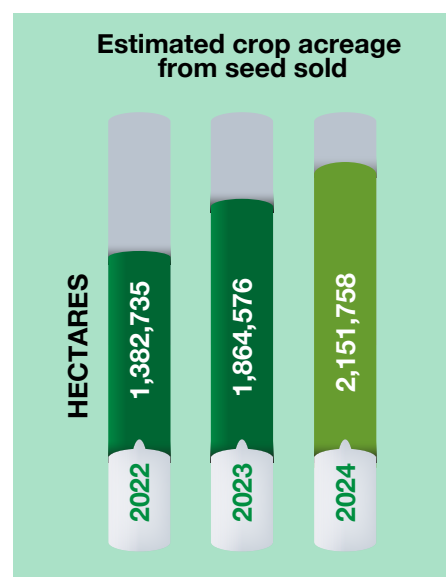
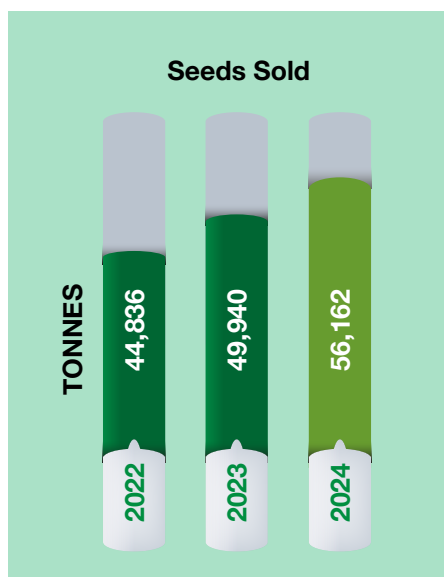
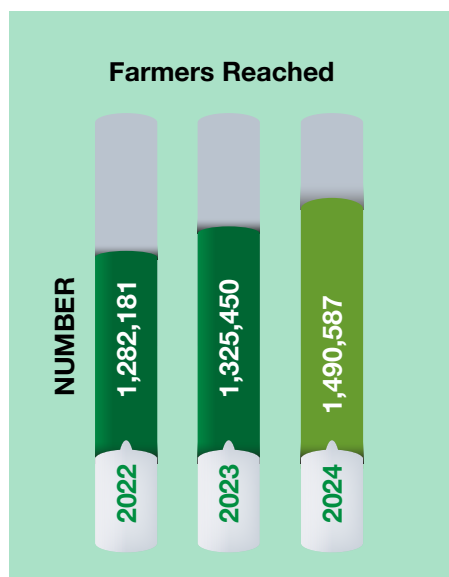
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# PERFORMANCE HIGHLIGHTS

## FINANCIAL HIGHLIGHTS



## OPERATIONAL HIGHLIGHTS



## SUSTAINABILITY HIGHLIGHTS

	Units	2022	2023	2024
Municipal Water	Cubic metres	7,920	10,976	9,750
Electricity	kWh	40,323	36,850	44,291



## STRATEGIC REVIEW

### IN THIS SECTION

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Chief Executive's Review

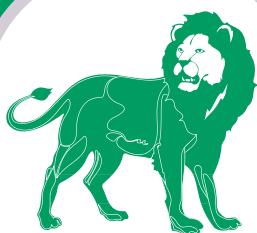
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## Chairman's Letter



“All this would not have been possible without the sterling work done by my Board, and well supported by the entire Team Seed Co, funders, stake and shareholders, our ultimate customers, the farmers and the many Governments all over Africa that we work with.”



*We are conscious of the impact our hybrids have on the ecosystem as well as the sustainability of the agricultural value chain.*



### Dear Stakeholders

On behalf of the Board, I am honoured to present the Group's results for the year ended 31 March 2024 ("FY24") to all our stakeholders. This year was a year of mixed fortunes, with the Group contending with the effects of climate change, including heavy rains in East Africa and drought in Southern Africa. Ongoing conflicts in Eastern Europe and the Middle East have continued to drive global and regional inflation, currency devaluations, and rising interest rates as authorities strive to control inflation. Despite these challenges, our brand has shown remarkable resilience, achieving growth in volume, turnover, and profitability amidst several challenges.

### Operating Environment

Fiscal and monetary constraints as well as climate change, combined with imported global inflation, are the major risks facing the business.

Despite these challenges, our long-term investments in our brand and intellectual property are paying off. Farmers and development partners consistently trust and prefer our climate-smart seed solutions, highlighting the resilience and reliability of our products.

### Financial Performance

Group turnover reached \$118.0m, a 14% increase from the previous year's \$103.5m. This growth was driven by increased volumes in Tanzania, Kenya, Malawi, and Zambia, which offset the decreased volumes in Mozambique and Botswana. The Group reported increases of 64% and 70% in profit before tax (PBT) to \$9.4m and profit after tax (PAT) to \$4.9m respectively, compared to the previous year. This growth was mainly due to business growth and curtailed exchange losses after restructuring business unit balance sheets.

### Production and Quality

Facing climate change challenges, the Group utilized its diverse geographic and country production hubs to ensure sufficient seed availability across its markets. The Group's proactive production planning, which relies on weather forecasts, diverse production hubs, and the inclusion of contingent stocks, helps to mitigate climate change induced shortages.

In response to the increasing demand for our products, we are significantly boosting our investments in production, processing, and quality assurance capacity across the Group, with a special emphasis on Tanzania.

We are committed to maintaining the highest standards of quality in all our operations, ensuring that our customers receive the best products even under challenging circumstances.

# CHAIRMAN'S STATEMENT

## RESEARCH AND DEVELOPMENT

I am pleased to report that our commercial and upcoming products continue to perform strongly in field trials across various crop species and geographies. Several varieties have been registered at national levels and subsequently added to both the SADC and COMESA regional catalogues.

To showcase our products and provide agronomic advice, the Group conducted several successful field days. These events are invaluable for engaging with our key stakeholders, farmers, and obtaining direct feedback. Our customer-centric and solution-oriented breeding approach ensures that our existing and upcoming products remain preferred in the market and receive positive reviews.

We continue to leverage our extensive genetic bank, developed over the years, to create superior seed solutions. Our breeding programs focus on producing climate-smart seeds that are affordable, drought-resistant, and tolerant to emerging diseases and pests.

### Business Development

Business development efforts are ongoing in the emerging markets of Angola, DC, Ethiopia, Mozambique, and Nigeria, as well as in the Francophone West and Central Africa regions. While new business growth has been slower than anticipated, we remain committed and optimistic about the untapped opportunities in the new markets. Our dedication to exploring and capitalizing on these markets continues to drive our strategic initiatives forward.

### Responsible and sustainable business

Our organization takes a proactive and strategic approach to managing economic, environmental, social, and governance (ESG) impacts and opportunities, aiming to deliver sustainable value to our stakeholders. We are deeply committed to resource conservation, reducing our carbon footprint, preserving biodiversity, and mitigating the adverse effects of climate change.

As responsible corporate members of the society, we are dedicated to creating lasting positive impacts by fostering community growth and empowerment, thereby promoting sustainable development. We are steadfast in addressing key challenges through strategic corporate social investments designed to reduce socio-economic disparities within our communities. Over the past year, our business has made significant contributions to various socio-economic activities, including:

### Responsible and sustainable business

- Enhancing food security
- Boosting agricultural productivity
- Empowering our contracted seed growers
- Facilitating knowledge sharing and capacity building
- Generating employment and empowering local communities
- Contributing to fiscal revenue as a responsible and compliant corporate citizen in all our markets

### Human Capital

Our organization values our employees as our most important asset. We prioritize attracting and retaining top talent because we understand that a motivated and satisfied workforce is essential to our science-driven business. To support this, we offer a range of attractive incentives, including subsidized housing, educational development programs, and holistic well-being initiatives. To maintain crucial institutional knowledge, ensure business continuity, and foster innovation, we have developed a robust succession planning framework that includes internships and graduate training programs.

### Prospects

The global landscape is still grappling with supply shocks and imported inflation, along with ongoing economic challenges in our regional markets. Nonetheless, the demand for food remains relatively stable, making agricultural products less affected by economic downturns.

We trust that governments and development partners will continue prioritizing primary food production to alleviate economic hardships. Achieving food self-sufficiency is central to our strategic and sustainable objectives, and we are committed to playing a key role in this mission, improving livelihoods and driving economic progress.

Following last year's drought which devastated Southern Africa, early weather predictions for the upcoming season indicate better rainfall in most of our markets. Our Group is well-equipped with a variety of drought-resistant seed varieties to meet market demands and adapt to varying weather conditions.

# CHAIRMAN'S STATEMENT

## ▶ ACKNOWLEDGEMENTS

Allow me to express my deepest gratitude to our esteemed staff, dedicated management team, and fellow board members for their unwavering dedication to our organization. It is the combined invaluable efforts of our internal stakeholders that have kept our business on a steady growth trajectory. I also extend my sincere thanks to our external partners – farmers, governments, development collaborators, and shareholders. Your trust and support have been crucial to our mission of providing accessible and beneficial seed solutions to every farmer on our beloved continent.

As I assumed my role as your new Non-Executive Chairman on 28 September 2023, I was keenly aware of the significant legacy left by my predecessor and those that served the Board before. Stepping into this role, I am humbled to take the challenge further in the quest to contribute meaningfully to our Group's expansion and progress across Africa. I look forward harnessing the collaborative efforts of both our internal and external stakeholders to deliver sustainable value for the benefit of all.

My sincere desire is for our Group to continue upholding and embodying our core principle – "The African Seed Company" – as we embark on a strategic mission to strengthen and expand our presence, meeting the needs of every farmer across the African continent. Together, we will build on the strong foundation laid across the continent, ensuring that our mission and vision remain at the forefront of all that we do.



P. Gowero  
Chairman



## Chief Executive Officer's Review



Morgan Nzwere  
Group Chief Executive



Our Team Seed Co continues to combine efforts positively stirring our operations in a sustainable manner that puts our farming customers and all our stakeholders at the heart of everything we do, delivering climate-smart seed solutions to the continent.



Revenue up by 8%

### Overview

The Group notched considerable growth in both by all key performance metrics that is volume, revenue, and profitability. This commendable performance was achieved notwithstanding the deleterious impact of the El Nino-catalysed drought in Southern Africa, which exerted a weighty toll on Botswana, Mozambique, and the southern extent of Zambia.

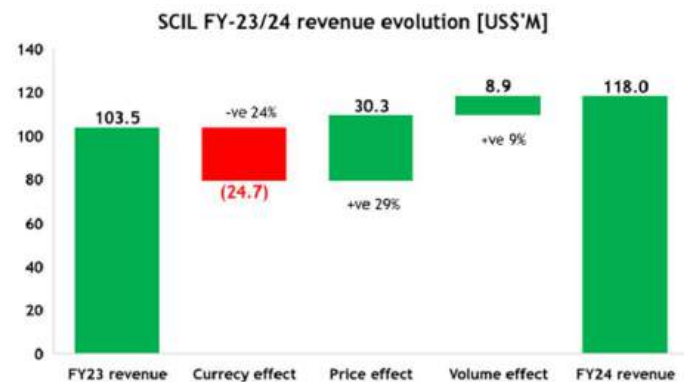
## GROUP FINANCIAL REVIEW

### Income Statement

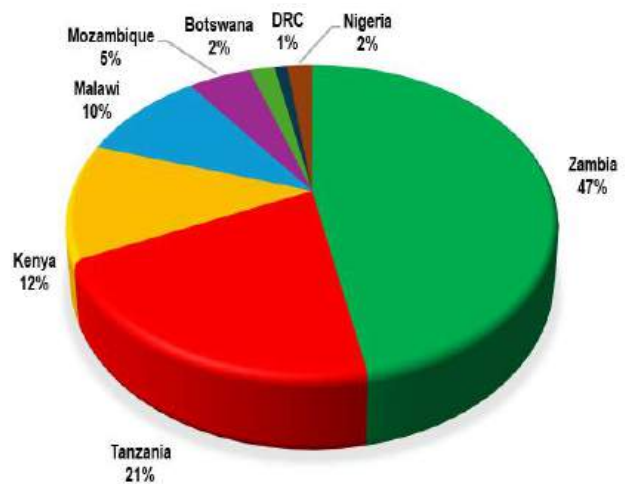
#### Revenue

The Group realized strong revenue growth of 14% in the fiscal year, with broad-based expansion across most key geographies. The geographic breadth of this top-line acceleration was achieved through strategic initiatives to increase market share and deepen penetration across in both mature and emerging markets. While adverse weather effects muted performance in select markets like Mozambique and Botswana, the Group's diversified regional footprint provided resilience.

The \$14.5m absolute growth in revenue was on the back of 12% volume expansion to 56,162mt because of a successful sales strategy execution, yielding \$8.9m in incremental revenue. The Group further realized \$30.3m in growth from better product mix and pricing, which helped to more than offset the \$24.7m reduction due to currency depreciation.



### Volume contribution by market

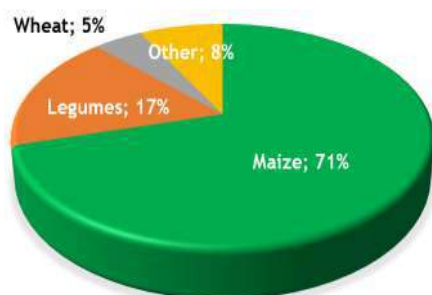


# CHIEF EXECUTIVE OFFICER'S REVIEW

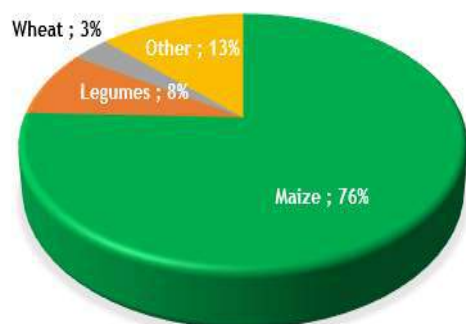
Significant volume increases were recorded in Zambia, Tanzania, Kenya, and Malawi. Development markets like Nigeria and the Democratic Republic of the Congo also registered considerable volume growth. Notable in-roads were also made by way of exports into Angola and Uganda.

The chart below shows the revenue contribution by crop:

Volume contribution by crop for the year 2023



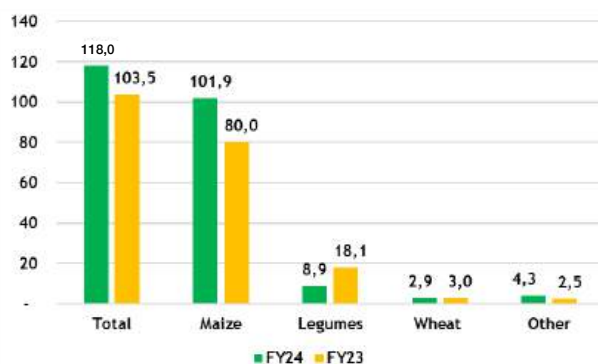
Volume contribution by crop for the year 2024



Commendable volume growth was achieved in maize and declines were recorded in wheat and legumes (soya, cowpeas, beans and groundnuts).

Revenue contribution by crop is depicted by the chart below:

Revenue contribution by crop (US\$'M)



Maize, the flagship crop, persists as the foremost contributor to revenue, followed by legumes (soya, cowpeas, beans and groundnuts), other crops and wheat.

### Other loss

Compared to the prior year, other loss declined by almost \$2.0m in absolute terms driven by significant curtailment of exchange losses to \$552.865 compared to \$2.5m prior year after the Group successfully restructured business unit balance sheets to hedge against foreign currency risks. The savings from exchange loss reduction was somewhat offset by reduced other income from lower commodity trading revenue this year.

### Operating expenses

The 18% growth in operating expenses is linked to overall business growth, inflationary impacts, and additional credit loss provisioning from the increased business.

### Finance costs

The rise in finance costs was mainly contributed by the hedging strategy employed during the year to localize business unit borrowings to mitigate foreign exchange risk. Local currency denominated borrowings are priced relatively higher in nominal terms compared to USD denominated borrowings. The strategy paid off as the reduction in exchange losses outweighed the additional interest expense in real terms.

### Joint Venture & Associate Operations

The combined loss contribution worsened by 32% from prior year. The increased loss was mainly attributable to the impairment of acquisition goodwill related to the South African joint venture, AgriSynergy. On the other hand, the vegetable joint venture narrowed losses by 20% compared to prior year.

### Profit for the year

The net profit increased by nearly 70%, reaching \$4.9m compared to the previous year. This impressive increase was driven by robust revenue growth, which led to improved gross margins, rising from 44.4% to 46.8%. Despite increases in operating expenses due to inflation and business expansion, along with higher finance costs and losses in joint ventures, the strengthened gross profit base and curtailed foreign exchange losses more than cushioned these challenges. Consequently, the Group achieved a higher profit margin of 4.2% compared to 2.8% prior year.



# CHIEF EXECUTIVE OFFICER'S REVIEW

## GROUP FINANCIAL POSITION

### Property, plant, and equipment (“PPE”)

The increased carrying value is attributable to capital expenditure mainly in Zambia and revaluations in Malawi which together more than offset the impact of depreciation and translation losses.

### Inventories and biological assets

Decreased due to strong sales in key markets.

### Trade and other receivables

Reduced significantly from increased cash sales and enhanced debt collection efforts this year compared to prior year.

### Equity

Decreased by \$6.2 million compared to prior year mainly because of currency translation losses in the absence of PPE revaluations across the Group save for Malawi. Groupwide PPE revaluations are scheduled for the 2025 financial year.

### Net debt

The Group's net debt to equity ratio improved from 32% to 17% due to improved cash generation which helped to expunge a significant portion of the debt.

### Seed supply

The Group went into this year's selling season with more than adequate seed stocks albeit with some varietal shortages. However, seed supply from the production for the next selling season was adversely impacted by almost 30% because of the El-Nino in Southern Africa and flooding in East Africa. The Group will still have adequate supplies from stocks carried over from the FY24 selling season and the contingency surplus that is always built in annual production planning.

## Research & Development

Our robust research and development (R&D) innovation pipeline remains the cornerstone of our enterprise, generating invaluable intellectual property. R&D is fundamental to our environmental, social, and governance (ESG) innovation pillar, aim to develop pioneering solutions that contribute to creating a sustainable and profitable agricultural landscape. These efforts seek to proactively address the challenges posed by climate change to ensure food security for both human populations and livestock. This includes offering improved seed varieties along with agronomic education and support to farmers to maximize the efficient use of arable land and farming resources.

Our goal is to drive profitability for both small and large scale agricultural enterprises while creating positive impacts on crucial economic value chains. Specifically, we aim to introduce at least five new and enhanced maize hybrid varieties annually, along with at least one improved variety from other crop categories.

During the year we released and registered the following new varieties in the region:

Country	Crop	Variety	Profile
Malawi	Maize	SC 673	Medium maturity, white, semi-flint, cob rot tolerant, high yield potential, climate smart
	Soya bean	SC Sentinel	High yield potential, rust tolerant, large seed size, determinate growth habit
Nigeria	Maize	SC 417	Very early maturity, white, high yield potential, climate smart
		SC 665	Medium maturity, white, wide adaptation, cob rot tolerant, high yield potential, climate smart
Cameroon	Soya bean	SC Sentinel	High yield potential, rust tolerant, large seed size, determinate growth habit, medium maturity
		SC Signal	High yield potential, rust tolerant, indeterminate growth habit, medium maturity

With our expanding presence in Africa, we continue to leverage regional harmonization to expedite the official release and recognition of new seed varieties across markets. Regional varietal registrations during the year include:

- 2 maize hybrids and 1 wheat variety successfully listed on SADC catalogue; and
- 5 maize hybrids successfully listed on the COMESA catalogue.

Additionally, we have made strides in developing maize germplasm that is tolerant to fall armyworm, Maize Necrotic Lethal Disease (“MNLD”), and cob rots. We are also advancing research on new crops such as rice, potatoes, and various vegetable species to broaden our product range.

# CHIEF EXECUTIVE OFFICER'S REVIEW

## OPERATIONS



### ZAMBIA

Registered turnover growth of 11% to \$54.6m compared to \$49.1m the previous year. Turnover growth was driven by a 14% increase in volume due to early seed availability and strong performance in the open market.

Profit improved significantly to \$5.7m up from \$2.2m prior year, due to increased volume, price adjustments, better margins from a favourable product mix, controlled overheads, and reduced exchange losses.



### TANZANIA

Turnover increased by 24% above prior year to \$32.6m, driven by 9% volume growth and favourable product mix benefiting from demand boosted by favourable rainfall, the government's fertilizer subsidy program and a well-executed sales strategy.

Consequently, the business unit's profit after tax rose by 40%, reaching \$6.2m from \$4.4m in the previous year.



### KENYA

Turnover reached \$15.9m, marking a 17% increase over the previous year, driven by favourable rainfall, attractive market grain prices, government input support on fertilizers, which together boosted volumes by 7%.

The bottom line significantly improved to \$1.6m, compared to near breakeven in the previous year.



### MALAWI

Turnover rose by 30% to \$16.96m buoyed by same margin growth in volume on the back of strong open market sales, and better value from higher margin weighted sales volume, with 40% of the volume being the premium product, SC719.

Consequently, the bottom line improved to a positive \$0.3m, compared to a \$1.3m loss in the previous year.



### MOZAMBIQUE

Turnover declined significantly to \$5.7m, a 25% drop compared to the previous year, due to the impact of the El Niño induced drought which saw volumes declining by 33%.

The decrease in turnover, combined with credit loss provisions for this low-margin (20% average) trading business, resulted in a loss. Resultantly, the business unit reported a loss of \$2.2m, compared to a profit of \$0.3 million in the previous year.



### BOTSWANA

Revenue contracted by 48% to \$4.1m, owing to the effects of El Niño induced drought which forced a 32% reduction in volume. As a result of topline decline, profit after tax declined significantly by 60% to \$0.5m from \$1.2m in the prior year.



### NIGERIA

Revenue increased by 28% to \$1.5m as volume increased by 55% with the disparity explained by exchange losses as the Naira depreciated notably during the year after the government decided to float the currency.

The bottom line for the business unit remained marginally above break-even mainly because of the adverse impact of exchange losses which reversed revenue gains.

# CHIEF EXECUTIVE OFFICER'S REVIEW

## Vegetables 51% Joint Venture (Prime Seed Co International)

The joint venture achieved 8% growth in revenue to \$6.7m overall from business growth. The business incurred a loss of \$0.7m, representing a 17% loss reduction from \$0.9m loss prior year. The loss-making trend is mainly attributable to diminished business and profitability in key markets (Kenya and South Africa) due to product shortages as well as foreign exchange losses and finance costs.

## RSA-eSwatini-Lesotho 40% Associate (AgriSynergy)

The associate grew turnover by 8% to \$21.2m from \$19.6m in prior year on the back of increased volume. The business however suffered an increased loss of \$5.8m compared to \$1.6m in prior year loss mainly due to the impairment of acquisition goodwill.



## BUSINESS DEVELOPMENT FILES

### 1.WECA% Joint Venture (Seed Co West & Central Africa)

This is still a nascent market under development with immense opportunities given the size of the territory and the low level of hybrid seed adoption. This past year, the joint venture returned a loss of \$0.6m compared to \$0.4m prior year mainly due to exchange losses and inflation.

### 2.DRC

Government prioritization of the agricultural sector catalysed seed demand, with volume and turnover increasing by 51% and 46% respectively. However, the business registered a loss of \$0.1m compared to a \$0.2m profit prior year mainly because of credit loss provisioning.

### 3.Angola

The operations realized encouraging volume recovery for maize, and soybean, and new business for wheat compared to negligible volumes in the preceding 2 years.

### 4.Ethiopia

Business development efforts are being intensified in this market with immense potential after securing the elusive business licence in 2023. Debut commercial production was initiated this year that yielded just under 1,000mt which was all sold just after year end.

## Outlook

The Group's outlook across the region remains positive, buoyed by several constructive factors. Favourable precipitation forecasts bode well for demand, while our diversified geographical footprint mitigates exposure to any single market's volatility. We anticipate increased volumes as customers seek to replenish granaries and offset the impacts of El Niño across Southern Africa. Continued growth is anticipated in East Africa led by Tanzania as well as Kenya and new opportunities coming out of Ethiopia.

Nevertheless, risks are being anticipated mainly on the following three fronts for which mitigating measures are being taken:

- Logistical delays in moving seed across borders.
- Power shortages hampering operations.
- Economic risks like inflation, interest rates, and foreign exchange risks.

While macroeconomic and operational risks endure, our diversified regional strategy and early commercial momentum seem auspicious. Continued vigilance and mitigation of key challenges remain vital. With prudent planning, we are cautiously optimistic that the region's robust outlook can translate into tangible results.

# CHIEF EXECUTIVE OFFICER'S REVIEW

## ▶ ACKNOWLEDGEMENT

The Group has demonstrated salient revenue growth from growing market share and developing new business in mature and emerging geographies respectively. While certainly praiseworthy, this expansion was not devoid of unique challenges that hindered profitability.

I profoundly appreciate the enduring trust and confidence our esteemed customers vest in our brand and intellectual property. This resoundingly affirms the invaluable institutional knowledge and partnerships underpinning our organization. Our promise is to continue the path of being the preferred “African Seed Company” by continuing to deliver affordable and climate-smart seed solutions.

Further, I extend gratitude to our unwavering employees, the Board of Directors, and all the external stakeholders for fulfilling indispensable roles in Seed Co's African journey. Your dedication propels our progress, and I avidly anticipate our continued shared success.



M. Nzwere  
Group Chief Executive



## BOARD STRUCTURE

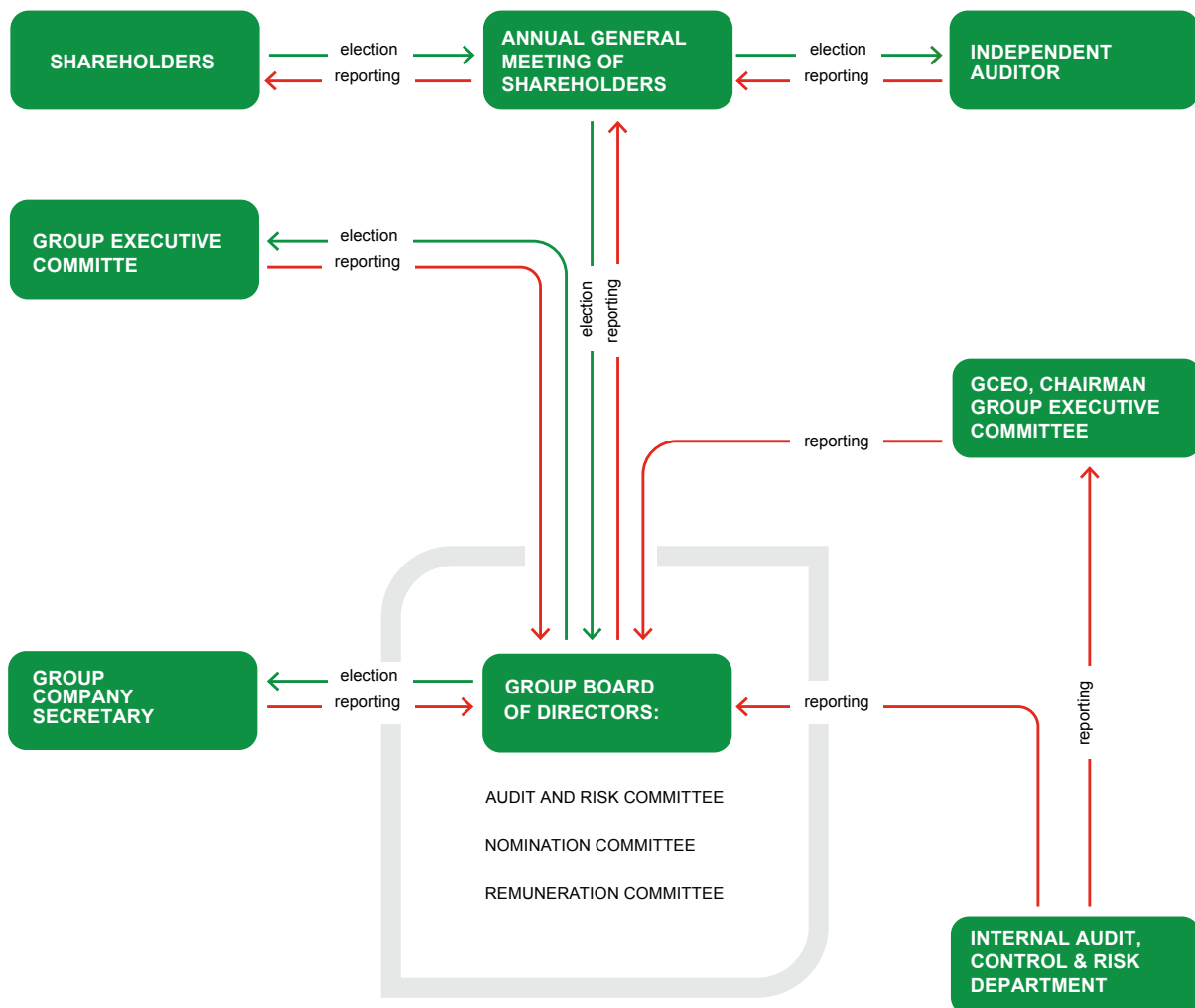
The corporate governance practices of Seed Co are designed to steer a spirited evolution of culture and high ethical standards. The collective leadership responsibility for the Group enhances reputation, builds trust and ultimately leads to the creation and protection of value for all stakeholders across our markets. Our corporate governance framework provides role clarity, delineated roles, and areas of accountability, ensuring strategic alignment across the Group and efficient and informed decision-making at appropriate levels.

### Board Committees and Meeting Attendance.

Seed Co is governed by applicable laws, listing rules, and the King Report on Corporate Governance™ 2016 (King IV Code). Our corporate governance framework is designed to balance the interests of shareholders, the Board of Directors, management, employees, and stakeholders. The framework is built on the principles of honesty, integrity, and accountability, ensuring that the Board exercises effective and ethical leadership, and conducts its affairs as a good corporate citizen while making appropriate decisions for long-term sustainability and value creation.

The Board retains overall responsibility for the concept of integrated thinking as encapsulated in King IV Code), which underpins corporate citizenship, stakeholder inclusivity, sustainable development, and integrated reporting. The Board is confident that the Group's governance framework, including all its related Board structures, administrative and compliance processes contribute to ongoing value creation by driving the following principles:

- Equitable and fair treatment of every shareholder,
- Professionalism and leadership of the Board of Directors,
- Accountability of the Board of Directors and Executive Bodies,
- Corporate Social Responsibility and Sustainable Reporting objectives,
- Transparent and timely disclosure, and
- Combating corruption.



## GROUP LEADERSHIP

### BOARD OF DIRECTORS AND PROFILES



**Kenias Mafukidze**

**Non-Executive Director**

**Tenure:** 1 years

**Key Skills:** Accounting and Business Administration

**Qualifications:**

MBA, B.Acc, CA(Z)

**Other Commitments:**

Group CEO at Alpha Media Holdings in Zimbabwe.



**Frederick Savin**

**Non-Executive Director**

**Tenure:** 6 years

**Key Skills:** Agricultural Engineering & Business Administration

**Qualifications:**

MSc, BSc Agricultural Engineering

Other Commitments: AgriSynergy and Limagrain Zaad South Africa



**Remina C D Chitengu**

**Non - Executive Director**

**Tenure:** 6 years

**Key Skills:** Accounting and Finance

**Qualifications:**

B.Comm (Hon) Finance (NUST), ACIMA.

**Other Commitments:**

Commercial Executive and Director at Unki Mines and Generation Medical Aid



**Kushatha Moswela**

**Non - Executive Director**

**Tenure:** 4 years

**Key Skills:** Risk & Insurance

**Qualifications:**

BSc. (Hons) Actuarial Science and MSc Actuarial Science (University of Kent).

**Other Commitments:**

Equity Group Holdings, Pula Medical Aid Fund



**Philipus Rudolph De-Wet**

**Non - Executive Director**

**Tenure:** 4 years

**Key Skills:** Engineering, Tourism & Banking Qualifications:

BSc. Architecture

(University of Pretoria)

**Other Commitments:** Stanbic Bank

Botswana and Botswana Wildlife Producers Association



**Andrew Barron**

**Non - Executive Director**

**Tenure:** 6 years

**Key Skills:** Agribusiness & Real Estate

**Qualifications:** BSc Agricultural Economics

**Other Commitments:**

Mbadzi Estates, Press Corporation PLC, Mpico PLC, Seed Co Malawi, Mpico Malls Limited, Team Planet Limited and Plantation House Investments

## GROUP LEADERSHIP

### BOARD OF DIRECTORS AND PROFILES



**Pearson Gowero**

**Independent Non - Executive Group Chairman**

**Tenure:** 6 years

**Key Skills:** Economics

**Qualifications**

MBA, BSc (Hon) degree in Economics

**Other Commitments:**

Director: Zambeef Products PLC, NMZ Holdings Ltd and NMB Bank Ltd



**Morgan Nzwere**

**Group Chief Executive Officer**

**Tenure:** 14 years

**Key Skills:** Accounting and Finance

**Qualifications:**

MBL (UNISA), Advanced Management Programme 181 (Harvard), Strategy Master Academy at the University of Cape Town Business School. Chartered Accountant.

**Other Commitments:** Director: FBC Bank and TSL Limited.



**John Matorofa**

**Group Chief Finance Officer**

**Tenure:** 17 years

**Key Skills:** Accounting and Finance

**Qualifications:**

B.Acc. (Hon) (UZ), MBA (UK), Senior Executive Leadership Program (London)

**Other Commitments:**

None



**Fermin Azanza**

**Non - Executive Director**

**Tenure:** 6 years

**Key Skills:** Agribusiness, Research & Development

**Qualifications:**

PhD Plant Breeding & Genetics (University of Illinois Urbana-Champaign), MSc. Plant Breeding (Mediterranean Agronomic Institute of Zaragoza) & BSc Biology (University of Navara)

**Other Commitments:**

Head of Research Field Crops (Limagrain); Soltis SAS, Genective, AgReliant,



**Chance Kabaghe**

**Non - Executive Director**

**Tenure:** 6 years

**Key Skills:** Agribusiness, Insurance & FMCG

**Qualifications:**

BA Agricultural Economics (University of Zambia) and MSc Agricultural Economics (London University [WYE College])

**Other Commitments:**

Choice Nuts Limited, Choice Insurance, Seed Co Zambia, Ace Limited, Multi Agricultural International, Harmonious Haven and Freshpikt Limited



**Regis Fournier**

**Non - Executive Director**

**Tenure:** 3 years

**Key Skills:** Agronomy and Business Administration.

**Qualifications:**

BSc Agronomy (Montpellier) MSc Agronomy.

**Other Commitments:**

CEO of Limagrain Field Seeds

# GROUP LEADERSHIP

## BOARD OF DIRECTORS AND PROFILES



**Maxen Karombo**

**Non-Executive Director**

**Tenure:** 1 year

**Key Skills:** Marketing and Business Administration in FMCGs

**Qualifications:**

BTech Management, MBA, Chartered Marketer (CIM-UK)

**Other Commitments:**

Group CEO at OK Zimbabwe Limited



**Anthony Carvalho**

**Non-Executive Director**

**Tenure:** 1 year

**Key Skills:** Finance, Investments, Audit and Advisory

**Qualifications:**

Master's in Information Systems, Master's in Audit & Financial

Advisory and Master's in Finance

**Other Commitments:**

Group CFO at Limagrain Group



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# GROUP LEADERSHIP

## SENIOR MANAGEMENT

<b>Morgan Nzwere</b>	Group Chief Executive
<b>John Matorofa</b>	Group Finance Director
<b>Grace Bwanali</b>	Managing Director - Zambia
<b>Boyd Luwe</b>	Managing Director – Malawi
<b>Kolade Dada</b>	Country Head (Nigeria)
<b>Wellington Wasike</b>	Managing Director (Kenya)
<b>Clive Mugadza</b>	Group Operations Director
<b>Calvin Fambisayi</b>	Head of Business Development
<b>Edgar Rupende</b>	Head of Production and Processing
<b>Eric Kalaote</b>	Company Secretary
<b>Sam Ruwisi</b>	Head of Treasury and General Manager
<b>Patrick Mutandwa</b>	Head of Human Resources
<b>Andrew Ndombo</b>	Head of Internal Audit
<b>Dr Gorden Mabusyaye</b>	Head of Research and Development
<b>Frederica Siaw</b>	Regional Manager West & Central Africa
<b>Aly Baraza</b>	Country Head (Mozambique)
<b>Tineyi Chatiza</b>	Group Secretary



## GOVERNANCE

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# GOVERNANCE

## Board Responsibility

The Board of Directors is responsible for the general management of all Seed Co operations, excluding matters reserved for the Annual General Meeting of Shareholders. They play a crucial role in designing and developing the corporate governance framework for the protection and exercise of shareholder rights and supervision of the Group Executive Committee. The Board of Directors set the fundamental principles of business conduct and nurturing corporate culture. The Board's authority and formation process, as well as procedures for convening and holding Board meetings, are determined by the Articles of Association, the Board Charter and Corporate Governance Manual.

## Delegation of Authority

The Board of Directors has a framework for delegating authority which ensures the roles and responsibilities of the Group CEO are formalised and performance is evaluated against a specified criterion annually. The Group CEO and Executive Management develop and recommend to the Board, the Group's long-term strategy, annual business plans and budgets for stakeholder value creation. The Group CEO and Executive Management are directly responsible for the execution of strategies, managing operations and performance.

## Balance of Power

Seed Co operates a unitary Board, encompassing the balance of power principles. The Board is mostly made up of Non-Executive Directors and Independent Directors. The Group Executive Directors are involved in the day-to-day business activities of the Group and are responsible for ensuring that decisions of the Board are implemented in accordance with mandates given by the Board. All Seed Co subsidiaries have a functioning Board and the subsidiary Managing Directors run the day-to-day operations of their business reporting to the Group Chief Executive Officer. The Board ensures that there is an appropriate balance of power and authority at the Board level such that no one individual or block of individuals dominates the Board's decision making or its Board or Committee meetings.

## Non-Executive Chairman

The roles of the Chairman and Chief Executive Officer ("CEO") are separate from the Chairman being independent. The Chairman of the Board of Directors organises the Board's work, convenes and chairs meetings, and chairs general meetings of Shareholders. The key responsibilities of the Chairman of the Board of Directors are to ensure high level of trust at Board meetings and constructive cooperation between Board members and management.

## Group Chief Executive

The Group CEO leads the Executive Team and attends to the day-to-day operational functions of the business. In conjunction with the Board, the Group CEO ensures proper succession planning for Executive and Senior Management across the Group and associate companies as well as performance appraisals for Executive and Senior Management. The Group's performance and its conformance with compliance imperatives is monitored and reported to the Board by the Group CEO who formulates and oversees the implementation of Group policies.

## Election of Directors

Members of the Board are elected at the Annual General Meeting of Shareholders for 3 years. The Board of Directors may recommend that the General Meeting of Shareholders amends the Constitution by changing the number of Board Members. The new board may only be elected after the relevant amendments to the Constitution are approved and state registration completed. Until a new Board of Directors with the new number of members is elected, the decision-making rights and processes of the then active Board remains unchanged, with the Board making its recommendations as to nominate Board members including independent directors. The current size of the Board of Directors is best aligned with Seed Co's goals and objectives, and its appropriate independence mix ensures that decision making considers the interests of various stakeholders and enhances the quality of executive and managerial decisions. The current Board of Directors comprises Independent Directors higher than the minimum requirement set out in the Listing Rules and the Corporate Governance Code, which enables highly professional, independent judgements on matters on the agenda.

## Appointment of Directors

Directors are individuals appointed for their calibre and credibility and have the necessary skills and experience to bring independent judgement on issues of strategy, performance, resources, and standards of conduct and evaluation of performance.

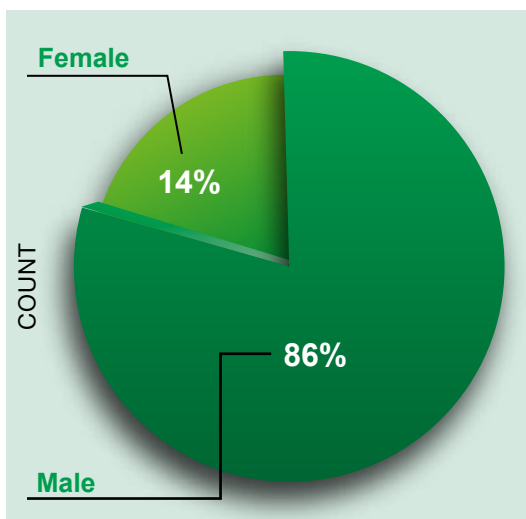


# GOVERNANCE

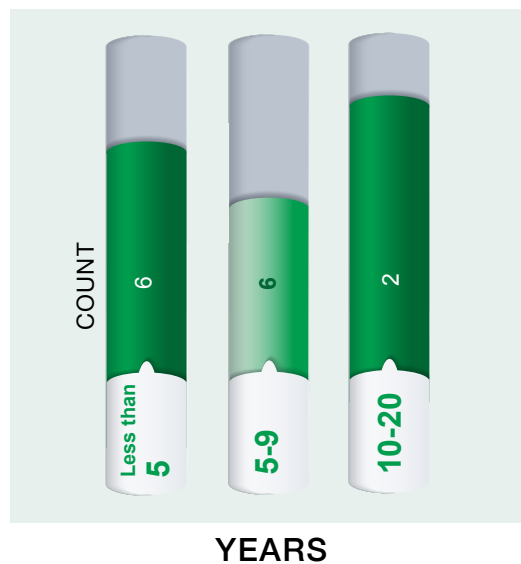
## BOARD COMPOSITION

The Seed Co International's Board consists of Fourteen (14) Directors of whom eleven (12) are Non-Executive Directors, and two (2) Executive Directors. The current Board's diversity of professional expertise and demographics makes it highly effective regarding the Group's strategies. The Board ensures that, in appointing successive Board members, the Board reflects, whenever possible, a diverse set of professionals and personal backgrounds.

