

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Circular is neither a prospectus nor an invitation to the public to subscribe for shares in Seed Co International Limited ("SCIL" or "the Company"), but is a document issued, in compliance with the Botswana Stock Exchange Listings Requirements, to inform SCIL Shareholders of the Proposed Transaction whose basis, rationale and terms and conditions are more fully set out in this Circular.

**Action required:**

- Shareholders are invited to attend the Extraordinary General Meeting ("EGM") convened by the EGM Notice contained herein;
- Shareholders who are unable to attend the EGM, but wish to be represented thereat should complete and sign the Proxy Form included in Appendix VI of this Circular and return to the Company Secretary by 1000 hours on Tuesday 29 December 2020;
- Shareholders may attend the EGM in person, notwithstanding the completion and return of the Proxy Form;
- If you are in any doubt as to the action you should take, please consult your stockbroker, banker, accountant or other professional advisor immediately; and
- If you no longer hold any shares in SCIL, you should send this Circular, as soon as possible, to the stockbroker, bank or other agent through whom the sale of your shareholding in SCIL was executed for onward delivery to the purchaser or transferee of your shares.

**SCIL DOES NOT ACCEPT RESPONSIBILITY, AND WILL NOT BE HELD LIABLE, FOR ANY ACTION OF, OR OMISSION BY, ANY STOCKBROKER, BANK OR OTHER AGENT INCLUDING, WITHOUT LIMITATION, ANY FAILURE ON THE PART OF THE STOCKBROKER, BANK OR ANY OTHER AGENT OF ANY SHAREHOLDER TO NOTIFY SUCH SHAREHOLDER OF THE EGM.**



**The African Seed Company**

**SEED CO INTERNATIONAL LIMITED**

(A public company incorporated in Botswana under company unique identification number BW0000 2529282)

# CIRCULAR TO SHAREHOLDERS

## REGARDING:

- a) the related party transaction involving the proposed Seed Co International Limited's reverse acquisition of Seed Co Limited, a Zimbabwean domiciled company and the second largest shareholder (27.3%) of Seed Co International Limited.

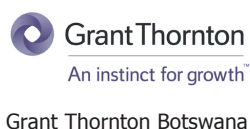
## INCORPORATING: -

a Notice to convene an EGM of the Members of SCIL, to be held virtually on Thursday 31 December 2020 at 1000 hours through the following link <https://escrowagm.com/eagmZim/Login.aspx>, which notice was published on Wednesday 9 December 2020 in accordance with the requisite provisions of the BSE Listings Requirements and the Companies Act [Chapter 42:01], and is set out at the end of this document. Shareholders are asked to complete and return the attached Form of Proxy in accordance with the instructions printed thereon, as soon as possible, by not later than 1000 hours on Tuesday 29 December 2020.

### Lead Financial Advisors



### Independent Financial Advisors



### Reporting Accountants



### Legal Advisors in Botswana



### Sponsoring Brokers in Botswana



### Transfer Secretaries in Botswana



### Legal Advisors in Zimbabwe



### Sponsoring Brokers in Zimbabwe



### Transfer Secretaries in Zimbabwe



This Circular is available in English only. Additional copies of this Circular are available from the Company Secretary at the Registered Offices of the Company or from the Sponsoring Brokers, at the addresses set out in the "Corporate information and advisors" section of this Circular during normal business hours on Business Days from Date of Issue up to the Date of the EGM. A copy of this Circular will also be available for viewing and downloading on SCIL's website ([www.seedcogroup.com](http://www.seedcogroup.com))

**Date of issue: Wednesday 9 December 2020**

## CORPORATE INFORMATION AND ADVISORS

### Directors

Morgan Nzwere\*  
 John Matorofa\*  
 Rudi de Wet  
 David Edward Beaumont Long  
 Chance Kabaghe  
 Fermín Jesus Azanza Moriones  
 Michael Shongwe Ngoro  
 Frédéric Savin  
 Pearson Gowero  
 Remina Charity Davidzo Chitengu  
 Andrew Graeme Barron  
 Patrick Spadin  
 Daniel Paul Francis Jacquemond  
 Kushatha Moswela

\*Executive

### Lead Financial Advisors

Corporate Excellence Financial Advisory Services P/L  
 3 Drummond Chaplin Street  
 Milton Park  
**Harare, Zimbabwe**

### Transfer Secretaries in Botswana

Central Securities Depository Company  
 of Botswana Limited  
 Fourth Floor, Fairscaple Precinct  
 Plot 70667, Fairgrounds Office Park  
 Private Bag 00417  
**Gaborone, Botswana**

### Legal Advisors in Botswana

Laurence Khupe Attorneys  
 (Inc. Kelobang Godisang Attorneys)  
 Plot 2583 Chuma Drive  
 Extension 9, P. O. Box 4888  
**Gaborone, Botswana**

### Sponsoring Brokers in Botswana

Imara Capital Securities P/L  
 Unit 6, 2<sup>nd</sup> Floor, Morojwa Mews  
 Plot 74770, Western Commercial Road  
 New CBD  
**Gaborone, Botswana**

### Independent Auditors and Reporting Accountants

Ernst & Young  
 Plot 22, 2<sup>nd</sup> Floor  
 UN Place  
 Khama Crescent  
**Gaborone, Botswana**

### Company Secretary & Registered Office

Eric M. Kalaote  
 Seed Co International Limited  
 Plot 70713, Unit 1, Phakalane,  
 P.O. Box 47143,  
**Gaborone, Botswana**

### Independent Financial Advisors

Grant Thornton Botswana  
 Acumen Park  
 Plot 50370, Fairgrounds  
 P O Box 1157  
**Gaborone, Botswana**

### Transfer Secretaries in Zimbabwe

Corpserve Registrars (Private) Limited  
 2<sup>nd</sup> Floor, ZB Centre  
 Corner First Street and Kwame Nkrumah Avenue  
**Harare, Zimbabwe**

### Legal Advisors in Zimbabwe

Atherstone & Cook Legal Practitioners  
 Praetor House  
 119 Josiah Chinamano Avenue  
**Harare, Zimbabwe**

### Sponsoring Brokers in Zimbabwe

ABC Stockbrokers P/L  
 First Floor, Heritage House  
 67 Samora Machel Avenue  
**Harare, Zimbabwe**

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## Definitions

In this Circular the following definitions apply, unless otherwise stated or the context indicates otherwise, the words in the first column have the meanings stated opposite them in the second column. Words in the singular shall include the plural and vice versa, and words importing natural persons shall include juristic persons, whether corporate or incorporate and vice versa.

"Atherstone & Cook"	Atherstone & Cook Legal Practitioners, SCIL's legal advisors in Zimbabwe in connection with the Proposed Transaction.
"Board" or "Directors"	The Board of Directors of SCIL.
"BSE"	The Botswana Stock Exchange, where SCIL has a primary listing.
"BSE Listing Requirements"	The Equity Listing Requirements of the BSE.
"Circular" or "Document"	This Circular to SCIL Shareholders dated Wednesday 9 December 2020 which sets out the details of the Proposed Transaction including all statutory notices, letters and appendices relating to the Proposed Transaction.
"Companies Act"	The Companies Act of Botswana [Chapter 42:01].
"Companies and Other Business Entities Act" or "COBE"	The Companies and other Business Entities Act of Zimbabwe [Chapter 24:31].
"Constitution"	The Constitution of SCIL registered with the Companies and Intellectual Property Authority of Botswana.
"Corporate Excellence"	Corporate Excellence Financial Advisory Services (Private) Limited, a financial advisory services company licensed by the Securities and Exchange Commission of Zimbabwe and Lead Financial Advisors to SCIL on the Proposed Transaction.
"Corpserve Zimbabwe"	Corpserve Registrars (Private) Limited, the Transfer Secretaries to SCIL in Zimbabwe.
"CSDB"	Central Securities Depository Company of Botswana Limited, the Transfer Secretaries to SCIL in Botswana.
"CTC"	Competition and Tariff Commission, a statutory body established in terms of Section 4 of the Competition Act [Chapter 14:28] to implement Zimbabwe's competition policy and execution of the country's trade tariffs policy.
"EGM"	The Extraordinary General Meeting of SCIL Shareholders to be held virtually on Thursday 31 December 2020 at 1000 hours through the following link <a href="https://escrowagm.com/eagmZim/Login.aspx">https://escrowagm.com/eagmZim/Login.aspx</a> , for purposes of considering the Proposed Transaction.
"EY"	Ernst & Young, SCIL's Independent Auditors and Reporting Accountants.
"Form of Proxy"	The form accompanying this Circular, which provides for SCIL Shareholders to appoint a proxy to attend the EGM and vote on their behalf on the resolutions proposed.
"HM Clause"	An affiliate of Limagrain, and SCIL's partner in breeding and distributing vegetable seeds in Africa.
"Independent Directors"	Directors of the Company who are not a related party as defined by the BSE Listings Requirements.
"Last Practicable Date"	The last practicable date before finalisation of this Circular, which date is 4 December 2020.
"Limagrain"	Group Limagrain Holding S.A., a company controlled by Société Cooperative Agricole Limagrain, a French agricultural cooperative.
"Laurence Khupe Attorneys"	Laurence Khupe Attorneys (Inc. Kelobang Godisang Attorneys) SCIL's legal advisors in Botswana in connection with the Proposed Transaction.
"NAV"	Net Asset Value.