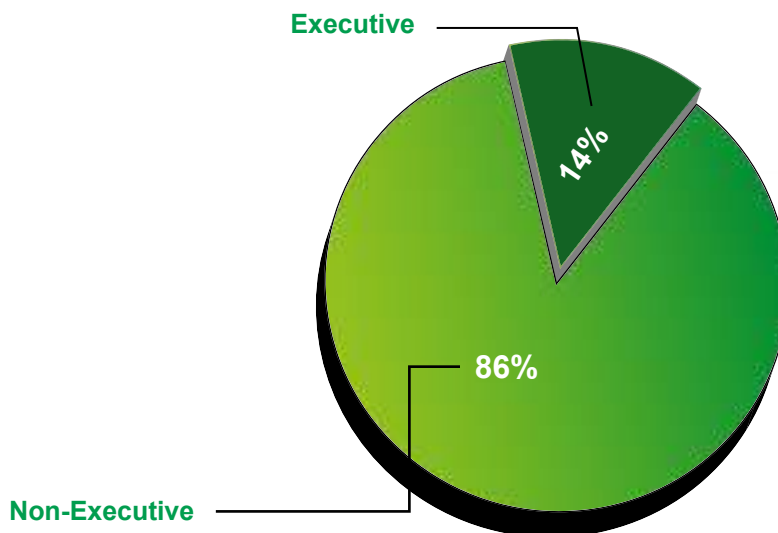
**Board Gender Composition**



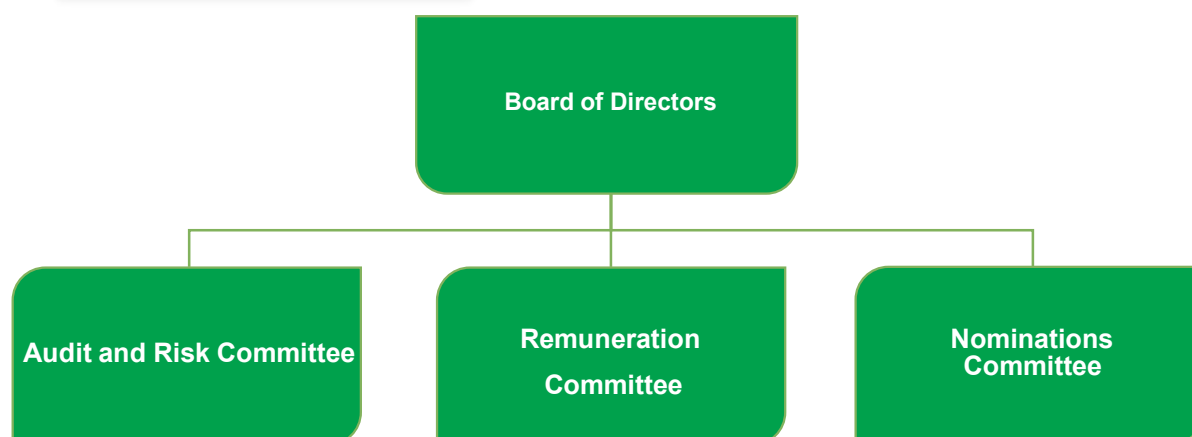
**Tenure On The Board**



**Executive**



## BOARD STRUCTURE



### Board Committees and Meeting Attendance.

The Board has Committees to assist with fulfilling its responsibilities in accordance with provisions of the Corporate Governance Manual and King IV. The Board has therefore delegated certain functions to the Audit and Risk Committee, Remuneration and Nomination Committee, Advisory and Production Committee. The Board is nonetheless acknowledging that the delegation of authority to its committees does not detract and is not an abdication of the Board members' responsibilities. The Committees have Terms of Reference which are reviewed annually by the Board. These outline the Committee's roles and responsibilities, functions, the scope of authority and composition.

Board Committee	Committee Members	Terms of Reference
Audit and Risk Committee	Remina D Chitengu (Chairperson) Patrick Spadin (up to 8-Sept-23) Andrew Barron (up to 17-Nov-23) Kenias Mafukidze (from 17-Nov-23) Anthony Carvalho (from 21-Sept-23)	<p>The committee's primary purpose is to provide independent oversight over the effectiveness of internal control systems and assist the Board in ensuring and monitoring the integrity of the Group's Annual Financial Statements and related external reports. The committee further oversees the effectiveness of the Group's external and internal assurance functions and services that contribute to ensuring the integrity of the Group's corporate reporting.</p> <p><b>Summary of responsibilities</b></p> <ul style="list-style-type: none"> <li>Overseeing the financial reporting process to ensure the integrity of financial statements.</li> <li>Monitoring the effectiveness of internal controls and risk management systems.</li> <li>Reviewing and approving the scope and performance of the internal and external auditors.</li> <li>Ensuring compliance with legal and regulatory requirements related to financial reporting and risk management, ESG matters.</li> <li>Assessing and managing the Group's risk exposure, including financial, operational, and compliance risks.</li> <li>Evaluating the effectiveness of the Group's risk management framework and recommending improvements.</li> <li>Reviewing significant financial and accounting policies and practices.</li> <li>Overseeing the whistleblower and fraud prevention mechanisms.</li> </ul>
Remuneration Committee	Andrew Barron -Chairperson (from 17-Nov-23) Pearson Gowero-Chairperson (Chairman from 17-Nov-23) David Long (up to 20-Sept-23)	<p>The Committee's primary purpose is to assist the Board to ensure recruitment and compensation policies and practices align with the Group's objectives and shareholder interests by setting and reviewing the recruitment and retention practices, succession plans, and remuneration of executives and directors.</p>

Board Committee	Committee Members	Terms of Reference
Remuneration Committee		<p><b>Summary of responsibilities</b></p> <ul style="list-style-type: none"> <li>Establishing and reviewing the Group's overall compensation policy.</li> <li>Setting and approving the remuneration packages for senior executives and directors.</li> <li>Ensuring that remuneration is aligned with the Group's performance and strategic goals.</li> <li>Reviewing and approving incentive schemes, including bonuses and share-based incentives.</li> <li>Monitoring and assessing the effectiveness of the Group's remuneration practices.</li> <li>Ensuring compliance with legal and regulatory requirements related to compensation.</li> <li>Developing and overseeing succession planning for key executives.</li> </ul>
Nomination Committee	Pearson Gowero -Chairperson (from 17-Nov-23) Davidzo Chitengu (from 17-Nov-23) Andrew Barron (from 17-Nov-23)	<p>The Committee's primary purpose is to assist the Board in the nomination, election, and appointment of Directors in accordance with Board policies and the succession strategy, ensuring that the process is transparent and delivers to expectations.</p> <p><b>Summary of responsibilities</b></p> <ul style="list-style-type: none"> <li>Identifying and evaluating candidates for Board positions.</li> <li>Recommending nominees for election to the Board.</li> <li>Reviewing and advising on the Board's composition and diversity.</li> <li>Developing and overseeing succession planning for directors.</li> <li>Assessing the performance and effectiveness of the Board and its committees.</li> <li>Ensuring compliance with governance and regulatory requirements related to Board appointments.</li> </ul>

## COMMITTEE MEETING ATTENDANCE

Director	Board Meetings (4)	Audit and Risk Committee (4)	Remuneration Committee (4)	Nomination Committee (4)
1. David E.B. Long <sup>^</sup>	2	-	2	1
2. Pearson Gowero <sup>^</sup>	4	-	4	2
3. Morgan Nzwere	4	4	4	2
4. John Matorofa	4	4	-	-
5. Fermin Azanza	3	-	-	-
6. Chance Kabaghe	4	-	-	-
7. Regis Fournier	3	-	-	-
8. Patrick Spadin <sup>#</sup>	2	2	-	-
9. Frederick Savin	4	-	-	-
10. Remina D. Chitengu	4	4	-	2
11. Kushatha Moswela	4	-	-	-
12. Rudi De Wet	4	-	-	-
13. Andrew Barron	4	3	1	1
14. Kenias Mafukidze <sup>*</sup>	2	1	-	-
15. Anthony Carvalho <sup>*</sup>	1	2	-	-
16. Maxen P. Karombo <sup>*</sup>	2	-	-	-

<sup>^</sup>David Long retired as a Director and Chairman on 20 September 2023 and Pearson Gowero was elected Chairman on 28 September 2023

<sup>#</sup>Patrick Spadin concluded his role as Non-Executive Director on 8 September 2023 to pursue other mandates within the Limagrain Group.

<sup>\*</sup>Messrs' Kenias Mafukidze, Anthony Carvalho and Maxen P. Karombo were appointed on the Board on 21 September 2023.

## COMPLIANCE WITH KING IV CODE OF CORPORATE GOVERNANCE

The Board is committed to complying with the requirements of King IV and this is in line with the BSE Listings Requirements. The Board had responsibility and oversight over the application of and compliance with the principles of King IV as disclosed in the checklist below:

Principle #	Governance Outcome	Principle	Application
1	Ethical Leadership	The governing body should lead ethically and effectively	The Board complies with this principle guided by the Group's Governance Manual which includes a Code of Ethics.
2	Organisational ethics	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	The Board complied with this principle. The Code of Conduct is incorporated into the Governance Manual. All staff members sign the Code of Conduct, and the Group's policies and contracts embody provision from the Code of Conduct.
3	Responsible corporate citizenship	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen	The Board complies with this principle. The Board reviews the list of laws, policies etc. annually, to ensure that the Group is complying with the relevant legislation, policies etc. and the monitoring of the implementation of this principle is the primary responsibility of the Audit & Risk Committee. Further, the Group's Environment, Social & Governance (ESG) Policy provides oversight of the Group's activities relating to responsible corporate citizenship.
4	Strategy and performance	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process	The Board has overall responsibility for organisational performance. The Board reviews and approves the Strategic Plan and Annual Performance Plan (budgets) for the Group. Management is delegated to implement the strategy and policies. The Board has oversight of strategy implementation through quarterly and annual reviews. The Audit & Risk Committee is delegated to interrogate the financial strategy, financial reporting, risk, ESG and IT governance.
5	Reporting	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium, and long-term prospects.	The Board complies with this principle. The Board, assisted by its committees, oversees that various reports are compliant with financial, legal, and regulatory reporting standards and requirements to ensure the reports meet reasonable and legitimate stakeholder expectations. The Board ensures that an Integrated Report issued is in line with the Botswana Companies Act, the BSE Listings Requirements, and King IV.
6	Defined role and responsibilities of the governing body	The governing body should serve as the focal point and custodian of corporate governance in the organisation.	The Board complies with this principle. The Board, assisted by its committees, has overall responsibility for corporate governance across the Group and all its SBUs. The Board has a charter in the form of the Governance Manual that defines the Board's role, responsibilities, and accountability. The delegated Committees report to the Board at every Board meeting. The Governance Manual incorporating the Board and Committees' Terms of Reference are reviewed annually.
7	Balanced composition of the governing body	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.	The Board complies with this principle. The Board, assisted by the Remuneration & Nomination Committee, considers, on a regular basis through the Board Evaluation process, the composition, balance of skills, experience, diversity, and independence of the Board to establish their effectiveness to discharge their duties as Board members.
8	Committees of the governing body	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.	The Board complies with this principle. The Board has delegated certain functions to its committees with specific terms of reference in line with the Governance Manual, King IV, and relevant legislation. Each committee comprises an experienced Non-Executive Chairman, majority Non-Executive Directors and where necessary, majority Independent Non-Executive Directors. In determining the composition of committees, the Board considers the skills and experience of its members, applicable regulations, and the committee mandate.  Committees have unlimited access to resources and information from Management regarding the operations of the business and the conduct of Management.  The Nominations Committee is responsible for recommending to the Board the membership of committees.

## COMPLIANCE WITH KING IV CODE OF CORPORATE GOVERNANCE

Principle #	Governance Outcome	Principle	Application
8	Committees of the governing body		<p>Committees evaluate themselves annually, identify and report skills and experience gaps for attention.</p> <p>The tenure of committee membership is linked to the tenure limits of the directors on the board and the Board reserves the right to review and reorganize the tenure of committee membership.</p> <p>The delegation of responsibilities to Committees by the Board is formalised in specific committee terms of reference approved and reviewed annually by the Board as part of the Annual Board Evaluation exercise.</p> <p>Based on the annual evaluation of all Board Committees as part of the Annual Board Evaluation Exercise for the year under review, all Committees were satisfied that they fulfilled their responsibilities in accordance with their respective terms of references.</p>
9	Governing board evaluation	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair, and its individual members, support continued improvement in its performance and effectiveness.	<p>The Board complies with this principle.</p> <p>The Board conducts a self-evaluation exercise annually and this evaluation comprises the evaluation of the full Board and its committees, the evaluation of the chairperson and individual director peer evaluation. The Group Secretary performance is also evaluated to ensure that there is an arm's length relationship between the Board and the Secretary, in that the objectivity and independence of the Secretary is not unduly influenced.</p>
10	Management appointment and delegation	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities	<p>The Board mainly complies with this principle.</p> <p>The Board appoints the Group CEO, and the Audit Committee assists in the appointment of the Group CFO. The Board, assisted by the Remuneration Committee &amp; the Nomination Committee, ensures that formal succession plans for the Board, Group CEO, Group CFO, and other senior executive appointments are developed and implemented. The Governance Manual defines reserved powers in line with regulations and best practice.</p> <p>The notice period stipulated in the Group CEO's employment contract is 3 months and a redundancy policy is in place which defines exit compensation arrangements on early retirement and/or early separation.</p> <p>The Group CEO is allowed to serve on governing bodies outside the organisation with prior clearance by the Board subject to there being no conflict of interest and not impacting on the Group CEO's reasonable dedication of time and commitment to the Group.</p> <p>A succession plan is in place for the Group CEO and other senior executives, and this is reviewed annually by the Board.</p> <p>The Group's Delegation of Authority Framework was during the year formulated into a policy to ensure role clarity and enhance the effectiveness of the exercise of authority and responsibilities. The new policy will be implemented in the next financial year.</p> <p>The Group Governance Manual allows the Board and Management to procure corporate governance advisory and/or services from external consultants on a need basis and the Board is satisfied with this arrangement. Most of the Board members and executive management are members of professional governance bodies like the Institute of Directors and the Group is subscribed to the Diligent Board corporate governance software solution. Membership to professional governance bodies by executive management is encouraged and subsidized by the Group.</p>

## COMPLIANCE WITH KING IV CODE OF CORPORATE GOVERNANCE

Principle #	Governance Outcome	Principle	Application
11	Risk governance	The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.	The Board complies with the principle. The Board's responsibility for risk governance and defining the Group's risk appetite is expressed in the Governance Manual. Risk and assurance oversight is delegated to the Audit and Risk Committee, but the Board still maintains responsibility for this function. Management is delegated to continuously identify, assess, mitigate, and manage risks within the existing operating environment. Risks are disclosed in the Annual Report.
12	Technology and information governance	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	The Board complies with this principle. The Board assumes the responsibility for the governance of IT and is a standing item on the Board and Audit & Risk Committee Agenda. The Audit & Risk Committee oversees and monitors the implementation of the IT Governance & Security Framework and Enterprise Architecture, including Disaster Recovery.
13	Compliance governance	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen	The Board complies with this principle. The Board is assisted by the Audit & Risk Committee to oversee compliance with legislation, regulations, industry standards, and policies. Compliance falls within the risk matrix and forms part of ongoing business risk management process.
14	Remuneration governance	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities	The Board complies with this principle. The Board, assisted by the Remuneration Committee, ensures that the Group adopts remuneration policies and practices that are aligned with the Group's short and long-term strategy, align stakeholder interests, incentivize performance, promote sound risk management, create sustainable value for the Group.  The remuneration of non-executive directors is determined by reference to market benchmarks, the size, complexity and performance of the Group. Annual fee reviews are tabled by the Remuneration Committee and approved by the Board. Directors' fees are ratified by shareholders at every annual general meeting. The Remuneration Policy was complied with no deviations noted.
15	Assurance	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time.	The Board complies with this principle. The Board, assisted by the Audit & Risk Committee, ensures that the Group applies a combined assurance model to provide a coordinated approach to all assurance activities. It reviews the plans and work outputs of the external and internal auditors and assesses their adequacy to address all significant financial risks facing the business. The independence of the external and internal auditors is assessed annually.  Routine and ad hoc investigation reports issued and Audit Committee representations by Internal Audit during the reporting period confirmed the effectiveness of the Group's governance, risk management and control processes with findings mostly pointing to bypassing of controls which led to disciplinary action.  The Internal Audit function is subjected to independent quality review once every 5 years.
16	Stakeholder Relations	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time.	The Board complies with this principle. Stakeholder engagement activities are guided by the Board which delegates the management of relationships with specific stakeholder groups to Management. The Group Secretary acts as a primary point of contact for institutional investors, other shareholders, and all stakeholders, especially regarding issues of corporate governance and investor relations. The Board encourages proactive engagement with shareholders, including engagement at the AGM. Directors attend AGMs to help in responding to shareholder queries. The designated partner of the audit firm also attends the AGM.
17	Stakeholder Relations	The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote good governance and the creation of value by the companies in which it invests	Seed Co is not an institutional investor. This principle is therefore not applicable to the Group.

### Board Induction

Newly appointed Directors to the Board of Directors undergo an induction programme. This begins with welcoming the Directors and introducing them to the Board team, other key personnel, including the CEO and executives of each functional area of the Group. The Directors are then familiarised with the culture of the company, their role and responsibilities as a board member, the strategic plan and financial position of the Group, and the governance manual. This is followed by identifying training and development needs to ensure the Board member can contribute effectively to the Group. Where relevant, meetings with key stakeholders are organised. Regular reviews are then done with the Board chair to check understanding, identify issues and encourage development.

### Board Evaluation

In line with the King IV, which recommends a formal evaluation process of the Board. The Group conduct peer review systems which starts with the Chairman then the rest of the Board Members using a structured questionnaire that focuses on governance practices, cohesion, strategy stewardship and management oversight.

### Board Communication Systems with Stakeholders

The Group is committed to transparent, inclusive, and objective communication with stakeholders. The Group provides platforms for direct communication with external stakeholders that includes the Annual General Meeting, media briefing, press statements and direct meetings.

### Annual General Meeting

Board members and the External Audit Partner attend Annual General Meetings of the Group to respond to questions from shareholder's. The Annual General Meeting Notice of the Company is available on page 129 of this report.

### Share Dealings

Directors, management, and all Group staff are not permitted to deal directly or indirectly in the shares of the Group during:

- The period from the end of the interim or annual reporting periods to the announcement of the Interim and Annual Report results,
- Any period when they are aware of any negotiations or details which may affect the share price or,
- Any period when they have information, the effects of which might affect the share price.

### Directors' Declarations

Board members are obliged to disclose in writing any personal or financial interest as required. Such declarations cover interests within or outside the Group which may interfere or conflict with their duties. The Board is in the process of updating the corporate governance manual to include any director's interest in a transaction and potential involvement in the decision-making process.

### Conflict of Interest

Real or perceived conflicts in the Board is managed in accordance with the conflict of interest and directors' declaration requirements. Any possible conflict of interest is declared in the manner prescribed by law and in terms of the Company's Constitution, as soon as a Director becomes aware of the conflict, and in any event before the consideration of the matter to which the conflict relates, at any Board meeting. The Director concerned does not participate in a discussion or vote on the subject matter of interest and will leave the meeting immediately after making the requisite disclosure.

### STATEMENT OF DIRECTORS RESPONSIBILITY

The Directors of Seed Co International are responsible for maintaining adequate accounting records for the preparation of financial statements at present fair and accurate information. The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and in a manner required by the Botswana Companies Act, Cap 42:01. In discharging this responsibility, the Company maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded and that transactions are executed and recorded in accordance with International Financial Reporting Standards and in the manner required by the Botswana Companies Act, Cap 42:01.

The Directors are satisfied that the Company has a sound financial position and adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.



P. Gowero  
Chairman



M. Nzwere  
Chief Executive Officer

## AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 31 MARCH 2024

Dear Shareholders and Stakeholders,

### 1) Introduction

The Audit Committee of Seed Co International Limited hereby presents its report for the year ended 31 March 2024 in terms of the principles of King IV. This report provides an overview of the Committee's activities, responsibilities, and key findings related to the Company's financial reporting, internal controls, and compliance processes.

### 2) Committee Membership and Independence:

The Audit Committee is composed of independent members of the Board of Directors who possess the necessary financial expertise. During the year, the Committee consisted of the following members:

- a) Mrs. R.D.C. Chitengu (Independent Non-Executive Director / Audit Committee Chairman);
- b) Mr. A. Barron (Independent Non-Executive Member) up to 17 November 2023; and
- c) Mr. P. Spadin (Non-Independent Non-Executive Director) up to 8 September 2023.
- d) Mr. A. Carvalho (Non-Independent Non-Executive Director) from 21 September 2023.
- e) Mr. K. Mafukidze (Independent Non-Executive Director) from 17 November 2023.

### 3) Responsibilities:

The Audit Committee's primary responsibility is to assist the Board of Directors in fulfilling its oversight responsibilities relating to financial reporting, internal controls, and compliance with applicable laws and regulations. In this capacity, the Committee performed the following key responsibilities during the year:

#### a) Oversight of Financial Reporting:

The Committee reviewed and discussed the Company's financial statements and related disclosures, with management and the independent auditors. This included assessing the quality, adequacy, and integrity of the financial reporting processes, and ensuring compliance with accounting standards and regulatory requirements.

#### b) Independent Auditors:

The Committee evaluated the qualifications, performance, as well as the independence of the independent auditors and accepted the rotation of the Engagement Partner. The scope and results of the annual audit were reviewed, and the Committee engaged in discussions with the auditors to ensure the effectiveness of the external audit process.

#### c) Internal Controls:

The Committee evaluated the qualifications and performance of the Internal Audit Head. The scope and results of the internal audit investigations were reviewed, and the Committee engaged in discussions with the Internal Audit Head to ensure the effectiveness of the internal audit processes, remedial action tracking and monitoring.

#### d) Internal Controls:

The Committee assessed the effectiveness of the Group's internal controls over financial transactions and reporting. This involved reviewing the scope and results of both the external and internal audit as well as the internal control environment, identifying any significant deficiencies or weaknesses, and monitoring the implementation of remedial actions. The Committee further reviewed and tracked reports from Management on identified internal control weaknesses and proposed remedial action.

#### e) Risk Management:

The Committee oversaw the Group's compliance with applicable laws, regulations, and internal policies. The adequacy and effectiveness of the compliance programs was also reviewed. The Committee further reviewed reports from Management and auditors on significant legal or regulatory developments affecting the Group's operations.

#### f) Environment, Social and Governance conduct and reporting:

The Committee considered the Group's risk management processes, including identification, assessment, and mitigation of significant existing and emerging risks. Regular assessment of the Group's risk appetite and the effectiveness of risk mitigation strategies was conducted.

#### g) Environment, Social and Governance conduct and reporting:

As part of its oversight responsibilities, the Committee provided oversight of the Group's environmental, social, and governance ("ESG") conduct and reporting, ensuring that it aligns with set corporate values, stakeholder expectations, regulatory requirements, and the Group's commitment long-term sustainable value creation for all stakeholders.

### 4) Key Findings and Recommendations:

The Committee highlights the following key findings and recommendations based on its activities and reviews during the year:

#### a) Financial reporting:

Financial statements presented fairly, in all material respects, the financial position, results of operations, and cash flows of the Group.

#### b) Internal controls:

Certain deficiencies were noted and recommended Management to take immediate remedial action to reinforce and bolster internal controls.

#### c) Compliance:

Satisfactory compliance with applicable laws and regulations was observed. Recommendations were made by the Committee for regular updates to the compliance program to address emerging risks and changing regulatory requirements.

## AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 31 MARCH 2024

### d) Internal Audit process:

The performance of the internal audit function was adjudged satisfactory with emphasis on the need for preventative procedures and risk-based reporting. In addition, Management was advised to address matters requiring attention and improvement as noted by the internal auditors.

### e) External Audit process:

The performance of the independent auditors was assessed as satisfactory, and Management was advised to address matters requiring improvement as noted by the independent auditors.

The Committee received and welcomed the rotation of the Engagement Partner this financial year after the then incumbent had served for 5 years.

The 6-year tenure to date of the External Audit Firm and its independence was also reviewed to the satisfaction of the Committee.

### f) ESG:

This important aspect of sustainability consciousness registered significant improvement in both conduct and reporting by the Group this year.

### g) Information disclosures:

The adequacy of information disclosures and highlighting of critical issues by Management during the year was satisfactory. Where necessary additional information and/or improvements in presentation and reporting were requested and complied with by Management.

### h) Management attestations:

During the year Group and Business Unit Management was requested to provide attestations, quarterly and going forward, regarding the discharge of their responsibilities in ensuring the integrity of financial reporting, internal controls and systems.

### i) Effectiveness of the Chief Finance Officer and the Finance Function :

The Committee was generally satisfied with the effectiveness of the finance function and identified shortcomings were addressed with Management. In addition, the effectiveness of the Chief Finance Officer was adjudged satisfactory based on an evaluation considering among other things, closed door feedback from external auditors, internal audit reports, formal engagements during Committee meetings, and the peer director evaluation as part of the annual Board Evaluation exercise.

### 5) Conclusion:

The Committee was satisfied that it fulfilled its responsibilities in accordance with its terms of reference for the reporting period ended 31 March 2024.

The Committee believes that the financial reporting, internal controls, and compliance processes of the Group are satisfactory and can be enhanced further by addressing internal and external auditors' findings. The Committee is confident that its recommendations and the stewardship provided to Management will further enhance the integrity and completeness of the Groups operations and financial reporting.

Respectfully submitted,  
For and on behalf of the Audit & Risk Committee

**Remina Charity Davidzo Chitengu**  
Chair of the Audit Committee



## BUSINESS ETHICS AND COMPLIANCE

### Business Ethics and Values

The Board is responsible for ethical conduct and adherence to socio-economic values expected of a responsible business and this is enshrined in the Group's Corporate Governance Manuals.

### Statement of compliance with laws and regulations.

The Board is committed to compliance with legal and regulatory requirements applicable in our areas of operations and recognises its accountability and responsibilities to all stakeholders. The Board has, consequently, approved a compliance programme which wholly forms the Group's risk management framework. Management is responsible for the design, implementation, and monitoring of compliance structures of business. During the period under review, the Board is not aware of any breaches of any material regulatory requirements or having failed to meet any statutory obligations.

### Compliance Monitoring.

Each business has its own regulatory universe which is assessed against defined risk criteria and informs the compliance monitoring plan for the relevant business. Our compliance monitoring procedures are designed to ensure that business is conducted in compliance with all relevant laws and regulations. Key regulatory items are monitored more frequently and reported to the Audit and Risk Committee quarterly.

Management strives to ensure compliance is a business culture. This culture is further entrenched through ongoing training and awareness of regulatory modules which are designed and administered by the compliance team. The compliance function forms part of the Group combined assurance model which covers management control, risk control, and compliance oversight in addition to independent assurance.

### Anti-Corruption.

Seed Co has zero tolerance for corruption in any form, including bribery, extortion or any inducement to engage in illegal activities. We enforce anti-corruption in all operations through various policies such as the finance policy, ethics policy and the independently managed whistleblowing policy. These policies reflect the business's values, culture and behaviours expected from every employee. The whistle blower policy is independently managed by a third party, Deloitte Tip-Off Anonymous. The system allows employees and external stakeholders to anonymously report any unethical practices, bribery or corruption relating to our business. In addition, independent quality assurance teams play a role in mitigating the risks of corruption across the business.

### Additional Anti-Corruption Measures

- A laid down selection process enshrined in the Group's Human Resources Procedures Manual is followed when recruiting any new employees.
- To reward loyalty and demonstrate commitment to the Group's internal development and training programs, internal candidates are given first preference before considering external candidates.
- Seed Co prohibits staff members from selling seeds.
- Fraud risk assessment is conducted on all departments on an annual basis to assess possibilities and weaknesses that could expose the business to corruption.
- The security department has the responsibility of managing and investigating corruption.
- The business promotes an open-door approach for reporting corruption.

During the year under review, reports from the anonymous tip-offs system as well as internal and external auditors were evaluated to address any flagged corruption or fraud incidents and to improve internal controls. The Group is generally satisfied with controls in place to deter and detect corruption and fraud.

## RISK MANAGEMENT

The Board sets the direction for risk appetite and the way risk management is approached and addressed. The Audit and Risk Committee oversees and directs the Group's implementation of effective risk management and compliance strategies.

### Risk Appetite Statement

The Group recognizes the need to maintain a balanced risk appetite and sound risk management that supports strategic objectives while ensuring the protection of shareholders, employees, customers, and other stakeholders. This risk appetite statement reflects the Group's commitment to achieving sustainable value creation for shareholders while ensuring the long-term resilience and stability of the business. The Group's risk management framework is designed to identify, assess, and mitigate risks within the boundaries of our defined risk appetite, ensuring that the Group achieves sustainable growth and long-term value creation.

SC719 is a top late maturing, pan African, well adapted and high yielding white maize hybrid (148 -155 days to maturity)



## RISK MANAGEMENT

### Strategic Risks

The Group has a moderate appetite for strategic risks that align with growth objectives, including market expansion, product development, and mergers and acquisitions. The Group is willing to accept these risks where there is a clear and substantial opportunity to enhance shareholder value, provided that these risks are thoroughly assessed and managed within the governance framework.

- **Market expansion:** The Group is open to entering new markets where there is a strong strategic rationale and where risks can be managed within acceptable limits.
- **Innovation:** The Group supports innovation and product development, with a moderate risk appetite for investing in new technologies and business models that drive long-term growth.
- **Mergers and acquisitions:** The Group will consider acquisition opportunities that are strategically aligned with the core business, provided they offer significant synergies and meet the risk management criteria.

### Financial risks

The Group has a low to moderate appetite for financial risks, including market risk, credit risk, and liquidity risk. The Group's financial risk management aims to protect financial stability while enabling prudent growth.

- **Market risk:** The Group maintains a low appetite for market risk, particularly in relation to fluctuations in commodity prices, interest rates, and foreign exchange rates. Hedging strategies are employed to mitigate these risks.
- **Credit risk:** The Group has a low appetite for credit risk, and we endeavour to engage counterparties that have satisfactory credit standing. Credit assessment and monitoring processes to mitigate this risk is employed.
- **Liquidity risk:** The Group has a very low appetite for liquidity risk, and we strive to maintain sufficient liquidity to always meet its obligations, even under stressed conditions.

### Operational risks.

The Group has a low appetite for operational risks, particularly those that could impact the safety of employees, the quality of products, or the integrity of IT systems.

- **Legal and Regulatory Compliance:** The Group will not accept any risk that could result in legal or regulatory non-compliance. The Group maintains comprehensive policies and procedures to ensure adherence to all relevant laws and regulations.
- **Ethical Standards:** The Group has zero tolerance for unethical behaviour and are committed to upholding the highest standards of integrity in all our business dealings.



### Reputational risks

The Group has a very low appetite for risks that could damage its reputation, or the trust of shareholders, customers, and the broader community.

**Corporate Social Responsibility:** The Group is committed to being a responsible corporate citizen and have a low appetite for risks related to environmental, social, and governance (ESG) factors.

### Approach to Risk Identification and Management

The risk management process comprises a formalised system for identifying and assessing strategic and operational risks. A Risk-Based Internal Audit approach is followed where audit assignments are prioritised based on the risk level. Business units and functions are required to develop risk registers for their areas. On a quarterly basis, the Board reviews risks faced by the business and mitigating measures implemented. The Internal Audit function is tasked with the mandate of monitoring and reporting risks identified to the Board through the Audit and Risk Committee.

The Group's senior management oversees the implementation of measures approved by the Audit and Risk Committee to mitigate any identified risks. More details are contained on pages 136 to 138 of the financial statements.

SC719 is a top late maturing, pan African, well adapted and high yielding white maize hybrid (148 - 155 days to maturity)



## CLIMATE CHANGE RISK MANAGEMENT APPROACH

We are always on the lookout for risks facing our business and we conduct assessments of potential climate-related risks and vulnerabilities affecting our seed business and its stakeholders. Specifically, we proactively aim to identify the specific impacts of climate change on crop production, seed quality, supply chain logistics, and market demand. This assessment provides a foundation for developing targeted mitigation and adaptation measures as set out below:

### 1. Risk assessment and identification:

- a) **Climate data analysis:** Utilize historical climate data and projections to understand long-term trends and potential climate-related risks. Investing in gathering climate data and supporting climate modelling efforts as well as partner with meteorological agencies or research organizations to improve climate forecasting and generate region-specific climate risk assessments. This data helps inform decision-making processes and enable the development of targeted adaptation strategies.
- b) **Crop sensitivity analysis:** Assess how different crops are vulnerable to various climate-related factors such as temperature changes, precipitation patterns, and extreme weather events.
- c) **Stakeholder consultation:** Engage with farmers, climate scientists, and other stakeholders to gather insights on local climate impacts and potential risks.

### 2. Risk prioritization:

- a) **Impact severity assessment:** Evaluate the potential severity of each identified risk on crop yield, quality, and profitability.
- b) **Likelihood assessment:** Estimate the likelihood of each risk occurring based on historical data and future climate projections.
- c) **Risk mapping:** Create a risk matrix to prioritize climate-related risks based on their severity and likelihood.

### 2. Adaptation strategies development:

- a) **Crop diversification:** Identify alternative crops or crop varieties that are more resilient to climate variability and extremes.
- b) **Develop climate-resilient seed varieties:** Invest in research and development to breed and promote seed varieties that are specifically designed to withstand climate change-related challenges. This includes developing traits such as drought tolerance, heat resistance, disease and pest resistance, and adaptability to changing climatic conditions. By providing farmers with climate-resilient seeds, the business helps mitigate the risks associated with climate change impacts.
- c) **Adopt and promote sustainable agricultural practices:** Through our numerous farmer outreach programs, we advocate for and support the adoption of sustainable agricultural practices among farmers. This includes promoting conservation agriculture techniques, such as:
  - i) **Water management:** Implement and promote efficient irrigation systems, water storage facilities, and drought-resistant crop varieties to mitigate the impact of changing precipitation patterns.
  - ii) **Soil conservation:** Adopt and promote soil conservation practices such as cover cropping, crop rotation, mixed-farming, no-till farming, and agroforestry to enhance soil health and resilience to extreme weather events because of enhanced water retention, and carbon sequestration. Adopting and encouraging the use of precision agriculture technologies to optimize resource use and minimize environmental impact.

- d) **Insurance and financial instruments:** Explore and promote insurance options and financial instruments such as weather-indexed insurance to mitigate financial losses due to climate-related risks in seed production and research processes as well as farmer customers enterprises.
- e) **Technology adoption:** Utilize precision agriculture technologies, remote sensing, and climate modelling tools to optimize farm management practices and decision-making.
- f) **Assess and manage supply chain risks:** Constantly evaluate the vulnerability of our seed business' supply chain to climate change risks. Identify potential disruptions and develop strategies to manage and mitigate those risks. This may involve diversifying suppliers, improving logistics and transportation efficiency, and implementing contingency plans for extreme weather events.

### 3. Capacity building and training

- a) **Collaborate with farmers and communities:** We foster strong partnerships with farmers and local communities engaging in dialogue with farmers to understand their specific climate change challenges and needs. Through our structured product development strategy, we involve farmers in seed selection process and incorporate their traditional knowledge and practices into breeding programs. We also collaborate with communities to develop localized adaptation strategies and build resilience at the grassroots level.
- b) **Facilitating knowledge sharing and capacity building:** We conduct training programs, field days, and extension services to educate farmers on climate change risks and adaptation strategies. We provide information and guidance on best agricultural practices, crop management techniques, and climate-smart farming methods. In addition, we support farmers in building their knowledge and capacity to adapt to climate change and mitigate its impacts.
- c) **Collaborating with research institutions and partners:** We collaborate with agricultural research institutions, universities, and other relevant partners to conduct research on climate change impacts and develop innovative solutions. We also engage in joint projects to improve understanding of climate change risks and develop mitigation and adaptation strategies. We collaborate with other stakeholders to share knowledge, resources, and best practices.
- d) **Promoting climate-smart policies:** Engaging in policy advocacy to promote climate-smart agricultural policies at local, regional, and national levels. We advocate for policies that incentivize sustainable farming practices, provide financial support for climate-resilient seed adoption, and support research and development in climate change adaptation and mitigation.

### 4. Monitoring and Evaluation:

- a) **Data Collection:** Continuously monitor climate conditions, crop performance, and relevant environmental indicators to assess the effectiveness of adaptation strategies.
- b) **Feedback Mechanisms:** Establish feedback mechanisms to gather input from farmers and stakeholders on the success of implemented measures and identify areas for improvement.
- c) **Adaptation Review:** Regularly review and update the risk assessment, adaptation strategies, and response plans based on new information, changing climate conditions, and lessons learned.

By providing farmers with climate-resilient seeds and supporting sustainable practices, the business helps mitigate the impacts of climate change on agriculture and ensure the long-term viability of the seed industry.

## RISK MANAGEMENT

### Business and Operational Risks

The Group is exposed to business and operational risks which are managed through various systems, policies, and procedures. Some of the risks may be within or outside the Group's control.

Principal Risk	Context	Impact	Mitigation Measures
Climate Change Risk	Risk from climate change manifestations such as increased temperatures, frequent droughts, and floods, leading to crop failures or reduced yields, impacting seed demand and supply.	Reduced crop production, low seed demand, and loss of revenue.	Grower Transformation Initiative, breeding climate-resilient crop varieties.
Competition Risk	Risk from numerous competitors, including fake seed, in the seed market vying for the Group's market share, leading to potential sales decline and financial performance issues.	Reduced sales, declining financial performance, and potential threat to sustainability.	Demonstration plots, advertising, high-quality products, strong brand image, R&D.
Cybersecurity Risk	Risk of financial loss, operational disruption, or reputational damage from failures in the Group's IT systems, including cyber threats like hacking.	Financial loss, reputational damage, and denial of essential services.	Penetration tests, intrusion detection, firewalls, disaster recovery plans.
Market Risk	Risk of financial loss due to fluctuations in market prices, such as changes in commodity prices and interest rates, impacting profitability.	Financial loss, reduced profitability.	Product diversification, hedging strategies, market trend monitoring.
Credit Risk	Risk of borrower defaulting on debt obligations, primarily arising from seed growers and agro-dealers failing to remit proceeds of sales.	Disruption of cash flows, increased collection costs, delays in financial obligations.	Bank guarantees, collateral security, credit worthiness vetting, credit limits, cash sales.
Interest Rate Risk	Risk of financial loss due to changes in interest rates, affecting borrowing costs or investment returns.	Increased borrowing costs, reduced profit margins, potential financial instability.	Interest rate hedging, balanced mix of fixed and variable borrowings, debt portfolio review.
Foreign Currency Risk	Risk from fluctuations in exchange rates affecting the value of foreign currency-denominated transactions and assets.	Financial losses from unfavourable exchange movements, impacting profitability.	Currency hedging, foreign currency reserves, careful planning of international transactions.
Liquidity Risk	Risk related to the Group's ability to meet financial obligations as they come due, potentially leading to financial distress if short-term liabilities outpace liquid assets.	Inability to meet short-term obligations, financial distress, creditworthiness damage.	Adequate cash reserves, committed credit lines, regular cash flow forecasting.

## SEED CO IN THE ENVIRONMENT AND COMMUNITY SUSTAINABLY

### Our Sustainability Strategy

Seed Co is committed to sustainable and ethical business practices that contribute to the United Nations' Sustainable Development Goals. As part of this commitment, Seed Co aims to protect the environment, promote economic development, and improve livelihoods for all stakeholders, including employees, farmers, consumers, and communities. Seed Co's core business of innovating and making available climate-smart, high-yielding seed solutions and agronomic support is meant to enable sustainable and profitable small- and large-scale farming. This contributes to feeding both people and livestock, while also supporting critical economic value chains.

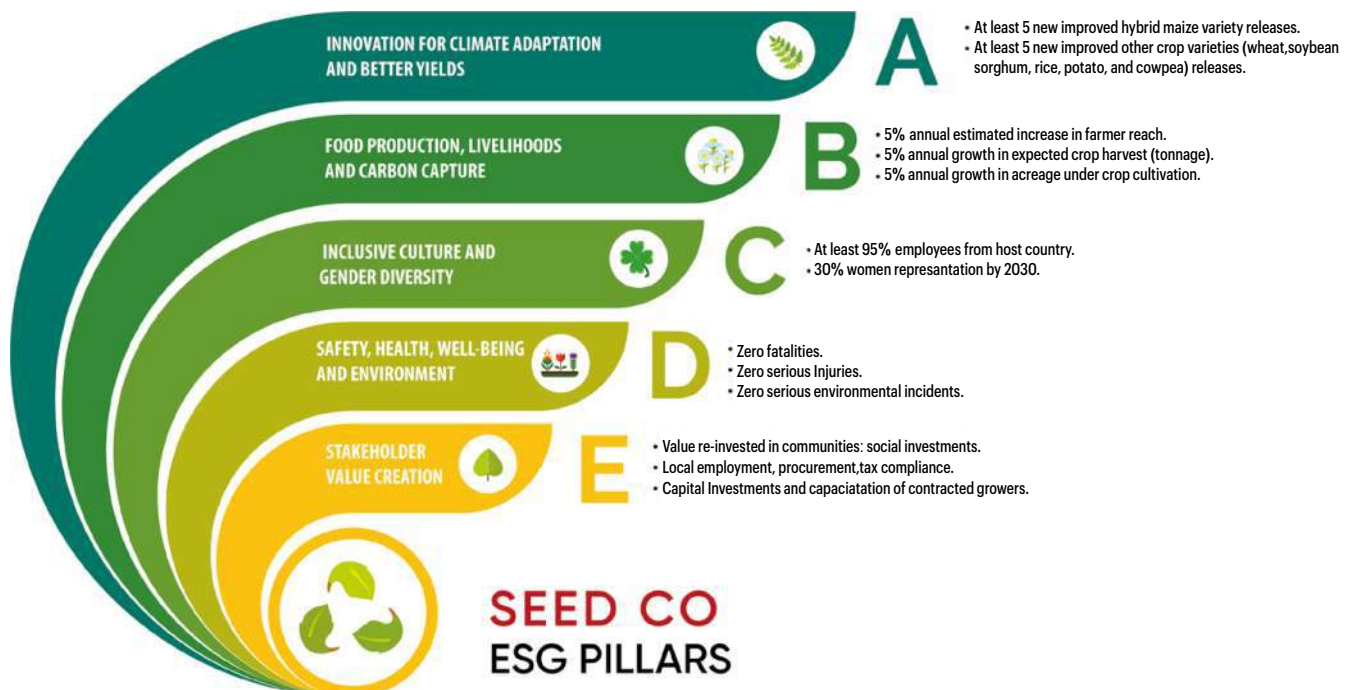
While Seed Co's activities provide these positive impacts, they also inevitably have some negative environmental and social impacts. For example, the company's operations create CO2 emissions and require water usage and procurement of raw materials from suppliers, some of which may involve risks of labour, environmental or social standard violations. Therefore, Seed Co works continuously to expand its contributions to key sustainability topics along its entire value chain, while also reducing any negative impacts.

As part of this effort, the company is committed to sound environmental stewardship through responsible use of natural resources. Seed Co also aims to care for the environments in its operational and surrounding areas and limit community impacts. This is achieved by promoting regenerative farming practices that mitigate climate change and improve soil health.

Through impacting good agronomic practices, Seed Co contributes positively to the following:

- Feeding the world.
- Revitalizing local economies: small-scale farming represents an opportunity to boost local economies.
- Mitigating climate change by increasing soil carbon stocks.
- Improving yields and farming impact through drought, pest, and disease tolerant seed varieties.

## SEED CO.'S 5 STRATEGIC ESG PILLARS



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## SEED CO.'S 5 STRATEGIC ESG PILLARS

### A. Innovation for Climate Adaptation and Better Yields

Our Research and Development division plays a critical role in developing superior hybrids, early maturing varieties and disease-tolerant crop seeds that are high yielding under optimum input use in stress environments. Uneven rainfall patterns and crop diseases have been threatening food security in Africa. At Seed Co, we are committed to continuous innovation that contributes to greater food security, more sustainable agriculture, and improved livelihoods. Through plant breeding and varietal development, we produce seed varieties that have tremendous adaptation capabilities to climate change and crop development challenges. The process of breeding, delivery and adoption of new seed varieties ultimately aims to meet the needs of farmers and varying climatic conditions across our markets.

The Innovation Pillar is the topmost priority pillar of Seed Co's ESG framework, guiding our comprehensive approach to sustainable agriculture. Through ongoing research and the release of resilient, high-yielding crop varieties, we seek to foster a more environmentally conscious and productive food system while also supporting economic development in the communities we serve. Our commitment to innovation in the agricultural sector directly contributes to food sufficiency goals and the upliftment of livelihoods.

#### Key features of Seed Co's ESG innovation pillar include:

**i) Climate-Smart Crop Varieties:** The development of climate-resilient seeds tailored to local conditions is crucial. These varieties are bred to withstand the effects of climate change like drought, extreme heat, and increased pest and disease pressures. Their enhanced tolerance helps farmers adapt to variable weather patterns and stay productive in the face of environmental stresses.

**ii) Agronomic Support and Training:** Equipping farmers with the right know-how and tools to successfully grow these novel seed varieties is fundamental. Agronomy services and hands-on training empower farmers to maximize their yield potential through smart utilization of resources, less wastage, and improved crop productivity.

**iii.) Efficient Resource Utilization:** Promoting optimized use of agricultural resources and farm inputs, this initiative aims to lower environmental footprints while enhancing farmers' livelihoods. Adopting precision techniques, judicious irrigation schedules tailored to local conditions, and judicious fertilizer application aligned with soil health can help maximize harvests with fewer inputs. Combined with regenerative practices that replenish soil organic matter, on-farm biodiversity, and ecosystem services over time, this balanced approach espouses sustainable intensification principles.

**iv.) Profitable Farming Enterprises:** This initiative envisions prosperity for all farmers regardless of land size. By disseminating climate-resilient seeds paired with regenerative production methods which aim to increase resilience, yields and incomes for both small-scale and large-scale producers thereby alleviating poverty and strengthening local food systems and livelihood security.



**v.) Diversification of Crop Varieties:** We make available an array of new maize hybrids and improved varieties across different commodity groups annually, the initiative underscores its dedication to cultivating genetic diversity. A diverse portfolio of climate-resilient seeds can help reduce vulnerability to biotic and abiotic stresses like pestilences, unpredictable weather events and environmental changes.

**vi.) Catalytic Effects on Economic Value Chains:** The program's influence extends far beyond cultivation. By boosting yields and farm incomes through climate-smart solutions, it aims to stimulate broader rural economic multipliers. More robust harvests and livelihood stability could invigorate allied sectors like agro-processing, transportation, markets and inputs.

**vii.) Sustainable Food Production:** By prioritizing crops that support both human nutrition and animal feeds, the initiative aims to ensure reliable and sustainable food sources for people and livestock amid rising global demand pressures from population growth.

**ii) Agronomic Support and Training:** This initiative clearly integrates ESG principles by addressing environmental (climate-smart solutions), social (support for farmers and rural communities), and governance (efficient resource management) aspects.

### GOAL TRACKER

- Released 5 new maize hybrids SC673; SC417; SC665; SC305; SC735.
- Significant progress made towards developing fall armyworm tolerant plant breeding lines.
- Released Soyabean (SC Sentinel; SC Signal)
- A wheat variety was listed on SADC catalogue

## B. Food Production, Livelihood Enrichment and Carbon Capture

Seed Co is an important player contributing to food security through continuous availing of seed varieties that are highly adaptive to high stress environments and resistant to diseases. We continue to invest significantly in research and development to produce crop seeds that are adaptive to a changing climate to guarantee food security. We partner and collaborate with our growers and farmers to promote good agricultural practices that enhance yields while greening the environment and thus drawing carbon from the atmosphere. Seed Co also partners with small scale farmers and rural communities to contribute significantly to livelihood enrichment.

### GOAL TRACKER

- Despite facing the negative effects of El Nino weather patterns across East and Southern Africa, this goal was largely achieved as evidenced by several favourable outcomes.
- Seed uptake and planting by farmers significantly increased, setting the stage for higher expected crop yields overall.

## C. Inclusive Culture and Gender Diversity

At Seed Co, we recognise the importance of diversity and inclusion in stimulating creating and innovation while attracting the best talent. We seek to create an environment where diversified views and opinions are acceptable and where people of varying gender, race and cultures can thrive. We aim to give opportunities to locals while increasing the ratio of women to men in the Company.

### GOAL TRACKER

- The policy of employing a vast majority of people from our local operating communities remains in effect
- Progress is being made toward achieving our diverse employment goals

## D. Safety, Health, Well-Being, and Environment

The safety and wellbeing of our employees and the protection of the environment in which we depend on are central aspects of our business. We are committed to the protection of employees, visitors and local communities by providing safe working conditions through preventative maintenance, monitoring and inspections. We make great effort to play our role in environmental stewardship and biodiversity management. In this regard, we work with government departments.

### GOAL TRACKER

- A fatal incident was recorded in Zambia during the reporting period
- No reportable environmental issues or regulatory fines were recorded during the financial year
- The Group continues to impact best agronomic practices to farmers, and these include crop rotation, soil and water conservation, use of cover crops, planting trees and appropriate application and discard of chemicals

## E. Stakeholder Value Creation

Seed Co thrives on partnerships and collaboration with various stakeholders. We are an open and inclusive business actively listening to stakeholder interests which help us deliver quality results. The Group partners with Government and Non-governmental organisations (NGOs), growers, farmers, millers, agronomy processors, and other stakeholders to get an appreciation of their interests and concerns. These engagements enable us to develop solutions that add value to both our stakeholders and the business.

### GOAL TRACKER

The policy to plough back most of the value created in our host countries continue to be maintained through local employment bias, local procurement bias, long-term fixed capital investments, the capacitation of our contracted growers (inputs and infrastructure financing), tax compliance and socio-economic developmental investments in the various communities we operate and distribute our products.

## STAKEHOLDER ENGAGEMENT

Seed Co prides itself on being the most collaborative and trusted seed player in the sector, building long-term partnerships and earning the trust of stakeholders. We foster a culture of collaboration, partnering with farmers, distributors and retailers among others. It is of paramount importance that we consider the needs of all those who have a stake in Seed Co as this helps us ensure that all stakeholders are confident and trust our products. The engagement process enables us to understand if stakeholders share our core values and beliefs before, they are brought on board. Engagement with stakeholders helps us build sustainable relations that enhance customer-centric solutions.

### Stakeholder Engagement identification.

We identify our stakeholders through the acknowledgement of those individuals or groups with a stake or interest in the Group. We build shared values in all our interactions, particularly suppliers, producers, distributors, and employees. Our stakeholders mostly fall within two categories as below:

#### Internal Stakeholders

- Management.
- Employees.

#### External Stakeholders

- Local Communities.
- Suppliers.
- Customers (Farmers).
- Distributors and Retailers.
- Government and Regulators.
- Shareholders and Potential investors.

### Engaging Stakeholders

Stakeholder engagement is a deliberate process at Seed Co, through engagement we seek to ensure meaningful consultations with stakeholders using various strategies. During the year the following initiatives were implemented:

- We put in place a strategic stakeholder engagement process with those individuals or groups who have a stake in Seed Co.
- Implemented farmer promotions programmes to drive customer loyalty.
- We held corporate events such as field days and golf days for relationship building.
- Provided product knowledge training to equip our stakeholders, thereby benefiting both the customers and the business.



During the reporting period our stakeholder issues and responses were as follows:

Stakeholder	Issued raised by the stakeholder.	Our Response/Action	Engagement Channel	Frequency
Employees	<ul style="list-style-type: none"> <li>Safety during General Elections (Countries).</li> <li>Constant engagement</li> <li>Rise in Inflation</li> </ul>	<ul style="list-style-type: none"> <li>Restrictions on inter town movement, pre and during election period.</li> <li>Adjustment in salaries and review of allowances.</li> <li>Practising Rockefeller habits</li> </ul>	Employee circulars and Staff Meetings.	Monthly.
Suppliers	<ul style="list-style-type: none"> <li>Challenges in importing raw materials.</li> <li>Availability and quality of packaging materials</li> </ul>	<ul style="list-style-type: none"> <li>Raw material management and facilitating easy flow of raw materials across the border.</li> <li>Identified an alternative local supplier of packaging that meets the set standards.</li> </ul>	Emails, Phone and verbal. Emails.	Quarterly. Monthly. Weekly.
Growers	<ul style="list-style-type: none"> <li>Concerns over pricing of seed by growers due to inflation.</li> <li>Side marketing of contracted seed.</li> <li>Expansion of area under irrigation</li> </ul>	<ul style="list-style-type: none"> <li>Pricing reviews.</li> <li>Review and adjustment of contracts in line with economic developments.</li> <li>Grower transformation initiative to capacitate growers with irrigation equipment.</li> </ul>	Physical meetings.	Bi Annual. Quarterly.
Distributors/ Retailers	<ul style="list-style-type: none"> <li>Seed availability.</li> <li>Seed storage and deterioration.</li> <li>Margins</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining buffer stocks to mitigate stockouts</li> <li>Educating distributors on good storage practices to minimize seed deterioration at their outlets.</li> <li>Equitable value sharing.</li> </ul>	Physical meetings. Emails, Phone and verbal.	Weekly. Monthly. Quarterly.
Customers (Farmers)	<ul style="list-style-type: none"> <li>Seed quality.</li> <li>Drought tolerant seeds.</li> <li>Pricing of seeds.</li> </ul>	<ul style="list-style-type: none"> <li>Continuous quality improvement.</li> <li>Climate-smart breeding thrust</li> <li>Competitive value-for-money based pricing.</li> </ul>	Emails, Phone. and Verbal.	On-going.
Government and Regulators	<ul style="list-style-type: none"> <li>Seed quality and compliance with the National Seed Council (NASC) requirements.</li> <li>Pricing of seed.</li> </ul>	<ul style="list-style-type: none"> <li>Pure-for-Sure Quality Agenda pursuit.</li> <li>License renewals.</li> <li>Value proposition showcasing</li> </ul>	Meetings with stakeholders and field inspectors as well as relevant Government departments.	Quarterly. Annual. Regular.
Shareholders and Potential Investors	<ul style="list-style-type: none"> <li>Consistent dividend policy.</li> </ul>	<ul style="list-style-type: none"> <li>Stives to deliver sustainable value to shareholders.</li> <li>Dictated by the economic environment.</li> </ul>	AGMs, Analyst Briefing, Ad-hoc.	Quarterly and Annual.
Local Communities	<ul style="list-style-type: none"> <li>The provision of quality seed and advice on farming.</li> <li>Corporate Social Responsibility initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Local community engagement through our sales representatives.</li> <li>Active CSR Policy in place.</li> </ul>	Local community meetings.	On-going.

## ▶ COLLECTIVE BARGAINING

Seed Co acknowledges employees' right to freedom of association and collective bargaining. These practices improve workplace communication and ensure high staff retention. However, these practices can also create divisions, teams, or syndicates.

The Group manages Freedom of Association and Collective Bargaining in various ways that includes considering human rights (ILO Human Rights), Group HR (Human Resource) Policies and the Labour Laws in the countries we operate. Seed Co International Limited is committed to protecting the constitutional right of freedom of association for its employees. More so, the Group has taken various actions to manage Freedom of Association and Collective Bargaining and related Impacts through the creation of Worker's Committees. These have helped create harmonious industrial relations.

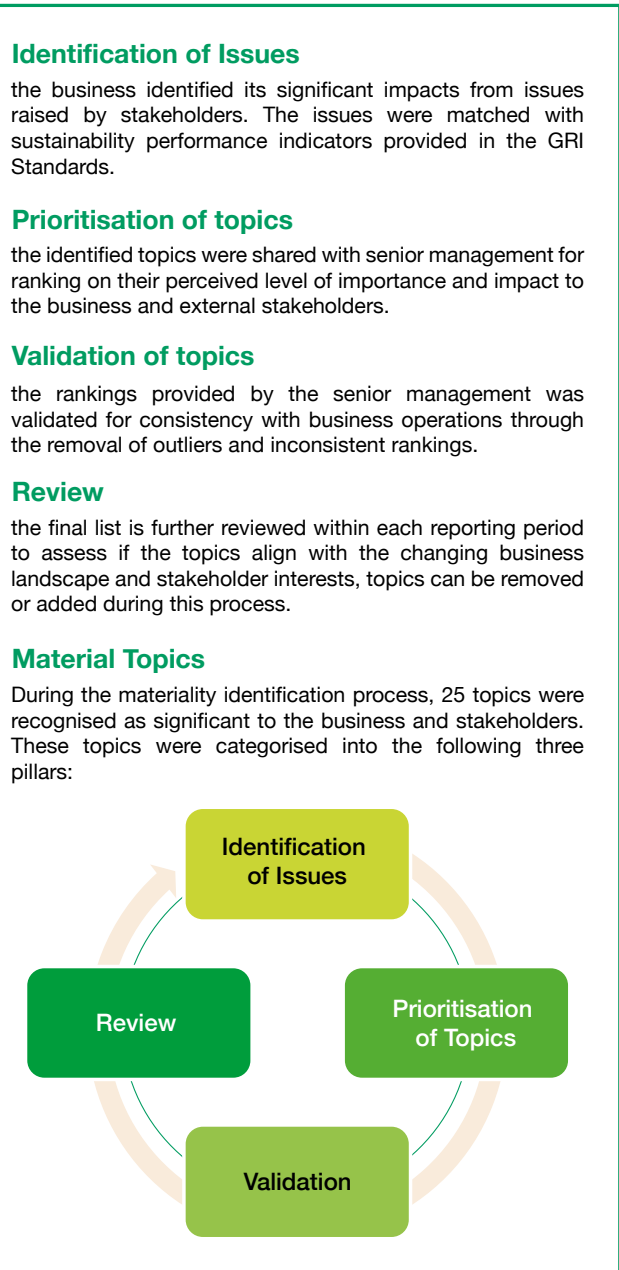
Conditions of service for employees not covered by collective bargaining agreements are determined by the labour regulations, best practices, and market trends. The Group continues to provide support to Workers Committees and affiliations to National Employment Councils to support employees' right to exercise freedom of association and collective bargaining

### MATERIALITY

Materiality assessment is a central aspect of our sustainability practices. It enables us to determine the significant environmental, social and economic risks and opportunities for our business and stakeholders. In this report, we applied GRI Standards to identify topics where significant impacts are notable. Material topics reflect Seed Co International's most significant impacts on the economic, environment, and people, including impacts on human rights.

### Materiality Process

Our materiality process is made up of four phases: 1. Identification of stakeholder issues 2. Prioritisation of topics 3. Validation 4. Review, these stages are further explained below. During the reporting period, the materiality assessment was conducted through a survey of senior executives within the Group.



#### Identification of Issues

the business identified its significant impacts from issues raised by stakeholders. The issues were matched with sustainability performance indicators provided in the GRI Standards.

#### Prioritisation of topics

the identified topics were shared with senior management for ranking on their perceived level of importance and impact to the business and external stakeholders.

#### Validation of topics

the rankings provided by the senior management was validated for consistency with business operations through the removal of outliers and inconsistent rankings.

#### Review

the final list is further reviewed within each reporting period to assess if the topics align with the changing business landscape and stakeholder interests, topics can be removed or added during this process.

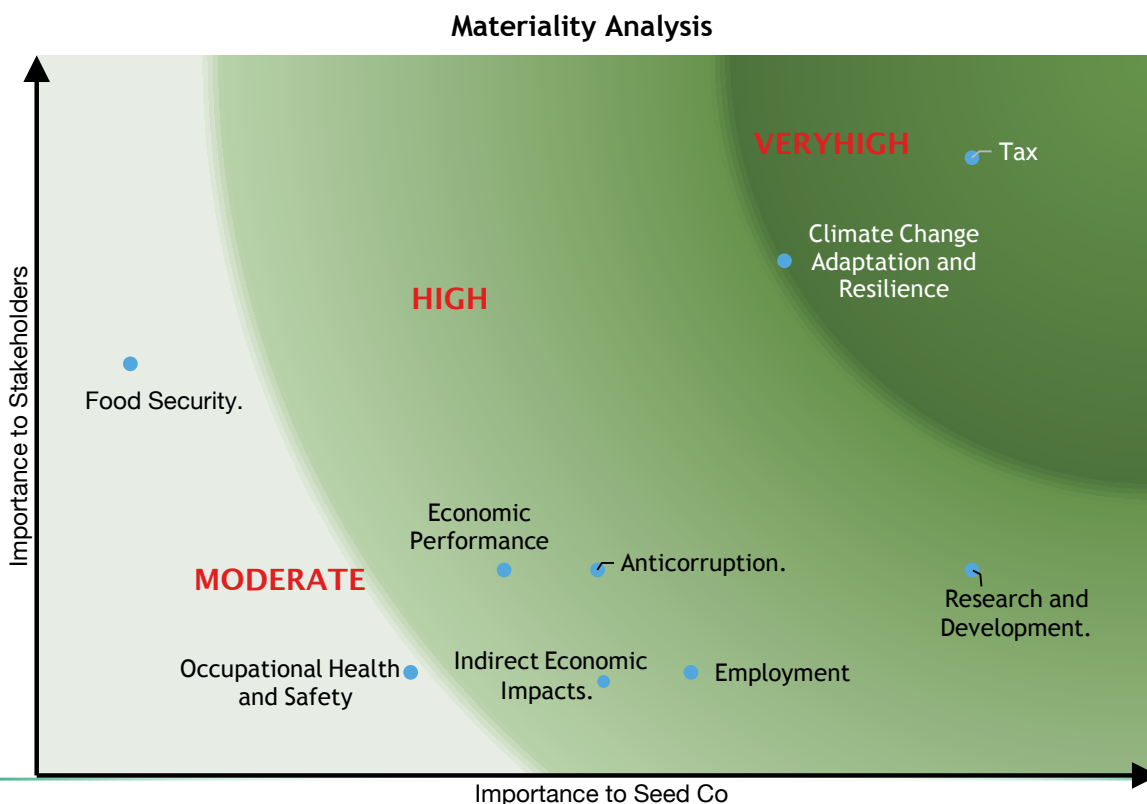
#### Material Topics

During the materiality identification process, 25 topics were recognised as significant to the business and stakeholders. These topics were categorised into the following three pillars:

ENVIRONMENTAL	SOCIAL	ECONOMIC
<ul style="list-style-type: none"> <li>Climate Change Adaptation and Resilience.</li> <li>Water.</li> <li>Responsible Agriculture and Land use.</li> <li>Raw Materials.</li> <li>Waste.</li> <li>Responsible Sourcing.</li> <li>Energy.</li> <li>Biodiversity.</li> <li>Emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Anticorruption.</li> <li>Employment.</li> <li>Food Security.</li> <li>Occupational Health and Safety.</li> <li>Local Communities.</li> <li>Training and Education.</li> <li>Security Practices.</li> <li>Freedom of Association and Collective Bargaining.</li> <li>Child Labour.</li> </ul>	<ul style="list-style-type: none"> <li>Tax.</li> <li>Research and Development.</li> <li>Economic Performance.</li> <li>Indirect Economic Impacts.</li> <li>Procurement Practices.</li> </ul>

### Materiality Matrix

The materiality matrix below present topics identified as most significant to the business and stakeholders. The matrix below presents the top 10 material topics:



The Materiality Matrix above show three categories: 'Very High', 'High' and 'Moderate'. The 'Very High' category represents the topics with significant risk to the business hence requiring urgent action or priority to minimise negative impacts. Topics categorised as 'High' represent those with high risk requiring measures to reduce the effects. 'Moderate' topics are considered to be under control or those requiring limited attention or action. During the reporting period, climate change adaptation and resilience and tax emerged as the most significant impact areas for the business.

### SUPPORTING FARMER COMMUNITIES

Seed Co remains committed to empowering communities and partnering with local growers (seed farmers) as part of our strategic growth objectives and socio-economic development contributions. As such, the Group proactively build a heritage of good corporate citizenship by investing in development projects and community relations.

#### Grower Support

Seed Co identifies, contracts, and capacitates farmers to become specialised seed growers/producers. Selected farmers are supported with all critical inputs, including farm implements and irrigation infrastructure, as well as full crop-cycle agronomy services.

#### Agronomy Support Services

The Group employs and provides qualified agronomists to support end-to-end farmer education that ensures sustainable farm productivity in the following areas:

- Soil management.
- Land preparation.
- Weed and pest control.
- Post-harvest management to preserve yields.

Seed Co also works with Government and other development partners in promoting sustainable farming technologies. Below are outputs of our contribution to food crop productivity through our innovative seed solutions and agronomy support to farmers:

Food crop farming productivity impact	Units	2024	2023	2022
Sales Volumes	Mt	56,162	49,940	44,836
Total Farmers reached	Count	1,490,587	1,325,450	1,282,181
Estimated crop acreage from seed sold	Ha	2,151,758	1,864,576	1,381,735

## RESPONSIBLE OPERATIONS

### RAW MATERIALS

Raw materials are essential in the manufacturing of Seed Co primary products. Our production processes create varied impacts on the environment and society. As such, Seed Co remains committed to efficient use of raw materials and responsible production processes. Grain seeds are the main raw material for our business and their production creates extensive pressure on land and waste. We seek to obtain raw materials in a way that creates less strain on the environment. We expect our suppliers to source and produce raw materials in line with environmental and social requirements. We support them as part of our supplier management, for example giving seed farmer agronomy advice and supplying them with sustainable inputs.

#### Management Approach

Our strategic approach encompasses the entire value chain. This includes sustainable sourcing, optimized use of inputs in our operations, recycling of by-products, and resource-efficient solutions for customers. Our aim is to separate growth from resource consumption through advancements in processes and product innovations, as well as to expedite the transition towards closed-loop systems with minimal waste.

The Group utilizes standard operating procedures to efficiently manage material usage throughout our operations. This incorporates:

- Ensuring total material wastage does not exceed 1% of total materials used
- Maintaining acceptable cleaning loss ranges
- Testing material samples before procurement to prevent contamination
- Sourcing environmentally friendly or low-pollution raw materials

#### Management Approach

The business ensures employees are well trained on these procedures to avoid wastage and closely monitor quality. This optimization approach aligns with our strategic vision of conserving resources across the value chain through innovation, reuse of by-products, and careful handling of inputs.

#### Tracking Effectiveness

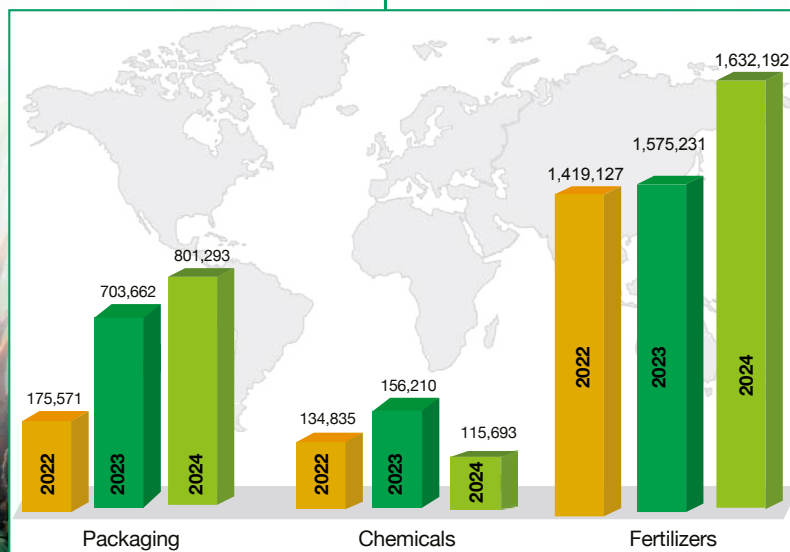
Seed Co utilizes various tools to monitor the effectiveness of raw material management, including internal and external audits, performance scorecards, and budgets.

During the reporting period, no quality issues were reported regarding packaging materials. Material wastage levels were contained within prescribed thresholds through stringent protocols and employee training.

Key metrics:

- Audits and KPI tracking: Internal and external audits assessed adherence to standards. Performance scorecards and budgets aided oversight of material usage.
- Packaging quality: No complaints arose pertaining to packaging material quality defects.
- Wastage levels: The organization's material wastage ratio remained within the limits defined by procedures.
- Training impact: Ongoing employee training in efficient machinery operation helped minimize wastage. This indicates training interventions have been successfully implemented.

By diligently tracking performance indicators and taking corrective actions when needed, Seed Co has demonstrated prudent stewardship of resources throughout the supply chain. Strong governance will be maintained to consistently deliver high product quality while optimizing material consumption.



## RESPONSIBLE OPERATIONS

### WATER

Water plays a vital role in our operations, being used for irrigation and R&D processes. Upstream agricultural and downstream consumer activities within our value chains have significant water needs, while processing is relatively dry. However, large-scale abstracting of this essential resource depletes local supplies. This increases competition for dwindling water reserves in many regions. Additionally, improper disposal of wastewater risks contaminating ecosystems through effluent seepage. Run-off can introduce dissolved fertilizers and chemicals into underground and surface waters.

Recognizing water scarcity pressures continue rising globally, sustainable management is prioritized. Efforts target reducing consumption throughout the supply chain. Strict protocols govern wastewater handling and discharge to minimize environmental impact. By promoting prudent water stewardship, we help advance UN Sustainable Development Goal 6 - availability and sustainable management of water and sanitation for all. Simultaneously, a secure long-term water supply remains critical for resilient operations benefiting communities where we operate. Ongoing initiatives drive progress on this priority issue.

### Management Approach

The responsible use of water is fundamental to our management system and risk oversight, as well as our commitment to achieving the UN Sustainable Development Goals. Our policy and procedure manuals define our standards and requirements for water protection. These stipulate that water concepts be implemented across production sites. Our research, production and administrative sites are accountable for complying with internal directives and regulations, maintaining prudent usage. Regular audits monitor performance on these duties.

Sustainable water management has long driven our strategy, aimed at resource stewardship, efficiency through recycling, and wastewater reduction. A holistic view considers water's quantitative, qualitative and social impacts. The management of water resources at Seed Co adheres strictly to usage quotas and extraction permits approved by regulatory bodies. National policies on water bodies and aquatic ecosystem protection from various ministries are also followed. These systems guide limits on water for business operations while conserving supplies for future generations. Through sustainable utilization and replenishment, we seek to preserve water endowments.

### Management Approach

In 2024, we conducted 30 community awareness campaigns on water conservation at an estimated cost of \$1,500. We also invested \$40,000 on repairs and maintenance of local infrastructure, drainage systems and waterways to protect water quality. As part of these sustainability efforts, we planted 3,255 trees across our facilities and nearby communities in 2024, at an estimated cost of \$6,000. This tree planting helps protect watersheds, reduce runoff, and promote groundwater recharge for improved water quality and availability. Our integrated approach considers impacts across water, land and communities for comprehensive stewardship.

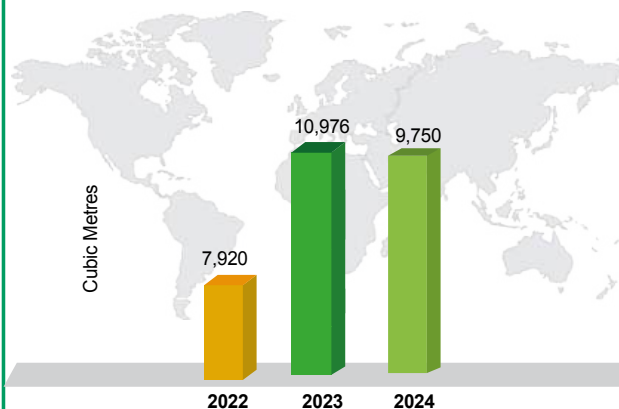
Specific water management targets include:

- Ensuring dams remain full.
- Maintaining sustainable boreholes for domestic use.
- Preserving aquatic biodiversity.

To achieve these, management has implemented actions such as:

- Planting trees to curb erosion and promote ground cover,
- Avoiding stream bank cultivation to minimize siltation,
- Restricting chemical usage to prevent contamination,
- Raising community awareness on conservation,
- Repairing irrigation infrastructure, drainage system and waterways, and
- Fishing also requires prior approval.

Prudent oversight across our value chains helps advance SDG goals of ensuring availability and sustainable management of water. Our aim is secure long-term operations through water security benefiting surrounding communities. Ongoing efforts strengthen performance on this issue.



Data: Kenya, Malawi, South Africa, Botswana, Nigeria, Botswana, Mozambique, Tanzania and Zambia.

### Evaluating our Performance

The business assesses its performance through internal audits developed to ensure compliance with national guidelines. We engage regulators and Community Leaders on water conservation and utilisation. The Group observed intensive deforestation and siltation as a common feature in surrounding communities which contribute to crop failure and drying of water bodies. Continuous engagement with stakeholders led to the formation of water management and utilization committees which allocate water rights to various users.

## RESPONSIBLE OPERATIONS

### ENERGY

As an energy-intensive company, we take responsibility for the efficient use of energy, and we rely on various forms of energy in our operations. Petrol and diesel are used in motor vehicles and back-up generators, coal and maize cobs are used to fire the water heater for the seed drying plants, and electricity is used to power all plants and equipment including office operations. Liquefied petroleum gas is used for cooking staff meals. We provide fuel such as petrol and diesel to seed growers and research operations (running plant and equipment on grower and research farms). Energy use has significant cost implications and environmental impacts, making its management critical.

#### Management Approach

Seed Co developed and implemented an energy management strategy to bring about efficient energy use and its related impacts. Energy use budgets are set for individual plants and equipment, and energy is procured based on a monthly consumption budget. On the other hand, energy use beyond the budget is approved by a high-level manager, this assists in keeping energy costs within specified budgets. Recording and quantifying the amount of energy used by Seed Co informs the Group of the amount of energy use on an annual basis. The Group monitors and tracks energy consumption figures and trend analyses to establish non-renewable energy use and reduction targets. Furthermore, cleaner energy options are now being implemented at operational levels such as solar powered water pumps. Awareness has been raised among employees' communities and stakeholders, on the cleaner energy strategies for Seed Co.



#### Internal Electricity Consumption

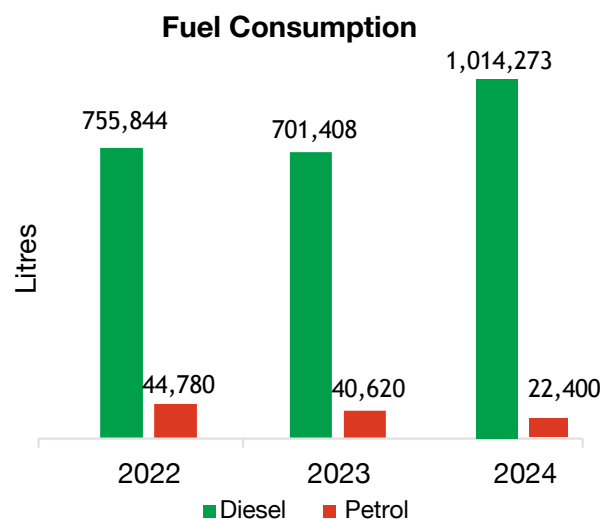
Energy Source	Unit	2024	2023	2022
Non-Renewable Energy Source1	KWH	16,700	17,849	15,211
Renewable Energy Source2	KWH	27,591	25,112	25,125
<b>Total Electricity</b>	<b>KWH</b>	<b>44,291</b>	<b>42,961</b>	<b>40,336</b>

#### Management Approach

The business is developing and implementing an energy management strategy that embraces cleaner energy (solar). This strategy will promote cleaner energy production.

The Group set a goal to gradually shift from the use of non-renewable energy to cleaner energy production through the development and implementation of an energy management strategy.

#### Fuel Consumption (Internal and grower supports)



Strict control on quantities of petrol given to staff members per month resulted in a 19.48 % decrease from prior period while diesel consumption increased by 34% due to power cuts and an increase in diesel demand for staff transport (buses). While diesel for growers increased by 208% due to increased activities.

## RESPONSIBLE OPERATIONS

### PRODUCTION WASTE MANAGEMENT

Various types of wastes are produced during seed production and seed processing activities. The most common being paper, plastics, chemical containers, and computer cartridges. We generate waste such as chuff and maize cobs which are sold or used as fuel internally. Waste creates significant challenges such as waste dumps which takes up land. Inappropriate management of waste (dumping and burning) increases environmental problems such as land, water, and air pollution.

#### Management Approach

Seed Co has instituted a robust waste management system based on efficient tracking and utilization of material flows. Our approach adheres to an evidence-based hierarchy aimed at maximizing the value derived from by-products and minimizing environmental impacts. At the front-end, continuous process optimization and new technologies help reduce waste generation. Value is extracted wherever possible - our by-products can become feedstocks and opportunities for recycling or recovery are also explored.

Unavoidable waste is handled responsibly. Operational procedures ensure disposal through vetted third parties meets legal and soil protection standards. Remediation occurs promptly should contamination issues arise from active, acquired or legacy properties. To curb environmental footprints, group-wide initiatives target lessening air and soil pollution as well as disposal volumes and raw material consumption. Sustainable practices cascade to suppliers via auditing against recognized standards.



#### Management Approach

At the core, Seed procedures systematically guide segregation, collection for recycling, and record-keeping. Employees undergo training to effectively sort and channel waste streams. Reuse further stretches value from residuals. Underlying this scientific, closed-loop model is our commitment to safeguarding local communities and natural resources. Continuous progress tracking reinforces our vision for minimizing waste impacts across integrated value chains.

A Heliose container waste management system is installed at our production facility in Zambia. The Heliose system allows for 100% of used pesticide containers to be collected, shredded, washed, and recycled onsite. The Heliose utilizes a triple rinse system to thoroughly clean used pesticide containers. Clean containers are then shredded into plastic flakes before being washed again. The flakes are dried, compacted into pellets, and can be reused to manufacture new plastic products.

This closed-loop recycling process reduces plastic waste by enabling complete recycling of all pesticide containers used at our Zambia site. The shredded plastic also holds value as a raw material for various industries, creating economic opportunity from recycled content.

By installing the Heliose system, we have been able to greatly minimize plastic waste related to our operations, while also extracting additional value from recycled materials. The system demonstrates our commitment to sustainable waste management practices that protect local environments. This waste management system will be deployed across the Group.



## RESPONSIBLE AGRICULTURE AND LAND USE

*Agriculture is a critical economic activity in Africa contributing to food security and socio-economic development. Agricultural practices often bring with them negative impacts on the environment which directly threaten sources of livelihood and productivity of the land. Seed Co appreciates the importance of good agricultural practices and land use. Any forms of mismanagement of land use directly affects both our business and society.*



### Policies and Procedures

Seed Co established policies regarding the promotion of responsible agriculture practices and land use. These policies take into consideration the Rainforest Alliance Certification requirements and the Seed Co Safety Health and Environment (SHE) Policy. The responsible agriculture practices were developed with due consideration of local laws and international best practices.

### Management Approach

The policies established by our business promote the following good agricultural practices:

- Use of high-yielding crop varieties to limit land clearance for farming,
- Crop rotation, tree planting,
- Use of cover crops and organic matter,
- Use of contour ridges, and
- Avoidance of stream-bank cultivation.

### Evaluation of Good Agricultural Practices

We evaluate our performance mostly through internal audits, internal SHE Audits and Rainforest Alliance audits using key performance indicators on the protection of soils (erosion), forests (deforestation), and water bodies (rivers & dams). The Group assesses the level of soil erosion and siltation, re-forestation/tree planting and contour/waterway – drainage system management. Our evaluation is that the business has been effective in promoting good agricultural practices given the tree planting activities and waterway, drainage and contour maintenance and rehabilitation. This can also be seen in the orchards and gum plantations established at our Research Stations.

### Lessons Learnt

The Group learnt that uncontrolled tree cutting, and poor soil conservation procedures are the major contributors to desertification and soil erosion. This explains why the Group put in place preventative measures to ensure the conservation of land resources. Farm managers are now receiving more training on the importance of Good Agricultural Practices. Engagements with the various stakeholders has been instrumental in assisting Seed-Co International in carrying out some of the land and soil conservation activities.

## RESPONSIBLE OPERATIONS

### EMISSIONS

Reducing air emissions is a key priority. We are firmly committed to safe, efficient plant operations and responsible resource utilization aimed at continually lowering the environmental footprint of our facilities and processes. Our objectives include mitigating pollution through prudent stewardship of energy and materials. Process advancements and optimization efforts also target decreasing emissions outputs over time.

By diligently focusing on safety, conservation practices and technological improvements, we actively work to minimize air quality impacts across our manufacturing activities and footprint. Sustainable operations with dwindling emissions are the long-term goal. Progress will be tracked through rigorous performance monitoring that emphasizes pollution

### Management Approach

At Seed Co, environmental stewardship is a core business priority embedded throughout our operations. Robust group-wide protocols establish performance standards for emissions, waste management, and site remediation implemented locally. Adherence to legal and internal requirements is assured through regular audits by our internal audit function. Continuous monitoring and documentation of air quality, waste streams, and contaminated lands enables data-driven improvement initiatives. Beyond greenhouse gases, other pollutants are tracked to prevent potentially harmful releases.

Air emissions fall under the remit of our overarching Safety, Health, Environment, and Quality policies and management systems. During the reporting period, activities focused on maintaining equipment integrity through boiler and generator servicing routines. Implementation of cleaner energy solutions and scrubbing technologies advanced our emission reduction objectives.

Our governance frameworks steer ongoing progress to lessen the business' environmental footprint. Regular asset maintenance and innovative projects cultivate sustainable operations minimizing community air impacts. Performance oversight through key metrics confirms policy alignment with minimizing atmospheric discharges into the long term. By embedding stewardship ethos across functions and sites, we strengthen our license to operate while protecting natural resources for future generations. Data-driven continuous progress remains a core business and sustainability imperative.

### Evaluation of Performance

At Seed Co, emissions from boilers and generators are evaluated quarterly through atmospheric testing. Results demonstrate ongoing regulatory compliance. In the reporting period, all emission levels fell within the approved safe "blue" category. Internal audits assess the effectiveness of initiatives to steward this important issue. Findings guide continuous improvement action planning. Reinforcing our dedication to environmental sustainability, Seed Co is progressing toward cleaner energy production methods. A group-wide emissions strategy currently in development sets a roadmap for gradually reducing pollution.

Successful execution of strategy requirements will serve as a key performance indicator, signalling progress on this priority issue. Data-driven metrics will track productivity gains realized through optimized, eco-efficient operations over time. By diligently stewarding atmospheric discharge levels today, we work to protect air quality and community health long into the future. Strategic governance bolsters these efforts enterprise-wide.



## CLIMATE RISKS AND OPPORTUNITIES

Climate change presents both challenges and prospects for Seed Co. Extreme weather and drought disrupt farming, while our climate-resilient seeds address rainfall variability and create new markets. We optimize R&D, production and commercialization of "Climate Smart" crop varieties. Products deliver high yields, early maturation, disease/pest resistance, efficient water use and heat/drought tolerance. Initiatives like these have boosted productivity across agricultural regions. By diversifying our portfolio spanning field crops, vegetables, cereals and legumes, we mitigate clients' crop failure risks under changing conditions.

Seed Co also champions traditional, drought-resistant small grains such as sorghum, pearl millet and finger millet/cowpeas. These climate solutions influence household and national seed/food security despite adverse climate impacts. Data confirms these climate adaptation efforts strengthen agricultural and social resilience over the long term. We continue innovating to capture emerging opportunities in sustainable, resource-efficient seed technologies.

### Climate Change Mitigation and Resilience

Seed Co closely monitors climate change impacts to strategically develop risk mitigation solutions. In-depth analyses underpin diversification of our product portfolio and agronomic advisory services tailored to shifting weather patterns. Water conservation technologies such as minimum tillage, tied ridging and zero-tillage are championed to counter climate impacts. Increased investment in R&D, infrastructure, distribution and extension further climate-smart solutions for customers.

Each market segment receives varieties and seed volumes tailored to local conditions. This customer-centric approach builds resilience by empowering farmers with suitable adaptive tools. Performance tracking confirms these initiatives stabilize yields and food security amid climate variability. Sizeable Research and Development expenditures position Seed Co at the forefront of developing sustainable agriculture solutions increasingly vital to communities.

Strengthening farmers' climate risk management capability through innovative products and practices supports their success while protecting the environment. Data-driven insights fuel continuous upgrades ensuring maximum value from mitigation efforts across diverse geographies.

### Key Lessons

The Group learnt various lessons in relation to its climate change adaptation approaches. Seed Co will diversify its products basket to spread the risk caused due to variety breakdown because of new diseases or pest strains. The Group will continue to invest in crop seeds that adapt to climate change. Seed Co receive farmers and market feedback on areas for improvement through consultations, end-users' comments and reviews of crop seeds uptake and acceptance.