"Pula", "P" or "BWP"	Botswana Pula, the official currency of Botswana.
"Related Party"	A party as defined in Section 7(2) (c) of the BSE Listing Requirements
"Seed Co Limited" or "SCL"	Seed Co Limited, a public company incorporated and domiciled in Zimbabwe whose ordinary shares are listed on the ZSE and the second largest shareholder of SCIL, which is the subject of this Circular.
"SCL shareholders"	The holders of ordinary shares in SCL.
"Shareholders" or "Members"	Holders of SCIL ordinary shares.
"The SCL Acquisition" or "the Proposed Transaction"	SCIL's proposed acquisition of the entire issued ordinary shares in SCL in terms of the ZSE Listings Requirements and the COBE, upon approval by SCIL Shareholders.
"the SCL Acquisition Shares"	Up to 252,223,526 (two hundred and fifty-two million two hundred and twenty-three thousand five hundred and twenty-six) new SCIL ordinary shares to be allotted to SCL shareholders as consideration for the SCL Acquisition.
"SCIL" or "the Company" or "the Group"	Seed Co International Limited, a public company incorporated and domiciled in Botswana and registered under the International Financial Services Centre, whose ordinary shares have a primary listing on the BSE and a secondary listing on the VFEX.
"US\$" or "USD"	The United States of America dollar, an allowable trading currency in Zimbabwe.
"VFEX"	Victoria Falls Stock Exchange Limited, a subsidiary of ZSE, registered and licensed by the Securities and Exchange Commission of Zimbabwe on which the shares of SCIL have a secondary listing.
"Vilmorin"	Vilmorin and Cie SA, an international seed business, controlled by Limagrain and listed on Euronex, which is also the single largest shareholder in SCIL and SCL.
"VWAP"	Volume Weighted Average Price.
"ZMW"	Zambian Kwacha, the official trading currency of Zambia.
"Z\$" or "Z\$"	Zimbabwe dollar, the official currency of Zimbabwe introduced under section 22 and 23 of the Finance Act Number 2 of 2019.
"ZSE"	Zimbabwe Stock Exchange Limited, a securities exchange, registered and licensed by the Securities and Exchange Commission of Zimbabwe, on which the ordinary shares of SCL are listed.
"ZSE Listings Requirements"	The Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, Statutory Instrument 134 of 2019.

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**Certain forward-looking statements**

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This Circular contains statements which are or may be, “forward-looking statements” which are prospective in nature. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning strategy, the economic outlook for the Company, production, cash flows and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity, capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditures, acquisition strategy and expansion prospects, or future capital expenditure levels and other economic factors, such as, amongst other things, interest and exchange rates.

All these forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Seed Co International Limited cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industries in which Seed Co International Limited operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions, as regards Seed Co International Limited and made by Seed Co International Limited as communicated in publicly available documents by Seed Co International Limited, all of which are estimates and assumptions, although Seed Co International Limited believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to Seed Co International Limited or not currently considered material) may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.

Seed Co International Limited Shareholders should keep in mind that any forward-looking statements made in this Circular or elsewhere are applicable only at the date on which such forward-looking statements are made. New factors that could cause the business of Seed Co International Limited not to develop as expected may emerge from time to time and it is not possible to predict all of them. The extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Seed Co International Limited has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of issue of this Circular, except as may be required by law.

**BSE, VFEX and ZSE Disclaimer**

The Botswana Stock Exchange, the Victoria Falls Stock Exchange Limited and the Zimbabwe Stock Exchange Limited have not verified the accuracy and veracity of the contents of this Circular and accept no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from the decision taken based on the contents of this Circular.



## Salient Information And Important Dates

This summary presents the salient information of the Proposed Transaction, the detailed terms and conditions of which are more fully set out in this Circular. Accordingly, this Circular should be read in its entirety for a full appreciation of the rationale and the implications of the Proposed Transaction, as well as regarding the actions required to be taken by Shareholders.

### The Proposed Transaction

Subject to SCIL shareholder approval in a general meeting, the Board is hereby proposing the acquisition by SCIL of up to 247,169,845 (two hundred and forty-seven million one hundred and sixty-nine thousand eight hundred and forty-five) SCL shares (constituting SCL's entire issued share capital) through an open market offer to be settled through the issuance of new SCIL shares on the basis of 1 SCIL ordinary share for every 0.98 SCL ordinary shares held.

### Extraordinary General Meeting

To consider and, if deemed fit, approve the following resolutions:

- a) the increase in authorised shares of the Company and to place the unissued shares under the control of directors;
- b) the proposed acquisition by SCIL of the entire issued ordinary shares in SCL to be settled through the issuance and allotment of new SCIL shares;
- c) directors' authority to settle the proposed acquisition using the Company's unissued shares under their control;
- d) the amendment of the 2018 Seed Co International Share Appreciation Rights Scheme ("the 2018 SARs Scheme") to accommodate new Share Appreciation Rights ("SARs") migrating from the 2017 Seed Co Limited Share Appreciation Rights Scheme to the 2018 SARs Scheme subject to the passing of resolutions in (a), (b) and (c) above; and
- e) directors' authority to give effect to the above resolutions.

The above resolutions are set out in detail in Appendix VI of this Circular. SCIL Shareholders are being called by notice dated Wednesday 9 December 2020 (notice of which is attached to and forms part of this Circular) to attend the EGM of the Company which will be held virtually at 1000 hours on Thursday 31 December 2020 through the following link <https://escrowagm.com/eagmZim/Login.aspx>.

### Important dates and times

Event	Date
Notice of Seed Co International Limited EGM published	Wednesday 9 December 2020
Abridged Circular to Seed Co International Limited Shareholders published	Wednesday 9 December 2020
Circular to Seed Co International Limited Shareholders posted	Wednesday 9 December 2020
Last day of lodging Forms of Proxy for the EGM (at 10:00 hours)	Tuesday 29 December 2020
SCIL EGM (at 1000 hours)	Thursday 31 December 2020
Publication of EGM resolution results	Tuesday 5 January 2020

### Notes

- The dates stated above are subject to change at the discretion of SCIL and any such change will be published in the Botswana and Zimbabwe press and on the Company's website.

- All times indicated above and elsewhere in this Circular are Central Africa Times.
- If the EGM is adjourned or postponed, Forms of Proxy submitted in respect of the EGM will remain valid in respect of any adjournment or postponement thereof.
- If the Proposed Transaction is approved by SCIL Shareholders at the EGM, update announcements will be made on progress regarding completion of any outstanding Conditions Precedent.

**PART I: LETTER TO SHAREHOLDERS****Chairman's Letter To Shareholders****The African Seed Company****SEED CO INTERNATIONAL LIMITED****(Incorporated in Botswana under company unique identification number BW0000 2529282)**

**Directors:** Mr. D. E. B. Long, Mr. C. Kabaghe, Mr. P. Spadin, Mr. F. Savin, Mr. M. S. Ndoro, Dr. F. J. A. Moriones, Mrs. R. D. Chitengu, Mr. D. P. F. Jacquemond, Mr. P. Gowero, Mr. A. Barron, Mr. R. de Wet, Ms. K. Moswela, Mr. J. Matorofa\*, Mr. M. Nzwere\* **(\*Executive)**

**Address:** Plot 70713, Unit 1, Phakalane, P.O. Box 47143, **Gaborone, Botswana**

Dear Shareholders,

**1. Introduction**

Seed Co International Limited ("SCIL") is involved in the business of producing and marketing certified field crop seeds and vegetable seed in Africa. It's field crop seeds include mainly hybrid seed varieties for maize, wheat, soya beans, sugar beans, cowpeas, sorghum, groundnuts and vegetables.

SCIL was carved out of Seed Co Limited ("SCL") and was listed separately on the Botswana Stock Exchange ("BSE") (primary listing) and the Zimbabwe Stock Exchange ("ZSE") (secondary listing) in October 2018. The separate listing of SCIL coincided with the onset of a currency crisis in Zimbabwe which led to various intervention measures by the Zimbabwean fiscal and monetary authorities. The measures included suspension of fungibility and ultimate suspension in the trading of SCIL shares on the ZSE and these market interventions affected the liquidity and attractivity of the nascent listing of SCIL on both the BSE and ZSE.

**2. Developments in Zimbabwe**

In the quest to address macroeconomic instability characterized by huge official and parallel exchange rate disparities, sustained depreciation of the Zimbabwean local currency and hyperinflation, the authorities in Zimbabwe took the following actions to expunge implied exchange rates deemed to be the main driver of currency crisis and inflation:

- 15 March 2020 – suspension of fungibility of all dual listed counters for a period of 12 months;
- 28 June 2020 – suspension of trading in all shares on the ZSE;

- 28 July 2020 – announcement by the Ministry of Finance and Economic Development of the Republic of Zimbabwe:
  - ✓ that trading will resume on the ZSE with dual listed counters remaining suspended;
  - ✓ that investigations concluded that dual-listed companies listed on ZSE, including SCIL, were not directly involved in activities on the parallel foreign currency market; and
  - ✓ that the investigations noted that implied exchange rates were being derived from the comparison of dual-listed share prices on the ZSE and other exchanges and such implied rates were found to be leading drivers of parallel foreign exchange rates and the resultant local currency hyperinflation;
- 3 August 2020 – resumption of trading in all shares on the ZSE except for dual-listed counters;
- 4 August 2020 - gazetting of Statutory Instrument (“SI”) 196 of 2020 (Special Provisions for Securities Listed on Victoria Falls Stock Exchange);
- 23 August 2020 – ZSE proposal to SCIL to migrate its listing to VFEX to allow resumption of trading;
- 23 October 2020 – termination of SCIL’s secondary listing on the ZSE;
- 26 October 2020 – secondary listing of SCIL’s shares on the VFEX; and
- 5 November 2020 – restoration of full fungibility of SCIL’s shares.

### 3. Peculiarities of Seed Co International Limited

The Board of SCIL appreciates the rationale behind the various monetary and fiscal measures undertaken in recent times to protect Zimbabwe’s financial markets integrity and stability.

Whilst the Board appreciates the proposal to migrate the secondary listings of dual-listed counters from the ZSE to the VFEX, the Board is of the view that the current structure of SCIL has certain peculiarities likely to disadvantage its performance on another BSE comparable “offshore type” stock exchange, the VFEX, relative to other Zimbabwean dual-listed counterparts. The peculiarities, which are a result of the make-up of the Seed Co Group, are as follows:

- a) SCIL only comprises operations outside Zimbabwe, unlike Zimbabwean dual-listed counterparts which are made up of both international and Zimbabwean operations; and
- b) Seed Co Limited comprises Zimbabwean operations and is only listed on the ZSE.

The Board believes having only one of the entities, SCIL, on the VFEX trading in US\$ while leaving the other, SCL on the ZSE trading in Z\$ will not protect value for the Shareholders.

Further, the provisions and incentives captured in Zimbabwe’s SI 196 of 2020 have been designed to make the VFEX a platform for mobilizing fresh hard currency capital for deployment mainly into Zimbabwean operations. This would present challenges to SCIL with no underlying Zimbabwean operations, to justify raising any capital on the VFEX for deployment outside Zimbabwe. These unfavourable prospects are likely to curtail the attractiveness of SCIL’s secondary listing on the VFEX with a negative effect on liquidity and price discovery to the detriment of existing Zimbabwean investors, who include pension funds and private individuals.

#### 4. The Proposed Transaction

In view of the issues raised above, and in pursuit of SCIL's grand strategy of becoming a truly "African Seed Company", the Board is proposing to bring the Zimbabwean operations of the Seed Co Group held by SCL under SCIL. Accordingly, the Board is hereby proposing that SCIL acquires the entire issued shares of SCL to make it a wholly owned subsidiary ("the Proposed Transaction") through the following steps:

- i) reverse acquisition of SCL by way of acquiring SCL's entire issued ordinary shares through an open market offer ("the Offer"), to be settled through the issuance of SCIL shares;
- ii) the delisting of SCL from the ZSE on a voluntary basis; and
- iii) the listing on the BSE and VFEX of the new SCIL shares to be issued as consideration for the acquisition of SCL.

#### 5. Related party transaction

Vilmorin and SCL are the largest and second largest shareholders in SCIL with shareholding of 32.15% and 27.3% respectively. The Proposed Transaction is therefore a Related Party Transaction as defined at Section 7.1 of the BSE Listings Requirements. Therefore, Vilmorin and SCL, the related parties, will not be eligible to vote on the resolution regarding the acquisition of ordinary shares in SCL.

#### 6. Rationale for the proposed Transaction

The proposed Transaction to bring the Zimbabwean segment of the Seed Co Group is premised on SCIL's:

- a) long-term strategy of being the "African Seed Company" whose realization will never be achieved with the exclusion of the Zimbabwean operations held through SCL. It should be noted that despite the partial unbundling and separate listing of SCIL, the majority shareholding structure of SCIL continue to mirror that of SCL. In addition to this strategic pursuit, benefits of the proposed acquisition of SCL by SCIL also include the harmonization of synergies as well as the elimination of duplicated functions and associated costs through:
  - harmonization of governance structures;
  - harmonization of administrative functions;
  - elimination of costs of maintaining two listed entities such as annual listing fees and disclosure costs (annual reports and shareholder meetings);
  - seamless sharing of support and technical functions including but not limited to Human Resources, ICT, Finance, Research and Development (R&D) and Marketing; and
  - leveraging the SCIL regional balance sheet to access affordable hard currency debt and equity funding as and when necessary. The current structure puts SCIL in a dilemma of making sure the sister operations in Zimbabwe survive the turbulence in Zimbabwe in a manner that does not raise conflict of interests from a related-party perspective.
- b) strategic response to the changes in the status of its Secondary Listing in Zimbabwe brought about by policy initiatives introduced by the Government of the Republic of Zimbabwe.
  - as aforementioned, transferring only one of the entities, SCIL, to the VFEX trading in US\$ while leaving SCL on the ZSE trading in Z\$ will not protect value for shareholders.

- against this background, the Board deemed it strategically fit to integrate SCL's operations under SCIL with a view to strengthen the profile of SCIL as its Secondary Listing migrated from the ZSE to the VFEX. This integration of the Zimbabwean operations will make SCIL's profile on the VFEX comparable to its dual listed counterparts whose make up comprise both international and Zimbabwean operations.

If the SCL acquisition does not take place, then SCIL and SCL will both remain separate companies with substantially the same shareholding and the benefits outlined above will not be available to either SCIL or SCL.

## 7. Details of the acquisition

### 7.1. Mechanics of the Proposed SCL Acquisition

- Subject to SCIL Shareholder approval, the Board is proposing to acquire up to 247,169,845 (two hundred and forty seven million one hundred and sixty nine thousand eight hundred and forty five) Seed Co Limited ordinary shares (constituting the entire issued share capital of SCL) to be settled through the issuance of up to 252,223,526 (two hundred and fifty-two million two hundred and twenty-three thousand five hundred and twenty-six) new SCIL shares based on a swap ratio of 1 SCIL ordinary share for every 0.98 SCL shares held. SCL shareholders will get a full share for every fractional entitlement resulting from the swap ratio.
- The acquisition by SCIL of SCL's entire issued ordinary shares will be undertaken in terms of the following 3-stage procedure that is in line with the COBE and the ZSE Listings Requirements:
  - a) Primary Offer: -**  
The publication of a Circular detailing the open market offer to SCL Shareholders shall constitute SCIL's Primary Offer to the Shareholders of SCL from the date of publication to the date of receiving acceptances aggregating to 35% of all the issued shares of SCL. Acceptances of the Offer by 35% of the Shareholders of SCL will constitute an acquisition by SCIL of a control block ("the Control Block") in SCL in terms of the provisions of COBE and the mandatory offer requirements of the ZSE Listings Requirements.
  - b) Secondary Offer: -**  
SCIL will invoke the takeover provisions of the ZSE Listings Requirements and COBE immediately after receiving acceptances in aggregate of 35% of the entire issued share capital of SCL. Immediately after receiving acceptances by holders of at least 35% of the entire issued shares of SCL, SCIL will, through an announcement in the Zimbabwean Press, the ZSE portal and on the SCL website, notify the remaining SCL Shareholders ("the Remaining Shareholders") of its intention to acquire their shares on the same terms as those by which it would have acquired the Control Block ("the Secondary Offer"). The Secondary Offer will be open for 30 days.
  - c) Drag-along acquisition (*right of Offeror with 90% to squeeze out minorities*)**  
If at least 90% of the Remaining Shareholders accept the Secondary Offer, SCIL will, in terms of the COBE, exercise its entitlement to acquire all the remaining SCL shares on the same terms that applied to shares whose holders accepted both the Primary Offer and the Secondary Offer.