### Food security

At Seed Co, our quality seeds help boost food security across Africa. In 2024, we sold 56,162 metric tons of maize, wheat, soybean seeds and other, up from 49,940 tons in 2023. These seeds were planted across approximately 2,151,758 hectares.

This allowed us to reach 1,490,587 farmers in 2024. In 2023, our seeds reached 1,325,450 farmers through an estimated 1,864,576 hectares planted.

The steady growth in seed sales combined with expanded hectareage and grain production shows our positive impact. By providing high-yielding, climate-resilient seeds, we empower smallholder farmers to increase yields, incomes, and food availability. Our broad network of farmers grows staple crops to feed their families and supply local markets.

As we continue our work, we aim to deepen our reach and share of quality seeds. Increasing productivity, accessibility and affordability of nutritious foods directly enhances food security. Supplying African farmers with the best seeds possible sustains progress towards a continent free of hunger.

## RESPONSIBLE OPERATIONS

### GREENHOUSE GAS EMISSIONS

The Group calculates its carbon footprint by converting its energy consumption into carbon dioxide (CO<sub>2</sub>e) emission equivalency using internationally accepted conversion factors.

#### Scope 1: Direct Emissions

These are direct Greenhouse Gas (GHG) emissions from operations that are primarily owned or controlled by Seed Co International. These are emissions from fuel consumed by generators and vehicles. We applied emission factors obtained from the United Kingdom (UK) Government GHG Conversion Factors to convert liquid bio-fuel usage as presented below:

Scope 1 Emissions	2024	2023	2022
Diesel (Kg CO <sub>2</sub> e Litres)	1,143,582	2,326,134	2,072,398
Petrol (Kg CO <sub>2</sub> e Litres)	52,529	198,312	94,646
<b>TOTAL Scope 1 Emissions (Kg CO<sub>2</sub>e)</b>	<b>1,196,111</b>	<b>2,542,295</b>	<b>2,167,044</b>

#### Scope 2: Indirect Emissions

These are emissions from the consumption of energy generated and supplied by a third party in which Seed Co has no direct control. Our Scope 2 emissions were calculated using emission factors obtained from the Southern African Power Pool 2015 using Operating Margin factors and the Global Warming Potential rates from the Intergovernmental Panel on Climate Change (IPCC) as presented below:

Scope 2 Emissions	2024	2023	2022
Electricity (Kg CO <sub>2</sub> e Kwh)	28,271	26,154	25,770

It should be noted that crop cultivation which is part of Seed Co's business model helps to green the environment and thus provides natural carbon capture platform.



## BIODIVERSITY

The variety of plants and animal life is directly linked to our business. Biodiversity is key for pollination, pest control, soil fertility, habitat protection, and prevention of natural resource conflicts which are key benefits for our growers and farmers. Biodiversity loss threatens the structure and functions of the ecosystem. When a part of the ecosystem is lost, the balance is disturbed. Increased farm population (overpopulation) increases strain on biodiversity services with regards to resource carrying capacity, waste management and natural energy requirements. This leads to environmental problems which affect soil fertility and farm productivity. Seed Co recognises the need to maintain biodiversity by farmers, growers, and other stakeholders to manage our impacts. Protecting biodiversity is a key element of our commitment to sustainability.

### Managing Biodiversity

Our business activities along the value chain can negatively impact biodiversity through land use, pesticide spraying, and fires induced by farmers. To responsibly manage these impacts, Seed Co developed a Biodiversity Conservation Policy and Strategy that provide guidance to stakeholders. Key measures in these policies include prohibiting the harvesting of natural resources on farms and stringent monitoring by the security department. This helps sustain local ecosystem nutrient cycles and life support systems. Seed Co also collaborates with communities to conserve biodiversity around facilities through periodic monitoring, preventing continuous loss.

We align these biodiversity measures to our entire value chain impacts. Our focus is on sites and production, product impact, and supply chains - countering the five main drivers of biodiversity loss defined by IPBES: land-use change, climate change, pollution, overexploitation and invasive species. For example, our climate protection initiatives help preserve biodiversity by countering climate change as a driver. And we are committed to combating habitat loss, overexploitation and pollution across value chains.

To take the right measures, we need to understand our actions' effects on impacted ecosystems. While a global biodiversity indicator does not exist like for climate change, we measure biodiversity to identify risks and opportunities. An internal working group also addresses governance and systematic identification of such issues arising from biodiversity. Regarding our sites, we operate responsibly to minimize negative environmental impacts and pollution through strict emission control and waste reduction. Conservation areas also preserve natural habitats when deciding on new sites or expansions.

### Responsibility to our sites and production

In managing our sites, we take biodiversity preservation into careful consideration. We endeavour to conduct operations responsibly at our facilities, minimizing adverse environmental impacts as a driver of biodiversity loss through pollution. To this end, we keep air, water and soil emissions as low as possible while also reducing and avoiding waste production. Conservation areas moreover play an important part in safeguarding biodiversity and natural habitats on site. Before investing in new constructions or expansions of existing sites, we systematically evaluate sustainability factors. Among the potential impacts examined are those relating to forests and biodiversity. Our aim is to develop conscientiously with mindful consideration for surrounding ecosystems. Overall, these aligned and systematic measures help Seed Co meet our responsibility to both the environment and society under frameworks like the UN Convention on Biological Diversity and Sustainable Development Goals 14 and 15 on life below and on land.

### Management of our product impact

Seed Co provides seed varieties and solutions to meet our customers' high standards for quality and safety. Through proper use, our seeds pose no risks to humans, animals or the environment. We are obliged by various Ministries in the region we operate to continuously minimize any negative impacts of our products on the ecosystem, health and safety. Product impacts on biodiversity, like soil erosion from use, are also carefully evaluated. Throughout research, development and registration, our seeds undergo thorough evaluations. Even after market approval, we regularly assess them for potential risks or effects. Various projects and trainings help prevent misuse of our seed varieties. Farming activities such as tilling, draining, fertilizing and using crop protection methods may affect flora and fauna by influencing food sources.

Minimizing these impacts while ensuring productivity is a major challenge for farmers. Our Agronomy segment addresses this through climate-smart farming, sustainable solutions and digital tools like the Seedney app. We work with farmers to create balanced agricultural systems for productive, efficient high-quality food production that also promotes biodiversity. Advising on soil cultivation and biodiversity improvements in farmlands draws on our sustainability measurement experience. Our modern seed solutions enable better yields on existing lands, thus protecting natural habitats and helping farmers balance productivity, environmental protection and social demands.



## RESPONSIBLE SOURCING

### Processes to Monitor Responsible Suppliers

Responsible Sourcing is fundamental to Seed Co as it considers social and environmental impact in our supply chain management. The Group allows investment to flow to compliant companies with low environmental impacts, jobs have been created, a safe working environment ensured, and growth assured for key companies.

We also recognise how responsible sourcing create negative impacts:

- Smaller non-complaint companies failing to grow,
- Companies taking short-cuts to seem more environmentally friendly,
- Use of larger companies stifling growth of smaller non-compliant companies, and
- Companies are having to spend more money to be more environmentally friendly and socially responsible.

### Actions for managing Responsible Sourcing

The Group took measures to address actual negative impacts from suppliers. These actions involve the return of all non-complaint goods, negatively rating suppliers not adhering to the 5 rights of procurement and removing them from the suppliers list. Similarly, actions have been taken to incentivise compliant companies. Some of these actions include, maintaining and keeping good relations with companies with positive impacts, prioritising companies with a good rating and signing long term contracts.

Seed Co took the following measures to prevent potential negative impacts:

- thorough supplier evaluations,
- promotion of the use of ISO certified companies and other prescribed certifications,
- regular review of suppliers on environmental and social impacts, and
- Implementing a supplier rating system.

## OUR COMMUNITY IMPACTS

Local communities are important to Seed Co as they provide the valuable social capital for the success of our business. The Group recognises the importance of its shared vision with local communities and seeks to give back in return for all the benefits it gains from the people surrounding its operations. The business has a function responsible for managing all community related aspects.



### Processes to Monitor Responsible Suppliers

Seed Co seeks to procure sustainably produced best quality goods and services from contracted suppliers. We conduct regular supplier evaluations and random spot checks through internal audit and the loss control department to monitor supplier performance and review contracts. The Group use quality assessment to evaluate performance. The actions taken have been positive as evidenced by majority of suppliers complying with our supply chain policies.

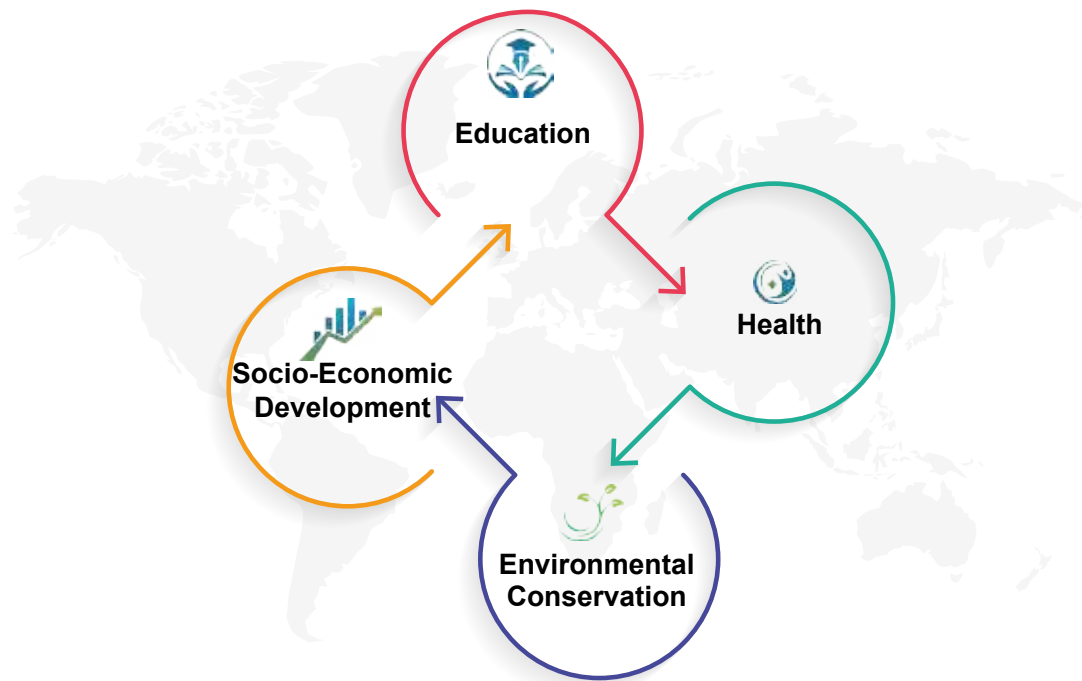
### How we performed

The Group experienced significant progress toward achieving its goals. The quality of the products and services is on the rise and the use of companies with good track records is at 100%. Seed Co does not compromise on quality hence the use of reputable companies with the capacity to deliver supplies effectively and timeously on time at the right quality. The feedback we receive from our customers and stakeholders helped us improve and implement policies that ensures we operate responsible business value chains.

### Our Approach to Community Development

Seed Co initiatives and projects are a deliberate process informed by stakeholder engagement policies. The Group works with the government and non-governmental organisations to ascertain community needs. The organisation works closely with the communities to understand issues that impact them. From their concerns, Seed Co comes up with policies and procedures for community development.

Seed Co community development projects play a critical role in alleviating the social challenges faced by local communities. Our approach is aimed at providing resources to lighten the social burden of our society. The Group focuses mostly on education, environmental stewardship, and health and socio-economic development as its main positive impacts to society under its Corporate Social Responsibility (CSR) pillars.



### Education

Our educational support contributes to community stability by promoting financial self-dependence which in turn reduces poverty and crime levels in communities. Our goal is to make education more accessible, continuing with the bursary initiatives for students based on merit and providing internships to tertiary graduates.

### Socio-Economic Development

Seed Co believes that Sports are an integral social and fitness system which is the reason behind sponsoring national teams such as the Young Sables. We targeted to support 20 Non-Governmental Organisations (NGOs) and national sporting teams.

### Environmental Conservation

Seed Co also works to promote joint environmental conservation activities by helping to reduce the effects of climate change. Seed Co partnered with environmental regulators during the year to educate communities on the importance of conservation and reducing carbon emissions. Our goal was to raise awareness on climate change.

### Health

Seed Co support health Initiatives through donating food stuffs. The Group targeted supporting 3 hospitals.

### Policies and Commitments

The Seed Co CSR policy was established to guide local community development efforts. This policy sets out our commitment to drive and improve education in local communities, work with government and non-governmental organisations to identify community partnership needs and improve these areas in the Arts and Sports Industry in partnership with relevant organisations. The policy covers commitments to environmental conservation, promoting good health and wellness in communities and ending poverty and hunger, which comprises Sustainable development goals 1 and 2 respectively.

We recognise that there are instances where donations might be misused or fail to reach the envisioned beneficiaries as such, we have put in place measures to manage such instances:

- Seed Co ensures zero private handover of Group donations. All community project handovers are done with all intended beneficiaries present to avoid any misuse of sponsored items.
- The Group requires that recipients acknowledge receipt in writing.
- Follow ups on distributions.
- Continuous assessment of set project through regular reporting and
- Follow up with the local communities.

## Evaluating performance

The Group evaluates local community development efforts by:

- Allocating Budget vs Actual spending,
- Media Coverage and sentiment – Share of voice,
- Performance Appraisals and Social Impact level - Feedback from the community.

## How we performed

An assessment of the effectiveness of actions taken to manage the topic shows progress was made on set goals. These are measured and amended monthly through management reporting. Moreover, quarterly, and yearly reports were made to ascertain progress with feedback from management on issues reported.

During the period under review, our community investments were as follows:

Theme	Purpose	Donations	Beneficiaries	Country	Value US\$
Socio Economic Development	To bring communities together to celebrate their history and pass traditions to new generations.		Traditional leaders and their communities	Zambia	\$30,000
Health	To raise awareness on impact of malaria and waterborne diseases	World Malaria Day Global hand washing day	Schools and the community	Kenya	\$2,000
Environment	To show that the environmental sustainability is priority for the company	World environmental day	Schools and the community	Kenya	\$1,300
	To take tangible climate action and showcase our commitment to sustainability initiatives	Tree planting	Local Communities	Mozambique	\$5,000
	Promoting better sanitation and cleanliness in the market environment	Painting public vendors Market	Manica town vendors	Mozambique	\$200
Local Communities	Improve food security at household level Improve food security at household level	Seed donation and agronomy knowledge to community farming projects.	Villagers	Tanzania	\$3,706

## Business Awards

Seed Co has received significant recognition for our outstanding performance and innovations over the past year. Through the hard dedication of our employees, Seed Co was honoured with the following prestigious business awards:

Award Name	Recognising Institution
Best Farmer	Agricultural society of Kenya
Most climate responsive company with resilient varieties	Agricultural society of Kenya
National Grand winner in Seed Industry	Ministry of Agriculture - Tanzania
Best Compliance Company	Zambia Revenue Authority
Best Customer Service Organization	Zambia Institute of Marketing

## CONTRIBUTING TO SUSTAINABLE DEVELOPMENT GOALS

The combination of our innovative and profitable farming-oriented business model, our ESG strategic Pillars and Corporate Social Responsibility (CSR) activities contribute directly to specific Sustainable Development Goals (SDGs). Based on our analyses we believe we have made significant contributions to the following SDGs:

SDG	SOCIAL	ECONOMIC
 <p><b>1 NO POVERTY</b></p>	<p>End poverty in all its forms everywhere.</p>	<p>Our business is anchored on providing innovative seed solutions that are climate-smart and high-yielding to deliver the best possible harvest cost efficiently for our largely small-scale farmer customers. This fosters profitable entrepreneurial agriculture by enabling our customers to be produce beyond subsistence and earn income from surplus produce that can uplift their economic livelihoods. Primary food production plays a critical catalytic role in many economic activities that uplift communities from poverty.</p> <p>We provided opportunities for local communities to improve their economic livelihoods, namely our contracted seed growers and our certified seed customers. In addition to the seed we sold, we held demo and field days in all our markets to train farmers free of charge on best farming practices to mitigate climate change and alleviate hunger.</p>
 <p><b>2 ZERO HUNGER</b></p>	<p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture.</p>	<p>Our thoroughly researched and multi-geography adapted climate-smart and high-yielding affordable seed solutions capacitates farmers produce surplus food that can be sold to and help eradicate hunger.</p> <p>We supported communities with maize seeds to help improve socio-economic livelihoods while also alleviating hunger. Over US\$12,000 of seeds were donated in Nigeria alone. We supported our contracted seed growers and grain producing farming customers with technical support.</p>
 <p><b>3 GOOD HEALTH AND WELL-BEING</b></p>	<p>Ensure healthy lives and promote well-being for all at all ages.</p>	<p>Our contribution to primary agriculture directly and indirectly produces food crops with the requisite nutrients and generate income for our farming communities that promote the good health and well-being of societies.</p> <p>In addition, we continue to support government efforts to increase awareness on HIV and Malaria prevention and control.</p>
 <p><b>4 QUALITY EDUCATION</b></p>	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>	<p>Our contribution to making farming a profitable enterprise for our largely small-scale farmers enables them to generate income towards the education of their children.</p> <p>In addition, the business is stimulating excellence in education by awarding top-performing students, teachers, and institutions. We also provide internship opportunities to tertiary graduates in the various countries we operate.</p>



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## WE VALUE OUR EMPLOYEES

Our employees play a vital role in driving Seed Co Group's success. We aim to attract and retain highly skilled individuals for our organization and enable their continued growth. To this end, we endeavour to foster a collaborative work culture that sparks passion and brings people together. It is built on inclusive leadership grounded in shared trust, respect and a commitment to excellence.

### At a glance

331 Permanent employees around Africa

Global targets on employee engagement and promotion of women in leadership positions.

Focus topics: promoting diversity, inclusivity leadership Continuous learning

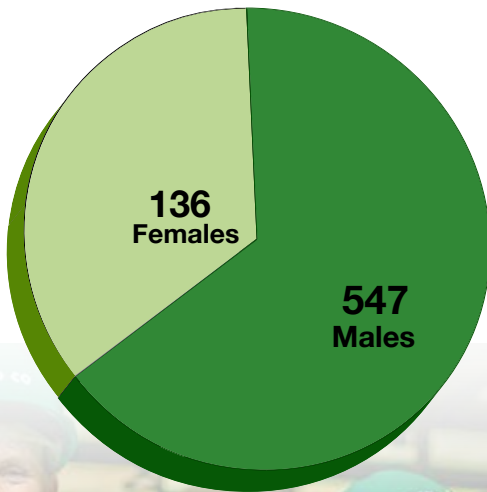
### Management Approach

The Group is committed to upholding ethical employment practices in accordance with labour laws. Our human capital policies aim to cultivate an enabling work environment where employees can perform to their fullest potential and achieve career satisfaction. We have implemented various policies to govern our management of employees with the objectives of:

- Compliance with relevant employment legislation
- Establishing fair and progressive practices
- Fostering an inclusive culture
- Enabling optimum performance through engagement and development

Below is a breakdown of our employee base by gender and contract type, demonstrating our diverse and engaged workforce:

Permanent Staff	Males	Females	Total
Total Number of Employees	253	78	331
Contract Staff			
Total Number of Employees	294	58	352
<b>Grand Total</b>	<b>547</b>	<b>136</b>	<b>683</b>



## SUPPORTING FARMER COMMUNITIES

Seed Co remains committed to empowering communities and partnering with local growers (seed farmers) as part of our strategic growth objectives and socio-economic development contributions. As such, the Group proactively build a heritage of good corporate citizenship by investing in development projects and community relations.

### Support to farmers

Seed Co identifies, contracts, and capacitates farmers to become specialised seed growers/producers. Selected farmers are supported with all critical inputs, including farm implements and irrigation infrastructure, as well as full crop-cycle agronomy services.

### Contracted Grower Support

Seed Co employs and provides qualified agronomists to support end-to-end farmer education that ensures sustainable farm productivity in the following areas:

- Soil management.
- Land preparation.
- Weed and pest control.
- Post-harvest management to preserve yields.

Seed Co also works with Government and other development partners in promoting sustainable farming technologies. Below are outputs of our contribution to food crop productivity through our innovative seed solutions and agronomy support to farmers:

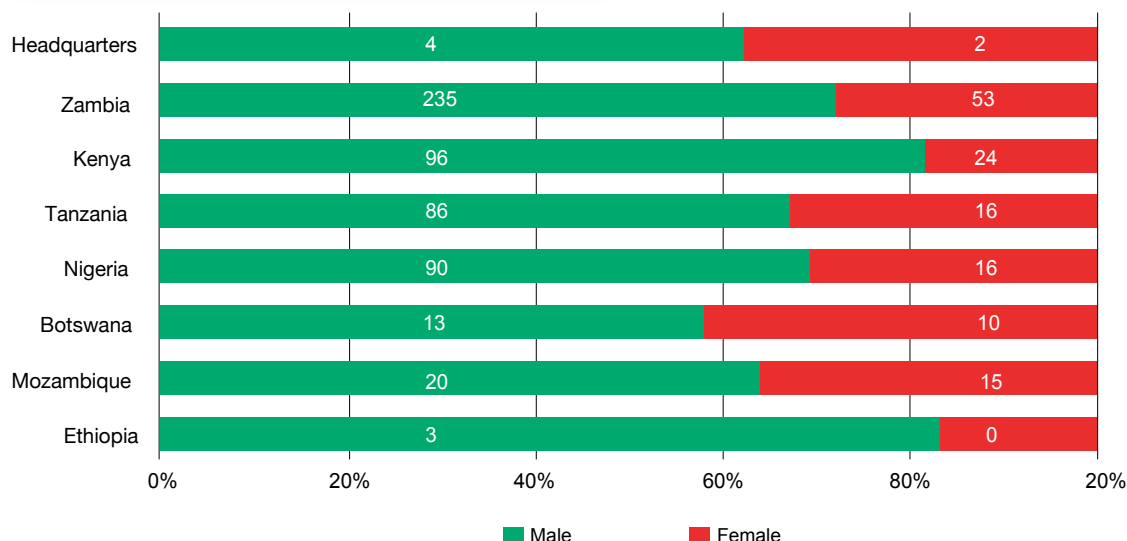
Growers procurement value Currency	Currency	2024	2023
Maize seed purchased	USD	18,927,174	16,161,913
Wheat seed purchased	USD	839,520	994,455
Soya seed purchased	USD	1,545,608	3,032,442
Other crop seed purchased	USD	24,030	14,654
<b>Total Amount</b>	<b>USD</b>	<b>21,336,332</b>	<b>20,203,644</b>

External Growers	Currency	2024	2023
Number of growers	#	117	132
Maize seed hectareage	ha	8,149	6,879
Wheat seed hectareage	ha	351	392
Soya bean hectareage	ha	2,640	2,045
Cover crop hectrage (eg. sunhemp)	ha	89	142
Other crop seed hectareage	ha	-	1
<b>Total Hectareage</b>		<b>11,229</b>	<b>9,459</b>

Own Production	Unit	2024	2023
Maize seed hectrage	ha	869	864
Wheat seed hectrage	ha	146	182
Soya seed hectrage	ha	426	614
Cover crop seed hectrage	ha	-	1
Other crop hectrage	ha	-	1
<b>Total Hectareage</b>		<b>1,441</b>	<b>1,661</b>



## EMPLOYEE COUNTRY BY GENDER



### Seasonal staff and Graduate Trainees

To meet seasonal needs, the Group supplements its regular workforce with temporary staff sourced through employment agencies. These workers primarily assist with seed processing, packaging and dispatching activities.

The company also offers graduate trainee's opportunities to gain experience. However, neither seasonal/temporary staff nor trainees are classified as full employees.

By nature, seasonal/temporary staff and trainees have non-permanent contractual engagements. While they support important business operations, the Group's employee headcount metrics and analyses focus on the full-time, permanent workforce.

During the fiscal year under review, staffing in these categories was as follows

Category	Unit	2024	2023	2022
Casual	Head Count	1,447	1,897	1,585
Graduate Trainees	Head Count	6	20	18
Total (Head Count)	Head Count	1,453	1,917	1,603

### Compensation and Benefits provided to full time employees

Attracting and retaining talented employees is a priority. We aim to motivate top performance through a competitive total rewards package comprising market-rate compensation, development opportunities, and a positive work culture. Compensation aligns with global principles, factoring position, market pay and individual performance. It generally consists of fixed pay in addition to benefits that frequently surpass legal minimums.

Common supplemental benefits across many locations include company-sponsored retirement funds, healthcare plans, and share programs. These reinforce our commitment to employees' well-being and financial security. To maintain competitiveness, we routinely examine compensation systems at global and local levels. The goal is to ensure policies continue rewarding and engaging our most valued asset - our people.

Our Group provides defined contribution retirement plans to help employees save for the future. In 2024, we contributed a total of \$435,984 towards our employees' defined contribution plans. This helped support their financial security after retirement.

Employees also contributed towards their own retirement readiness through our defined contribution plans. In 2024, employee contributions totalled \$251,653. This demonstrates our staff's commitment to proactively saving and investing in their long-term wellbeing.

Together, the combined employer and employee contributions of \$687,637 will help provide a solid foundation for our workers' retirement savings. Our increased investment as an employer, along with participation from employees, enables robust planning for life after work.

## Occupational Health and Safety.

Our utmost priority is the well-being and protection of our employees, contractors, and neighbouring communities, along with a strong commitment to preserving the environment. To achieve this, we have established stringent global standards for occupational and process safety, as well as health protection. Our sites and Group companies are entrusted with the responsibility of implementing and adhering to these comprehensive guidelines and local regulations. They receive support from a worldwide network of experts dedicated to this endeavour.

To ensure compliance with the requirements, OHSE audits and inspections are conducted regularly. We diligently document and thoroughly analyse accidents, incidents, their causes, and their consequences at a global level. This enables us to learn valuable lessons from these incidents. We consider hazard assessments and the resulting measures to minimize risks as crucial preventive tools.

In 2024, we regretfully had 3 fatalities and 7 work-related injuries across the company. We thoroughly investigated each incident to understand root causes and improve our safety policies and procedures. By fostering a culture that embraces transparency regarding mistakes, conducting systematic hazard assessments, implementing safety activities tailored to different divisions and sites, providing ongoing qualification measures, and promoting dialogue throughout our global network, we aim to enhance risk awareness among our employees and contractors. We also strive to share examples of best practices and continuously develop our safety culture.

### Managing Occupational Health and Safety

In line with our OHSE management procedures, all health and safety incidents resulting in employee injury are thoroughly investigated. For serious injuries resulting in lost time or fatalities, senior management conducts investigations to determine corrective and preventive actions. In response to recent incidents, we have instituted new procedures for hazard identification and risk management tailored to local contexts across all sites. Ongoing training and open communication empower our staff to proactively address safety risks. We foster a culture of collective responsibility, where every employee watches out for their team.

### Hazard Identification, Risk Assessment, and (HIRA)

The Group uses HIRA to evaluate any situation that may have the potential to cause harm. Our OHSE Policy requires that management identify, assess, and control hazards to achieve zero harm. To ensure uniform hazard identification and risk assessment, procedures are documented and made available to all the relevant personnel. The HIRA process identifies and classifies OHSE risks into low, medium, or high to enable elimination, substitution and implementing administrative controls. During the period under review, the following hazards were identified:

### Work related hazards with potential risk of high consequence of injury

Hazard	Actions taken or underway to eliminate the hazard
Manual lifting and handling	Use of mechanised equipment for lifting, training on proper lifting technique and use of lifting machinery.
Electricity usage	Fire equipment servicing, training on hazards associated with electricity, signage.
Driving	Defensive driving training, scheduled vehicle servicing, vehicle policy and procedures, and vehicle tracking system.
Energised equipment and rotating machinery	Training on hazardous energy, Personal Protective Equipment. Servicing of equipment and machinery.

### Work related hazards with potential risk of ill health

Hazard	Actions taken or underway to eliminate the hazard
Hazardous chemical handling and use	Chemical registers with MSDS, medical surveillance for chemical handlers, and training on chemical handling and use.
Noise equipment	Noise survey, providing of protective equipment earplugs.
Grain dust	Dust survey, provision of masks.
Manual lifting and handling	Use of mechanised equipment for lifting, training on proper lifting technique and use of lifting machinery.

## EMPLOYEES

### Reporting work-related hazards

The Group requires employees to report near-misses, safety and high fatality incidents. Incidences are investigated and corrective action taken. Where employees consider a working condition or environment unsafe, they are encouraged to stop work and report to their supervisors and management for the unsafe condition to be rectified.

### Incidents Investigation

The safety of our people is our foremost priority. However, in 2024 we faced the tragic loss of 3 colleagues and 7 work-related injuries. We thoroughly examined the circumstances behind each incident and are committed to learning from these events to prevent future occurrences. Though deeply painful, transparent analysis of errors allows us to improve our safety governance.

While nothing can undo the grief of loss, we honor those affected by redoubling our efforts to protect our workforce. Their memory drives us toward a goal of zero harm. By working hand-in-hand with staff and communities, we aim to continuously enhance safety practices and sustain a culture of collective care and vigilance. Our vision is a workplace of trust, where no one fears injury or worse in simply carrying out their duties. We remain committed to pursuing that vision and learning from challenges on the journey.

### Zero Agenda

A zero-incident agenda is being rolled out across the Group to raise awareness and eliminate work hazards to zero.



## DIVERSITY AND INCLUSIVITY

To us, diversity encompasses a multitude of aspects, including the recruitment of individuals from various social economic backgrounds within our Group. These individuals bring unique perspectives and skill set that contribute to the growth of our business. As an international organization, we cater for diverse customer needs, and we strive to mirror this diversity within our workforce. By recognizing and promoting the value of employee diversity, we enhance the performance and innovative capacity of our teams. This approach also fosters greater creativity, motivation, and employees' sense of belonging to the company.

We expect all employees to demonstrate inclusive behaviour. This means creating an environment where diverse attributes and individual strengths are respected and appreciated.

Diversity extends to the demographic composition of our company, which naturally differs across regions within the Group. Our objective is to establish a supportive structure that enables our personnel to sustain their employability throughout all stages of their lives, while also ensuring a continuous supply of skilled employees in the long run.

Employees age Structure Permanent and Contract Workers	Up to 25 Years	26-39 Years	40-54 Years	55 Years
Men	26	161	43	8
Women	12	48	31	2

Furthermore, we actively encourage diversity in the identification and growth of our leaders. We have established a global goal to enhance female leadership representation, with the aim of achieving a 50% proportion of women in leadership positions by 2030.

## EMPLOYEE LEARNING AND DEVELOPMENT

Employee training and development is a continuous and never-ending program at Seed Co. Through our training and education programs, we observed an increased job satisfaction and morale of employees, improved productivity by realignment of skills, while loyalty and staff tenure improved. Consequently, the Group experienced staff turnover with some employees leaving after training or taking time from daily operations. However, there are always high expectations for promotion or salary rise after training.

### Learning and Development

Learning and development play a crucial role in cultivating a robust and forward-thinking company culture. The skills and competencies of our employees are vital for driving profitable growth and long-term achievements. Therefore, we are dedicated to modernizing our learning culture and intensifying our endeavours to foster continuous, self-directed learning and knowledge sharing among our workforces.

At Seed Co Group, we firmly believe in providing development opportunities and support to all employees, without any barriers or limitations. This principle underscores our commitment to ensuring that every individual has access to growth and advancement within our organization.

We perceive development as an ongoing process that involves continuous learning, which encompasses building individual experiences and skills, pursuing further training opportunities, or exploring job transitions. Establishing a foundation of trust between employees and leaders, along with regular feedback, is pivotal for fostering employee development.

Continuous Meaningful Conversations serve as regular dialogues between leaders and employees, encompassing various topics such as feedback, self-reflection, development, performance, collaboration, and well-being. These conversations can be initiated by both leaders and employees, and their format can be tailored to individual needs, as mutually agreed upon during the annual employee dialog.

Within these discussions, employees collaborate with their leaders to define their personal learning objectives. These objectives are customized to align with the specific requirements of their roles and future needs. Learning can take place in different formats and locations, such as on-the-job learning, social learning, or formal learning, depending on the individual and workplace context at the time.

The Group's Personnel Development Policy (PDP) guides all employee training and development. All personnel training costs are 50% funded by the Group on completion of approved training programmes. The Group provides skills development, and the cost is always perceived as an investment.

To ensure training does not disrupt daily work, Seed Co resorted to online training. Training activities are segmented by each department to prevent disruption of operations. More so, the Group ensured costs are properly budgeted for, correct on boarding and mentorship provided. The business provides continuous positive feedback and recognition of trained staff through career progression and advancement.

Seed Co tracks effectiveness of employee training and development through post training evaluations, staff retention indices, quality of output, customer and employee feedback, and training needs. The Group always endeavours to improve employee productivity through skills development. Seed Co targets 90% staff retention and internal growth which is measured by assessing staff turnover, productivity, and profitability.

In 2024, our employees completed 10,388 total hours of training, averaging 37 hours per employee. We utilized convenient e-learning systems to provide development opportunities while minimizing disruption to operations. We invested approximately \$3,500 in on-the-job training initiatives. These hands-on development opportunities allowed employees to build skills right within their roles. We also allocated \$36,765 towards external training programs including management development, tertiary education, and professional courses. This supported employees in gaining advanced qualifications to further their careers.

### Employee engagements and Work-life balance

At Seed Co, we recognize that an engaged, motivated workforce is key to our success. In 2024, we measured employee engagement through company-wide surveys and achieved a 75% favourable rating. We utilize feedback from these surveys to continuously improve our culture and policies.

Promoting work-life balance is also a priority. We track utilization of allocated leave days to ensure time off is taken for rest and renewal. Team building activities, employee appreciation events, and social policies like wedding/birthday gifts further boost engagement. These initiatives help create an enjoyable, supportive environment where people can thrive professionally and personally.

Our vision is a workplace where individuals are valued, empowered, and energized. By listening to employees and providing work-life supports, we aim to foster a collaborative, fulfilling culture. Engaged teams drive innovation and excellence in serving our customers. As we continue gathering feedback, we will adapt our policies to match the changing needs of our people. Our goal is maintaining an open, trusting environment where every individual can build a rewarding career.

## WE CONTRIBUTE TO THE ECONOMY

Economic performance is fundamental to Seed Co operations. The Group's economic impacts were mostly associated with employment, paying suppliers on time, dividend payment to shareholders, tax payments and raw material procurement.

### Managing Procurement Practices

We manage our economic performance through established finance and accounting procedures. Our goal is sustainable profit maximisation supported by production and sales volume targets. During the reporting period, we implemented the following initiatives:

- Constant review of prices in line with exchange rate movements and market fundamentals.
- Cost containment.
- Increase in exports to retain value.
- Bulk and advance payment of inputs to hedge against inflation.
- Budgeting and regular performance assessments.

The business seeks to achieve zero penalties from the revenue authorities by meeting all returns and payment deadlines. This is achieved by:

- Ensuring that the Group is compliant with tax obligations,
- Making sure all suppliers are tax compliant,
- Submitting all the returns on or before the due date,
- Reviewing monthly tax reconciliations,
- Claiming tax refunds on tax compliant invoices only, and
- Deducting and remitting withholding tax on all suppliers who are not tax compliant.

The business had no fines imposed on it or refunds turned down. The Group continuously monitors and reviews its tax management practices ensuring tax returns and payments are done timeously and accurately.

### Stakeholder Engagement on Tax Matters

Seed Co makes use of various processes for collecting and considering the views and concerns of stakeholders, including external stakeholders on tax issues. The Group ensures that suppliers get their withholding tax certificates on time. It also provides employees with PAYE tax tables and enlightens them on how the PAYE has been computed. In addition, the Group timeously sends VAT Returns and provides supporting documentation whenever they have been requested.



PURPOSE	2024 (US\$)	2023 (US\$)	2022 (US\$)
Corporate tax paid	3,356,803	3,749,108	3,601,473
Value Added Tax (VAT) paid	426,005	526,477	707,383
Import Duty paid	731,663	503,116	587,635
PAYE paid	2,097,524	2,469,509	2,937,404
Withholding Tax paid	976,537	1,675,552	1,052,234
Fines paid	6,034	6,819	9,233
<b>Grand Total</b>	<b>7,594,566</b>	<b>8,930,581</b>	<b>8,895,362</b>
Total taxes to revenue%	6%	9%	10%

Data: Kenya, Malawi, South Africa, Botswana, Nigeria, Botswana, Mozambique, Tanzania and Zambia.



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## WE SOURCE RESPONSIBLY

As an international organization, we have a responsibility to manage our supply chains carefully. We connect with our suppliers to source raw materials responsibly. Our partnerships with suppliers are based on mutual value creation, as well as a reliable supply of raw materials, technical goods and services at competitive prices.

### Managing Procurement Practices

Our procurement departments ensure a reliable supply of raw materials, energy, technical goods and services to the Group. Alongside economic and qualitative criteria, we also take environmental, social and ethical aspects into account in cooperating with our suppliers. Our sustainability-oriented supply chain management is an integral part of our risk management. We have defined our standards in our procurement policy and procedure manual. We are continually refining and optimizing these policies and our structures and processes in response to changing conditions and suit the applicability in different economic environment among our SBU's.

Our more than 5,000 suppliers make an important contribution to our value creation. We acquired raw materials, goods and services for our own production worth approximately \$92 million in 2024 (2023: \$80 million). Of this, around 70% was procured locally. There were no substantial changes to our supplier structure.

### What We Expect from Our Suppliers

Together with our suppliers, we want to improve sustainability in the supply chain. Consequently, we require our suppliers to comply with the applicable laws in full and to adhere to internationally recognized environmental, social and governance (ESG) standards. We also expect our suppliers to try to enforce these standards at their suppliers.

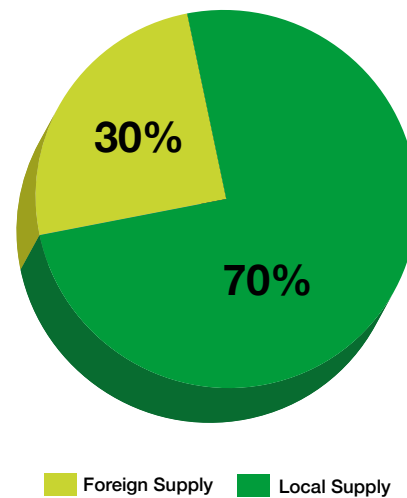
### Selection And Evaluation of Our Suppliers

New suppliers are selected, and existing suppliers are evaluated not only on the basis of economic criteria, but also ESG standards. As such, selection, evaluation and auditing are an important part of our sustainable supply chain and risk management. Processes and responsibilities are defined in our procurement policy and procedure manual. Due to the large number of suppliers, they are evaluated based on risk. We consider both country and industry-specific risks and the materiality of the supply relationship. We also use observations from our employees in procurement and information from internal and external databases.

The following actions were implemented:

- Prepayments for critical suppliers to avoid unnecessary price adjustments.
- Centralised bulk buying to avoid unnecessary procurement and enhance cost containment drives.
- Quality checks on packaging materials before procurement to avoid buying defective products.
- Inspecting samples requested from suppliers before procurement approval.

The Group carries out internal and external audits to track effectiveness of procurement systems and their related impacts. Seed Co learnt that it was economical to buy in bulk and secure inputs in advance to avoid rushed purchases which tend to be more expensive. Further, the exclusion of some traditional suppliers proved effective as new suppliers were offering competitive, reliable, and quality products. During the period under review, we engaged new suppliers of fertilisers, chemicals and packaging materials who offered competitive prices than traditional suppliers.



Data: South Africa, Botswana, Kenya, Malawi, Tanzania, Malawi, Ethiopia, Nigeria and Zambia.



## FINANCIAL REPORTS

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## FINANCIAL REPORTS

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- Notes To The Financial Statements

*SC719 is a top late maturing, pan African, well adapted and high yielding white maize hybrid (148 - 155 days to maturity)*



# REPORT OF THE DIRECTORS

## TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 24th Directors' Report of your Company along with the financial statements for the financial year ended 31 March 2024.

## 2. SHARE CAPITAL

The issued and fully paid share capital of nil par value increased during the year as follows:

Issued and fully paid at 31 March 2023	<b>393 647 814</b>
New Shares Issued	-
Add: Share options issues	-
Issued and fully paid at 31 March 2024	<b>393 747 814</b>

At 31 March 2024, a total of 25,901,659 (2023: 25,901,659) shares were committed to the share option scheme as shown below:

Already committed to unexercised options	8 399 633
Set aside for future options	17 502 026
<b>Commitments to issues shares in the future</b>	<b>25 901 659</b>
Exercised to date	2 121 700
<b>Total shares committed to the share option scheme</b>	<b>28 023 359</b>

At 31 March 2024 options for a total of 8,399,634 (2023: 6,739,789) had not been exercised or forfeited and the movement in the share options is as shown below:

<b>Granted but unexercised options at 1 April 2023</b>	<b>6 739 789</b>
New Options granted during the year	2 525 386
Options exercised	-
Options forfeited	(865 542)
<b>Unexercised options at 31 March 2024</b>	<b>8 399 634</b>

## 3. ACCOUNTING POLICIES:

The consolidated financial statements have been prepared both in accordance with International Financial Reporting Standards (IFRS) and in compliance with provisions of the Companies Act (Chapter 42:01) and the relevant regulations there-under.

## 4. THE GROUP'S FULL YEAR RESULTS:

During the year under review, your Company recorded a consolidated turnover of \$118m which was higher than prior year's \$103.5m turnover and a profit of \$4.9m compared with prior year profit of \$2.9m.

For further information, kindly refer to Chief Executive's review of operations, forming part of this Annual Report.

## 5. NUMBER OF MEETINGS OF THE BOARD

The Board met four times in financial year as illustrated in the Governance statement that forms part of this Annual Report.

# REPORT OF THE DIRECTORS

## 6. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that:

(i). In the preparation of the financial statements for year ended 31 March 2024, the applicable accounting standards have been followed along with proper explanation relating to any material departures;(ii).The Directors have selected accounting policies as detailed in Note 2 to the financial statements in this Annual Report and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the Company's state of affairs at 31 March 2024 and of the profit of the Group for that period.