In the event of the Drag-along provision of COBE being triggered, SCL shareholders who do not make an election or who are untraceable will have their allotted shares held in trust by the Transfer Secretaries for onward transmission upon tendering of genuine claims by the concerned shareholders.

## **7.2. Offer acceptances and voluntary delisting of SCL**

All valid acceptances received by SCIL from SCL shareholders during the Primary Offer will be deemed to be valid acceptances for the Secondary Offer unless withdrawn through a written notice to SCIL within 48 hours after the Secondary Offer has been published.

When SCIL's shareholding in SCL exceeds 70% or SCL has less than 300 shareholders, SCIL will cause SCL to apply for a voluntary delisting from the ZSE on the basis that SCL will no longer be compliant with the ZSE Listings Requirements.

Notwithstanding the foregoing, should the takeover and de-listing threshold of 70% of SCL issued share capital acceptances to the SCIL open market offer not be reached, SCIL will not proceed with the acquisition of any SCL shares. Accordingly, the offer is therefore conditional upon acceptances to the SCIL's open market offer cumulatively exceeding 70% of SCL's issued share capital.

## **7.3. Pricing for the SCL shares**

The pricing of the Proposed Acquisition of ordinary shares in SCL has been adjudged to be fair and reasonable by the Independent Financial Advisors, Grant Thornton. The Independent Financial Advisors report is set out in Appendix IV. The pricing of the transaction was arrived at having considered the intrinsic values of SCIL and SCL, the market values on both the BSE and ZSE, comparable precedent transactions, the willing-seller and willing-buyer open market offer nature of the proposed Transaction, acquisition of control to achieve the takeover objective, and the rationale for the Proposed Transaction.

## **7.4. Fungibility**

Shareholders are advised that the Minister of Finance and Economic Development of the Republic of Zimbabwe announced the lifting of all fungibility restrictions on SCIL's shares with effect from 5 November 2020 following the suspension of fungibility of the shares on 15 March 2020. Accordingly, and subject to prevailing exchange control regulations of Zimbabwe regarding fungibility, SCIL shares are now freely transferrable for trading on either the BSE or the VFEX and the transferability is allowed in either direction.

## **7.5. Conditions of the Proposed Transaction**

The Proposed Transaction is subject to the following conditions precedent:

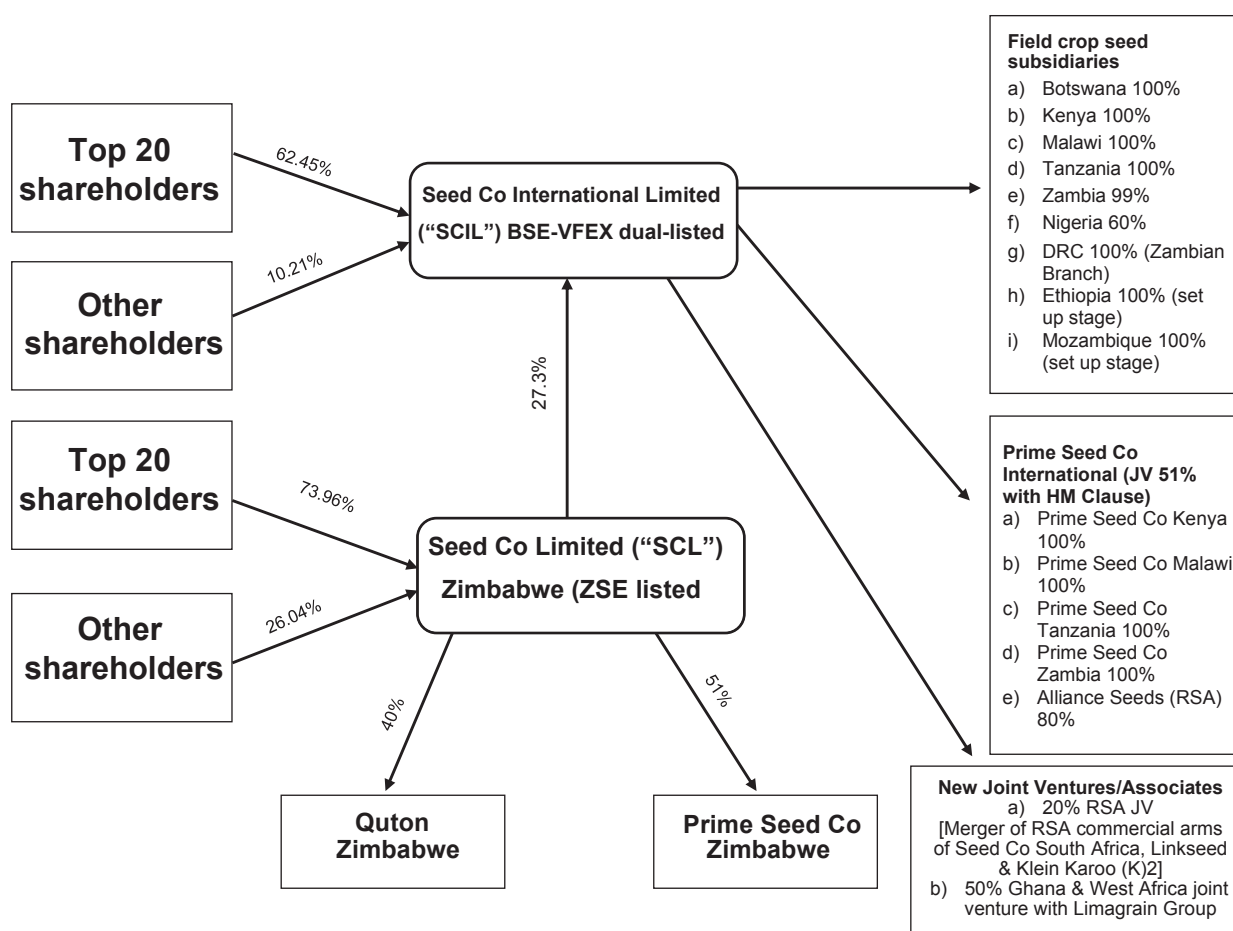
- approval by the Members of SCIL at the EGM to be held on Thursday 31 December 2020 in terms of the EGM Notice in Appendix VI;
- approval by the Exchange Control Authorities of Zimbabwe for SCIL, a foreign registered company, to acquire the shares of SCL;

- the acceptance thresholds of the Primary Offer and the Secondary Offer being reached and total acceptances reaching at least 70% of the issued shares of SCL to pave the way for the delisting of SCL from the ZSE and implementation of Drag-along provisions of the COBE;
- approval of the Proposed Transaction by the BSE; and
- approval of the Proposed Transaction by the Competition and Tariff Commission of Zimbabwe.

## 8. Effects of the Proposed Transaction

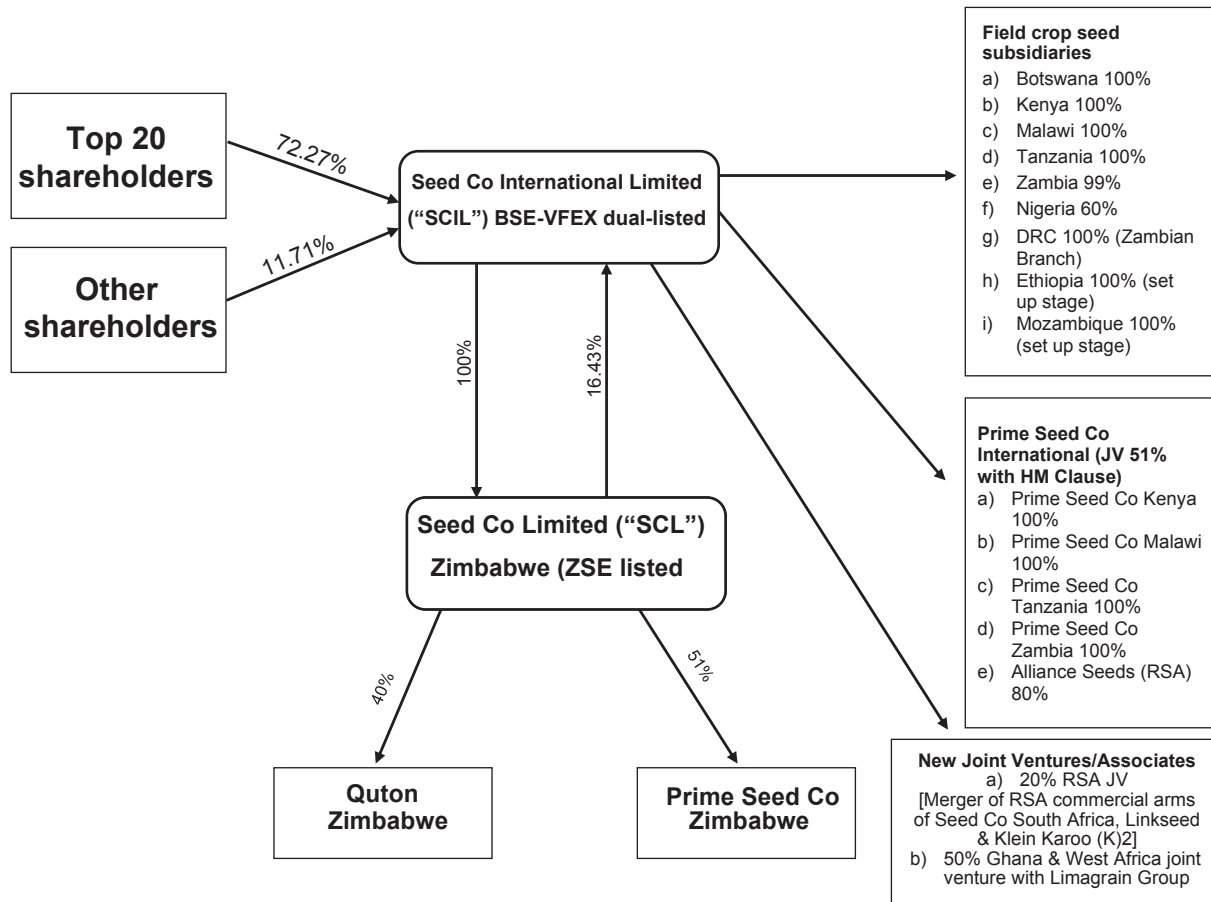
### 8.1. Group structure before and after the Proposed Transaction

#### 8.1.1. SCIL Group structure before the Proposed Transaction





### 8.1.2. SCIL Group structure after the Proposed Transaction



### 8.2. Effects on SCIL share capital structure

The proposed Transaction will result in the following changes in the Company's share capital structure:

Share capital (no. of shares)	Before Transaction	Increase	After the Transaction
Issued Ordinary Shares	381,452,827	252,223,526	633,676,353
Authorized but unissued Ordinary Shares	118,547,173	247,776,474	366,323,647
Authorized Ordinary Shares	500,000,000	500,000,000	1,000,000,000

The increase in issued shares includes 9,398 shares resulting from fractional entitlements.

### 8.3. Effects on the SCIL shareholding structure

#### 8.3.1. Current top 20 shareholders

As at the Last Practicable Date prior SCIL had 381,452,827 issued ordinary shares and its top 20 Shareholders were as follows:

Rank	Shareholder Top 20	Shares	% holding
1	STANBIC NOMINEES BOTSWANA RE VILMORIN & CIE	122,632,794	32.15%
2	SEEDCO LIMITED	104,124,874	27.30%
3	OLD MUTUAL LIFE ASS CO ZIM LTD	31,942,620	8.37%
4	NATIONAL SOCIAL SECURITY AUTHORITY	18,236,208	4.78%
5	STANBIC NOMINEES (PVT) LTD.	15,349,489	4.02%
6	STANBIC NOMINEES BOTSWANA: BNY10000151 FOR SBSA NLLMF LP	13,863,254	3.63%
7	MINING INDUSTRY PENSION FUND	6,913,772	1.81%
8	SCB NOMINEES 033663900002	6,040,668	1.58%
9	NATIONAL SOCIAL SECURITY AUTHORITY (WCIF)	4,492,549	1.18%
10	BURKET ASSOCIATES LIMITED NNR	4,189,002	1.10%
11	SCBN(PTY) LTD RE: SSB 028919900432 KIMBERLITE FAMF	3,270,036	0.86%
12	CAPERL LIMITED NNR	2,745,583	0.72%
13	LOCAL AUTHORITIES PENSION FUND	2,583,362	0.68%
14	OMZIL STRA SHREHLDER TRAP FUND	1,945,361	0.51%
15	SEEDCO EMPLOYEES TRUST COMPANY	1,630,793	0.43%
16	DELTA BEVERAGES PENSION FUND	1,514,772	0.40%
17	DEKALB GENETICS CORPORATION	1,490,625	0.39%
18	SCBN(PTY) LTD RE:NT BW0000016534 RE LUDP RE AIF CL 7.5 % NTA	1,476,146	0.39%
19	COMM AND ALLIED INDUSTRIES PF	1,311,800	0.34%
20	NATIONAL SOCIAL SECURITY AUTHORITY (NPS)	1,281,309	0.34%
	<b>Sub-total</b>	<b>347,035,017</b>	<b>90.98%</b>
	Others	34,417,810	9.02%
	<b>Total</b>	<b>381,452,827</b>	<b>100.00%</b>

Source: Corpserve Zimbabwe and CSDB

### 8.3.2. Effects of the Transactions on the top 20 shareholding structure

The table below shows the effect, on the SCIL shareholding structure, assuming all SCL shareholders accept the offer:

Rank	Name	Pre-Transaction % holding	Pre-Transaction number of shares	New shares	Post- Transactions % holding	Post- Transactions number of shares
1	STANBIC NOMINEES BOTSWANA RE VILMORIN & CIE	32.15%	122,632,794	73,569,476	30.96%	196,202,270
2	SEEDCO LIMITED	27.30%	104,124,874	-	16.43%	104,124,874
3	OLD MUTUAL Group	8.37%	31,942,620	26,104,578	9.16%	58,047,198
4	STANBIC NOMINEES (PVT) LTD.	4.02%	15,349,489	28,521,652	6.92%	43,871,141
5	NATIONAL SOCIAL SECURITY AUTHORITY	6.29%	24,010,066	15,263,663	6.20%	39,273,729
6	STANBIC NOMINEES BOTSWANA: BNY10000151 FOR SBSA NLLMF LP	3.63%	13,863,254	-	2.19%	13,863,254
7	MINING INDUSTRY PENSION FUND	1.81%	6,913,772	5,776,864	2.00%	12,690,636
8	MEGA MARKET (PVT) LTD	-	-	8,736,566	1.38%	8,736,566
9	BURKET ASSOCIATES LIMITED NNR	1.10%	4,189,002	4,749,436	1.41%	8,938,438
10	CAPERAL LIMITED NNR	0.72%	2,745,583	3,112,907	0.92%	5,858,490
11	SCB NOMINEES 033663900002	1.58%	6,040,668	-	0.95%	6,040,668
12	LOCAL AUTHORITIES PENSION FUND	0.68%	2,583,362	2,179,644	0.75%	4,763,006
13	SEEDCO EMPLOYEES TRUST COMPANY	0.43%	1,630,793	1,664,075	0.52%	3,294,868
14	DEKALB GENETICS CORPORATION	0.40%	1,514,772	1,665,905	0.50%	3,180,677
15	SCBN(PTY) LTD RE: SSB 028919900432 KIMBERLITE FAMF	0.86%	3,270,036	-	0.52%	3,270,036
16	DELTA BEVERAGES PENSION FUND	0.40%	1,514,772	1,638,266	0.50%	3,153,038
17	COMM AND ALLIED INDUSTRIES PF	0.34%	1,311,800	1,791,291	0.49%	3,103,091
18	OMZIL STRA SHREHLDER TRAP FUND	0.51%	1,945,361	781,997	0.43%	2,727,358
19	Z.M.D INVESTMENTS (PVT) LTD	-	-	2,595,472	0.41%	2,595,472
20	SCB NOMINEES 033667800001	-	-	2,565,381	0.40%	2,565,381
	<b>Sub-total</b>	<b>90.60%</b>	<b>345,583,018</b>	<b>180,717,173</b>	<b>83.06%</b>	<b>526,300,191</b>
	Others	9.40%	35,869,809	71,506,353	16.94%	107,376,162
	<b>Total</b>	<b>100.00%</b>	<b>381,452,827</b>	<b>252,223,526</b>	<b>100.00%</b>	<b>633,676,353</b>

Following the successful conclusion of the Proposed Transaction, SCL's shareholding in SCIL will be diluted from 27.3% to 16.43% which will be retained and held as treasury shares for future capital raising purposes subject to shareholder and regulatory approvals as may be necessary.