(iii).The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Botswana Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv).The Directors have prepared the financial statements for the year ended 31 March 2024 on a 'going concern' basis.

(v).The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating efficiently.

(vi).The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

## 7. DIRECTORS DECLARATIONS AND CONFLICT OF INTEREST

The Directors of the Company submitted the written declaration of independence and conflict of interests as required by the Botswana Companies Act at every meeting.

## 8. DIVIDEND

The Board resolved to declare a dividend of 0.31 US cents a share.

## 9. PARTICULARS OF LOANS GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees and Investments are given in the notes to the Financial Statements.

## 10. COMMITMENTS FOR CAPITAL EXPENDITURE

Group capital expenditure for the year to 31 March 2024 totalled \$5 802 852 (2023: \$4 161 362). Capital expenditure for the year to 31 March 2025 is planned at \$9 916 079 (2024: \$10 517 925).

## 11. BUSINESS RISK MANAGEMENT

The Group takes a proactive approach to risk management. The Board has considered the continued impact of conflicts in Eastern Europe and the Middle East on the business and took appropriate mitigation measures as shown on page 32 of the Annual Report. This is in addition to the major risks that the Board constantly manages on page 34 that may materially affect our business, financial condition, or results of our operations.

The Audit and Risk Board Committee is mandated to have oversight of all the risks facing the Group and its terms of reference on Risk management are:

(a)To lay down a framework for identification, measurement, analysis, evaluation, prioritization, mitigation reporting of various risks in line with the Risk Management Policy of the Company.

(b)To review the strategies, policies, frameworks, models, and procedures that lead to the identification, measurement, reporting and mitigation of various risks.

(c)To implement risk mitigation plans in the interest of the Company

(d)To help the Board define the risk appetite of the organization and to ensure that the risk is not higher than the risk appetite determined by the Board.

(e)To safeguard Company's properties, interests, and interest of all stakeholders.

# REPORT OF THE DIRECTORS

- (e) To safeguard Company's properties, interests, and interest of all stakeholders.
- (f) To evolve the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects, which the business and operations of the Company are exposed to.
- (g) To optimize a balance between the cost of managing risk and the anticipated benefits.
- (h) To monitor the effectiveness of risk management functions throughout the organization. Ensure that infrastructure, resources, and systems are in place for risk management and are adequate to maintain a satisfactory level of risk management discipline.
- (i) To create awareness among the employees to assess risks on a continuous basis and to ensure that risk awareness culture is pervasive throughout the organization.
- (j) To review issues raised by Internal Audit that impact the risk management framework.
- (k) To review and approve risk disclosure statements.
- (l) The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.
- (m) The business risk framework defines the risk identification and its management approach across the enterprise at various levels including documentation and reporting. The framework helps in identifying risks trend, exposure, and potential impact analysis on a Company's business.

## 12. CORPORATE SOCIAL RESPONSIBILITY

The Group has a Corporate Social Responsibility (CSR) Policy to guide all the CSR activities across all the Group's operations.

## 13. ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD

As detailed in the Governance Statement in this Annual Report, the Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure and composition, effectiveness of Board processes, information and functioning.

Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of the role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members.

Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The performance evaluation was carried out by the entire Board.

## 14. SUBSIDIARY COMPANIES

The performance of the various subsidiaries of the Group is detailed in the CEO's review of operations and that of the key geographical segments are included in note 27.3 of the annual report.

## 15. INTERNAL CONTROL SYSTEM

The Company has an internal financial control system commensurate with the size and scale of its operations and the same has been operating effectively. The Internal Audit Function evaluates the efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

# REPORT OF THE DIRECTORS

## 16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The details of key management that govern the various operations of the Group are detailed on page 23 of this Annual Report.

## 17. GROUP SECRETARY EVALUATION

Following annual Board performance evaluations for the reporting period, the Board was satisfied with the performance of the Group Secretary [Tineyi Chatiza (FCCA, AIBZ, BBS (Hons))]. The Board is satisfied with the appropriateness of the Group Secretary's expertise, experience, independence, and the existence of no conflict of interests for an arm's length relationship between the Board and the Group Company Secretary. The Board further assessed the competence and expertise of the incoming Group Secretary and is satisfied that he has the appropriate qualifications, experience, and competence to carry out the duties on behalf of a public company. The Group Secretary is not a director of the Company and is deemed by the Board to be suitably independent.

## 18. GROUP FINANCE DIRECTOR EVALUATION

The Audit Committee is mandated to evaluate annually the performance of the Group Finance Director. Following interim and final performance evaluations during the reporting period, conducted within the framework of the Seed Co Group Senior Executive Performance Evaluation model in conjunction with the Remuneration Committee, the Audit Committee was satisfied with the Group Finance Director's performance as well as the appropriateness of the Finance Director's expertise and experience.

## 19. AUDITORS

Shareholders will be asked to re-appoint Ernst & Young, Chartered Accountants (Botswana) as auditors for the financial year ended 31 March 2025.

## 20. DIRECTORATE CHANGES

- i. David Long retired as a Director and Chairman on 20 September 2023 and Pearson Gowero was elected Chairman on 28 September 2023
- ii. Patrick Spadin concluded his role as Non-Executive Director on 8 September 2023 to pursue other mandates within the Limagrain Group.
- iii. Messrs' Kenias Mafukidze, Anthony Carvalho and Maxen P. Karombo were appointed on the Board on 21 September 2023.

## 21. DIRECTORS FEES

Members will be asked to approve the payment of directors' fees in respect of the year ended 31 March 2024 amounting to US\$301,628 (2023: US\$291,101)

For and on behalf of the Board of Directors,

E. M. Kalaote



Company Secretary

# DIRECTORS' STATEMENT OF RESPONSIBILITY AND APPROVAL OF THE FINANCIAL STATEMENTS

## Statement of responsibility

The Board of Directors ("the Board" or "the Directors") of Seed Co International Limited ("the Company") is responsible for the preparation and fair presentation of the consolidated and separate financial statements of the Company and its subsidiaries ("the Group") in accordance with IFRSs. This responsibility includes the maintenance of true and fair financial records.

The Directors are also responsible for such internal controls as they determine are necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. This responsibility includes the design, implementation, maintenance and monitoring of these systems of internal controls. The Group and the Company maintain such systems which are designed to provide reasonable assurance that the records accurately reflect its transactions and provide protection against serious misuse or loss of the Group's and the Company's assets. Nothing has come to the attention of the Directors to indicate any significant breakdown in the functioning of these systems during the period under review.

The preparation of the financial statements and the process thereto was done under the supervision of Mr. J Matorofa (BICA member no 20180169) and under the guidance of the Directors of the Company, who are vested with the governance and responsibility for these financial statements as is provided for in terms of the common law, Companies Act [Chapter 42:01] and other legislative and regulatory requirements. In preparing the consolidated and separate financial statements, the management is responsible for assessing the Group's 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 they either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so. Having performed such assessment, the management believes that the Group and/or the Company has adequate resources in place to continue in operation for at least up to the end of the next financial year.

The Directors are responsible for overseeing the Group's and Company's financial reporting process.

The consolidated and separate financial statements have been audited by an independent audit firm who reports to the members of the Company, was given unrestricted access to all financial records and related data including minutes of meetings of the Directors and members. The Board believes that all representations made to the independent auditors during their audit were valid and appropriate.

## Approval of Group and Company financial statements

Against this background, the Board of Directors accepts responsibility for the Group and Company financial statements on pages 67 to 134, which were approved by the Board, signed on its behalf by the signatories below and simultaneously authorized for issue on 27 June 2024 under a specific authority of the Board.



P. Gowero  
Chairman



M. Nzwere  
Chief Executive Officer

The consolidated financial statements were prepared under the supervision of Mr. J Matorofa (BICA member no 20180169)



J Matorofa  
Chief Finance Officer  
27 June 2024





Firm of Chartered Accountants  
2<sup>nd</sup> Floor  
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P O Box 41015  
Gaborone, Botswana

Tel: +267 397 4078/ 365 4000  
Fax: +267 397 4079  
Email: eybotswana@za.ey.com  
Partnership registered in Botswana  
Registration No: 10829  
VAT No: P03625401112  
www.ey.com

## 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 ('the Company') and its subsidiaries ('the Group'), set out on pages 80 to 140, which comprise the consolidated and separate statements of financial position as at 31 March 2024, and the consolidated and separate income statements, consolidated and separate 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 the notes to the consolidated and separate financial statements, including material accounting policy information.

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 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Botswana. We have fulfilled our ethical responsibilities in accordance with the IESBA Code, and in accordance with the 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.

Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="204 398 810 461"><i>Credit impairment of trade receivables (Consolidated financial statements)</i></p> <p data-bbox="204 497 810 649">As at 31 March 2024, the Group recognised gross trade receivables of USD31.42 million (2023: USD41.83 million) and a related expected credit loss (ECL) allowance of USD6.46 million (2023: USD6.052 million).</p> <p data-bbox="204 685 810 904">The estimation of credit losses is inherently uncertain and is subject to significant judgements and estimates. Furthermore, models used to determine the ECL allowance for trade receivables as required by IFRS 9 - <i>Financial Instruments</i> include inputs and assumptions that are not fully observable.</p> <p data-bbox="204 940 810 1097">Judgment is involved in determining the appropriate models to calculate the Group's ECL allowance (the Group applies different ECL models which are adjusted within the geographical areas in which it operates).</p> <p data-bbox="204 1133 810 1509">Significant estimates are also applied in adjustments to model inputs to recognise changes in macro-economic fundamentals across the multiple African regions in which the Group operates. These macro-economic factors are adjusted to consider ongoing volatility in geographical sectors in which the Group operates driven by changes in economic and operating environments, regulatory changes, changes in inflation and exchanges rates, droughts, flooding and other factors which may impact the recoverability of trade receivables.</p> <p data-bbox="204 1545 810 1671">This necessitated the involvement of our internal experts, robust discussions with management and an increased focus on inputs into and forward-looking information applied to the models.</p> <p data-bbox="204 1706 810 1989">Given the combination of inherent subjectivity in the preparation of the expected credit loss models, and the judgement and estimates involved in determining the inputs into the models, we considered the calculation of the expected credit loss allowance in accordance with IFRS 9 - <i>Financial Instruments</i>, as applicable to trade receivables to be a key audit matter in our audit of the consolidated financial statements.</p>	<p data-bbox="842 398 1343 430">Our procedures included amongst others:</p> <ul data-bbox="842 506 1433 1850" style="list-style-type: none"> <li data-bbox="842 506 1433 725">• We obtained an understanding of management's process over credit origination, monitoring and remediation, and evaluated the design and the operating effectiveness of key controls over the process of credit assessment, classification and impairment assessments.</li> <li data-bbox="842 739 1433 896">• With the assistance of our internal experts, we assessed the appropriateness of the ECL models and methodologies against generally accepted industry principles and the requirements of IFRS 9.</li> <li data-bbox="842 909 1433 1169">• We assessed the reasonableness of the assumptions and inputs applied in the Group's ECL models by comparing these to the Group's historical experience, assumptions and inputs applied by similar entities operating in the same industry and geographical areas as the Group and subsequent to reporting date results.</li> <li data-bbox="842 1182 1433 1442">• We evaluated the appropriateness of forward-looking information developed by management for each jurisdiction by comparing it against the Group's historical experience and considering other macroeconomic factors in the various jurisdictions which we have benchmarked against external evidence.</li> <li data-bbox="842 1456 1433 1612">• To evaluate the data quality, we compared the ECL model inputs to source system reports including testing, on a sample basis, that payments received from customers were accurately allocated to the related invoices.</li> <li data-bbox="842 1626 1433 1850">• With assistance from our IFRS experts, we assessed the adequacy of the disclosures related to the Group's ECL allowance and impairment expenses against the requirements of IFRS 9 - <i>Financial Instruments</i>, in the consolidated and separate financial statements.</li> </ul>

<p>The disclosures associated with respect to the application of IFRS 9 in determining the allowance for expected credit losses are disclosed in:</p> <ul style="list-style-type: none"> <li>• Note 2 “Accounting policies”</li> <li>• Note 4 “Significant accounting judgements, estimates and assumptions”</li> <li>• Note 16 “Trade and other receivables”</li> <li>• Note 28 “Financial Instruments”</li> </ul>	
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*Other Information*

The directors are responsible for the other information. The other information comprises the other information included in the 84-page document titled “Seed Co International Limited Consolidated and Separate Financial Statements 31 March 2024” which includes the Directors' Statement of Responsibility and Approval of the Financial Statements, the Company Information and 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 and 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 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, 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 and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 and/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 on 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 or 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, actions taken to eliminate threats or safeguards applied.

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.

A handwritten signature in black ink that reads 'Ernst + Young' in a cursive, script font.

Ernst & Young  
Firm of Certified Auditors  
Practising member: Francois J Roos (CAP 0013 2024)

Gaborone

28 June 2024

## Company Information

### Business

The Company is registered under the Income Tax Act of Botswana as an International Finance Services Centre Company (IFSC Tax Certificate No: 03 w.e.f. 13 July 2000) to conduct the following activities:

- (a) The control of the Seed Co group's inter-territorial seed trading activities
- (b) The provision of a central treasury service for the Seed Co group's business activities
- (c) The operation of a holding company function for Seed Co group's business activities

### Directors

F. Azanza	A. G. Barron	R. C. D. Chitengu	R. de Wet
R. Fournier	A. Carvalho	C. Kabaghe	P. Gowero (Non-Executive Chairman)
J. Matorofa* (Chief Financial Officer)	K. Moswela	K. Mafukidze	M. Nzwere* (Chief Executive Officer)
F. Savin	M. Karombo		

Executive\*

NB: Mr. P. Spadin resigned from the board on 8 September 2023 and Mr D.E.B Long retired from the Board on 20 September 2023. Messrs. A. Carvalho, M. Karombo, and K. Mafukidze were appointed Board Members on 21 September 2023.

### Company Secretary

E. M. Kalaote

### Group Secretary

T. Chatiza

### Registered Office and Principal Place of Business

Plot 70713, Phakalane Industrial, Gaborone, Botswana

### Incorporation details

Incorporated in the Republic of Botswana as a limited company under the Companies Act (Cap 42:01)

Company UIN - BW00002529282

Date of registration - 13 December 2000

### Independent external auditors

Ernst and Young  
Plot 22 Khama Crescent  
2nd Floor  
Gaborone  
Botswana

### Bankers

Stanbic Bank Botswana  
ABSA Bank Botswana

### Transfer Secretaries

Botswana	Zimbabwe
CSDB	Corpserve Registrars
4th Floor, Fairscape Precinct	2nd Floor, ZB Centre
Plot 70667	Harare
Gaborone	Zimbabwe
Botswana	

# Directors' Report

**Dividends**

A dividend of 0.31 US cents per share was declared by the Board on 27 June 2024 out of the distributable reserves from the financial year ended 31 March 2024 (2023: 0.25 US Cents).

**Stated capital**

There were no changes to the issued share capital as reflected in the Statement of Changes in Equity and in Note 19.3

**Going concern**

The consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern.

This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

**Events after the reporting date**

Events after the reporting date have been disclosed in Note 31 to the consolidated and separate financial statements.



**T. Chatiza**  
Group Secretary

## Income Statements

For the year ended 31 March 2024

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>Revenue from contracts with customers</b>	<b>5</b>	<b>118,032,528</b>	<b>103,525,681</b>	<b>4,026,256</b>	<b>3,977,097</b>
Cost of sales	14.2	(62,856,418)	(57,516,428)	-	-
<b>Gross profit</b>		<b>55,176,110</b>	<b>46,009,253</b>	<b>4,026,256</b>	<b>3,977,097</b>
Other (loss)/income	6.1	(552,865)	(2,544,325)	2,669,314	5,174,988
<b>Operating expenses</b>	<b>6.2</b>	<b>(38,628,969)</b>	<b>(32,855,661)</b>	<b>(7,919,473)</b>	<b>(8,994,197)</b>
Sales and marketing costs		(8,812,719)	(9,717,019)	(159,601)	(99,071)
General and administrative costs		(21,050,709)	(17,994,731)	(6,473,085)	(5,776,283)
Research costs		(4,735,360)	(3,132,496)	(1,224,386)	(2,926,786)
Expected credit losses	16.3	(4,030,181)	(2,011,415)	(62,401)	(192,057)
<b>Operating profit</b>		<b>15,994,276</b>	<b>10,609,267</b>	<b>(1,223,903)</b>	<b>157,888</b>
Finance income	6.3	561,478	449,923	572,460	682,339
Finance costs	6.4	(5,737,004)	(4,255,691)	(1,821,085)	(1,754,879)
Share of loss from associate and joint ventures	13.2	(1,445,698)	(1,095,417)	-	-
Impairment loss in associate and joint ventures*	13.2	-	-	(1,819,791)	(742,858)
<b>Profit/(Loss) before tax</b>		<b>9,373,052</b>	<b>5,708,082</b>	<b>(4,292,319)</b>	<b>(1,657,510)</b>
Income tax expense	7.1	(4,437,020)	(2,796,561)	-	-
<b>Profit/(Loss) for the year</b>		<b>4,936,032</b>	<b>2,911,521</b>	<b>(4,292,319)</b>	<b>(1,657,510)</b>
Attributable to:					
Equity holders of the parent		4,872,423	2,881,938	(4,292,319)	(1,657,510)
Non-controlling interests	21.2	63,609	29,583	-	-
		<b>4,936,032</b>	<b>2,911,521</b>	<b>(4,292,319)</b>	<b>(1,657,510)</b>
<b>Earnings per share - cents</b>	<b>8.1</b>				
Basic, profit for the year attributable to equity holders of the parent		1.24	0.73		
Diluted, profit for the year attributable to equity holders of the parent		1.24	0.73		

\*In the prior year, the share of impairment loss in associate and joint ventures was presented together with Share of losses from associate and joint ventures as Share of loss/impairment from associate and joint ventures. This was reclassified in the current year in order to present the amount share of loss from associate and joint ventures separately as required per IAS 1: Presentation of Financial statements with the comparatives reclassified accordingly.

## Statements of Comprehensive Income

For the year ended 31 March 2024

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>Profit/(Loss) for the year</b>		4,936,032	2,911,521	(4,292,319)	(1,657,510)
<b>Other comprehensive income/(loss)</b>					
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Exchange differences on translation of foreign operations		(16,461,640)	(11,796,264)	-	-
Share of other comprehensive (loss)/income of associate and joint ventures	13.1	(525,047)	(1,534,398)	-	-
<b>Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods</b>		<b>(16,986,687)</b>	<b>(13,330,662)</b>	<b>-</b>	<b>-</b>
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>					
Revaluation of property, plant and equipment	9.1	8,592,673	211,335	-	-
Deferred tax on revaluation of property, plant and equipment	7.4	(1,799,280)	117,927	-	-
<b>Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods</b>		<b>6,793,208</b>	<b>329,262</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive loss for the year, net of tax</b>		<b>(10,193,473)</b>	<b>(13,001,400)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(5,257,441)</b>	<b>(10,089,879)</b>	<b>(4,292,319)</b>	<b>(1,657,510)</b>
<b>Attributable to:</b>					
Equity holders of the parent		(4,563,809)	(10,283,517)	(4,292,319)	(1,657,510)
Non-controlling interests	21.4	(693,632)	193,638	-	-
		<b>(5,257,441)</b>	<b>(10,089,879)</b>	<b>(4,292,319)</b>	<b>(1,657,510)</b>

## Statements of Financial Position

### As at 31 March 2024

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment (PPE)	9.3	40,471,317	38,831,844	236,535	242,091
Intangible assets	10.3	4,256,000	4,522,000	4,256,000	4,522,000
Right-of-use assets	11.1	690,066	1,500,080	-	-
Investments in subsidiaries	12.1	-	-	36,636,258	33,032,158
Investment in associate and joint ventures	13.1	2,154,946	4,125,875	3,685,300	5,505,091
Amounts due from group entities	17.1	2,277,477	2,341,265	7,530,720	999,600
Deferred tax asset	7.5	1,060,129	667,002	-	-
		<b>50,909,935</b>	<b>51,988,066</b>	<b>52,344,813</b>	<b>44,300,940</b>
<b>Current assets</b>					
Inventories	14.1	21,729,129	28,578,243	-	-
Biological assets	15.1	4,395,282	4,594,520	-	-
Trade and other receivables	16.1	38,037,126	48,833,276	1,334,734	1,052,745
Amounts due from group entities	17.1	3,625,483	2,982,502	7,853,860	22,345,645
Current tax asset		1,420,458	715,364	-	-
Cash and cash equivalents	18.1	22,819,626	19,196,798	1,680,768	379,362
		<b>92,027,104</b>	<b>104,900,703</b>	<b>10,869,362</b>	<b>23,777,752</b>
<b>Total assets</b>		<b>142,937,039</b>	<b>156,888,769</b>	<b>63,214,175</b>	<b>68,078,692</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Stated capital	19.3	39,506,439	39,506,439	39,506,439	39,506,439
Share based payments reserve	20.1	702,895	641,289	702,895	641,289
Asset revaluation reserve		26,480,511	19,960,648	90,699	90,699
Foreign currency translation reserve		(83,626,516)	(67,397,263)	-	-
Retained earnings		96,464,973	92,303,512	(4,933,039)	343,400
<b>Equity attributable to equity holders of the parent</b>		<b>79,528,302</b>	<b>85,014,625</b>	<b>35,366,994</b>	<b>40,581,827</b>
Non-controlling interests	21.3	583,783	1,287,480	-	-
		<b>80,112,085</b>	<b>86,302,105</b>	<b>35,366,994</b>	<b>40,581,827</b>
<b>Non-current liabilities</b>					
Long-term loans and borrowings	22.1	6,818,182	9,090,909	-	-
Long term lease liabilities	11.2	341,947	788,152	-	-
Trade and other payables	23.1	302,978	-	-	-
Amounts due to group entities	24.1	805,656	-	-	-
Deferred tax liability	7.4	2,590,789	1,915,119	15,559	15,559
		<b>10,859,552</b>	<b>11,794,180</b>	<b>15,559</b>	<b>15,559</b>
<b>Current liabilities</b>					
Short-term loans and borrowings	22.1	29,679,846	37,069,282	20,962,713	17,991,852
Short term lease liabilities	11.2	308,537	355,848	-	-
Trade and other payables	23.1	7,157,832	9,909,360	1,773,026	4,083,738
Amounts due to group entities	24.1	9,160,891	9,983,676	4,592,870	4,979,946
Employee benefits	25.1	4,267,398	1,189,504	503,013	425,770
Income tax payable		1,390,898	284,814	-	-
		<b>51,965,402</b>	<b>58,792,484</b>	<b>27,831,622</b>	<b>27,481,306</b>
<b>Total liabilities</b>		<b>62,824,954</b>	<b>70,586,664</b>	<b>27,847,181</b>	<b>27,496,865</b>
<b>Total equity and liabilities</b>		<b>142,937,039</b>	<b>156,888,769</b>	<b>63,214,175</b>	<b>68,078,692</b>

## Statement of Changes in Equity

For the year ended 31 March 2024

Note	Stated capital US\$	Share based payments reserve US\$	Asset revaluation reserve US\$	Foreign currency translation reserve (FCTR) US\$	Retained earnings US\$	Attributable to equity holders of the parent US\$	Non-controlling interests US\$	Total equity US\$
<b>As at 1 April 2022</b>	<b>39,506,439</b>	<b>506,121</b>	<b>19,868,745</b>	<b>(53,905,840)</b>	<b>89,182,974</b>	<b>95,158,439</b>	<b>959,156</b>	<b>96,117,595</b>
Profit for the year	-	-	-	-	2,881,939	2,881,939	29,582	2,911,521
Other comprehensive income/(loss)	-	-	325,970	(13,491,423)	-	(13,165,453)	164,054	(13,001,400)
Total comprehensive income/(loss)	-	-	325,970	(13,491,423)	2,881,939	(10,283,514)	193,635	(10,089,879)
Equity contribution by minorities in a subsidiary	-	-	-	-	-	-	158,000	158,000
Share based payments 20.2	-	135,168	-	-	-	135,168	-	135,168
Realisation of revaluation reserve	-	-	(234,067)	-	234,067	-	-	-
Reversal of prior year depreciation on revaluation	-	-	-	-	4,532	4,532	-	4,532
Dividend paid	-	-	-	-	-	-	(23,311)	(23,311)
<b>As at 31 March 2023</b>	<b>39,506,439</b>	<b>641,289</b>	<b>19,960,648</b>	<b>(67,397,263)</b>	<b>92,303,512</b>	<b>85,014,625</b>	<b>1,287,480</b>	<b>86,302,105</b>
Profit for the year	-	-	-	-	4,872,423	4,872,423	63,609	4,936,032
Other comprehensive income/(loss)	-	-	6,793,023	(16,229,254)	-	(9,436,231)	(757,242)	(10,193,473)
Total comprehensive income/(loss)	-	-	6,793,023	(16,229,254)	4,872,423	(4,563,808)	(693,633)	(5,257,441)
Share based payments 20.2	-	61,606	-	-	-	61,606	-	61,606
Realisation of revaluation reserve	-	-	(273,160)	-	273,160	-	-	-
Dividend paid	-	-	-	-	(984,122)	(984,120)	(10,064)	(994,184)
<b>As at 31 March 2024</b>	<b>39,506,439</b>	<b>702,895</b>	<b>26,480,511</b>	<b>(83,626,516)</b>	<b>96,464,973</b>	<b>79,528,302</b>	<b>583,783</b>	<b>80,112,085</b>

## Statement of Changes in Equity

### For the year ended 31 march 2024

COMPANY	Note	Stated capital	Share based payments reserve	Asset revaluation reserve	(FCTR)	Retained earnings	Total equity
<b>As at 1 April 2022</b>		<b>39,506,439</b>	<b>506,121</b>	<b>90,699</b>	-	<b>2,000,910</b>	<b>42,104,169</b>
Loss for the year		-	-	-	-	(1,657,510)	(1,657,510)
Total comprehensive loss		-	-	-	-	(1,657,510)	(1,657,510)
Share based payments	20.2	-	135,168	-	-	-	135,168
<b>As at 31 March 2023</b>		<b>39,506,439</b>	<b>641,289</b>	<b>90,699</b>	-	<b>343,400</b>	<b>40,581,827</b>
Loss for the year		-	-	-	-	(4,292,319)	(4,292,319)
Total comprehensive loss		-	-	-	-	(4,292,319)	(4,292,319)
Share based payments	20.2	-	61,606	-	-	-	61,606
Dividend paid		-	-	-	-	(984,120)	(984,120)
<b>As at 31 March 2024</b>		<b>39,506,439</b>	<b>702,895</b>	<b>90,699</b>	-	<b>(4,933,039)</b>	<b>35,366,994</b>

The prior year dividend distribution by the Company was nil.

#### Nature & purpose of reserves

##### Share based payment reserve

The share based payment reserve is used to recognise the value of equity settled share transactions provided to executive directors & senior management as part of their remuneration.

##### Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of property, plant & equipment & decreases to the extent that such decreases relates to an increase on the same asset previously recognised in equity.

##### Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

##### Retained earnings

Retained earnings relate to the cumulative profits of the Group & Company from which dividends can be distributed to shareholders.

## Statements of Cash Flows

For the year ended 31 march 2024

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>Operating activities</b>					
<b>Profit/(loss) before tax</b>		9,373,052	5,708,082	(4,292,319)	(1,657,510)
<i>Adjustments to reconcile profit/(loss) before tax to net cash flows:</i>					
Depreciation of PPE	9.2	2,614,558	2,628,349	8,882	32,303
Amortisation of intangible assets	10.2	266,000	266,000	266,000	266,000
Depreciation of right-of-use assets	11.1	295,915	327,597	-	-
Profit on disposal of PPE	6.1.1	(92,169)	(95,400)	(104,100)	-
Foreign exchange (gain)/losses*	6.1.	1,709,875	4,860,194	(68,383)	344,399
Dividend income	6.1	-	-	(3,054,869)	(2,307,812)
Expected credit losses	16.3	4,030,181	2,011,415	62,401	192,057
Share based payment expense	20.2	61,606	135,168	61,606	135,168
Finance income	6.3	(561,478)	(449,923)	(572,460)	(682,339)
Finance cost	6.4	5,737,004	4,255,691	1,821,085	1,754,879
Share of loss from associate and JVs	13.2	1,445,698	1,095,417	1,819,791	742,858
<b>Operating cash flows before working capital changes</b>		<b>24,880,242</b>	<b>20,741,533</b>	<b>(4,052,366)</b>	<b>(1,179,997)</b>
<i>Working capital changes:</i>					
Decrease/(increase) in inventories		206,326	(8,494,184)	-	-
Increase in biological assets		(524,538)	(2,827,865)	-	-
Decrease/(increase) in trade and other receivables		771,626	(11,202,751)	(122,253)	(495,701)
Decrease/(increase) in amounts owed by group entities		4,780,794	(9,892,545)	7,981,157	(22,247)
(Decrease)/increase in trade and other payables		(1,352,822)	4,367,229	(2,310,713)	2,480,313
(Decrease)/increase in amounts owed to group entities		(3,531,111)	11,496,676	(1,005,700)	(2,404,621)
Increase/(decrease) in employee benefits		1,924,187	23,494	77,242	(48,018)
Cash generated from operations		27,154,704	4,211,587	567,367	(1,670,271)
Income tax paid		(3,356,803)	(3,749,108)	-	-
<b>Net cash flows from operating activities</b>		<b>23,797,901</b>	<b>462,479</b>	<b>567,367</b>	<b>(1,670,271)</b>
<b>Investing activities</b>					
Proceeds from disposal of PPE	6.1.1	298,754	163,804	-	-
Purchase of PPE	9.1	(5,802,852)	(4,161,362)	(3,326)	(2,458)
Investments in subsidiaries	12.2	-	-	-	(237,000)
Dividends received	6.1	-	-	-	2,307,812
Interest received	6.3	561,478	449,923	572,460	682,339
<b>Net cash flows from investing activities</b>		<b>(4,942,620)</b>	<b>(3,547,635)</b>	<b>569,134</b>	<b>2,750,693</b>
<b>Financing activities</b>					
Equity contribution by minorities in a subsidiary		-	158,000	-	-
Proceeds from loans and borrowings	22.2	34,735,251	30,431,546	20,652,504	8,849,765
Repayment of loans and borrowings	22.2	(39,465,072)	(21,663,130)	(17,681,644)	(13,680,416)
Payment of lease liability - principal	11.2	(87,211)	(593,844)	-	-
Dividend paid		(994,184)	(23,311)	(984,120)	-
Interest paid	6.4	(5,737,004)	(4,255,691)	(1,821,085)	(1,754,879)
<b>Net cash flows from financing activities</b>		<b>(11,548,220)</b>	<b>4,053,570</b>	<b>165,655</b>	<b>(6,585,530)</b>
Net increase/(decrease) in cash and cash equivalents		7,307,061	968,414	1,302,156	(5,505,108)
Exchange rate changes effects on cash and cash equivalents		(3,684,233)	(1,682,663)	(750)	-
Cash and cash equivalents at beginning of year	18.1	19,196,798	19,911,047	379,362	5,884,470
<b>Cash and cash equivalents at end of year</b>	<b>18.1</b>	<b>22,819,626</b>	<b>19,196,798</b>	<b>1,680,768</b>	<b>379,362</b>

\*The comparative foreign exchange gain/loss for Group: \$4,860,194 and Company: \$344,399 has been reclassified from specific working capital changes and now presented separately as in note 6.1.

## Notes to the Consolidated and Separate Financial Statements

### For the year ended 31 March 2024

#### 1 GROUP INFORMATION

##### 1.1 The holding company

Seed Co International Limited (also referred to as "the Company" or "the Group") is primarily listed on the Botswana Stock Exchange (BSE) and secondarily listed on the Victoria Falls Stock Exchange (VFEX) and has multiple shareholders. There is no individual or entity with ultimate control over the Company.

The Group's principal activities are the processing of agricultural seed on a commercial basis.

##### 1.2 Entities with significant influence over the Group

1.2.1 Vilmorin & Cie, domiciled in France, holds 32.36% of the issued ordinary shares in the Company (2023: 32.36%) listed on the BSE.

1.2.2 Seed Co Limited, domiciled in Zimbabwe, holds 27.48% of the ordinary shares in the Company (2023: 27.48%) listed on the VFEX.

1.2.3 A shareholders' agreement exists between Vilmorin & Cie and Seed Co Limited. This agreement governs the co-shareholder relationship between the two as the major shareholders of the Company, in particular as to representation on the Board, and approval of certain material decisions by directors appointed by those shareholders.

##### 1.3 Subsidiaries

The consolidated financial statements of the Group include the results of the following investments in subsidiaries:

Name	Principal activities	Country of incorporation and principal place of business	2023	2022
			Group's % of equity interest	
SCZ International Limited (t/a Seed Co Zambia)	Field seeds trade	Zambia	99%	99%
Seed Co (Malawi) Ltd (t/a Seed Co Malawi)	Field seeds trade	Malawi	100%	100%
Seed Co Tanzania Limited (t/a Seed Co Tanzania)	Field seeds trade	Tanzania	100%	100%
Agri-Seed Co Limited (t/a Seed Co Kenya)	Field seeds trade	Kenya	100%	100%
Seed Co International Rwanda Limited (t/a Seed Co Rwanda)*	Field seeds trade	Rwanda	100%	100%
Agri-Seed Co Nigeria Limited (t/a Seed Co Nigeria)	Field seeds trade	Nigeria	60%	60%
Seed Co Enterprise (Pty) Ltd (t/a Seed Co Enterprises)	Corporate services	South Africa	100%	100%
Seed Co (Pty) Limited (t/a Seed Co Botswana)	Field seeds trade	Botswana	100%	100%
Seed Co RDC SARL (t/a Seed Co DRC)	Field seeds trade	DRC	99%	99%
Seed Co International Mozambique LDA (t/a Seed Co Mozambique)	Field seeds trade	Mozambique	100%	100%
Bumper Harvest Seed Farm PLC (t/a Seed Co Ethiopia)	Field seeds trade	Ethiopia	100%	100%
Pty Co Angola - Producao de Sementes (SU) S.A. (t/a Seed Co Angola)	Field seeds trade	Angola	100%	100%

The subsidiary in Rwanda is dormant.

1.3.1 The remaining minority shareholding in Seed Co Zambia is held by Seed Co Limited domiciled in Zimbabwe.

1.3.2 The remaining minority shareholding in Agri-Seed Co Nigeria is held by SARO AgroSciences Limited domiciled in Nigeria.

1.3.3 Seed Co DRC is a wholly owned subsidiary of Seed Co Zambia and is therefore indirectly controlled by Seed Co International Limited.

1.3.4 Field seeds comprise maize, wheat, soybean and sorghum seeds among other crops.

##### 1.4 Associate

The consolidated financial statements of the Group include the results of the following investments in associates:

Name	Principal activities	Country of incorporation and principal place of business	2024	2023
			Group's % of equity interest	
AgriSynergy (Pty) Ltd	Investment holding	South Africa	40%	40%

1.4.1 The majority shareholding in AgriSynergy is held by Vilmorin Nederland Holdings B.V. (VNH) domiciled in the Netherlands. The AgriSynergy Board of Directors consists of five (5) directors; two (2) representing the Group and three (3) representing VNH.

1.4.2 AgriSynergy owns a controlling 51% in Limagrains Zaad South Africa (Pty) Ltd t/a LGZSA, a company domiciled in South Africa specialising in the research and production of field seeds for commercial purposes. The remaining 49% shareholding in LGZSA is owned by Klein Karoo Saad Bemarking (Pty) Ltd t/a KKSB domiciled in South Africa. The LGZSA Board of Directors consists of five (5) directors; one (1) representing the Group, two (2) representing KKSB two (2) representing VNH and one (1) executive.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 1.5 Joint ventures

The consolidated financial statements of the Group include the results of the following joint arrangements in which the Group is a joint venturer:

			2024	2023
Name	Principal activities	Country of incorporation and principal place of business	Group's % of equity interest	
Seed Co West & Central Africa Limited (SCWCA)	Field seeds trade	Ghana	50%	50%
Prime Seed Co International Limited (PSCIL)	Investment holding	Botswana	51%	51%
PSCIL's subsidiaries are:			PSCIL's equity interest	
Prime Seed Co Zambia	Vegetable seed trade	Zambia	100%	100%
Prime Seed Co Malawi	Vegetable seed trade	Malawi	100%	100%
Prime Seed Co Tanzania	Vegetable seed trade	Tanzania	100%	100%
Prime Seed Co Kenya	Vegetable seed trade	Kenya	100%	100%
Prime Seed Co Mozambique	Vegetable seed trade	Mozambique	100%	100%
Alliance Seeds	Vegetable seed trade	South Africa	80%	80%

1.5.1 The Group's joint venture partner holding the remaining 50% shareholding in SCWCA is VNH. The SCWCA Board of Directors consists of five (5) directors, two (2) representing the Group, two (2) representing VNH and one (1) independent director.

1.5.2 The Group's joint venture partner holding the remaining 49% shareholding in PSCIL is VNH. VNH's shareholding is on behalf of H.M. Clause, a vegetable seed company domiciled in France. The Prime Seed Co International Board of Directors consists of six (6) directors, three (3) representing the Group and three (3) representing H.M. Clause.

### 1.6 Related parties

Related parties comprise the following entities and persons:

#### 1.6.1 Related entities

Name	Nature of relationship	Country of incorporation and principal place of business
Vilmorin & Cie	Shareholder with significant influence	France
Seed Co Limited	Shareholder with significant influence	Zimbabwe
SARO	Co-shareholder in a subsidiary	Nigeria
Vilmorin Nederland Holdings	Joint venture partner	Netherlands
HM Clause	Joint venture partner	France
All the subsidiaries as mentioned in Note 1.3	Subsidiaries	Zambia, Malawi, Tanzania, Kenya, Botswana, Rwanda, Nigeria, DRC, Mozambique, Ethiopia, Angola
Nigeria, DRC, Mozambique, Ethiopia, Angola	Vegetable seed trade	Kenya
AgriSynergy	Associate	South Africa
Limagrain Zaad South Africa	Associate's subsidiary	South Africa
Seed Co West & Central Africa	Joint venture	Ghana
Prime Seed Co International and its subsidiaries as mentioned in Note 1.5	Joint venture	Botswana, Zambia, Malawi, Tanzania, Kenya, Mozambique and South Africa
Quton Zimbabwe	Seed Co Limited's associate	Zimbabwe
Prime Seed Co Zimbabwe	Seed Co Limited's joint venture	Zimbabwe

#### 1.6.2 Related persons

Related persons consist of the Group's Directors and Senior Management staff.

1.6.3 Related parties' transactions and balances are disclosed in Note 26.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 2 ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board (IASB).

The financial statements are based on statutory records that are maintained on the historical cost convention, except for property, plant and equipment which is measured at fair value.

The consolidated and separate financial statements are presented in United States Dollars (USD) which is also the Company's functional currency.

The consolidated and separate financial statements provide comparative information in respect of the previous period.

Amounts presented in the financial statements have been rounded to the nearest USD, unless otherwise indicated.

#### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

#### 2.3 Materiality assessment

In determining the accounting policies to disclose in these financial statements, the Group and company made an assessment of whether the primary users of the financial statements needed the information to understand the material transactions, events or conditions in the financial statements. It is the Group and company's view that any such information is material. The assessment involved the use of judgement, and a consideration was done to both qualitative and quantitative factors.

In assessing whether information is qualitatively material, the Group and company evaluated if that information is more likely to influence the decisions of the primary users of the entity's financial statements.

#### 2.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

### 2.5 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.6 Property, Plant and Equipment

#### Construction in progress

Construction in progress is stated at cost net of accumulated impairment losses, if any. Such cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, borrowing costs for long-term construction projects if the recognition criteria are met and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. All other repair and maintenance costs are recognised in profit or loss as incurred.

#### Motor vehicle and computers and office equipment

Motor vehicle and computers and office equipment are stated at cost less accumulated depreciation and impairment losses.

#### Land and buildings and plant and machinery

Land and buildings and plant and machinery are measured at fair value less accumulated depreciation and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency, usually within a period of five years or earlier considering material changes in market conditions in specific business units on a case by case basis, to ensure that the carrying amount of a revalued asset does not differ materially from its fair value at each reporting date.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in profit or loss except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### Depreciation

Depreciation is not provided on freehold land and capital projects under development. Depreciation on other asset classes is calculated on a straight-line basis, up to the estimated residual values, over the estimated useful lives of the assets, as follows:

Buildings	40 - 60 years
Leasehold land	50 - 99 years
Motor vehicles	5 - 7 years
Plant and machinery	5 - 10 years
Computers and office equipment	3 - 10 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### Impairment of property, plant & equipment

The impairment accounting policy for non-financial assets (Note 2.12 below) similarly applies to property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

### 2.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised, and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Costs relating to research and development of new seed products are written off as incurred since the distinction between the two is indeterminable in practice.

The Group owns breeding rights. These rights were granted for a period of 20 years under the Protocol for Protection of New Varieties of Plants (Plant Breeder's Rights) in the Southern African Development Community (SADC) Region with the option of renewal at the end of the 20-year period for another period of up to 5 years. As a result, those rights are assessed as having a finite useful life.

Asset type	Breeding rights
Useful life	Finite (20 years)
Amortisation method	Amortised on a straight line basis over the period of the rights
Internally generated or acquired	Acquired

### 2.8 Biological assets

Biological assets comprise of plants not yet harvested that are used to produce seeds.

At initial recognition, biological assets are valued at cost and subsequently measured at cost less accumulated depreciation and impairment losses since their fair value cannot be measured due to the unavailability of quoted market prices in an active market and alternative fair value measurements are unreliable.

In practice, however, biological assets are not depreciated due to their short life cycle which varies from three to nine months.

Biological assets are also subject to impairment like other non-financial assets (Note 2.12 below).

Financial risk management strategies related to Group's agricultural activities:

The Group employs the following strategies to mitigate financial risks associated with its agricultural operations, specifically the production of crop seeds both in-house and contracted production.

**Price Risk Management:** The Group faces price volatility for their products due to factors such as inflation, exchange rate movements, competition, and market trends. To manage price risk, the Group uses various strategies such as indexing prices to the United States dollar, constant price reviews, and competitive advantage of superior intellectual property.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

**Production Risk Management:** The Group is exposed to production risks such as adverse weather conditions, pests, diseases, and other unforeseen events that can affect seed crop yields.