### 8.3.3. Share Appreciation Rights

There are Share Appreciation Rights ("SARs") granted to executive directors and senior management of SCL which have not yet been exercised. Subject to the Shareholder's approval for the amendment of the 2018 Seed Co International Share Appreciation Rights Scheme ("the SCIL SARs Scheme") to increase the SCIL SARs Scheme limit from 35,000,000 to 63,737,645 and following the successful conclusion of the Proposed Transaction, the SARs will be migrated from SCL to SCIL using a share swap ratio of 1 SCIL share for every 0.98 SCL shares as illustrated in the table below.

	Number of Share Appreciation Rights ("SARS") as at the Last Practicable Date			
	Options in SCL	To be transferred to SCIL	Existing in SCIL	After Transaction in SCIL
SARs limit	35,000,000	35,714,286	28,023,359	63,737,645
Granted to date	29,145,095	29,739,893	6,875,633	36,615,526
<b>Ungranted balance</b>	<b>5,854,905</b>	<b>5,974,393</b>	<b>21,147,726</b>	<b>27,122,119</b>

The SARs will be transferred together with their life from the date of the original grant in SCL and all other terms will be the same as those of the SCIL SARs Scheme.

## 9. Financial impact of the Proposed Transaction

### 9.1. Impact on NAV per share

Based on the pro forma financial position of SCIL, net asset value per share will increase from US\$0.19 to US\$0.20 after the successful consummation of the Transaction.

## 10. Costs of the Proposed Transaction

The costs of the Proposed Transaction are expected to amount to approximately US\$600,000 which relate to various advisory, accounting, regulatory as well as advertising, printing and postage charges. The table below depicts a breakdown of the costs of the Proposed Transaction.

Description	Amount (US\$)
Professional fees	450,000
Stock Exchange, regulatory fees, printing and distribution expenses	150,000
<b>Total</b>	<b>600,000</b>

## 11. Future prospects of Seed Co International Limited

In addition to the already outlined anticipated benefits of consolidating Zimbabwean operations should the Proposed Transaction be concluded successfully, the outlook for SCIL remains positive given the abundance of opportunities in the yet to be fully exploited Africa's seed industry. SCIL will seek to exploit the vast development opportunities in Africa leveraging the following core competencies:

- economies of scale;
- competitive conventional hybrids that are adaptable in most markets;
- localized research centres in all major operating markets;
- strong production base;
- strong brand;
- regional presence;
- human resource expertise; and
- high quality product of genetic and physical purity.

In the current and short-term, the Company is expected to show resilience to the effects of the Covid-19 pandemic owing to the following:

- a business model at the nucleus of the food chain will continue to benefit from enhanced agriculture sector and food security focus by governments and development partners; and
- the positive results of a Covid-19 business continuity plan whose implementation is currently an ongoing exercise by management under the stewardship of the Board.

In Zimbabwe, the operations to be acquired are expected to also ride the tide of prevailing macroeconomic challenges in that country anchored by the strong market standing and the survival and business continuity plan that is being implemented. The completion of the Artificial Seed Drying Plant, at the Stapleford main factory site and country head office, is expected to deliver seed to the market early as seed can be harvested early for processing thus reducing field losses due to diseases, pests and weather elements. This is a pilot project that will be rolled out to SCIL's other main markets like Zambia, Malawi, Tanzania and Kenya.

Shareholder attention is brought to the fact that cross-border flow of funds in and out of Zimbabwe require approval by the Exchange Control Authorities in Zimbabwe and SCIL will endeavour to comply with all applicable regulations leveraging on its centralized treasury management system.

For the medium to long-term, SCIL's strategy is to pursue both organic and non-organic strategies to retain and grow shareholder value. In this regard, the Company will strive to:

- defend and consolidate market share in its mature markets in Southern Africa;
- grow market share in its frontier markets in East Africa;
- develop new markets in unexplored parts of East Africa and North Africa;
- proactively manage product life cycle by continuously carrying out research to develop and introduce better performing and climate smart products;
- diversify products base by developing new seed products in rice, tuber crops and vegetables;
- leverage joint venture initiatives to establish in markets that require products in which the Group is less strong and this include segments and markets like:
  - ✓ vegetable seeds where the joint venture with HM.Clause is beginning to deliver positive results in Zimbabwe, South Africa, Malawi, Kenya, Tanzania and Zambia with plans to venture into other markets;
  - ✓ South Africa that is dominated by biotechnologically advanced products; and
  - ✓ West and Central Africa where yellow maize varieties are the most popular.

## 12. Regulatory issues

This Circular is issued in compliance with the BSE Listings Requirements. The Listings Committee of the BSE met and approved the Proposed Transaction on 8 December 2020 and granted approval for the publication of the Abridged Circular, EGM Notice and the distribution to Shareholders of this Circular in respect of the Proposed Transaction. The Company has given the BSE a confirmation in writing that should the Proposed Transaction be successful, SCL's Memorandum and Articles of Association, the constitution, will be amended to conform to Appendix 3C of the BSE Listings Requirements to the extent permissible under the laws of Zimbabwe where SCL is incorporated, and re-registered in terms of the Companies and Other Business Entities Act (Chapter 24:31).

## 13. Borrowing powers

The Directors of the Company are entitled to exercise the Company's borrowing powers in terms of the Constitution. The Directors may raise or borrow for the purposes of the business of the Company and its subsidiaries, such sum

or sums of money as in aggregate at any time does not exceed any limit as the Shareholders may, by ordinary resolution, in a general meeting have determined.

At no time, in the last 3 (three) years preceding the date of this Circular have the borrowing powers been exceeded.

#### **14. Borrowing and liabilities**

The Directors are authorized to borrow up to twice the outstanding value of the equity and reserves attributable to shareholders. Appendix V to this Circular sets out the material borrowings of the Company and its subsidiaries.

#### **15. Experts' consents**

Corporate Excellence, Atherstone & Cook, Laurence Khupe Attorneys, Imara Capital Securities, ABC Stockbrokers, Corpserve Zimbabwe, CSDB, Grant Thornton and EY have given, and have not withdrawn, their consents to the issue of this Circular with the inclusion of their logos, names and reports in the forms and contexts in which they appear.

#### **16. Working capital adequacy statement**

The Directors, after considering the effects of the Proposed Transaction, are of the opinion that the working capital available to SCIL after the Proposed Transaction will be adequate for SCIL's present requirements for at least the next 12 months from the date of issue of this Circular.

#### **17. Litigation statement**

There are no legal or arbitration proceedings, pending or threatened, of which SCIL, any of its subsidiaries or associates are aware, that may have or have had a material effect on the financial position of SCIL in the 12-month period preceding the Last Practicable Date.

#### **18. Dividend policy**

Generally, the Directors may from time to time declare and pay to the Shareholders final and interim dividends as appear to Directors to be justified by the profits of the Company within three months of the end of the half-year and six months of the end of the financial year.

Dividends shall be declared in respect of each financial period on the operating results of the period, financial position of the Company, investment strategy, future capital requirements and other factors that the Directors may consider.

Dividends which remain unclaimed by any Shareholder for three years shall become the property of the Company.

There are currently no arrangements between any of the Shareholders and the Company to waive rights to any dividends declared by the Company.

No dividends shall bear interest against the Company.

At the date of issuing this Circular no dividend had been recommended or declared and yet to be paid.