The Group mitigates these risks through geography and crop diversification, crop rotation, climate-smart seed crop varieties developed for disease, pest, and drought as well as flooding tolerance, and implementing best agricultural practices. Diversification involves growing multiple seed crops within the same and across different geographies to spread the risk across different seeds.

**Financial Risk Hedging:** The Group's operations often require significant investments in inputs, equipment, and infrastructure. Financial risk hedging strategies, such as fixed-rate loans, forward contracts as well bulk and advance inputs procurement help to manage various financial risks.

**Foreign Exchange Risk Management:** The Group operates in multi-countries and engages in cross-border trade and therefore faces foreign exchange risks due to fluctuations in currency exchange rates. These risks can impact the profitability of export or import activities. To manage foreign exchange risk, the Group utilizes strategies such as unitary currency (USD) for cross-border transactions forward contracts or natural hedging. These approaches help to reduce the impact of currency fluctuations.

**Liquidity Risk Management:** The Group agricultural operations often involve cyclical cash flows due to the seasonal nature of production and the time lag between planting, harvesting, and selling seed crops. The Group endeavours to proactively manage liquidity risk to ensure sufficient funds are available to meet operational expenses and financial obligations during lean periods.

Liquidity risk is managed through centralised and decentralised cash flow management practices, maintaining adequate working capital and contingency reserves internally generated as well as from borrowing facilities.

### 2.9 Fair value measurement

The Group measures land and buildings as well as plant and machinery at fair value at balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in an active market for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group Finance Director determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided upon by the Group Finance Director after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and professional accreditation.

Where available, the Group Finance Director also compares the fair value changes computed by external valuers with relevant external sources to determine whether the change is reasonable.

As and when valuations are carried out, the Group Finance Director presents the valuation results to the Audit Committee and the Group's independent external auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair-value related disclosures for property, plant and equipment that are measured at fair value are summarised in Note 9.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 2.10 Foreign currency translation

The Group's consolidated financial statements are presented in USD, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date with the resulting differences arising on settlement or translation of monetary items recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

#### Group companies

On consolidation, the assets and liabilities of foreign operations are translated into USD at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates prevailing the financial period. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

### 2.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.12 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGUs is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

Further disclosures relating to impairment of non-financial assets are provided in Notes 9; 10; 12 and 13.

### 2.13 Pensions and other post-employment benefits

Retirement benefits are provided for Group employees through self-administered defined contribution funds in the respective countries. The cost of retirement benefits for the defined contribution fund is equivalent to the actual amount of the contribution for private pension funds and the legislated contributions for government pension funds. The cost of all retirement benefit contributions is expensed in profit or loss as incurred.

### 2.14 Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

## 3A CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group applied for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### 3A.1 Insurance Contracts - IFRS 17

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts; IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entity that issues them, as well as certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The Group adopted these amendments, with no material impact, that became effective for annual reporting periods beginning on or after 1 January 2023 and apply prospectively.

### 3A.2 Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The Group adopted these amendments, with no material impact, that became effective for annual reporting periods beginning on or after 1 January 2023 and apply prospectively.

### 3A.3 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

### 3A.4 Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's consolidated financial statements.

The Group adopted these amendments, with no material impact, that became effective for annual reporting periods beginning on or after 1 January 2023.

## 3B STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

### 3B.1 Amendments to IFRS 16 - Lease Liability in a Sale and leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 3B.2 Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

### 3B.3 Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

### 3B.4 Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates

Paragraphs 57A–57B and A16–A18 of the draft amendments to IAS 21 require an entity to disclose information that would enable users of its financial statements to understand how a lack of exchangeability between two currencies affects, or is expected to affect, its financial performance, financial position and cash flows. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process and risks to the company because the currency is not exchangeable. The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. The Directors anticipate adopting the amendments in the foreseeable future as these will have an impact on the Group's financial statements

### 3B.5 Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Amendment addresses a conflict between the requirements of IAS 28 'Investments in Associates and Joint Ventures' and IFRS 10 'Consolidated Financial Statements'. These amendments clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

## 4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the consolidated financial statements have been discussed below and in the individual Notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual Notes of the related financial statement line items. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### 4.1 Going concern

While the global events and conditions including conflicts in Eastern Europe and Middle East may have an impact on the entity (further disclosed in Note 32), management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. Management therefore considered the going concern basis appropriate.

### 4.2 Revaluation of property, plant and equipment

In assessing the carrying amounts of property, plant and equipment management has considered the condition of the assets and their life span on an item by item basis in determining fair values. Refer to Note 9 for more information on the estimates and assumptions used to determine the fair value and the carrying amount of property, plant and equipment.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 4.3 Share based payments

The Group measures the cost of equity-settled transactions with employees by references to the fair value of equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate inputs to the valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The value of the share options granted is determined using the Black Scholes model. Significant inputs and key assumptions used to determine fair value are further disclosed in Note 20.

### 4.4 Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile. As the Group assesses the probability for litigation and subsequent cash outflow with respect to taxes as reasonably possible but not probable, a contingent liability has been disclosed in Note 30.2.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer to Note 7 for more information on taxation.

### 4.5 Provision for expected credit losses of trade and other receivables

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward looking information. For instance, if forecast economic conditions (e.g. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 16.

### 4.6 Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases with shorter non-cancellable period (i.e. three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on operations if a replacement asset is not readily available.

The renewal periods for leases with longer non-cancellable periods (i.e. 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised.

Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 5 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group is in the business of selling seeds to retailers, farmers and government entities. Revenue from contracts with customers is recognised when control of the seeds are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those seeds. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the seeds before transferring them to the customer.

Revenue from sale of seed is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the seed. The normal credit term is 90 to 180 days from delivery.

The Group considers that there are no other promises in the contracts that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Revenue is measured at the amount of the transaction price that is allocated to the performance obligation taking into account the effects of variable consideration and the existence of significant financing component.

#### Variable consideration

##### Rights of return

Certain contracts provide a customer with a right to return the seeds within a specified period. The seed selling season is generally concluded within the financial year and returns are finalised by financial year end therefore the Group does not generally need to estimate the volume of seeds that will not be returned to predict the amount of variable consideration to which the Group will be entitled.

The requirements in IFRS 15 on constraining estimates of variable consideration are largely not applicable for the following reasons:

- Minimal impact of market volatility, legal and regulatory changes on seed returns/pricing;
- Weather conditions known by financial year end therefore most returns would have taken place by then if any;
- The Group has extensive experience with similar contracts;
- The Group does not offer a broad range of price concessions or highly varied payment terms;
- Contracts do not have a large number and broad range of possible consideration amounts; and
- The uncertainty about the consideration amount (if any though unlikely) can be resolved quickly.

There are no right of return assets and refund liabilities in the Group's and Company' financial statements.

##### Volume rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract.

Rebates are offset against amounts payable by the customer. Third party distributors/stockists who onward sell large seed volumes are paid a commission by the entity at the end of the selling season and all that is normally completed within the financial year therefore the Group does not generally need to estimate the variable consideration for the expected future rebates and does not recognise refund liabilities for the expected future rebates.

##### Revenue recognition from services

The Company provides management services to its wholly owned subsidiaries and its commonly owned affiliate, Seed Co Limited, which include strategic planning, financial analysis, and operational support from centralized shared services. Revenue from management fees is recognized over time and accrued accordingly in accordance with cost-plus management services contracts between the Company and the specified related-party entities. The Company applies the following policies for recognizing revenue from management fees:

- the control of management services is transferred over time as the customer simultaneously receives and consumes the benefits provided.
- revenue is measured based on cost-plus transfer pricing model, which represents the cost incurred by the Company plus an arm's length benchmarked mark-up, being the consideration expected to be received in exchange for the management services.

##### Significant financing component

Generally, the Group receives payments from its customers within twelve months of the date of delivery. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

However, in exceptional cases if settlement is delayed post one year, interest is negotiated with the customer and accrued on the account.

##### Contract balances

##### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

The Group and Company do not have any contract assets

##### Trade receivables

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised until the transfer of goods or performance of contracted services. Revenue is recognised against a contract liability when the Group performs under the contract.

Prepaid receipts from customers are a contract liability.

### Assets and liabilities arising from rights of return

#### Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

#### Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period per the above accounting policy on variable consideration.

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>5.1 Type of good or service</b>					
Maize seed		101,872,341	80,004,801	-	-
Soybean seed		4,752,252	12,776,343	-	-
Other seeds (includes wheat, sorghum, barley, rice, groundnuts, cowpeas and beans)		11,407,935	10,744,537	-	-
Management services	26.1.7	-	-	4,026,256	3,977,097
		<b>118,032,528</b>	<b>103,525,681</b>	<b>4,026,256</b>	<b>3,977,097</b>
<b>5.2 Geographical markets</b>					
Southern Africa		8,583,593	12,433,819	3,193,729	3,977,097
Central Africa		60,814,148	51,929,309	-	-
East Africa		47,124,548	37,979,335	832,527	-
West Africa		1,510,239	1,183,218	-	-
	27.1	<b>118,032,528</b>	<b>103,525,681</b>	<b>4,026,256</b>	<b>3,977,097</b>
<b>5.3 Timing of revenue recognition</b>					
Goods transferred at a point in time		118,032,528	103,525,681	-	-
Services transferred over time		-	-	4,026,256	3,977,097
		<b>118,032,528</b>	<b>103,525,681</b>	<b>4,026,256</b>	<b>3,977,097</b>
<b>6 INCOME AND EXPENSES</b>					
<b>6.1 Other (loss)/income</b>					
Dividends income	26.1.3	-	-	3,054,869	2,307,812
Royalty income	26.1.5	-	-	-	3,655,357
Management fees received	26.1.7	1,265,077	1,409,670	-	-
Profit on disposal of property, plant and equipment	6.1.1	92,169	95,400	104,100	-
Doubtful debts recoveries	16.3	-	6,469	-	-
Profit from fertilizer sales		9,644	639,930	-	-
Net exchange gain/(losses)		(1,709,005)	(4,860,194)	68,383	(344,399)
Guarantee income		-	392,000	-	392,000
Insurance claims compensation		1,862	-	1,862	-
Sundry expenses (includes previous year's over-accruals reversed)		(212,612)	(227,600)	(559,900)	(835,782)
		<b>(552,865)</b>	<b>(2,544,325)</b>	<b>2,669,314</b>	<b>5,174,988</b>

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 6 INCOME AND EXPENSES (CONT.)

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US
<b>6.1 Other (loss)/income (cont.)</b>					
<b>6.1.1 Profit on disposal of property, plant and equipment</b>					
Proceeds from disposal		298,753	163,804	104,100	-
Net carrying amount	9.1 & 9.2	(206,584)	(68,404)	-	-
<b>Total</b>		<b>92,169</b>	<b>95,400</b>	<b>104,100</b>	<b>-</b>
<b>6.2 Operating expenses</b>					
Included in operating expenses are:					
Employee benefits		9,580,453	10,621,319	2,796,876	2,182,142
<b>6.2.1 Short-term employee benefits</b>		8,710,096	9,939,270	2,543,281	1,988,551
<b>6.2.2 Post-employment benefits</b>		266,415	629,355	116,638	140,897
<b>6.2.3 Other long-term employee benefits</b>		136,957	52,694	136,957	52,694
<b>6.2.4 Termination benefits</b>		466,985	-	-	-
Directors' fees	26.1.11	378,078	327,933	301,628	291,101
Depreciation and amortisation	9.2; 10.2 & 11.1	3,176,473	3,221,946	274,882	298,303
Audit fees		314,529	287,654	123,567	123,887

**6.2.1** Short-term employee benefits include salaries and wages, bonuses, leave pay, medical aid contributions and allowances. Short-term employee benefits are expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, but do not include termination benefits.

**6.2.2** Post-employment benefits include contributions to defined contribution pension/retirement schemes and group life cover.

**6.2.3** Other long term employee benefits mainly relate to Share Appreciation Rights Scheme (Note 20).

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>6.3 Finance income</b>					
Interest income from cash and cash equivalents		5,242	1,278	-	-
Interest income from related parties	26.1.9	208,111	109,586	539,080	619,853
Interest income from trade and other receivables		348,124	339,059	33,380	62,486
<b>Total interest income computed using the Effective Interest Rate basis</b>		<b>561,477</b>	<b>449,923</b>	<b>572,460</b>	<b>682,339</b>
<b>6.4 Finance cost</b>					
Interest expense on borrowings		5,664,742	3,836,170	1,611,927	1,327,400
Interest expense on related party liabilities	26.1.10	-	321,600	209,158	427,479
Interest expense on trade and other payables		5,093	6,161	-	-
<b>Total interest expense computed using the Effective Interest Rate basis</b>		<b>5,669,835</b>	<b>4,163,931</b>	<b>1,821,085</b>	<b>1,754,879</b>
Interest expense on lease liabilities	11.2	67,169	91,760	-	-
<b>Total finance cost</b>		<b>5,737,004</b>	<b>4,255,691</b>	<b>1,821,085</b>	<b>1,754,879</b>

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 7 TAXATION

#### Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not on the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

IAS 12 requires disclosure of the amount of recognised deferred tax assets and liabilities in respect of each type of temporary difference. The accounting standard are unclear on what constitutes a 'type', and the Group has provided the disclosure based on the classes of assets and liabilities related to the temporary differences.

#### Value Added Tax (VAT)

Expenses and assets are recognised net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>7.1 The major components of income tax expense are:</b>					
Current income tax		5,285,099	3,710,159	-	-
Deferred tax	7.2	(848,079)	(913,598)	-	-
		<b>4,437,020</b>	<b>2,796,561</b>	-	-
<b>7.2 Deferred tax expense relates to the following:</b>					
Temporary differences	7.4 & 7.5	(848,079)	(913,598)	-	-
		<b>(848,079)</b>	<b>(913,598)</b>	-	-
<b>7.3 Reconciliation of the total tax charge:</b>					
Accounting profit/(loss) before tax		<b>9,373,052</b>	<b>5,708,082</b>	<b>(4,292,319)</b>	<b>(1,657,510)</b>
At the Company's statutory tax rate of 15% (2023: 15%)		1,405,958	856,212	(643,848)	(248,627)
Share of result from associate and joint venture		56,114	16,658	-	-
Effect of different tax rates in other countries		810,399	812,567	-	-
Adjustments in respect of current income tax of previous years		(287,859)	(201,111)	-	-
Income exempted from tax		(189,371)	(109,284)	(544,099)	(243,268)
Non-deductible expenses for tax purposes <sup>^</sup>		2,641,779	1,421,519	1,187,947	491,895
<b>At the effective income tax rate of 43% (2023: 49%)</b>		<b>4,437,020</b>	<b>2,796,561</b>	-	-

<sup>^</sup>Non-deductible Group expenses mainly arise from prior year unrealized exchange gains in Seed Co Zambia and current year unrealized exchange losses across the Group as well as other non-deductible provisions.

In the Company non-deductible expenses are mainly attributable to its losses/expenses that are unlikely to be utilised before they expire.

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>7.4 Deferred tax liability reconciliation</b>					
Balance at the beginning of the year		1,915,119	3,307,532	15,559	15,559
Revaluation (through OCI)		1,799,280	117,927	-	-
Movement due to temporary differences*	7.2	(233,516)	(842,632)	-	-
Exchange differences		(890,094)	(667,708)	-	-
<b>Balance at the end of the year</b>		<b>2,590,789</b>	<b>1,915,119</b>	<b>15,559</b>	<b>15,559</b>
<b>7.5 Deferred tax asset reconciliation</b>					
Balance at the beginning of the year		667,002	513,476	-	-
Movement due to temporary differences*	7.2	614,563	188,893	-	-
Movement due to origination of tax losses		-	2,262	-	-
Exchange differences		(221,436)	(37,629)	-	-
<b>Balance at the end of the year</b>		<b>1,060,129</b>	<b>667,002</b>	-	-

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

	Consolidated statement of financial Position		Consolidated statement of profit or loss	
	2024	2023	2024	2023
<b>7.6 Deferred tax liability make-up</b>				
Temporary difference on property, plant and equipment	3,350,021	1,429,598	1,920,423	(760,882)
Temporary difference on right of use assets	(2,553)	2,686	(5,238)	14
Temporary difference on provisions	(738,309)	282,913	(1,021,221)	(314,945)
Temporary on unrealized exchange losses	(18,370)	199,922	(218,293)	(316,600)
<b>Total</b>	<b>2,590,789</b>	<b>1,915,119</b>	<b>675,670</b>	<b>(1,392,413)</b>

	GROUP		COMPANY	
	2024	2023	2024	2023
Note	US\$	US\$	US\$	US\$
<b>7.7 Deferred tax asset make-up</b>				
Temporary difference on property, plant and equipment	(236,031)	(163,257)	(72,774)	255,290
Temporary difference on right of use assets	(105,268)	20,509	(125,777)	3,350
Temporary difference on provisions	924,795	457,952	466,843	(118,340)
Temporary on unrealized exchange movements	159,993	157,723	2,270	40,821
Temporary differences on unrealised profit in inventory	214,903	192,005	22,898	22,180
Temporary differences due to origination of tax losses	-	2,071	(2,071)	(49,774)
Temporary differences on lease liabilities	101,737	-	101,737	-
<b>Total</b>	<b>1,060,129</b>	<b>667,002</b>	<b>291,390</b>	<b>153,526</b>

### GROUP

Deferred tax assets relate to Seed Co Enterprise, Seed Co Tanzania and Agri Seed Co Kenya. Deferred tax assets have been recognized in respect of temporary differences associated with the items listed in note 7.7. All three companies have positive taxable income forecasts for the future. In addition, a deferred tax asset was recognised for unrealised profit in inventories sold between Group entities still on hand at the reporting date. The deferred tax will unwind on sale of these inventories to third parties in the next financial period.

### COMPANY

Because of the nature of the business of the Company and its status as an International Financial Services Centre (IFSC) Company, its main income which is dividend from its investments does not form part of its taxable income as per IFSC legislation in Botswana. Accordingly the Company has not made a taxable profit in the past. Management therefore ceased to account for a deferred tax asset in respect of such losses as taxable profits may not be generated over the next 5 years by when the losses expire.

### 7.8 Tax loss carry forwards

The Company has accumulated tax losses of \$4,951,218 as at 31 March 2024 that expire as follows: 31 March 2025: \$350,049; 31 March 2026: \$683,320; 31 March 2027: \$486,073; 31 March 2028: \$1,177,304; and 31 March 2029: \$2,254,472. The comparative figure for accumulated tax losses as at 31 March 2023 was \$2,969,179, expiring as follows: 31 March 2025: \$385,568; 31 March 2026: \$752,656; 31 March 2027: \$535,394; and 31 March 2028: \$1,295,561. Due to the Company's status as an International Financial Services Centre (IFSC), these losses are not expected to be utilized against taxable profits within the next 5 years. Therefore, no deferred tax asset has been recognized for these deductible temporary differences. Management will continue assessing the recoverability of recognized and unrecognized deferred tax assets at the end of each reporting period.

**7.9** The income tax paid by the Group per the statement of cash flows is made up of actual cash outflow from subsidiaries. For Group reporting purposes, this was recomputed in local currency per each subsidiary as opening tax liabilities plus tax charge for the year minus closing tax liabilities. The resulting local currency amounts were translated to the Group's reporting currency at the respective average exchange rates and added together to arrive at the Group's income tax paid per the statement of cash of flows.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 8 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

		GROUP	
		2024	2023
		US\$	US\$
Note			
<b>8.1</b>	<b>The following table reflects the income and share data used in the basic and diluted EPS computations:</b>		
	Profit attributable to ordinary equity holders of the parent for basic earnings	4,872,423	2,881,938
	Effect of dilution*	(2,391)	(1,129)
	Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	4,870,032	2,880,809
	*Prior year effect of dilution was incorrectly stated as nil instead of US\$1 129		
	Weighted average number of ordinary shares for basic earnings per share	393,647,814	393,647,814
	Equity settled share appreciation rights (SARs) with dilutive impact*	193,264	154,306
	Weighted average number of ordinary shares adjusted for the effect of dilution	393,841,078	393,802,120
	*Prior year SARs potential shares with dilutive impact incorrectly stated as nil instead of 154 306		
	NB: The prior year corrections are not material to change prior year computed EPS.		
<b>8.2</b>	Reconciliation on how the weighted average number of ordinary shares for basic earnings per share is derived is shown below:		

Note	Date	Number of shares	Number of days	Weighting
	31-Mar-22	393,647,814	365	393,647,814
19.1		-	365	-
	31-Mar-23	393,647,814	365	393,647,814
19.1		-	366	-
	31-Mar-24	393,647,814	366	393,647,814
		193,264	366	193,264
	31-Mar-24	393,841,078	366	393,841,078

8.3 There were no new share issues this year and comparative period.

8.4 There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 9 PROPERTY, PLANT AND EQUIPMENT

Set out below are the carrying amounts of property, plant and equipment and the movements during the period:

GROUP	Note	Land and buildings US\$	Plant and machinery US\$	Motor vehicles US\$	Computers and office equipment US\$	Work in progress* US\$	Total US\$
<b>9.1G Cost or valuation</b>							
At 1 April 2022		37,111,210	10,075,127	7,162,534	2,302,183	-	56,651,054
Additions		379,742	1,389,307	1,993,983	398,330	-	4,161,362
Revaluation <sup>^</sup>		211,335	-	-	-	-	211,335
Disposals	6.1.1	-	-	(567,882)	(20,095)	-	(587,977)
Exchange adjustments		(6,320,439)	(1,592,859)	(1,040,840)	(326,355)	-	(9,280,493)
<b>At 31 March 2023</b>		<b>31,381,848</b>	<b>9,871,575</b>	<b>7,547,795</b>	<b>2,354,063</b>	-	<b>51,155,281</b>
Additions		1,316,990	736,558	1,576,580	316,304	1,960,520	5,906,952
Revaluation <sup>^</sup>		8,592,673	-	-	-	-	8,592,673
Disposals	6.1.1	-	(157,484)	(1,018,521)	(48,950)	-	(1,224,955)
Exchange adjustments		(8,834,670)	(1,290,238)	(1,163,030)	(426,996)	(254,441)	(11,969,375)
<b>At 31 March 2024</b>		<b>32,456,841</b>	<b>9,160,411</b>	<b>6,942,824</b>	<b>2,194,421</b>	<b>1,706,079</b>	<b>52,460,576</b>
<b>9.2G Depreciation and impairment</b>							
At 1 April 2022		1,758,318	4,817,944	3,921,135.00	1,451,937	-	11,949,334
Depreciation charge for the year		383,259	679,139	1,241,019	324,932	-	2,628,349
Disposals	6.1.1	-	-	(500,347)	(19,226)	-	(519,573)
Exchange adjustments*		(412,635)	(655,024)	(466,887)	(200,127)	-	(1,734,673)
<b>At 31 March 2023</b>		<b>1,728,942</b>	<b>4,842,059</b>	<b>4,194,920</b>	<b>1,557,516</b>	-	<b>12,323,437</b>
Depreciation charge for the year		401,818	741,313	564,820	906,607	-	2,614,558
Disposals	6.1.1	-	(112,835)	(863,696)	(41,840)	-	(1,018,371)
Exchange adjustments		(259,071)	(634,209)	(655,638)	(381,447)	-	(1,930,365)
<b>At 31 March 2024</b>		<b>1,871,689</b>	<b>4,836,328</b>	<b>3,240,406</b>	<b>2,040,836</b>	-	<b>11,989,259</b>

\*Prior year land and buildings on depreciation and impairment note 9.2G, exchange adjustments were stated as \$320,061 instead of \$412,635 but the closing total was correctly stated.

<sup>^</sup>The revaluation surplus relates to the revaluation of land and buildings. The revaluation surplus is not available for distribution to the Company's shareholders. The transfer to retained earnings recognised in the Statement of Changes in Equity (Group) represents the amount realized upon use of revalued assets.

\*Work in progress refers to the construction of a warehouse in Zambia which is scheduled for completion in the next financial year.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

GROUP	Note	Land and buildings US\$	Plant and machinery US\$	Computers Motor vehicles US\$	and office equipment US\$	Work in progress* US\$	Total US\$
<b>9.3G Net carrying amount</b>							
At 31 March 2024		30,585,152	4,324,083	3,702,418	153,585	1,706,079	40,471,317
At 31 March 2023		29,652,906	5,029,516	3,352,875	796,547	-	38,831,844
<b>9.4G Carrying amount if the assets had been measured under the cost model:</b>							
At 31 March 2024		21,169,435	4,352,635	3,115,655	672,178	-	29,309,904
At 31 March 2023		24,836,293	5,002,789	3,352,875	797,608	-	33,989,565

Fully depreciated assets that were still in use at the reporting date amounted to US\$5,879,886 (2023: US\$4,374,608)

COMPANY	Note	Land and buildings US\$	Plant and machinery US\$	Computers Motor vehicles US\$	and office equipment US\$	Work in progress* US\$	Total US\$
<b>9.1C Cost or valuation</b>							
At 1 April 2022		288,809	112,132	132,884	21,893	-	555,718
Additions		-	-	-	2,458	-	2,458
<b>At 31 March 2023</b>		<b>288,809</b>	<b>112,132</b>	<b>132,884</b>	<b>24,351</b>	<b>-</b>	<b>558,176</b>
Additions		-	-	-	3,326	-	3,326
Disposals		-	(110,072)	(54,629)	-	-	(164,701)
<b>At 31 March 2024</b>		<b>288,809</b>	<b>2,060</b>	<b>78,255</b>	<b>27,677</b>	<b>-</b>	<b>396,801</b>
<b>9.2C Depreciation and impairment</b>							
At 1 April 2022		41,865	111,550	112,020	18,347	-	283,782
Depreciation charge for the year		10,034	-	20,607	1,662	-	32,303
<b>At 31 March 2023</b>		<b>51,899</b>	<b>111,550</b>	<b>132,627</b>	<b>20,009</b>	<b>-</b>	<b>316,085</b>
Depreciation charge for the year		6,430	582	257	1,613	-	8,882
Disposals		-	(110,072)	(54,629)	-	-	(164,701)
<b>At 31 March 2024</b>		<b>58,329</b>	<b>2,060</b>	<b>78,255</b>	<b>21,622</b>	<b>-</b>	<b>160,266</b>
<b>9.3C Net carrying amount</b>							
At 31 March 2024		230,480	-	-	6,055	-	236,535
At 31 March 2023		236,910	582	257	4,342	-	242,091
<b>9.4C Carrying amount if the assets had been measured under the cost model:</b>							
At 31 March 2024		25,984	-	-	6,056	-	32,040
At 31 March 2023		26,965	582	261	4,922	-	32,729

9.5 There were nil (2023: nil) borrowing costs capitalised during the year:

9.6 Refer to Note 30.4 for collateral pledged as security for liabilities.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 9.7 Description of significant unobservable inputs to valuation

GROUP	Land and buildings	Plant and machinery
Valuation method/technique	Market comparable	Depreciated replacement cost
Significant unobservable valuation input	Price per sqm US\$0.20 - US\$248	Replacement cost N/A
Range		
Sensitivity of the input to fair value	Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value on a linear basis.	Significant increases (decreases) in estimated market price in isolation would result in a significantly higher (lower) fair value.
<b>COMPANY</b>		
Valuation method/technique	Market comparable	Depreciated replacement cost
Significant unobservable valuation input	Price per sqm BWP 2,027 - BWP 2,550	Replacement cost N/A
Range		
Sensitivity of the input to fair value	Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value on a linear basis.	Significant increases (decreases) in estimated market price in isolation would result in a significantly higher (lower) fair value.

Land and buildings were revalued on 31 March 2021 by independent professional valuers across the Group while Seed Co Zambia performed an independent desktop revaluation on land and buildings on 31 March 2023.

### 9.8 Fair value measurement hierarchy

#### GROUP

Land and buildings

At 31 March 2024

At 31 March 2023

Plant and machinery

At 31 March 2024

At 31 March 2023

Motor vehicles

#### COMPANY

Land and buildings

At 31 March 2024

At 31 March 2023

Plant and machinery

At 31 March 2024

At 31 March 2023

	Level 3	Total
Land and buildings		
At 31 March 2024	30,585,152	30,585,152
At 31 March 2023	29,652,906	29,652,906
Plant and machinery		
At 31 March 2024	4,324,083	4,324,083
At 31 March 2023	5,029,516	5,029,516
Motor vehicles		
Land and buildings		
At 31 March 2024	230,480	230,480
At 31 March 2023	236,910	236,910
Plant and machinery		
At 31 March 2024	-	-
At 31 March 2023	582	582

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 10 INTANGIBLE ASSETS

Set out below are the carrying amounts of intangible assets and the movements during the period:

	GROUP		COMPANY	
	rights	Breeding Total	rights	Breeding Total
<b>10.1 Cost</b>				
At 1 April 2022	5,320,000	5,320,000	5,320,000	5,320,000
<b>At 31 March 2023</b>	<b>5,320,000</b>	<b>5,320,000</b>	<b>5,320,000</b>	<b>5,320,000</b>
<b>At 31 March 2024</b>	<b>5,320,000</b>	<b>5,320,000</b>	<b>5,320,000</b>	<b>5,320,000</b>
<b>10.2 Amortisation and impairment</b>				
	<b>US\$</b>			
At 1 April 2022	532,000	532,000	532,000	532,000
Amortisation charge for the year	266,000	266,000	266,000	266,000
<b>At 31 March 2023</b>	<b>798,000</b>	<b>798,000</b>	<b>798,000</b>	<b>798,000</b>
Amortisation charge for the year	266,000	266,000	266,000	266,000
<b>At 31 March 2024</b>	<b>1,064,000</b>	<b>1,064,000</b>	<b>1,064,000</b>	<b>1,064,000</b>
<b>10.3 Net carrying amount</b>				
<b>At 31 March 2024</b>	<b>4,256,000</b>	<b>4,256,000</b>	<b>4,256,000</b>	<b>4,256,000</b>
<b>At 31 March 2023</b>	<b>4,522,000</b>	<b>4,522,000</b>	<b>4,522,000</b>	<b>4,522,000</b>

10.4 Refer to Note 30.4 for collateral pledged as security for liabilities

### 11 LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### 11.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment like other non-financial assets (Note 2.12).

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

The Group leases warehouses for storage and distribution of seeds and the average useful life of the leased assets is 5 years and 3 months. Set out below are the carrying amounts of right-of-use assets and the movements during the period:

GROUP	Note	Land and buildings US\$
At 1 April 2022		903,101
Additions		790,234
Depreciation		(327,597)
Exchange differences		134,342
<b>At 31 March 2023</b>		<b>1,500,080</b>
Additions		38,775
Depreciation		(295,915)
Exchange differences		(552,874)
<b>At 31 March 2024</b>		<b>690,066</b>

### 11.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

The Group does not enter into lease contracts with variable lease payments.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	GROUP		
	Note	2024 US\$	2023 US\$
At 1 April		1,144,000	941,819
Additions		38,775	790,234
Accretion of interest	6.4	67,169	91,760
Payments		(154,380)	(685,604)
Exchange differences		(445,080)	5,791
<b>At 31 March</b>		<b>650,484</b>	<b>1,144,000</b>
Non-current		341,947	788,152
Current		308,537	355,848
		<b>650,484</b>	<b>1,144,000</b>

## Notes to the Consolidated and Separate Financial Statements (cont.)

### For the year ended 31 March 2024

11.3 The maturity analysis of lease liabilities is as shown below: 28.2.3

GROUP	On demand US\$	< 3 months US\$	3-12 months US\$	1-5 years US\$	Total US\$
At 31 March 2024	-	124,683	218,135	379,927	722,745
At 31 March 2023	-	58,169	759,317	447,748	1,265,234

11.4 The following are the amounts recognised in profit or loss:

	GROUP	
	2024 US\$	2023 US\$
Depreciation expense of right-of-use assets	295,915	327,597
Interest expense on lease liabilities	67,169	91,760
Expense relating to short-term leases	88,350	121,238
<b>Total amount recognised in profit or loss</b>	<b>451,434</b>	<b>540,595</b>

11.5 Other amounts relating to right-of-use assets and lease liabilities:

	GROUP	
	2024 US\$	2023 US\$
Cash outflows for leases	154,380	685,604

11.6 Undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term are not applicable as the Group does not expect any extension options not to be exercised and termination options to be exercised.

## 12 INVESTMENTS IN SUBSIDIARIES

The investments are unquoted and are accounted for on a cost basis in the Company's separate financial statements and fully eliminated in the consolidated Group financial statements.

The subsidiaries operate in an environment where there are presently no restrictions on remittance of dividends. Fair value, when necessary, is established on the basis of net cash flows to be received by the parent company over the medium term, as there is no active market for all these shares.

All subsidiaries have a financial year end of 31 March and follow uniform accounting policies as that of the Group for like transactions and events in similar circumstances. Additional details of the Company's subsidiaries are available in Note 1.3.

Details of amounts due from and due to subsidiaries are available in Notes 17 and 24 respectively.

12.1 Investments in subsidiaries were as follows:

	COMPANY	
	2024 US\$	2023 US\$
Seed Co Enterprise	1,714,060	1,714,060
Seed Co Botswana	510,277	510,277
Seed Co Zambia	9,394,287	9,394,287
Seed Co Malawi	15,293,737	13,293,737
Seed Co Tanzania	1,300,000	1,300,000
Agri-Seed Co Kenya	5,277,000	3,777,000
Agri-Seed Co Nigeria	2,839,842	2,839,842
Seed Co Mozambique	2,955	2,955
Seed Co Ethiopia	304,100	200,000
	<b>36,636,258</b>	<b>33,032,158</b>

Investments in Seed Co DRC and Seed Co Rwanda are fully impaired while the recently established Seed Co Angola has not yet received equity injection from the Company.

## Notes to the Consolidated and Separate Financial Statements (cont.)

### For the year ended 31 March 2024

11.3 The maturity analysis of lease liabilities is as shown below: 28.2.3

GROUP	On demand US\$	< 3 months US\$	3-12 months US\$	1-5 years US\$	Total US\$
At 31 March 2024	-	124,683	218,135	379,927	722,745
At 31 March 2023	-	58,169	759,317	447,748	1,265,234

	GROUP	
	2024 US\$	2023 US\$
11.4 The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	295,915	327,597
Interest expense on lease liabilities	67,169	91,760
Expense relating to short-term leases	88,350	121,238
<b>Total amount recognised in profit or loss</b>	<b>451,434</b>	<b>540,595</b>
11.5 Other amounts relating to right-of-use assets and lease liabilities:		
Cash outflows for leases	154,380	685,604
11.6 Undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term are not applicable as the Group does not expect any extension options not to be exercised and termination options to be exercised.		

## 12 INVESTMENTS IN SUBSIDIARIES

The investments are unquoted and are accounted for on a cost basis in the Company's separate financial statements and fully eliminated in the consolidated Group financial statements.

The subsidiaries operate in an environment where there are presently no restrictions on remittance of dividends. Fair value, when necessary, is established on the basis of net cash flows to be received by the parent company over the medium term, as there is no active market for all these shares.

All subsidiaries have a financial year end of 31 March and follow uniform accounting policies as that of the Group for like transactions and events in similar circumstances. Additional details of the Company's subsidiaries are available in Note 1.3.

Details of amounts due from and due to subsidiaries are available in Notes 17 and 24 respectively.

	COMPANY	
	2024 US\$	2023 US\$
12.1 Investments in subsidiaries were as follows:		
12.1 Seed Co Enterprise	1,714,060	1,714,060
Seed Co Botswana	510,277	510,277
Seed Co Zambia	9,394,287	9,394,287
Seed Co Malawi	15,293,737	13,293,737
Seed Co Tanzania	1,300,000	1,300,000
Agri-Seed Co Kenya	5,277,000	3,777,000
Agri-Seed Co Nigeria	2,839,842	2,839,842
Seed Co Mozambique	2,955	2,955
Seed Co Ethiopia	304,100	200,000
	<b>36,636,258</b>	<b>33,032,158</b>

Investments in Seed Co DRC and Seed Co Rwanda are fully impaired while the recently established Seed Co Angola has not yet received equity injection from the Company.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

12.2 During the year, the changes to the investments in subsidiaries were as follows:

	2024 US\$	2023 US\$
Seed Co Malawi	2,000,000	-
Agri-Seed Co Kenya	1,500,000	-
Agri-Seed Co Nigeria*	-	237,000
Seed Co Ethiopia	104,100	-
	<b>3,604,100</b>	<b>237,000</b>

\*\* 2024: The investment in Seed Co Malawi, Seed Co Kenya and Seed Co Ethiopia was done to recapitalise the entity by converting debt to equity.

\* 2023: Investments in Seed Co Nigeria was done to support own seed production by the business unit.

### 13 INVESTMENTS IN ASSOCIATE AND JOINT VENTURES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries (Note 2.2).

The investments in associate and joint ventures are unquoted and accounted for on a cost basis in the Company's separate financial statements and accounted for under the equity method in the Group consolidated financial statements to the extent of the Group's interest in the associate or joint venture.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associates or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associates and joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates or joint venture are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of its associates and joint venture is shown on the face of the statement of profit or loss after operating profit.

The financial statements of the associates and joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investments in its associates and joint venture. At each reporting date, the Group determines whether there is objective evidence that the investments in the associates and joint venture are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss in the statement of profit or loss.

The financial statements of Seed Co West & Central Africa have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards.

IAS 29 Financial Reporting in Hyperinflationary Economies has been applied for the first time in the current year due to Ghana's economy being classified as hyperinflationary.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

Accordingly, the financial statements have been restated to reflect the changes in the general purchasing power of the Ghanaian Cedi. Comparative figures presented have been restated to reflect the change in the general price index since the dates when those transactions were initially recorded. As a result, the comparative financial statements represent those amounts restated to the current measuring unit at the end of the reporting period. The restatement has been calculated using the consumer price index.

For consolidation purposes, the remeasured financial information of Seed Co West & Central Africa has been translated to the Group's presentation currency at the closing rate at the end of the reporting period.

The Group's interests in associates and a joint venture are described in Notes 1.4 and 1.5 respectively and details of amounts due from and due to associate and joint ventures are available in Notes 17 and 24 respectively.

13,1 Carrying amount of the investments in associate and joint ventures	Note	ASSOCIATE		JOINT VENTURES		Total US\$
		AgriSynergy US\$	Prime Seed Co International US\$	Seed Co West & Central Africa US\$		
<b>GROUP</b>						
At 1 April 2022		4,253,557	2,316,182	185,950		6,755,689
Share of (loss)/profit	13.2	(349,753)	(442,042)	(200,218)		(992,013)
Share of other comprehensive loss	13.2	(1,538,873)	(113,196)	117,672		(1,534,397)
Impairment loss through P&L - included in share of loss from joint venture on IS	13.1.1	-	-	(103,404)		(103,404)
through OCI - included in share of OCI from joint venture on SOCI		-	(26,174)	50,120		23,946
		-	1,414	18,093		19,507
<b>At 31 March 2023</b>		<b>2,364,931</b>	<b>1,760,944</b>	-		<b>4,125,875</b>
Share of loss	13.2	(1,094,154)	(351,544)	-		(1,445,698)
Share of other comprehensive income	13.2	(419,944)	(105,288)	-		(525,232)
<b>At 31 March 2024</b>		<b>850,833</b>	<b>1,304,112</b>	-		<b>2,154,946</b>
<b>COMPANY</b>						
At 1 April 2022		3,931,766	2,316,182	-		6,247,948
Impairment loss	13.1.1	(27,918)	(714,940)	-		(742,858)
<b>At 31 March 2023</b>		<b>3,903,848</b>	<b>1,601,242</b>	-		<b>5,505,090</b>
Impairment loss	13.1.1	(1,517,495)	(302,296)	-		(1,819,791)
<b>At 31 March 2024</b>		<b>2,386,353</b>	<b>1,298,946</b>	-		<b>3,685,300</b>

### 13.1.1 The impairment resulted from:

Seed Co West & Central Africa: share of the extent of negative net asset value .

AgriSynergy and Prime Seed Co International: the carrying values of the investments exceeding their net asset values.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

## 13.2 Summarised income statements:

	ASSOCIATE		JOINT VENTURES				GROUP	
	AgriSynergy		Prime Seed Co International		Seed Co West & Central Africa		2024	2023
	40% 2024	40% 2023	51% 2024	51% 2023	50% 2024	50% 2023		
<b>Group's equity interest</b>								
<b>Revenue</b>	<b>21,220,556</b>	<b>19,592,007</b>	<b>6,667,498</b>	<b>6,182,019</b>	<b>150,496</b>	<b>282,511</b>		
Cost of sales	(16,508,935)	(14,984,841)	(4,470,593)	(3,808,314)	(104,856)	(74,780)		
<b>Gross profit</b>	<b>4,711,621</b>	<b>4,607,166</b>	<b>2,196,905</b>	<b>2,373,705</b>	<b>45,640</b>	<b>207,731</b>		
Other income/(expenses)	(2,933,040)	29,392	(62,975)	(181,441)	65,538	(294,283)		
Operating expenses	(5,911,499)	(5,438,328)	(2,737,044)	(2,891,089)	(445,669)	(332,944)		
<b>Operating (loss)/profit</b>	<b>(4,132,918)</b>	<b>(801,770)</b>	<b>(603,114)</b>	<b>(698,825)</b>	<b>(334,491)</b>	<b>(419,496)</b>		
Finance income	-	-	51,542	93,549	(226,939)	-		
Finance cost	(685,837)	(593,110)	(191,518)	(168,535)	(71,818)	(33,699)		
<b>(Loss)/Profit before tax</b>	<b>(4,818,755)</b>	<b>(1,394,880)</b>	<b>(743,090)</b>	<b>(773,811)</b>	<b>(633,248)</b>	<b>(453,195)</b>		
Income tax expense	(957,926)	(229,623)	27,286	(84,084)		52,759		
<b>(Loss)/Profit for the year</b>	<b>(5,776,681)</b>	<b>(1,624,503)</b>	<b>(715,804)</b>	<b>(857,895)</b>	<b>(633,248)</b>	<b>(400,436)</b>		
equity holders of the parent	(2,735,386)	(874,381)	(689,302)	(866,750)	(553,097)	(400,436)		
non-controlling interest	(3,041,295)	(750,121)	(26,502)	8,854	-	-		
FCT gain/(loss)	(1,049,860)	(3,847,181)	(206,447)	(221,954)	325,622	235,347		
<b>Total comprehensive (loss)/income</b>	<b>(6,826,541)</b>	<b>(5,471,684)</b>	<b>(922,251)</b>	<b>(1,079,849)</b>	<b>(307,626)</b>	<b>(165,089)</b>		
equity holders of the parent	(3,785,246)	(4,721,563)	(895,750)	(1,088,703)	(227,475)	(165,089)		
non-controlling interest	(3,041,295)	(750,121)	(26,502)	8,854	-	-		
Share of (loss)/profit	(1,094,154)	(349,752)	(351,544)	(442,043)	(276,549)	(200,218)	(1,445,698)	(992,013)
Share of OC income/(loss)	(419,944)	(1,538,873)	(105,288)	(113,198)	162,811	117,674	(525,232)	1,534,397
<b>13.3 Summarised balance sheets:</b>								
Non-current assets	9,226,059	13,946,774	921,477	1,006,901	9,898	14,252		
Current assets	15,154,174	14,986,489	8,272,290	7,127,705	411,633	427,447		
Non-controlling interest	(4,755,735)	(8,229,705)	(219,722)	(260,856)	-	-		
Non-current liabilities	(845,145)	(753,306)	(55,851)	(93,550)	(982)	(130)		
Current liabilities	(12,813,467)	(10,613,884)	(6,363,082)	(4,327,363)	(988,678)	(782,223)		
<b>Net assets</b>	<b>5,965,886</b>	<b>9,336,368</b>	<b>2,555,112</b>	<b>3,452,837</b>	<b>(568,129)</b>	<b>(340,654)</b>		
Recomputed share of net assets	2,386,354	3,734,547	1,303,107	1,760,947	(284,065)	(170,327)	3,405,396	5,325,167
Currency, fair value and impairment adjustments	(1,535,520)	(1,369,615)	1,004	-	170,328	170,327	(1,364,188)	(1,199,288)
Carrying amount of investment	<b>850,834</b>	<b>2,364,932</b>	<b>1,304,111</b>	<b>1,760,947</b>	<b>(113,737)</b>	<b>-</b>	<b>2,041,207</b>	<b>4,125,879</b>
<b>13.4 Other material financial information:</b>								
Cash and cash equivalents	348,127	321,291	603,180	685,780	108,066	8,709		
Current financial liabilities	12,813,467	6,005,019	6,363,082	55,679	988,678	764,297		
Non-current financial liabilities	845,145	753,306	55,851	93,550	982	130		
Depreciation and amortisation	1,183,705	975,074	183,707	210,167	(12,170)	20,728		
Interest income	194,830	-	51,542	93,549	-	-		
Interest expense	(882,764)	593,110	(191,518)	168,535	(853,049)	33,699		
Income tax (expense)/income	(960,856)	(229,623)	27,286	(84,084)	952,023	52,759		
<b>13.5 Commitments and contingents</b>								

There were no significant contractual capital commitments as well as contingencies reported by the associates and joint venture which require disclosure at the reporting date.

## Notes to the Consolidated and Separate Financial Statements (cont.)

### For the year ended 31 March 2024

#### 14 INVENTORIES

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a weighted average cost basis
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>14.1 Inventories</b>					
Parent and commercial seed		18,850,154	24,574,025	-	-
Spares and general consumables		2,878,975	4,004,218	-	-
		<b>21,729,129</b>	<b>28,578,243</b>	-	-
<b>14.2 Inventory recognized as an expense during the year:</b>					
Opening balance of inventory		28,578,243	22,960,579	-	-
Production, purchases and value-addition processes		61,753,482	66,010,612	-	-
Closing balance of inventory	14.1	(21,729,129)	(28,578,243)	-	-
Exchange differences		(5,746,178)	(2,876,520)	-	-
<b>Cost of sales</b>		<b>62,856,418</b>	<b>57,516,428</b>	-	-

14.3 Refer to Note 30.4 for collateral pledged as security for liabilities

#### 15 BIOLOGICAL ASSETS

Biological assets comprise of plants not yet harvested that are used to produce seeds.

Set out below are the carrying amounts of biological assets and the movements during the period:

	GROUP	
	2024 US\$	2023 US\$
<b>15.1 Reconciliation of biological assets</b>		
At 1 April	4,594,520	2,680,113
Increases due to new plantings	2,805,068	6,521,013
Harvested plants transferred to inventories	(2,280,530)	(3,693,148)
Exchange differences	(723,776)	(913,458)
<b>At 31 March</b>	<b>4,395,282</b>	<b>4,594,520</b>
<b>15.2 Proprietary seed production</b>	<b>2024</b>	<b>2023</b>
The following quantities constituted in-house seed production by the Group during the year:	<b>Metric Tonnes</b>	
Maize	2,557	1,264
Soybean	906	1,089
Wheat	3,067	1,044
<b>Total production during the financial year</b>	<b>6,529</b>	<b>3,398</b>
<b>15.3 Estimated yield from current in-house production (Booked as biological assets at year end)</b>	<b>2024</b>	<b>2023</b>
The Group is expecting the following yields from crop seeds that were in production at year end:	<b>Metric Tonnes</b>	
Maize	2,442	2,176
Soybean	510	918
Wheat	2,428	1,700
<b>Total estimated yield at 31 March</b>	<b>5,380</b>	<b>4,794</b>

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 15.4 Commitments to the in-house development of biological assets

At year-end, the Group's commitments for in-house seed production for the next financial year amounted to:

	2024 US\$	2023 US\$
	2,441,020	2,614,660

NB: Only Seed Co Zambia is producing part of its seed requirements in-house and the rest of the Group relies on third-party growers for their seed requirements.

### 15.5 Refer to Note 30.4 for collateral pledged as security for liabilities

### 15.6 Risk management strategy related to agricultural activities

The Group is exposed to the following risks relating to its plants that produce seeds. These risks and management's strategies to mitigate them are described below.

#### *Regulatory and environmental risks*

The Group is subject to environmental and other laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with these laws.

Harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing.

#### *Climate-related risks*

The Group's plants that produce seed are exposed to the risk of damage from extreme weather events such as storms, high winds and drought. Changes in global climate related conditions could intensify one or more of these events. In addition to their effects on seed yields, extreme weather events may also increase the cost of operations. The Group has extensive processes in place aimed at monitoring and mitigating these risks through proactive management and early detection. The Group has incorporated considerations for climate change into its production practices, such as the establishment and maintenance of irrigation schemes during seasons of drought.

Physical risk arising from drought are to a greater extent subject to risk transfer and thereby within the cover of the Group property and business interruption insurance programmes. However, should the frequency and severity of these events increase as a result of climate change, the cost of such coverage may increase.

## 16 TRADE AND OTHER RECEIVABLES

#### *Financial assets*

A financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right
- to receive cash or another financial asset from another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments;
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments;
- puttable instruments classified as equity or certain liabilities arising on liquidation classified as equity instruments.

The Group's financial assets risk management policies and objectives are disclosed in Note 28.2.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined (Note 5).

The Group's financial assets include trade receivables (Note 16.1), amounts due from related parties (Note 17) and cash and cash equivalents (Note 18). Trade receivables are defined in Note 5

### Subsequent measurement

For purposes of subsequent measurement, the Group's financial assets are classified as financial assets at amortised cost (debt instruments).

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when the rights to receive cash flows from the asset have expired.

### Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all its debt instruments at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Grower advances are considered as a separate category in the IFRS Accounting Standards model given that their collection is to a greater extent within contractual control of the business unit and/or Group from expected contractual deliveries of raw seed. For related-parties balances, and staff loans, the Group uses the Incurred Loss Model (Historical Loss Model) approach. Under this approach, credit losses are recognized only when there is evidence that the financial asset is impaired. This evidence usually includes observable data indicating a significant deterioration in the financial health of the counterparty as collection of these balances is within a greater degree of control of the business unit and/or Group.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income (recorded as finance income in profit or loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Receivables, together with the associated allowance are

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income in profit or loss.

### Receivables relating to advances made to growers contracted for seed production

The Group assists its growers contracted for seed production with inputs and in some instances working capital free of interest. To qualify be contracted as a grower, growers are vetted for credit risk and capacity to deliver, they must have suitable infrastructure like irrigation equipment, contracted seed production is inspected at each and every stage by the Group.

Advances to contracted growers, including parent seed and chemicals, are made pre-planting and collected at harvest and this occurs within 3 to 6 months. Grower advances are collected on delivery of seed i.e. set off against the purchase price of seed and this mitigates credit risk.

Further disclosures relating to impairment of financial assets are provided in Notes 16.2 and 16.3.

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>16.1 Trade and other receivables</b>					
Trade receivables	16.2	31,419,497	41,830,477	-	-
Prepayments	16.1.1	4,828,461	3,725,481	135,592	198,123
Seed grower advances	16.1.2	5,720,844	6,793,942	-	-
Staff loans		2,009,984	2,394,353	878,159	973,870
Value added tax		60,300	76,539	41,209	60,666
Other receivables	16.1.3	452,957	64,381	279,774	12,143
Allowance for credit losses	16.2 & 16.3	(6,454,917)	(6,051,898)	-	(192,057)
		<b>38,037,126</b>	<b>48,833,276</b>	<b>1,334,734</b>	<b>1,052,745</b>

\*Other receivables have been broken down further in both current and prior year.

**16.1.1** Prepayments relate to amounts paid in advance for which the related goods will be received within twelve (12) months. Prepayments are not financial assets.

**16.1.2** Seed grower advances relate to production inputs advanced to contracted seed producers for which the seed will be delivered within twelve (12) months.

**16.1.3** Other receivables include staff loans and VAT claims outstanding.

**16.1.4** Various regional government receivables make up 29% (2023: 30%) of the total trade receivables.

## Notes to the Consolidated and Separate Financial Statements (cont.)

### For the year ended 31 March 2024

#### 16.2 Provisioning matrices

GROUP	Days past due					31 March 2024
	Current	< 30 days	30 - 60 days	60 - 90 days	> 90 days	
<i>ECL rate on: %</i>						
Trade receivables	2%	3%	3%	3%	37%	
Amounts due from related entities	0%	0%	0%	0%	4%	
Seed grower advances	0%	1%	1%	2%	17%	
Other receivables	0%	0%	0%	0%	24%	
<i>Estimated gross carrying amount at default of: US\$</i>						
Trade receivables	8,662,328	1,962,722	3,072,058	2,464,657	15,257,732	31,419,497
Amounts due from related entities (Note 17.1)	1,594,337	509,119	645,454	725,569	2,518,397	5,992,876
Seed grower advances	502,422	824,971	1,509,065	1,195,165	1,689,221	5,720,844
Other receivables	39,141	182,241	81,320	134,408	15,847	452,957
<i>ECL on:</i>						
Trade receivables	181,124	67,051	83,363	74,023	5,718,747	6,124,308
Amounts due from related entities (Note 17.1)	-	-	-	-	89,916	89,916
Seed grower advances	665	7,452	12,965	26,713	278,982	326,777
Other receivables	-	-	-	-	3,832	3,832
<i>ECL rate on: %</i>						
Trade receivables	0%	0%	0%	0%	48%	
Amounts due from related entities	0%	0%	0%	0%	9%	
Seed grower advances	0%	0%	0%	0%	6%	
Other receivables	0%	0%	0%	0%	0%	
<i>Estimated gross carrying amount at default of: US\$</i>						
Trade receivables	11,247,764	5,435,128	3,467,784	9,320,811	12,358,990	41,830,477
Amounts due from related entities (Note 17.1)	1,173,370	822,640	402,611	261,731	2,913,545	5,573,897
Seed grower advances	1,013,792	710,153	1,225,348	2,116,513	1,728,136	6,793,942
Other receivables	(281,368)	80,215	146,636	118,898	-	64,381
<i>ECL on:</i>						
Trade receivables	4,735	7,720	1,162	9,867	5,930,757	5,954,241
Amounts due from related entities (Note 17.1)	-	-	-	-	250,130	250,130
Seed grower advances	-	-	-	-	97,657	97,657
Other receivables	-	-	-	-	-	-
<b>COMPANY</b>						
<i>ECL rate on: %</i>						
Trade receivables	0%	0%	0%	0%	0%	
Amounts due from related entities	0%	0%	0%	0%	2%	
Seed grower advances	0%	0%	0%	0%	0%	
<i>Estimated gross carrying amount at default of: US\$</i>						
Amounts due from related entities (Note 17.1)	3,812,933	2,592,931	1,072,413	893,601	7,165,020	15,536,898
<i>ECL on:</i>						
Amounts due from related entities (Note 17.1)	-	-	-	-	152,317	152,317
<i>Expected credit loss rate on: %</i>						
Trade receivables	0%	0%	0%	0%	0%	
Amounts due from related entities	0%	0%	0%	0%	1%	
Other receivables	0%	0%	0%	0%	0%	
<i>Estimated gross carrying amount at default of: US\$</i>						
Amounts due from related entities (Note 17.1)	3,855,202	42,451	17,485	467,209	19,154,955	23,537,302
<i>Expected credit loss on:</i>						
Amounts due from related entities (Note 17.1)	-	-	-	-	192,057	192,057

The Group's and Company's exposure to credit risks, related to financial assets is disclosed in Note 28.2.2.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>16.3 Allowance for credit losses reconciliation:</b>					
Balance at beginning of the year		6,302,028	12,193,787	192,057	6,121,643
Charge for the year through profit or loss		4,030,181	2,011,415	62,401	192,057
Written off		(1,486,968)	(7,169,015)	(102,141)	(6,265,925)
Recovered during the year	6.1	-	(6,469)	-	-
Exchange differences		(2,300,408)	(727,690)	-	144,282
<b>Balance at the end of the year</b>		<b>6,544,833</b>	<b>6,302,028</b>	<b>152,317</b>	<b>192,057</b>
Trade and other receivables (12 month ECL)	16.1	6,454,917	6,051,898	-	-
Amounts due from related entities (lifetime ECL)	16.2	89,916	250,130	152,317	192,057
		<b>6,544,833</b>	<b>6,302,028</b>	<b>152,317</b>	<b>192,057</b>
<b>16.4</b>	Refer to Note 30.4 for collateral pledged as security for liabilities				
<b>16.5 Foreign currency sensitivity</b>	28.2.1b)	<b>Effect on profit before tax</b>			
Local currency weakening against US\$ by 10%		18,740	675,299	-	-
Local currency strengthening against US\$ by 10%		(18,740)	(675,299)	-	-
<b>Gross third-party foreign currency receivables exposed to currency movements</b>		<b>187,404</b>	<b>6,752,990</b>	<b>-</b>	<b>-</b>

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 17 AMOUNTS DUE FROM GROUP ENTITIES

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>17.1 Amounts due from Group entities</b>					
<b>Subsidiaries:</b>					
Seed Co Enterprise		-	-	-	-
Seed Co Zambia		-	-	1,203,177	5,390,681
Seed Co DRC		-	-	117,694	116,670
Seed Co Malawi		-	-	4,542,280	6,098,322
Seed Co Tanzania		-	-	2,720,066	566,920
Agri Seed Co Kenya		-	-	9,951	3,227,186
Agri Seed Co Nigeria		-	-	65,629	68,582
Seed Co Angola		-	-	148,566	147,542
Seed Co Mozambique		-	-	3,168,071	6,162,621
Seed Co Ethiopia		-	-	807,842	212,725
<b>Sub-total</b>		-	-	<b>12,783,276</b>	<b>21,991,249</b>
<b>Significant shareholder and its JV and associates</b>					
Seed Co Limited Zimbabwe		327,580	20,170	205,732	-
Prime Seed Co Zimbabwe		215,751	255,721	-	-
Quton Zimbabwe		-	1,982	-	-
<b>Sub-total</b>		<b>543,331</b>	<b>277,873</b>	<b>205,732</b>	-
<b>Joint ventures and their subsidiaries</b>					
Prime Seed Co International		1,544,346	610,033	1,368,249	407,421
Prime Seed Co Zambia		255,226	329,893	-	-
Prime Seed Co Malawi		49,000	185,075	-	-
Prime Seed Co Tanzania		881,961	1,070,952	-	-
Prime Seed Co Kenya		257,713	101,926	-	-
Prime Seed Co Mozambique		730,492	312,060	-	-
Seed Co West & Central Africa		1,573,695	1,447,316	1,041,111	903,748
<b>Sub-total</b>		<b>5,292,432</b>	<b>4,057,255</b>	<b>2,409,359</b>	<b>1,311,169</b>
<b>Associate and its subsidiary</b>					
AgriSynergy		138,530	234,884	138,530	234,884
Limagrain Zaad South Africa		18,583	994,003	-	-
<b>Sub-total</b>		<b>157,113</b>	<b>1,228,887</b>	<b>138,530</b>	<b>234,884</b>
<b>Owned by a co-shareholder in an associate</b>					
Quton Tanzania		-	9,882	-	-
<b>Gross carrying amount</b>	<b>16.2 &amp; 26.2.1</b>	<b>5,992,876</b>	<b>5,573,897</b>	<b>15,536,898</b>	<b>23,537,302</b>
Allowance for credit losses	16.2	(89,916)	(250,130)	(152,318)	(192,057)
<b>Net carrying amount</b>		<b>5,902,960</b>	<b>5,323,767</b>	<b>15,384,580</b>	<b>23,345,245</b>
Non-current		2,277,477	2,341,265	7,530,720	999,600
<b>Current</b>		<b>3,625,483</b>	<b>2,982,502</b>	<b>7,853,860</b>	<b>22,345,645</b>

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

	GROUP		COMPANY	
	2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>17.2 Foreign currency sensitivity</b>				
Effect on profit before tax				
Local currency weakening against US\$ by 10%	52,386	1,276,342	-	-
Local currency strengthening against US\$ by 10%	(52,386)	(1,276,342)	-	-
<b>Gross related party foreign currency receivables exposed to currency movements</b>	<b>523,862</b>	<b>2,181,469</b>	<b>-</b>	<b>-</b>

### 18 CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and the Company, and earn interest at the respective short-term deposit rates, which bear interest ranging between 0% and 6%.

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>18.1</b>					
Cash at banks and on hand		22,419,123	18,947,788	1,680,768	379,362
Short-term deposits		400,503	249,010	-	-
		<b>22,819,626</b>	<b>19,196,798</b>	<b>1,680,768</b>	<b>379,362</b>
<b>18.2</b>	Refer to Note 30.4 for collateral pledged as security for liabilities				
<b>18.3 Foreign currency sensitivity</b>			<b>Effect on profit before tax</b>		
Local currency weakening against US\$ by 10%	28.2.1b)	36,894	144,651	-	-
Local currency strengthening against US\$ by 10%		(36,894)	(144,651)	-	-
<b>Gross foreign cash and cash equivalence exposed to currency movements</b>		<b>368,940</b>	<b>327,917</b>	<b>-</b>	<b>-</b>
<b>19 STATED CAPITAL</b>					
<b>19.1 Issued and fully paid up shares (at no par value)</b>	Note	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
At 1 April		393,647,814	393,647,814	393,647,814	393,647,814
Issue of shares		-	-	-	-
Exercise of share options	20.4	-	-	-	-
<b>At 31 March</b>		<b>393,647,814</b>	<b>393,647,814</b>	<b>393,647,814</b>	<b>393,647,814</b>
Equity settled share appreciation rights (SARs) potential shares with dilutive impact		193,264	154,306	193,264	154,306
<b>Dilutive balance at</b>		<b>393,841,078</b>	<b>393,802,120</b>	<b>393,841,078</b>	<b>393,802,120</b>

\*Prior year SARs potential shares with dilutive impact incorrectly stated as nil instead of 154 306

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 19.2 Authorised number of shares (at no par value)\*

The statutes in Botswana do not provide for authorized share capital.

	GROUP		COMPANY	
	2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>19.3 Issued and fully paid up capital</b>				
At 1 April	39,506,439	39,506,439	39,506,439	39,506,439
At 31 March	<b>39,506,439</b>	<b>39,506,439</b>	<b>39,506,439</b>	<b>39,506,439</b>

## 20 SHARE BASED PAYMENTS

Senior executives of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense together with a corresponding increase in equity (share based payment reserves) over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options, if any, is reflected as additional share dilution in the computation of diluted earnings per share.

Under the Senior Management Plan (SMP), share options of the parent are granted to senior management of the parent at the discretion of the Remuneration Committee. The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The share options vest if the beneficiary remains employed within the Group at least three years after the grant date (service condition) and the market value of the shares on that date exceeds the exercise price (market condition).

The fair value of the share options is estimated at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions on which the share options were granted. However, the above market condition is only considered in determining the number of instruments that will ultimately vest.

The share options can be exercised up to seven years after the three-year vesting period and therefore, the contractual term of each option granted is ten years. This scheme was introduced in the 2019 financial year. The Group accounts for the SMP as an equity-settled plan.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

	GROUP		COMPANY	
	2024 US\$	2023 US\$	2024 US\$	2023 US\$
20.1 Carrying amount of the share based payment reserve:	702,895	641,289	702,895	641,289
20.2 Expense recognised for employee services rendered during the year:	61,606	135,168	61,606	135,168
	Number	Number	Number	Number
20.3 Share options vested during the year	-	-	-	-

20.4 The table below illustrates the number and weighted average exercise prices (WAEP) of, and movements in share options for the Group and Company

	2024		2023	
	Number	WAEP (US\$)	Number	WAEP (US\$)
<b>Outstanding at 1 April</b>	<b>6,739,788</b>	<b>0.37</b>	<b>4,968,634</b>	<b>0.42</b>
Granted during the year	2,525,386	0.21	2,112,477	0.24
Forfeited during the year	(865,542)	0.33	(341,323)	0
Exercised during the year	-	-	-	-
<b>Outstanding at 31 March</b>	<b>8,399,633</b>	<b>0.32</b>	<b>6,739,788</b>	<b>0.37</b>
Exercisable at 31 March*	5,006,860	0.22	2,729,348	0.23

\*Prior year SARs exercisable SARs incorrectly stated as 2 912 574 instead of 2 729 348 while the WAEP was incorrectly stated as US\$0.55 instead of US\$0.23

	Number	WAEP (US\$)	Number	WAEP (US\$)
<b>Remaining contractual life</b>				
0 to 1 year (2022: 0 to 2 years)	3,392,774	0.48	2,912,574	0.55
0 to 2 years (2022: 1 to 3 years)	712,010	0.20	881,487	0.25
1 to 3 years (2022: 2 to 4 years)	1,896,097	0.24	833,250	0.20
2 to 4 years	2,398,753	0.21	2,112,477	0.24
	<b>8,399,633</b>	<b>0.32</b>	<b>6,739,788</b>	<b>0.37</b>

20.5 The following tables list the inputs to the models used for the share options for the Group and Company:

	2024	2023
Weighted average fair values at the measurement date	0.24	0.24
Dividend yield (%)	-	-
Expected volatility (%)*	56.44%	26.72%
Risk-free interest rate (%)**	56.44%	7.41%
Expected life of SARs (years)	0.00	1.45
Weighted average share price (US\$)	0.32	0.22

Share-based payment valuation date (1 April 2022) assumptions:

\* Volatility was computed as the simple average of the volatility of the Company's share price on the BSE and VFEX in the preceding year.

\*\* The yield-to-maturity on the 10-year Botswana Government bond was applied (<http://www.worldgovernmentbonds.com/country/botswana/>)

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

## 21 MATERIAL PARTLY OWNED SUBSIDIARIES

21.1 Country of incorporation	Seed Co Zambia Zambia		Agri Seed Co Nigeria Nigeria		GROUP	
	2024	2023	2024	2023	2024	2023
Proportion of equity interest held by non-controlling interests:	1%	1%	40%	40%		US\$
21.2 Profit allocated to material non-controlling interests	56,677	22,116	6,932	7,467	63,609	29,583
21.3 Accumulated balances of material non-controlling interests	<b>334,737</b>	<b>344,943</b>	<b>249,047</b>	<b>942,537</b>	<b>583,783</b>	<b>1,287,480</b>
<b>21.4 Summarised income statements</b>						
Revenue	<b>56,133,721</b>	<b>49,124,212</b>	<b>1,510,239</b>	<b>1,183,217</b>		
Cost of sales	(33,268,047)	(29,514,493)	(904,824)	(762,391)		
<b>Gross profit</b>	<b>22,865,674</b>	<b>19,609,719</b>	<b>605,415</b>	<b>420,826</b>		
Other income	(1,051,110)	(3,464,359)	7,711	148,190		
Operating expenses	(13,294,684)	(12,126,405)	(269,159)	(489,272)		
<b>Operating profit</b>	<b>8,519,880</b>	<b>4,018,955</b>	<b>343,967</b>	<b>79,744</b>		
Finance income	1,921	76,198	-	-		
Finance costs	(1,873,829)	(1,402,729)	(318,328)	(78,289)		
<b>Profit before tax</b>	<b>6,647,972</b>	<b>2,692,424</b>	<b>25,639</b>	<b>1,455</b>		
Income tax	(980,277)	(480,805)	(8,309)	17,212		
<b>Profit for the year</b>	<b>5,667,695</b>	<b>2,211,619</b>	<b>17,330</b>	<b>18,667</b>		
Other comprehensive profit/(loss)	(5,422,837)	(5,946,297)	(1,757,533)	558,794		
<b>Total comprehensive income/(loss)</b>	<b>244,858</b>	<b>(3,734,678)</b>	<b>(1,740,203)</b>	<b>577,461</b>		
Attributable to non-controlling interests	2,449	(37,347)	(696,081)	230,984	<b>(693,632)</b>	<b>193,638</b>
Dividends paid to non-controlling interests	10,064	23,311	-	-	<b>10,064</b>	<b>23,311</b>
<b>21.5 Summarised statements of financial position</b>						
Non-current assets	20,324,379	22,070,520	372,338	1,114,637		
Current assets	28,885,415	43,005,323	1,367,390	4,391,299		
Non-current liabilities	(7,499,436)	(9,947,056)	(134,028)	(393,433)		
Current liabilities	(8,255,142)	(20,634,527)	(983,083)	(2,756,159)		
<b>Total equity</b>	<b>33,455,216</b>	<b>34,494,260</b>	<b>622,617</b>	<b>2,356,344</b>		
<b>Attributable to:</b>						
Equity holders of the parent	33,120,479	34,149,317	373,570	1,413,807	<b>33,494,049</b>	<b>35,563,124</b>
Non-controlling interest	334,737	344,943	249,047	942,537	<b>583,783</b>	<b>1,287,480</b>
<b>21.6 Summarised cash flow information</b>						
Operating	12,160,299	109,807	214,515	(970,100)		
Investing	(2,958,626)	(2,747,535)	(7,186)	(51,788)		
Financing	(9,574,781)	5,805,868	(340,890)	801,676		
<b>Net cash inflow/(outflow)</b>	<b>(373,108)</b>	<b>3,168,140</b>	<b>(133,561)</b>	<b>(220,212)</b>		

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 22 SHORT-TERM LOANS AND BORROWINGS

#### Financial liabilities:

A financial liability is any liability that is:

- a contractual obligation;
- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is
- a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include: instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments; puttable instruments classified as equity or certain liabilities arising on liquidation classified as equity instruments.

The Group's financial liabilities risk management policies and objectives are disclosed in Note 28.2.

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition as loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

The Group's financial liabilities include lease liabilities (Note 11.2), loans and borrowings (Note 22.1), trade payables (Note 23) and amounts due from group entities (Note 24).

#### Subsequent measurement

For purposes of subsequent measurement, the Group's financial assets are classified as financial assets at amortised cost (debt instruments).

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss. This category generally applies to interest-bearing loans and borrowings (Note 22.1).

The Group's and Company's exposure to liquidity risks, related to financial liabilities is disclosed in Note 28.2.1a).

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

		GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>22.1</b>	<b>LOANS AND BORROWINGS</b>				
	Note				
	Revolving Credit Line Facility	22.8	22,085,721	16,390,851	19,316,989
	General Short Term Banking Facility	22.9	1,697,876	1,601,002	1,645,724
	Long Term Loan Facility	22.10	9,090,909	11,363,636	-
	Working Capital Facility (a)	22.11	125	5,899,717	-
	Working Capital Facility (b)	22.12	-	1,159,611	-
	Working Capital Facility (c)	22.13	248,248	3,237,400	-
	Working Capital Facility (d)	22.14	1,267,895	2,412,304	-
	Working Capital Facility (e)	22.15	1,730,270	3,007,108	-
	Working Capital Facility (f)	22.14	376,984	1,088,562	-
			<b>36,498,028</b>	<b>46,160,191</b>	<b>20,962,713</b>
	Non-current		6,818,182	9,090,909	-
	Current		29,679,846	37,069,282	17,991,852
			<b>36,498,028</b>	<b>46,160,191</b>	<b>20,962,713</b>
					<b>17,991,852</b>

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>22.2 Loans and borrowings reconciliation:</b>					
At 1 April		46,160,191	42,142,932	17,991,852	22,822,504
Proceeds from loans and borrowings		34,735,252	30,431,546	20,652,504	8,849,765
Interest charged		5,664,742	3,836,170	1,611,927	1,327,400
Repayments of loans and borrowings		(39,465,072)	(21,663,130)	(17,681,643)	(13,680,417)
Interest paid		(5,664,742)	(3,836,170)	(1,611,927)	(1,327,400)
Exchange difference		(4,932,342)	(4,751,157)	-	-
<b>At 31 March</b>		<b>36,498,028</b>	<b>46,160,191</b>	<b>20,962,713</b>	<b>17,991,852</b>

\*Prior year Group and Company interest charged and interest paid incorrectly included related party interest, trade and other payables interest and lease liability interest disclosed in Note 6.4.

### 22.3 The maturity analysis of loans and borrowings are shown below: 28.2.3

	On demand US\$	< 3 months US\$	3-12 months US\$	1-5 years US\$	Total US\$
<b>GROUP</b>					
At 31 March 2024	248,248	1,922,522	29,553,365	7,575,730	39,299,865
At 31 March 2023	2,002,709	4,883,058	31,308,690	10,273,743	48,468,200
<b>COMPANY</b>					
At 31 March 2024	-	-	22,066,014	-	22,066,014
At 31 March 2023	-	-	18,891,446	-	18,891,446

		GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>22.4 Interest rate sensitivity</b>	<b>28.2.1a)</b>				
Increase in interest rates by 50 basis points		(182,490)	(230,801)	(104,814)	(89,959)
Decrease in interest rates by 50 basis points		182,490	230,801	104,814	89,959
Gross Interest exposed to interest rate movement		36,498,028	46,160,191	20,962,713	17,991,852
<b>22.5 Foreign currency sensitivity</b>	<b>28.2.1b)</b>				
Local currency weakening against US\$ by 10%		(770,898)	(1,136,364)	(13,236)	(17,409)
Local currency strengthening against US\$ by 10%		770,898	1,136,364	13,236	17,409
<b>Gross foreign borrowings exposed to currency movements</b>		<b>7,708,977</b>	<b>11,363,640</b>	<b>145,600</b>	<b>114,900</b>
<b>22.6 Undrawn committed borrowing facilities</b>					
Total facilities available/limit		44,017,816	64,029,561	24,185,824	22,185,824
Facilities utilised at year end		(36,498,029)	(46,160,191)	(20,962,713)	(17,991,852)
<b>Unutilised borrowing capacity</b>		<b>7,519,787</b>	<b>17,869,370</b>	<b>3,223,110</b>	<b>4,193,972</b>

22.7 Onshore subsidiary working capital facilities	USD equivalent Facility limit	Local Currency Facility limit	Local Currency Interest rate
	Kenya	-	KES 342 680 000
Malawi	6,921,081	MWK 12 000 000 000	27% - 28% pa
Ethiopia	410,912	ETB 23 500 000	9% pa
Nigeria	376,984	NGN 500 820 000	30% pa

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

	GROUP		COMPANY	
	2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>22.8 Revolving Credit Line Facility</b>				
US\$ equivalent	22,085,721	16,390,851	19,316,989	16,390,850
Limit (US\$)	21,410,912	19,000,000	19,000,000	19,000,000
Purpose: Working Capital Funding				
Tenure (360 days)				
Interest rate: 3.5% + SOFR* (2023: 3.5% + SOFR)				
<b>22.9 General Short Term Banking Facility</b>				
US\$ equivalent	1,697,876	1,601,002	1,646,722	1,601,002
Limit (US\$)	3,185,824	3,185,824	3,185,824	3,185,824
Purpose: Working Capital Funding				
Tenure (360 days)				
Interest rate: 3.5% + SOFR (2023: 3.5% + SOFR)				
<b>22.10 Long Term Loan Facility</b>				
US\$ equivalent	9,090,909	11,363,636	-	-
Limit (US\$)	12,500,000	12,500,000	-	-
Purpose: Production farm project				
Tenure (7 years)				
Interest rate: 5.5% (2023: 5.5%)				
<b>22.11 Working Capital Facility (a)</b>				
US\$ equivalent	125	5,899,717	-	-
Limit (US\$)	-	9,644,197	-	-
Purpose: Working Capital Funding				
Tenure (364 days)				
Interest rate: No facility (2023: 18%)				
<b>22.12 Working Capital Facility (b)</b>				
US\$ equivalent	-	1,159,611	-	-
Limit (US\$)	-	6,000,000	-	-
Purpose: Working Capital Funding				
Tenure (364 days)				
Interest rate: No facility (2023: 16%)				
<b>22.13 Working Capital Facility (c)</b>				
US\$ equivalent	248,248	3,237,400	-	-
Limit (US\$)	865,135	4,716,935	-	-
Purpose: Working Capital Funding				
Tenure (180 days)				
Interest rate: 27% (2023: 18%)				
<b>22.14 Working Capital Facility (d)</b>				
US\$ equivalent	1,267,895	2,412,304	-	-
Limit (US\$)	3,748,919	2,436,433	-	-
Purpose: Working Capital Funding				
Tenure (180 days)				
Interest rate: 28% (2023: 18%)				
<b>22.15 Working Capital Facility (e)</b>				
US\$ equivalent	1,730,270	3,007,108	-	-
Limit (US\$)	2,307,027	5,457,610	-	-
Purpose: Working Capital Funding				
Tenure (180 days)				
Interest rate: 18% (2023: 18%)				
<b>22.16 Working Capital Facility (f)</b>				
US\$ equivalent	376,984	-	-	-
Limit (US\$)	-	-	-	-
Purpose: Working Capital Funding				
Tenure (180 days)				
Interest rate: 30% (2023: No facility)				

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

	GROUP		COMPANY	
	2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>22.17 Working Capital Facility (f)</b>				
US\$ equivalent	410,912	-	-	-
Limit (US\$)	410,912	-	-	-
Purpose: Working Capital Funding				
Tenure (365 days)				
Interest rate: 9% (2023: No facility)				

\*SOFR: Secured Overnight Financing Rate is a secured overnight interest rate. SOFR is a reference rate established as an alternative to LIBOR.

22.17 Refer to Note 30.4 for collateral pledged as security for liabilities

### 23 TRADE AND OTHER PAYABLES

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>23.1 Trade and other payables</b>					
Trade payables		3,229,328	4,385,920	-	433,536
Employee costs		779,813	105,331	642,350	68,821
Seed growers and other supplies		2,273,650	1,664,523	1,018,495	1,664,523
Withholding tax and Vat payable		108,186	444,083	27,543	-
Accrued expenses		900,527	850,543	96,700	106,718
Payable to third parties		-	2,200,953	-	1,794,163
Other creditors		169,306	258,007	(12,062)	15,977
		<b>7,460,810</b>	<b>9,909,360</b>	<b>1,773,026</b>	<b>4,083,738</b>
Non-current		302,978	-	-	-
Current		7,157,832	9,909,360	1,773,026	4,083,738
		<b>7,460,810</b>	<b>9,909,360</b>	<b>1,773,026</b>	<b>4,083,738</b>

\*Other payables have been broken down further in both current and comparative period.

23.2 The maturity analysis of trade and other payables are shown below. 28.2.3

	On demand US\$	< 3 months US\$	3-12 months US\$	1-5 years US\$	Total US\$
<b>GROUP</b>					
At 31 March 2024	2,394,935	1,824,787	2,050,111	302,978	6,572,811
At 31 March 2023*	1,229,826	2,517,765	5,612,355	-	9,359,946
*Prior year maturity analysis was restated to exclude employee cost, withholding tax and VAT					
<b>COMPANY</b>					
At 31 March 2024	-	-	1,773,026	-	1,773,026
At 31 March 2023	-	433,535	3,650,203	-	4,083,738

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>23.3 Foreign currency sensitivity</b>	<b>28.2.1b)</b>			<b>Effect on profit before tax</b>	
Local currency weakening against US\$ by 10%		(11,647)	(48,504)	-	-
Local currency strengthening against US\$ by 10%		11,647	48,504	-	-
Gross third-party foreign payables exposed to currency movements		116,470	485,040	-	-
<b>24 AMOUNTS DUE TO GROUP ENTITIES</b>					
<b>24.1 Amounts due to Group entities</b>					
<b>Subsidiaries:</b>					
Seed Co Enterprise		-	-	373,174	227,184
Seed Co Botswana		-	-	4,051,766	1,504,043
<b>Significant shareholder and its JV and associates</b>					
Seed Co Limited Zimbabwe		9,434,057	9,574,572	-	3,248,719
Prime Seed Co Zimbabwe		313,653	398,665	-	-
Prime Seed Co Mozambique		35,101	-	-	-
AgriSynergy		167,930	-	167,930	-
Prime Seed Co Zambia		15,626	10,439	-	-
SARO		180	-	-	-
<b>Grand total</b>	<b>26.2.2</b>	<b>9,966,547</b>	<b>9,983,676</b>	<b>4,592,870</b>	<b>4,979,946</b>
Non-current		805,656	-	-	-
Current		9,160,891	9,983,676	4,592,870	4,979,946
		<b>9,966,547</b>	<b>9,983,676</b>	<b>4,592,870</b>	<b>4,979,946</b>

## 24.2 The maturity analysis of amounts due to related entities are shown below:28.2.3

	On demand US\$	< 3 months US\$	3-12 months US\$	1-5 years US\$	Total US\$
<b>GROUP</b>					
At 31 March 2024	898,357	313,876	7,948,668	840,772	10,001,673
At 31 March 2023	1,229,825	2,623,096	6,211,155	-	10,064,076
<b>COMPANY</b>					
At 31 March 2024	-	-	4,645,159	-	4,645,159
At 31 March 2023	-	433,536	4,631,906	-	5,065,442

\*Group and Company prior year maturity values in the 3-12 months' band corrected from US\$6,130,755 and US\$4,546,410 to US\$6,211,155 and US\$4,631,906 respectively

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>24.3 Foreign currency sensitivity</b>	<b>28.2.1b)</b>			<b>Effect on profit before tax</b>	
Local currency weakening against US\$ by 10%		(996,655)	(1,006,408)	(459,287)	(506,544)
Local currency strengthening against US\$ by 10%		996,655	1,006,408	459,287	(506,544)
Gross foreign related party payables exposed to currency movements		<b>9,966,547</b>	<b>10,064,076</b>	<b>4,592,870</b>	<b>(5,065,442)</b>

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

\*Group and Company prior year sensitivities were incorrectly stated as Group: \$1,850,855 and Company: \$3,067,071 respectively in either direction.

### 25 EMPLOYEE BENEFITS

Employee benefits are recognised and accrued when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of an accrual to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to an accrual is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, accruals are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Accruals include severance pay (terminal benefits in accordance with employment conditions or governing laws), leave pay (leave accrued in accordance with the conditions of employment) and bonus (performance related as sanctioned by the Group's Remuneration Committee).