**19. Documents available for inspection**

The following original documents, or certified copies thereof, will be made available for inspection at the registered offices of SCIL, during normal business hours, on weekdays until the date of the EGM;

- the Constitution of SCIL;
- the Memorandum and Articles of Association for SCL;
- the Annual Reports containing the audited financial statements of SCI for the 3-year period ended 31 March 2020;
- the Annual Reports containing the audited financial statements of SCL for the 3-year period ended 31 March 2020;
- the original signed copy of this Circular to Shareholders;
- the BSE approval letter for the distribution of this Circular;
- the original Accountant's Report on the historical and pro forma financial information of SCIL;
- the Independent Financial Advisors' Fair and Reasonable Opinion on the proposed acquisition of SCL;
- the 2018 Seed Co International Share Appreciation Rights Scheme;
- executive directors' service contracts; and
- the experts' consent letters.

**20. Recommendations****20.1. Audit Committee**

Being a related party transaction, the Audit Committee of SCIL has reviewed the Proposed Transaction and recommended it for approval by the Directors of SCIL, as required under the BSE Listing Requirements. In addition, the Independent Directors also approved the Proposed Transaction after considering the transaction terms and the Fair and Reasonable Opinion provided by the Independent Financial Advisors.

**20.2. Directors' recommendations**

The Independent Directors of SCIL, having considered the terms of the Proposed Transaction and the Fair and Reasonable Opinion of the Independent Financial Advisors, are unanimously of the opinion that the Proposed Transaction is in the best interest of SCIL Shareholders. Accordingly, the Independent Directors recommend that Shareholders vote in favour of the resolutions giving effect to the Proposed Transaction.

The Directors of SCIL, who are also shareholders of either SCIL or SCL will collectively vote in favour of the resolutions to approve the Proposed Transaction at the EGM in respect of their own shareholdings.

Yours faithfully,

**For and on behalf of the Board of Seed Co International Limited**




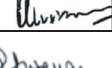

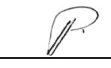


**D. E. B. Long**  
**Non-Executive Chairman**

## 21. Directors responsibility statement

The Directors of SCIL, whose names are set out below, collectively and individually accept full responsibility for the accuracy of the information provided in this Circular and certify that, to the best of their knowledge and belief, there are no other facts the omission of which make any statement in this Circular false or misleading, that they have made all reasonable inquiries to ascertain such facts (where applicable), and that this Circular contains all information required by law.

**Signed on 9 December 2020 by the Directors:**

Director	Position	Signature
D. E. D Long	Non-Executive Chairman	
M Nzwere	Group CEO – Executive Director	
J Matorofa	Group Finance Director – Executive Director	
D. P. F. Jacquemond	Non-Executive Director	
K Moswela	Independent Non-Executive Director	
F. J. A. Moriones	Non-Executive Director	
A. G. Barron	Independent Non-Executive Director	
R. C. D. Chitengu	Non-Executive Director	
P Gowero	Non-Executive Director	
M. S. Ndoro	Non-Executive Director	
C Kabaghe	Independent Non-Executive Director	
F Savin	Non-Executive Director	
P. S. R. Spadin	Non-Executive Director	
R de Wet	Independent Non-Executive Director	



## PART II: APPENDICES

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### Appendix I: Information on Seed Co International Limited

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#### A1.1 Company background

SCIL was incorporated on 7 July 2000 in Botswana under the International Financial Services Centre. It is registered under unique identification number BW0000 2529282. The Company was a wholly owned subsidiary of Seed Co Limited, a company incorporated and domiciled in Zimbabwe, until 9 August 2018 when the shareholders of Seed Co Limited approved the unbundling and separate listing of Seed Co International Limited. SCIL was partially unbundled through a dividend-in-specie of its shares to Seed Co Limited shareholders. Seed Co Limited retained a 27.3% shareholding in SCIL which it still owns to date.

SCIL is a holding company of seed businesses in various countries falling under the “Seed Co” brand in Africa, excluding Zimbabwe. The Company is listed on the BSE (primary listing) and the VFEX (secondary listing).

#### A1.2 Nature of operations

The Company, through its subsidiaries and joint ventures, is one of the leading certified seed companies authorized to market seed varieties developed by itself, government and other associated seed breeders in its markets. From years of intensive investment in R&D, the Company is involved in the breeding, multiplication and distribution of mainly hybrid seed varieties for the following crops:

- maize;
- wheat;
- soya beans;
- sugar beans;
- cowpeas;
- sorghum;
- groundnuts; and
- vegetables.

The Company’s seed products are the result of long-term scientific breeding programs. They are designed to add value to every farming operation where they apply, since they bring with them appropriate immunity, resistance or tolerance to diseases and reliable high yield performance. All SCIL’s hybrids and seed varieties are protected under the plant breeders rights legislation in the various jurisdictions where the Company operates.

**A1.3 Operations in Africa**

The main business of Seed Co International Limited is the production and marketing of certified cereal and vegetable seeds. The Company has registered operations in the following countries:

- a) Botswana;
- b) Democratic Republic of Congo (DRC);
- c) Ghana - the hub for SCI; expansion into Francophone West and Central Africa;;
- d) Kenya;
- e) Malawi;
- f) Nigeria;
- g) Rwanda;
- h) South Africa;
- i) Tanzania; and
- j) Zambia.

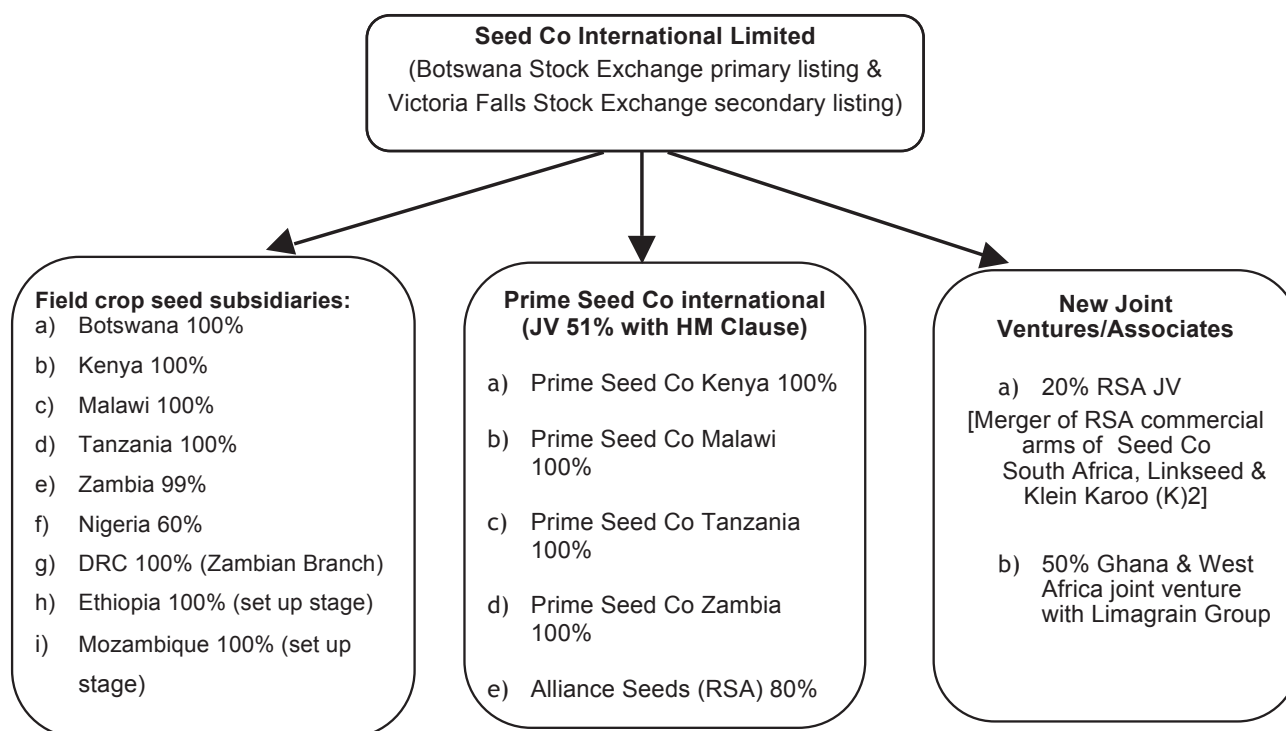
In addition, the Company's products are also currently being distributed in the following countries:

- a) Angola;
- b) Burundi;
- c) Ethiopia;
- d) Lesotho;
- e) South Africa;
- f) Swaziland; and
- g) Uganda.

SCIL runs the largest single out-grower scheme in the seed business and has the most extensive network of farmers, infrastructure, resources, geographical reach and know-how.