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>25.1 Employee benefits</b>					
Severance pay	25.3	1,457,869	38,217	-	-
Leave pay	25.4	250,597	510,334	102,647	227,796
Bonus	25.5	2,558,932	640,953	400,366	197,974
		<b>4,267,398</b>	<b>1,189,504</b>	<b>503,013</b>	<b>425,770</b>
<b>25.2 Employee benefits reconciliation</b>					
At 1 April		1,189,504	1,289,828	425,770	473,788
Arising during the year		4,426,826	1,136,942	718,936	261,671
Utilised during the year		(1,131,597)	(1,150,614)	(641,693)	(309,689)
Exchange differences		(217,335)	(86,652)	-	-
<b>At 31 March</b>		<b>4,267,398</b>	<b>1,189,504</b>	<b>503,013</b>	<b>425,770</b>
<b>25.3 Severance pay accruals reconciliation</b>					
At 1 April		38,217	620	-	-
Arising during the year		1,482,186	167,385	-	-
Utilised during the year		(37,117)	(121,642)	-	-
Exchange differences		(25,417)	(8,146)	-	-
<b>At 31 March</b>		<b>1,457,869</b>	<b>38,217</b>	<b>-</b>	<b>-</b>
<b>25.4 Leave pay accruals reconciliation</b>					
At 1 April		510,334	472,719	227,796	159,677
Arising during the year		251,980	148,184	172,948	68,119
Utilised during the year		(482,496)	(66,258)	(298,097)	-
Exchange differences		(29,221)	(44,311)	-	-
<b>At 31 March</b>		<b>250,597</b>	<b>510,334</b>	<b>102,647</b>	<b>227,796</b>
<b>25.5 Bonus accruals reconciliation</b>					
At 1 April		640,953	816,489	197,974	314,111
Arising during the year		2,692,661	821,373	545,988	193,552
Utilised during the year		(611,984)	(962,715)	(343,596)	(309,689)
Exchange differences		(162,698)	(34,194)	-	-
<b>At 31 March</b>		<b>2,558,932</b>	<b>640,953</b>	<b>400,366</b>	<b>197,974</b>

**Notes to the Consolidated and Separate Financial Statements (cont.)**  
For the year ended 31 March 2024

26 RELATED PARTIES, TRANSACTIONS AND BALANCES

26.1 Related party transactions

	Sales of goods to US\$	Purchase of goods from US\$	Dividends received from US\$	Dividends paid to US\$	Royalties earned from US\$	Royalties incurred to US\$	Management fees earned from US\$	Management fees incurred to US\$	Interest earned from US\$	Interest incurred to US\$
	26.1.1	26.1.2	26.1.3	26.1.4	26.1.5	26.1.6	26.1.7	26.1.8	26.1.9	26.1.10
<b>GROUP 2024</b>	<b>243,506</b>	<b>6,680,095</b>	-	-	-	<b>3,125,086</b>	<b>1,265,077</b>	-	-	-
Material shareholder and its JV and Associate:										
Seed Co Limited Zimbabwe	240	6,414,759	-	-	-	3,125,086	1,265,077	-	-	-
Prime Seed Co Zimbabwe	243,266	265,336	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>243,506</b>	<b>6,680,095</b>	-	-	-	<b>3,125,086</b>	<b>1,265,077</b>	-	-	-
<b>Joint ventures and subsidiaries:</b>										
Prime Seed Co International	-	-	-	-	-	-	-	-	175,343	-
Prime Seed Co Zambia	293,290	16,961	-	-	-	-	-	-	-	-
Prime Seed Co Malawi	52,679	-	-	-	-	-	-	-	-	-
Prime Seed Co Kenya	6,544	35,134	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>352,513</b>	<b>52,095</b>	-	-	-	-	-	-	<b>175,343</b>	-
<b>Associate:</b>										
Seed Co West & Central Africa	-	-	-	-	-	-	-	-	32,768	-
Limagrain Zaad South Africa	1,119,874	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>1,119,874</b>	-	-	-	-	-	-	-	<b>32,768</b>	-
<b>Grand total</b>	<b>1,715,893</b>	<b>6,732,190</b>	-	-	-	<b>3,125,086</b>	<b>1,265,077</b>	-	<b>208,111</b>	-

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

26,1 Related party transactions	Sales of goods to US\$	Purchase of goods from US\$	Dividends received from US\$	Dividends paid to US\$	Royalties earned from US\$	Royalties incurred to US\$	Management fees earned		Management fees incurred		Interest from US\$	Interest incurred to US\$
							26.1.2	26.1.3	26.1.4	26.1.5		
<b>GROUP</b>	26.1.1	26.1.2	26.1.3	26.1.4	26.1.5	26.1.6	26.1.7	26.1.8	26.1.9	26.1.10		
<b>2023</b>												
<b>Material shareholder and its JV and Associate: -</b>												
Seed Co Limited Zimbabwe	240	7,798,211	-	23,311	-	2,642,455	1,409,670	-	-	-	-	321,600
Prime Seed Co Zimbabwe	-	641,314	-	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>240</b>	<b>8,439,525</b>	<b>-</b>	<b>23,311</b>	<b>-</b>	<b>2,642,455</b>	<b>1,409,670</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>321,600</b>
<b>Joint ventures and subsidiaries: -</b>												
Prime Seed Co International	-	-	-	-	-	-	-	-	75,682	-	-	-
Prime Seed Co Zambia	-	12,674	-	-	-	-	-	-	-	-	-	-
Seed Co West & Central Africa	-	-	-	-	-	-	-	-	44,091	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>12,674</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119,773</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Associate and its joint venture</b>												
Limagrain Zaad South Africa	1,119,874	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>1,119,874</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>1,120,114</b>	<b>8,452,199</b>	<b>-</b>	<b>23,311</b>	<b>-</b>	<b>2,642,455</b>	<b>1,409,670</b>	<b>-</b>	<b>119,773</b>	<b>-</b>	<b>321,600</b>	<b>321,600</b>

Note

**Notes to the Consolidated and Separate Financial Statements (cont.)**  
For the year ended 31 March 2024

26.1 Related party transactions	COMPANY	Note	Sales of goods to US\$		Purchase of goods from US\$		Dividends received from US\$		Dividends paid to US\$		Royalties earned from US\$		Royalties incurred to US\$		Management fees earned from US\$		Management fees incurred from US\$		Interest incurred to US\$	
			26.1.1	26.1.2	26.1.3	26.1.4	26.1.5	26.1.6	26.1.7	26.1.8	26.1.9	26.1.10								
<b>Subsidiaries:</b>																				
Seed Co Enterprise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seed Co Botswana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	209,158
Seed Co Zambia	-	-	996,290	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seed Co Malawi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seed Co Tanzania	-	-	2,058,579	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agri Seed Co Kenya	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>	-	-	<b>3,054,869</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>209,158</b>
<b>Material shareholder:</b>																				
Seed Co Limited Zimbabwe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Joint venture:</b>																				
Prime Seed Co International	20,652,504	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	175,363
Seed Co West & Central Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,153
	<b>20,652,504</b>	-	<b>3,054,869</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>539,080</b>
																				<b>209,158</b>

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

26.1 Related party transactions	COMPANY	Note	Sales of goods to US\$	Purchase of goods from US\$	Dividends received from US\$	Dividends paid to US\$	Royalties		Management fees earned		Interest	
							earned from US\$	incurred to US\$	fees from US\$	incurred from US\$	incurred to US\$	incurred from US\$
			26.1.1	26.1.2	26.1.3	26.1.4	26.1.5	26.1.6	26.1.7	26.1.8	26.1.9	26.1.10
	<b>Subsidiaries:</b>											
	Seed Co Enterprise		-	-	-	-	-	-	-	1,487,187	-	-
	Seed Co Botswana		-	-	-	-	-	-	157,067	-	-	105,878
	Seed Co Zambia		-	-	2,307,812	-	1,522,764	-	1,173,672	-	151,439	-
	Seed Co DRC		-	-	-	-	65,712	-	-	-	-	-
	Seed Co Malawi		-	-	-	-	421,408	-	481,285	-	197,714	-
	Seed Co Tanzania		-	-	-	-	897,313	-	481,816	-	-	-
	Agri Seed Co Kenya		-	-	-	-	617,941	-	273,587	-	122,726	-
	Seed Co Mozambique		-	-	-	-	130,219	-	-	-	28,201	-
	<b>Sub-total</b>		-	-	<b>2,307,812</b>	-	<b>3,655,357</b>	-	<b>2,567,427</b>	<b>1,487,187</b>	<b>500,080</b>	<b>105,878</b>
	<b>Material shareholder:</b>											
	Seed Co Limited Zimbabwe		-	-	-	-	-	2,642,455	1,409,670	-	-	321,600
	<b>Joint venture and its subsidiary: -</b>											
	Prime Seed Co International		-	-	-	-	-	-	-	-	75,682	-
	<b>Co-shareholder:</b>											
	SARO		-	-	-	-	-	-	-	-	44,091	-
			-	-	<b>2,307,812</b>	-	<b>3,655,357</b>	<b>2,642,455</b>	<b>3,977,097</b>	<b>1,487,187</b>	<b>619,853</b>	<b>427,479</b>

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

Note	GROUP		COMPANY	
	2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>26.1.11 Directors' and executive management emoluments</b>				
Short term benefits	1,183,334	1,095,370	668,164	618,987
Post employment benefits	503,013	425,770	503,013	425,770
Share-based incentive scheme	43,124	94,618	43,124	94,618
Directors' fees	378,078	327,933	301,628	291,101
	<b>2,107,549</b>	<b>1,943,691</b>	<b>1,515,929</b>	<b>1,430,476</b>

Short-term benefits include salaries, bonuses, allowances and Company contributions towards pension and medical aid.

### 26.2 Related party balances

#### 26.2.1 Due from related parties

Due from related entities <sup>^</sup>	17.1	5,992,876	5,573,897	15,536,898	23,537,302
Due from related persons*		822,807	302,329	822,807	302,329
		<b>6,815,683</b>	<b>5,876,226</b>	<b>16,359,705</b>	<b>23,839,631</b>
ECL provisions relating to related parties		<b>89,916</b>	<b>250,130</b>	<b>152,317</b>	<b>192,057</b>

#### 26.2.2 Due to related parties

Due to related entities <sup>^</sup>	24.1	<b>9,966,547</b>	<b>9,983,676</b>	<b>4,592,870</b>	<b>4,979,946</b>
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Terms and conditions of transaction with related parties

<sup>^</sup>Non-loan transactions with related-parties are made on transfer-pricing benchmarked terms with settlement periods of up to one year and they are unsecured, interest free and settled in cash. On the other hand, loan transactions with related parties are charged interest. There have been no guarantees provided or received for any related party receivables or payables.

\*The Company has arranged an Executive Loan Facility of which current limit at year-end is USD 500,000 out of which secured advances are made for 3 to 5 year terms with repayments made out of payroll. Interest is charged at 5% (2023: 5%)

## 27 SEGMENTAL INFORMATION

The operating businesses are managed separately according to the country that they operate in, with each segment representing a strategic business unit that operates in the same geographical area. For management purposes, the Group is organised into business units based on their geographical locations and four reportable operating segments as follows:

#### Reportable segments

Southern Africa  
Central Africa  
East Africa  
West Africa

#### Countries aggregated

Botswana, Mozambique and South Africa.  
Angola, Democratic Republic of Congo (DRC), Malawi and Zambia.  
Ethiopia, Kenya, Rwanda and Tanzania.  
Nigeria.

The Group Executives monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss after tax and is measured consistently with profit or loss after tax in the consolidated financial statements.

The operating segments as stated above have been aggregated to form the above reportable operating segments. The aggregation criteria assists the Group Executives to evaluate the nature and financial effects of the business activities and the economic environments in which it operates. The aggregated operating segments have largely similar products offerings; class of customers and are based in areas of the African continent which have generally similar economic environments and climate conditions.

The reporting segments follow uniform accounting policies and have the same year end. Transactions between reported segments follow the same basis of accounting as those followed within the Group. Transfer prices between operating segments are on an arm's length basis.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

Inter-segment transactions and balances and unrealized profits between segments are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column below:

## Notes to the Consolidated and Separate Financial Statements (cont.)

### For the year ended 31 March 2024

#### 27.1 Summarised income statements

	Southern Africa	Central Africa	East Africa	West Africa	Adjustments and elimination	GROUP
<b>For the year ended 31 March 2024</b>						
<b>Revenue</b>	<b>13,759,849</b>	<b>73,572,920</b>	<b>48,572,425</b>	<b>1,510,239</b>	<b>(19,382,905)</b>	<b>118,032,528</b>
External	12,609,849	60,814,148	47,124,548	1,510,239	-	122,058,784
Inter-segment	1,150,000	12,758,772	1,447,877	-	(19,382,905)	(4,026,256)
Cost of sales	(7,432,038)	(43,576,686)	(26,197,241)	(904,824)	15,254,371	(62,856,418)
<b>Gross profit</b>	<b>6,327,811</b>	<b>29,996,234</b>	<b>22,375,184</b>	<b>605,415</b>	<b>(4,128,534)</b>	<b>55,176,110</b>
Other income	4,581,621	(936,686)	(411,473)	7,711	(3,794,038)	(552,865)
<b>Operating expenses</b>	<b>(13,863,773)</b>	<b>(18,519,765)</b>	<b>(10,804,098)</b>	<b>(269,159)</b>	<b>4,827,826</b>	<b>(38,628,969)</b>
General and administrative costs	(940,905)	(3,639,706)	(4,088,265)	(106,864)	-	(8,775,740)
Sales and marketing costs	(10,100,282)	(8,689,357)	(4,340,735)	(89,030)	4,765,425	(18,453,979)
Depreciation and amortisation	(555,157)	(1,720,928)	(320,647)	(36,979)	-	(2,633,711)
Research costs	(1,234,757)	(1,951,120)	(1,513,197)	(36,286)	-	(4,735,360)
Credit losses	(1,032,672)	(2,518,656)	(541,254)	-	62,401	(4,030,181)
<b>Operating profit/(loss)</b>	<b>(2,954,341)</b>	<b>10,539,783</b>	<b>11,159,613</b>	<b>343,967</b>	<b>(3,094,746)</b>	<b>15,994,276</b>
Finance income	790,477	111,716	203,008	-	(543,723)	561,478
Finance costs	(1,830,863)	(3,906,411)	(225,125)	(318,328)	543,723	(5,737,004)
Share of loss from associate and joint ventures	(1,819,791)	-	-	-	374,093	(1,445,698)
<b>Profit/(Loss) before tax from continuing operations</b>	<b>(5,814,518)</b>	<b>6,745,088</b>	<b>11,137,496</b>	<b>25,639</b>	<b>(2,720,653)</b>	<b>9,373,052</b>
Income tax expense	(136,073)	(803,341)	(3,512,195)	(8,309)	22,898	(4,437,020)
<b>Profit/(Loss) for the year</b>	<b>(5,950,591)</b>	<b>5,941,747</b>	<b>7,625,301</b>	<b>17,330</b>	<b>(2,697,755)</b>	<b>4,936,032</b>
<b>For the year ended 31 March 2023</b>						
<b>Revenue</b>	<b>13,548,832</b>	<b>63,543,508</b>	<b>39,782,260</b>	<b>1,183,217</b>	<b>(14,532,136)</b>	<b>103,525,681</b>
External	12,433,820	51,929,309	37,979,335	1,183,217	-	103,525,681
Inter-segment	1,115,012	11,614,199	1,802,925	-	(14,532,136)	-
Cost of sales	(9,457,198)	(38,856,781)	(22,899,948)	(762,391)	14,459,890	(57,516,428)
<b>Gross profit</b>	<b>4,091,634</b>	<b>24,686,727</b>	<b>16,882,312</b>	<b>420,826</b>	<b>(72,246)</b>	<b>46,009,253</b>
Other income	11,652,670	(3,041,471)	305,650	148,190	(11,609,364)	(2,544,325)
<b>Operating expenses</b>	<b>(13,678,074)</b>	<b>(18,060,324)</b>	<b>(8,637,706)</b>	<b>(489,272)</b>	<b>8,009,715</b>	<b>(32,855,661)</b>
General and administrative costs	(1,169,533)	(5,181,156)	(3,054,495)	(237,206)	-	(9,642,390)
Sales and marketing costs	(8,625,544)	(7,080,985)	(3,231,840)	(68,058)	4,018,663	(14,987,763)
Depreciation and amortisation	(459,305)	(1,756,223)	(791,440)	(74,629)	-	(3,081,597)
Research costs	(3,192,499)	(2,105,278)	(1,489,318)	(94,949)	3,749,548	(3,132,496)
Credit losses	(231,193)	(1,936,683)	(70,614)	(14,431)	241,505	(2,011,415)
<b>Operating profit</b>	<b>2,066,230</b>	<b>3,584,932</b>	<b>8,550,256</b>	<b>79,744</b>	<b>(3,671,895)</b>	<b>10,609,267</b>
Finance income	787,365	76,858	201,610	-	(615,910)	449,923
Finance costs	(1,798,399)	(2,689,106)	(305,807)	(78,289)	615,910	(4,255,691)
Share of profit/(loss) from associate and joint ventures	(742,858)	-	-	-	(352,559)	(1,095,417)
<b>Profit/(Loss) before tax from continuing operations</b>	<b>312,338</b>	<b>972,684</b>	<b>8,446,059</b>	<b>1,455</b>	<b>(4,024,454)</b>	<b>5,708,082</b>
Income tax expense	(392,228)	51,548	(2,495,273)	17,212	22,180	(2,796,561)
<b>Profit/(Loss) for the year</b>	<b>(79,890)</b>	<b>1,024,232</b>	<b>5,950,786</b>	<b>18,667</b>	<b>(4,002,274)</b>	<b>2,911,521</b>
<b>27.2 Summarised statements of financial position</b>						
<b>At 31 March 2024</b>						
Non-current assets	48,688,491	33,146,110	6,656,766	372,338	(37,953,770)	50,909,935
Current assets	33,585,027	43,092,125	38,190,208	1,367,390	(24,207,646)	92,027,104
Non-current liabilities	(80,530)	(10,098,087)	(198,881)	(134,028)	-	(10,511,526)
Current liabilities	(39,546,997)	(17,606,893)	(19,740,370)	(987,243)	25,568,075	(52,313,428)
<b>Total equity</b>	<b>42,645,991</b>	<b>48,533,255</b>	<b>24,907,723</b>	<b>618,457</b>	<b>(36,593,341)</b>	<b>80,112,085</b>
<b>At 31 March 2023</b>						
Non-current assets	44,874,339	32,822,552	5,057,046	1,114,637	(31,880,508)	51,988,066
Current assets	44,740,209	65,055,830	27,618,915	4,391,299	(36,905,550)	104,900,703
Non-current liabilities	(126,522)	(10,937,422)	(336,801)	(393,435)	-	(11,794,180)
Current liabilities	(39,551,723)	(38,746,048)	(13,705,461)	(2,753,845)	35,964,593	(58,792,484)
<b>Total equity</b>	<b>49,936,303</b>	<b>48,194,912</b>	<b>18,633,699</b>	<b>2,358,656</b>	<b>(32,821,465)</b>	<b>86,302,105</b>
<b>Other material non-cash items for the year ended 31 March 2024</b>						
Profit on disposal of property, plant and equipment	-	57,655	34,514	-	-	92,169
<b>for the year ended 31 March 2023</b>						
Profit on disposal of property, plant and equipment	-	79,492	15,376	532	-	95,400

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

27.3 Geographical information	2024		2023	
	Revenues <sup>^</sup>	Non current assets	Revenues <sup>^</sup>	Non current assets
Zambia	54,578,115	20,278,909	49,124,212	22,070,520
Tanzania	32,569,391	2,688,393	26,197,758	1,084,459
Malawi	16,964,310	12,821,731	13,026,675	10,686,516
Kenya	15,945,234	3,963,492	13,584,503	3,972,585
Mozambique	5,660,094	212,267	7,521,091	73,736
Botswana	4,073,499	586,674	6,027,741	640,869
Nigeria	1,510,239	372,338	1,183,217	1,114,637
Other (South Africa, Angola, DRC, Ethiopia, Rwanda)	6,114,551	9,986,131	1,392,621	12,344,744
Intercompany sales	(19,382,905)	-	(14,532,135)	-
<b>Total</b>	<b>118,032,528</b>	<b>50,909,935</b>	<b>103,525,683</b>	<b>51,988,066</b>

<sup>^</sup>Revenues are attributed to countries on the basis of the customer's location.

## 28 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group's and Company's financial assets (Note 16) arise directly from their operations.

The main purpose of the Group's and Company's financial liabilities is to finance the Group's and Company's operations.

The Group's and Company's policy prohibits trading in financial instruments.

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 28.1 Fair values

The fair value of the financial assets and liabilities is estimated to be the amount at which the instrument could be exchanged in a transaction between willing parties, other than in a forced or liquidation sale.

The carrying amount of short-term financial instruments measured at amortised cost shown on the statements of financial position approximate their fair values largely due to the short-term maturities of these instruments.

The carrying amount of long-term financial instruments measured at amortised cost shown on the statements of financial position does not approximate their fair values largely due to the long-term maturities of these instruments.

### 28.2 Financial instruments risk management objectives and policies

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks while the Audit Committee reviews and approves policies for managing each of these risks which are summarised below:

#### 28.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

Financial instruments affected by market risk include receivables; cash and cash equivalents; payables and loans and borrowings.

The following assumptions have been made in the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2024 and 2023.
- There is no impact on equity besides the increase/decrease in retained earnings due to change in profit or loss.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 28.2.1a) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group manages its interest rate risk by having most of its borrowings in US Dollar denominated short-term facilities priced at a prime linked interest rate. This rate is generally stable with minimal movements in the rate based on the Federal Reserve Bank's policy objectives.

#### Federal Reserve Mid-Range Policy Rate (FDTRMID)

The LIBOR was decommissioned in December 2021, and was replaced by a risk-free benchmark rate as deemed appropriate in each jurisdiction. Given the foregoing, the Group agreed with its main lenders to adopt the Federal Reserve Mid-Range Policy Rate (FDTRMID) and the Secured Overnight Financing Rate (SOFR) for all its US Dollar lending instruments.

#### Interest rate sensitivity

Note 22.4 demonstrates the sensitivity of the Group's and Company's profit before tax is to a reasonably possible change in interest rates on that portion of loans and borrowings affected with all other variables held constant.

### 28.2.1b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (monetary assets or liabilities are denominated in a foreign currency).

The Group operates in several countries in Africa and is exposed to foreign exchange risk arising from the volatility of some of the respective local functional currencies primarily against the US Dollar, which is the Group's and Company's presentation currency.

The Group manages its foreign currency risk by balancing its foreign denominated assets and liabilities so that any negative movements in one are compensated by positive movements in the other.

#### Foreign currency rate sensitivity

Notes 16.5, 17.2, 18.3, 22.5, 23.3 and 24.3 demonstrates the sensitivity to a reasonably possible change in US dollar exchange rate against the various currencies across the Group, with all other variables held constant, on the Group's and Company's profit before tax. The Group's and Company's equity will be impacted in the same manner but net of tax.

A 10% change is considered as a reasonably possible change in US\$ exchange rate against the respective currencies by the Group Board. The impact on the Group's and Company's profit before tax is due to changes in the value of monetary assets and liabilities induced by exchange rate movements. The Company is exposed to the fluctuation of the ZAR and BWP against the US\$ as some of its monetary assets and liabilities are denominated in those currencies.

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant.

Group	Effect on profit after tax US\$	Effect on equity US\$
<b>2024</b>		
Local currency weakening against US\$ by 10%	(933 310)	86,056
Local currency strengthening against US\$ by 10%	933 310	( 86 056)
<b>2023</b>		
Local currency weakening against US\$ by 10%	(293 760)	1,008,077
Local currency strengthening against US\$ by 10%	293 760	(1 008 077)

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

### 28.2.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its deposits in the custody of financial institutions.

#### Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by bank guarantees. There was no significant change in the current period on the quality of the bank guarantees in place. No loss allowances are made against bank guaranteed receivables as bank generally make good the outstanding amount within a reasonably short period of time in the rare cases where bank guaranteed customers default. The Group does not hold any collateral. The maximum exposure to credit risk is equal to the carrying amount as per the statements of financial position.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. geographical region and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product, inflation and interest rates) are expected to deteriorate over the next year which can lead to an increased number of defaults in the agricultural sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Generally, trade receivables are written-off if past due for more than two (2) years except for intercompany debtors and sovereign Government debt.

The Group's customers are located in several jurisdictions which are largely independent markets therefore its customer base is reasonably dispersed without one single customer individually contributing to a significant portion of the Group's total sales. The Group therefore evaluates the concentration of risk with respect to trade receivables as low with the exception of exposure to various regional governments as disclosed in Note 16.1.4.

Information about the credit risk exposure on the Group's and Company's trade receivables using provision matrices are set out in Note 16.2.

#### Cash and cash equivalents and other financial assets

Credit risk from balances with the government and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the Group's Audit Committee on a regular basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The maximum exposure to credit risk is equal to the carrying amount as per the statements of financial position.

The Group evaluates the concentration of risk with respect to bank deposits as low since the Group's cash and cash equivalents balances are spread across the various banks in the countries the Group's operates.

### 28.2.3 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter in meeting commitments associated with financial liabilities because of the possibility that the Group or the Company may be required to pay its liabilities earlier than expected. The liquidity risk arises if the Group or the Company defaults in its loan commitments or in meeting other conditions of the financial liabilities.

Notes 11.3, 23.2 and 24.2 summarise the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted payments:

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

The Group and Company ensure timely payments of all loan commitments, which are mainly in the form of bank overdrafts, and are reviewed every twelve (12) months. Timely arrangements are made with the banks to review facilities before they expire to avoid default.

The Group and Company are principally funded through centrally arranged facilities through the Company, Seed Co International Limited. As part of its treasury functions, Seed Co International Limited has short-term financing from main bankers in place.

The Group and Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within six (6) months can be rolled over with existing lenders.

### 28.2.4 Cash management

As part of cash management, Group cash positions are monitored on a daily basis, with a view on optimizing returns. Furthermore, the Group continues to explore opportunities to maximise yields on any surplus returns.

## 29 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes stated capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep its gearing ratio below 50%. The Group's net debt definition comprises loans and borrowings less cash and cash equivalents.

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 2023.

	Note	GROUP		COMPANY	
		2024 US\$	2023 US\$	2024 US\$	2023 US\$
<b>Set out below is the computation of the Group and Company's gearing ratios:</b>					
Loans and borrowings	22.1	36,498,028	46,160,191	20,962,713	17,991,852
Cash and cash equivalents	18.1	(22,819,626)	(19,196,798)	(1,680,768)	(379,362)
<b>Net debt</b>		<b>13,678,402</b>	<b>26,963,393</b>	<b>19,281,945</b>	<b>17,612,490</b>
Capital		79,528,302	85,014,625	35,366,994	40,581,827
<b>Gearing</b>		<b>17%</b>	<b>32%</b>	<b>55%</b>	<b>43%</b>
<b>30 COMMITMENTS AND CONTINGENCIES</b>					
Commitments	30.1.1	9,916,079	10,517,925	105,000	15,000
Contingent liabilities	30.2	150,378	162,632	-	-

### 30.1 Commitments

#### 30.1.1 Capital expenditure commitments

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

#### 30.1.2 Seed production

The Group, through its subsidiaries in Zambia, Malawi, Tanzania, Kenya and Nigeria, contracts growers to produce seed on its behalf every year. The seed production process takes approximately six (6) months. This gives the business the right to obtain the economic benefits from use of the farmer's land earmarked for seed production.

## Notes to the Consolidated and Separate Financial Statements (cont.)

For the year ended 31 March 2024

The Group compensates the growers on seed delivery as agreed in the contract. Grower contracts are negotiated every year depending on the Group's seed volume requirements. The number and composition of growers varies every year depending on the Group's seed volume requirements and past grower performance. The farmer has the right to convert for their use the portion of land previously used for the Group's seed production upon harvest.

### 30.2 Contingent liabilities

Seed Co Tanzania had unresolved Tanzania Revenue Authority (TRA) tax assessments on Withholding Tax (WHT) and Skills and Development Levy (SDL), with a possible loss of TZS 384,666,000 (2023: TZS 384,666,000). Seed Co Tanzania won this case against the TRA at the Tax Tribunal but the TRA has since appealed against Seed Co Tanzania at the Court of Appeal where the case has not yet been heard. The contingent liability relating to this case is fully provided for by Seed Co Tanzania.

### 30.3 Guarantees

Stanbic Bank Botswana guaranteed the Botswana Unified Revenue Service (BURS) US\$25,487 (BWP 351,091) for VAT deferral account in favour of Seedco Botswana.

30,4	Collateral pledged as security for loans and borrowings	Balance sheet classification	Currency	Facility Limit	Tenure	Maturity	Facility Structure
	Mortgage bond over immovable property Security cession of insurance policy over immovable property	Non-current	USD	12,500,000	7 Years	Fixed	Project finance
	Guarantees from subsidiaries Registered deeds of hypothecation over movable assets	current	USD	19,000,000	365 days	Subject to annual review	Revolving credit facility
	Guarantees from subsidiaries and parent company Third party debenture over movable assets and bond over kitale premises	current	USD	3,185,824	150 days days	Fixed	Development finance
	Parent company guarantee Mortgage bond over immovable property [ZMK 333 612 500]	current	USD	13,411,558	365 days	Subject to annual review	Working capital facility
	Parent company guarantee [MWK 129 400 000] Mortgage bond over immovable property and lien over stocks and debtors	current	USD	7,463,232	180 days	Fixed	Working capital facility
	Lien over stocks [NGN 500 512 500]	current	USD	376,753	180 days	Fixed	Working capital facility

## Notes to the Consolidated and Separate Financial Statements (cont.)

### For the year ended 31 March 2024

#### 31 EVENTS AFTER THE REPORTING DATE

	GROUP		COMPANY	
	2024 cents/share	2023 cents/share	2024 cents/share	2023 cents/share
<b>31.1 Post-year end dividend declarations</b>				
Approved by Board post year-end on 27 June 2024 from the financial year ended 31 March (dividend per share):	0.31	0.25	0.31	0.25
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Approved by Board post year-end on 27 June 2024 from the financial year ended 31 March (dividend amount)*:	1,220,308	984,120	1,220,308	984,120

\*Prior year dividend amount incorrectly stated as US\$970 507 instead of US\$984 120. The dividend per share was however correctly stated as 0.25 US Cents and approved as such by Shareholders at the last Annual General Meeting held on 20 September 2023.

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Botswana, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Dividends declared after the reporting date are not recognised as a liability in the statements of financial position.

Proposed dividends on ordinary shares are subject to approval at the annual general meeting to be held before the end of September 2024 and are not recognised as a liability as at 31 March.

#### 32 IMPACT OF THE CONFLICTS IN EASTERN EUROPE AND MIDDLE EAST

##### 32.1 Conflicts in Eastern Europe and Middle East

The most notable twin business risks for the Group manifesting from the crisis in Eastern Europe and the Middle East are as follows:

- Rising cost of doing business across the value chain due to escalating costs of imported key production inputs (fuel, chemicals and commodities) and general cost of living leading to wage pressure. In response central banks have been hiking interest rates thereby raising the cost of borrowing.
- Supply chain bottlenecks causing shortages of the aforementioned inputs constraining seed production activities.

The conflict has however presented an opportunity for increased agricultural activity particularly in Africa to fill the food supply gap created by conflicts in Eastern Europe and the Middle East. The Group is better positioned to benefit from the potential increase in seed demand as countries on the continent seek food self-sufficiency. Additionally, selling prices tend to move in line with the imported global inflation. Where possible, the Group procures inputs in advance to lock prices and continues to lobby authorities to prioritise funding towards food production.



## ANNEXURES

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## TOP 20 SHAREHOLDERS

RANK	NAME	#SHARES	%	STATUS
1	VILMORIN & CIE	127 399 703	32,36%	Non public
2	SEED CO LIMITED	108 172 208	27,48%	Non public
3	OLD MUTUAL ZIMBABWE	44 039 932	11,19%	Public
4	NATIONAL SOCIAL SECURITY AUTHORITY OF ZIMBABWE	25 892 780	6,58%	Public
5	STANBIC NOMINEES	23 693 109	6,02%	Public
6	MINING INDUSTRY PENSION FUND OF ZIMBABWE	7 182 511	1,82%	Public
7	SCB NOMINEES	5 608 298	1,42%	Public
8	BURKET ASSOCIATES LIMITED NNR	4 351 829	1,11%	Public
9	CAPERAL LIMITED NNR	2 852 304	0,72%	Public
10	BOTSWANA PUBLIC PENSION FUND	2 281 568	0,58%	Public
11	DELTA BEVERAGES PENSION FUND	2 192 934	0,56%	Public
12	ZESA STAFF PENSION FUND	1 986 133	0,50%	Public
13	COMMUNICATION AND ALLIED INDUSTRIES PENSION FUND OF ZIMBABWE	1 741 510	0,44%	Public
14	SEEDCO EMPLOYEES TRUST COMPANY	1 630 793	0,41%	Non public
15	DEKALB GENETICS CORPORATION	1 490 625	0,38%	Public
16	FNB NOMINEES	1 421 938	0,36%	Public
17	SEED CO EMPLOYEES, DIRECTORS & THEIR DEPENDANTS	1 001 180	0,25%	Non public
18	HIPPO VALLEY ESTATES PENSION FUND	926 622	0,24%	Public
19	PUBLIC SERVICE OF ZIMBABWE PENSION FUND	903 241	0,23%	Public
20	UNIVERSITY OF ZIMBABWE PENSION FUND	895 200	0,23%	Public
21	OTHER	27 983 412	7,11%	Public
<b>TOTAL</b>		<b>393 647 830</b>	<b>100%</b>	

SHAREHOLDER SPREAD	%	NUMBER
PUBLIC	39,49%	14 371
NON-PUBLIC	60,51%	47
<b>TOTAL</b>	<b>100,00%</b>	<b>14 418</b>

## CORPORATE INFORMATION

## South Africa Office

Seed Co International Limited  
33 Georgian Cres E  
Bryanston, Sandton 2191  
Johannesburg  
South Africa

## Registered Office

Seed Co International Limited  
Plot 70713, Unit 1, Pakhalane  
Gaborone  
Botswana

## Auditors

Ernst & Young  
2<sup>nd</sup> Floor Plot 22  
Khama Crescent  
PO Box 41015  
Gaborone  
Botswana

## Transfer Secretaries (Zimbabwe)

Corpserve Registrars  
2nd Floor, ZB Center  
Cnr 1<sup>st</sup> / Kwame Nkrumah Ave  
Harare, Zimbabwe

## Transfer Secretaries (Botswana)

Central Securities Depository Botswana  
4th Floor Fairscap Precint  
Plot 70667 Fairgrounds  
Gaborone, Botswana

## Share Register Services (Botswana)

Desert Secretarial Services ("DSS")  
Plot 2482b, Tshakedi Crescent (off North Ring Rd)  
Extension 9  
Gaborone, Botswana

## NOTICE OF ANNUAL GENERAL MEETING TO SEED CO INTERNATIONAL LIMITED SHAREHOLDERS

Notice is hereby given that the **24<sup>th</sup> Annual General Meeting** of Members of Seed Co International Limited (“the Company”) will be held Virtually on **Friday the 13<sup>th</sup> of September 2024, at 11:00 GMT+2 (Botswana)**. The Annual General Meeting will be hosted online via the Escrow Group platform.

Members will be asked to consider, and if deemed fit, to pass with or without modification, the resolutions set out below: -

### ORDINARY BUSINESS: - As ordinary resolutions:

#### 1. Approval of the Audited Financial Statements and Reports

To receive, consider and adopt the Annual Financial Statements and Reports of the Directors and Auditors for the year ended 31 March 2024.

#### 2. Appointment of Directors

- a) To note the resignation of Mr. Patrick Spadin during the year.
- b) To note the retirement of Mr. Pearson Gowero by rotation in terms of section 21.9.1 of the Company’s Constitution and being eligible offer themselves for re-election.
- c) To note the retirement of Mrs. Remina Charity Davidzo Chitengu by rotation in terms of section 21.9.1 of the Company’s Constitution and being eligible offer themselves for re-election.
- d) To note the retirement of Mr. Fermin Jesus Azanza Moriones by rotation in terms of section 21.9.1 of the Company’s Constitution and being eligible offer themselves for re-election.
- e) To note the retirement of Mr. Régis Daniel André Fournier by rotation in terms of section 21.9.1 of the Company’s Constitution and being eligible offer themselves for re-election.
- f) To note, in terms of section 21.4 of the Company’s Constitution, the new appointment and election of Mr. Kenias Mafukidze who was duly selected by the Board Nominations Committee.

Mr. Kenias Mafukidze is a Chartered Accountant with an MBA (Finance) from Manchester University as well as an MPhil in Development Finance from Stellenbosch University. Kenias is currently the Group CEO of Alpha Media Holdings Limited.

- g) To note, in terms of section 21.4 of the Company’s Constitution, the new appointment and election of Mr. Maxen Phillip Karombo who was duly selected by the Board Nominations Committee.

Mr. Maxen Phillip Karombo is a Chartered Marketer and a Fellow of the Chartered Institute of Marketing (CIM) and holds a BTech Honours Degree and an MBA both from the University of Zimbabwe. Maxen is currently the Group CEO of OK Zimbabwe Limited.

- h) To note, in terms of section 21.4 of the Company’s Constitution, the new appointment and election of Mr. Anthony Carvalho who was duly selected by the Board Nominations Committee.

Mr. Anthony Carvalho is a qualified finance professional who holds a Master’s in Information Systems (Institut Mines-Telecom SudParis), supplemented by a Master’s in Audit & Financial Advisory (Université Paris Dauphine) and a Master’s in Finance (ESSEC). Anthony is the Chief Financial Officer for the Limagrain Group.

NB: Motions for the election of directors will be moved individually.

#### 3. Approval of Directors’ fees

To approve the Directors’ fees for the year ended 31 March 2024 amounting to \$301,628 (2023 \$291,101).

#### 4. Approval of Auditors’ fees and reappointment

To approve the remuneration of the auditors amounting to \$123,567 (2023 \$123,887) for the past annual audit and re-appoint Ernst & Young, Chartered Accountants (Botswana) as auditors for the current year.

#### 5. Dividend ratification

To note and ratify the declared dividend of 0.31 US cents per share (2023 0.25 US cents per share) payable out of the Company’s distributable reserves from the financial year ended 31 March 2024.

### Registration of the AGM

The Annual General Meeting will be held virtually. Members can participate using the following link <https://escrowagm.com/eagmZim/Login.aspx>. Please contact **Lesley Muzamba** for assistance with registration for the annual general meeting, email: [lesley@escrowgroup.org](mailto:lesley@escrowgroup.org) and you can also call or WhatsApp the following helplines +263 71 524 5730; +263 77 2289 768

### Annual Report

The Company’s Annual Report is now available on the Company’s website, <https://www.seedcogroup.com/investors/results/annual-reports> copies of the Annual Report have also been sent to Shareholders whose emails are on record.

By Order of the Board



Eric M. Kalaote  
Company Secretary  
22 August 2024

### Notes

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, vote and speak in their stead. The proxy need not be a member of the company. To be effective, the form of the proxy must be lodged at the company’s office at least 48 hours before the meeting.



The African Seed Company

## FORM OF PROXY

FOR THE 24<sup>TH</sup> ANNUAL GENERAL MEETING OF SEED CO INTERNATIONAL LIMITED

I/We, \_\_\_\_\_ (full names) of \_\_\_\_\_

(full address) being the registered holder/s of

\_\_\_\_\_ ordinary shares in SEED CO INTERNATIONAL LIMITED, do hereby appoint:

\_\_\_\_\_ (full names) of \_\_\_\_\_

\_\_\_\_\_ (full address) or failing him/her the

Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held on the  
F R I D A Y 13 SEPTEMBER 2024 at 1100 HRS and at any adjournment thereof.

I/We instruct my/our proxy or proxies to vote in the following way:

(Please mark the appropriate box with an "X" next to each resolution)

	ORDINARY BUSINESS	For	Against	Abstain
1	THAT the Annual Financial Statements and Reports of the Directors and Auditors for the year ended 31 March 2024 be adopted.			
2	THAT Mr. P. Gowero be re-elected as a Director of the Company in terms of the Company's Constitution.			
3	THAT Mrs. R. C. D. Chitengu be re-elected as a Director of the Company in terms of the Company's Constitution.			
4	THAT Mr. F. J. Azanza Moriones be re-elected as a Director of the Company in terms of the Company's Constitution.			
5	THAT Mr. R. D. A. Fournier be re-elected as a Director of the Company in terms of the Company's Constitution.			
6	THAT Mr. A. Carvalho be appointed and elected as a Director of the Company in terms of the Company's Constitution.			
7	THAT Mr. K. Mafukidze be appointed and elected as a Director of the Company in terms of the Company's Constitution.			
8	THAT Mr. M. P. Karombo be appointed and elected as a Director of the Company in terms of the Company's Constitution.			
9	THAT the remuneration of the Directors be confirmed.			
10	THAT the remuneration of the Auditors, Ernst & Young Botswana, for the past audit be confirmed.			
11	THAT Messrs. Ernst & Young Botswana be re-appointed as Auditors of the Company for the following year until the conclusion of the next Annual General Meeting.			
12	To confirm the declared dividend of 0.31 US cents per share payable out of the Company's distributable reserves from the financial year ended 31 March 2024.			

Details of the above resolutions are set out in the Notice of the Annual General Meeting.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

SIGNATURE OF SHAREHOLDER

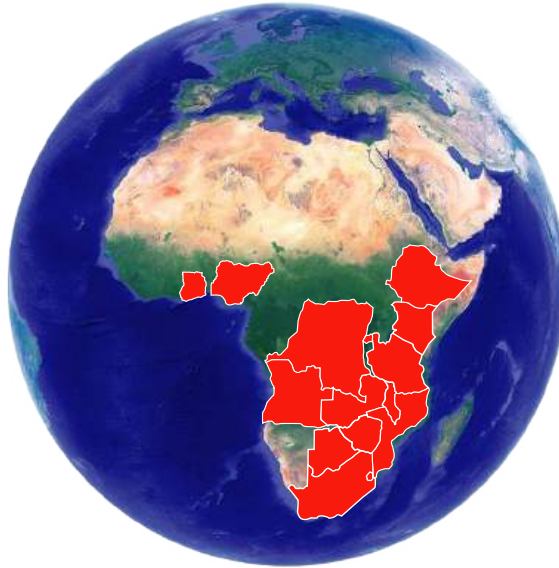
## NOTES:

- A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, vote and speak in their stead.
- The proxy need not be a member of the Company and unless otherwise instructed, the proxy will vote as he/she thinks fit.
- To be effective, the form of the proxy must be lodged at the Company's office at least 48 hours before the meeting.
- The proxy form must be signed and dated for it to be valid. Any alterations or corrections to this form must be initialed.
- Anyone signing this proxy form in a representative capacity must be authorized to do so. Please stamp this form with your company or organization's stamp and enclose proof of authorization.
- The proxy can be emailed to: [tineyi.chatiza@seedcogroup.com](mailto:tineyi.chatiza@seedcogroup.com) or [investor@dss.co.bw](mailto:investor@dss.co.bw) or [maria@dss.co.bw](mailto:maria@dss.co.bw) or [patricia@escrowgroup.org](mailto:patricia@escrowgroup.org)
- The return of this proxy form will not prevent you from attending the meeting and voting in person. However, should this happen, the proxy will be revoked.

Registered Office: Plot 70713, Phakalane, Gaborone, Botswana

Website: [www.seedcogroup.com](http://www.seedcogroup.com)

Directors: P. Gowero (Chairman), M. Nzwere\*, J. Matorofa\*, C. Kabaghe, A. Carvalho, D. Chitengu, R. Fournier, F. Savin, K. Mafukidze, A. Barron, M. Karombo, R. de Wet, K. Moswela, F. Azanza (\*Executive)



### SEED CO INTERNATIONAL LIMITED

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3911906-7  
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### SEED CO BOTSWANA

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### SEED CO NIGERIA

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Email: wellington.wasike@seedcogroup.com  
Email: seeds@agriseed.co.ke

### SEED CO ETHIOPIA

Awlo Bussiness Center  
4th Floor Bole, Addis Ababa, Ethiopia  
Email: Mekonnen.nefa@seedcogroup.com

### SEED CO MOZAMBIQUE

EN 6 Zona Industrial  
Bairro Njamadjessa  
Cidade de Chimoio  
Mozambique  
Email: seedco@seedcogroup.com

### PRIME SEED CO INTERNATIONAL LIMITED (SEED CO VEGETABLES)

Plot 70713, Unit 1, Phakalane  
Postal Address: P.O. Box 47143  
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3911906-7  
Skype: sam.ruwisi  
Email: samson@seedcogroup.com

### PRIME SEED CO PRIVATE LIMITED (SEED CO VEGETABLES)

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Nelspruit  
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Northridge Park, Borrowdale, Harare, Zimbabwe



**The African Seed Company**



[www.seedcogroup.com](http://www.seedcogroup.com)