#### A1.4 Corporate structure

The corporate structure of SCIL is illustrated in the chart below:



#### A1.5 Overview of country operations

SCIL has managed to grow its presence in its market segment across Africa leveraging its brand equity and superior seed products with multi-geography adaptability characteristics. Three years ago, the company, in partnership with Limagrain's affiliate, HM Clause, also ventured into the development and distribution of vegetable seeds on the African continent.

Below is an overview of the key markets where SCIL has a presence:

##### A1.5.1 Seed Co Zambia

Seed Co Zambia is the leading operation of SCIL, contributing the largest share to consolidated annual revenue. It is one of Zambia's leading players in the agricultural sector and it is involved in crop seed research, production, processing, distribution and marketing. Seed Co Zambia's flagship seed products include hybrid seed maize, wheat and soya bean. The business unit also markets sorghum, sugar beans, groundnuts and vegetables seeds.

Taking advantage of the unique location of Zambia in the region and Zambia's diverse agro-ecological environments, SCIL has invested in two research stations to maximize germplasm screening and development of varieties with diverse adaptability to suit Zambia and other countries in the region with similar environments. One research station is in Mpongwe district on the Copperbelt where disease pressure and rain are very high while the other station is in Lusaka, which is the most productive agro-region of Zambia. This placement gives SCIL a competitive edge not only in Zambia but the region as well.

The Company operates a centralized processing factory in Lusaka with a packing capacity of over 300 metric tons per day. This gives the business unit great efficiency in meeting big seed orders within a short period to serve Zambia and other regional markets. With the distribution network anchored around the 8 depots that are strategically located across the country, seeds have been taken closer to the farmers. The depots are supplemented by a network of appointed stockists in almost every district.

Seed Co Zambia exports seed to most of the countries in the COMESA and SADC regions such as Tanzania, Malawi, Rwanda, Zimbabwe, Botswana and the Democratic Republic of Congo.

#### **A1.5.2 Seed Co Kenya**

Agri–Seed Co Kenya is one of the key business units of SCIL. The business unit is involved in crop seed research, production, processing, distribution and marketing. Its flagship seed products include hybrid seed maize, sorghum and vegetable seeds.

Agri–Seed Co has a seed drying and processing plant in Kitale. The plant enables the business to meet the increasing demand of the Seed Co varieties popular in the Kenyan highlands and demand in Burundi, Uganda and Rwanda.

Seed Co Kenya leverages on information and technology and the R&D resources at its disposal to provide Maize Lethal Necrosis Disease (“MLND”) and Striga resistant varieties for the Kenyan highlands, whilst continuing to develop the product depth and range.

#### **A1.5.3 Seed Co Malawi**

Seed Co Malawi produces and markets various cereal and legume crop seeds to the farming communities in Malawi. The business unit is involved in crop seed research, production, processing, distribution and marketing. Its flagship seed products include hybrid seed maize, soya beans, groundnuts and vegetable seeds.

Seed Co Malawi has a production plant in Lilongwe with adequate capacity to provide seed to customers timely. Seed Co Malawi is positioned to take advantage of the key role played by agriculture in Malawi. Agriculture is the main determinant of economic performance in Malawi contributing around 30% of GDP. It also drives growth in the other sectors, particularly manufacturing.

**A1.5.4 Seed Co Tanzania**

Seed Co Tanzania is one of Tanzania's prominent players in the seed industry. It is involved in crop seed research, production, processing, distribution and marketing. Its flagship seed products include hybrid seed maize, wheat and soya bean.

Seed Co Tanzania has 2 processing plants in the northern and southern regions of Tanzania which service the distribution depots across the country. The Northern plant produces 300S; 400S; 500S and 600S varieties which are distributed in the western, northern and southern regions of Tanzania. Whilst the processing plant in the south produces 6-800s varieties and services the north and south regions.

**A1.5.5 Seed Co Nigeria**

Seed Co Nigeria was incorporated in 2013 under the name Agriseed Co Nigeria Limited. It is one of the major players in Nigeria's seed industry. The company has been at the forefront of increasing farmers yield and productivity in maize production in Nigeria through the introduction of high yielding hybrid maize adapted to Nigerian ecology. This is in tandem with the current efforts of the Federal Government of Nigeria to boost agricultural productivity, create employment opportunities, enhance rural farmers income and food security.

To achieve this, Seed Co Nigeria collaborates with organizations such as Institute of Agricultural Research (IAR) Zaria, International Institute of Tropical Agriculture (IITA), National Agricultural Seed Council of Nigeria (NASC), and Federal ministry of Agriculture.

**A1.5.6 Associates and joint ventures**

SCIL owns 51% of Prime Seed Co International, a joint venture with HM Clause. HM Clause is an affiliate of Limagrain, which focuses on the production and distribution of vegetable seeds in Kenya, Malawi, Tanzania, Zambia under the Prime Seed Co umbrella and Alliance Seeds in South Africa.

SCIL's newly established joint ventures and associates include:

- a) a 50% equity stake in a joint venture company, African Seed Co Company Ghana Limited that is domiciled in Ghana. The objective of this joint venture is to expand into Francophone West and Central Africa covering 13 countries. This is a predominantly yellow maize market and SCIL is seeking to leverage its strength in white maize with the strength of Limagrain in yellow maize to better serve this market with both variants of maize.
- b) an effective 20% stake in Limagrain Zaad South African (Pty) Limited, a merger of the commercial arms of Seed Co South Africa, Linkseed and K2. The main objective of this merger is to:
  - create critical mass necessary to compete with the dominant global seed companies, Monsanto and Pioneer, that equally control 90% of the South African maize seed market;
  - harness biotechnology leveraging the relatively strong R&D budget of Limagrain to develop products suited for the South African market and compete with the dominant seed companies in this market; and

- harness the processing capacity and distribution channels of Linkseed and K2 in South Africa, Swaziland and Lesotho to better serve farmers in these markets.

#### **A1.6 Corporate governance**

In developing the corporate governance framework, the Board considers the standards of corporate governance applicable in each of the countries in which the Company is listed. The Company adopted and is in full compliance with the King IV Corporate Governance Code and international best practice.

The Group enacts corporate governance to ensure proper management, a responsive and transparent management structure and growth to be the best African Seed Company. The Board has initiated various measures to ensure independence and strengthen the surveillance powers of the Group Board. Accordingly, the Group continues to promote the entrusted delegation of authority system to separate the decision-making and execution functions of Executive Management and the Board.

The Board in its entirety recognises that delegations of authority are a fundamental requirement for the success of the business and does not reduce the responsibility of Directors to discharge statutory and common law fiduciary duties. The Group has also ensured that majority of Directors to the Board are independent and external Directors, which heightened the Board's independence and accountability functions. The Board remains committed to strong and ethical leadership, and to consistent action within a governance framework that is built on the principles of honesty, integrity and accountability.

The corporate governance structure of the Group is regularly reviewed to ensure that the Board exercises an effective and ethical leadership, conducts its affairs as a good corporate citizen and takes appropriate decisions to ensure the long-term sustainability and value creation of the business. The Board retains overall responsibility for the concept of integrated thinking as encapsulated in the King Report on Corporate Governance for South Africa 2016 (King IV) and the Botswana Code of Corporate Governance, 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 and administrative and compliance processes have continued to contribute to ongoing value creation by driving:

- Accountability to our shareholders and various stakeholders;
- Sound leadership and effective decision-making;
- Strong risk management and risk mitigation;
- Comprehensive and transparent integrated reporting; and
- A remuneration policy that builds a winning productive and resilient team through the development and retention of top talent and incentives in line with the Group's strategic objectives.

## A1.7 Directors' Profiles and Interests

### A1.7.1 SCIL Directors

Set out below are the brief profiles of the directors of SCIL:

Director	Position	Qualification
David Edward Beaumont Long	Independent Non-Executive Chairman	MBA, LLB
Morgan Nzwere	Group CEO – Executive Director	MBL, B Acc, CA (Z)
John Matorofa	Group FD – Executive Director	MBA, B Acc, CA (Z), CA (SA)
Daniel Paul Francis Jacquemond	Non-Executive Director	CA
Kushatha Moswela	Independent Non-Executive Director	BSc (Actuarial Science), MSc (Actuarial Science)
Fermín Jesus Azanza Moriones	Non-Executive Director	PhD (Plant Breeding & Genetics), MSc (Plant Breeding), BSc Biology
Andrew Graeme Barron	Independent Non-Executive Director	HND Business Studies
Remina Charity Davidzo Chitengu	Non-Executive Director	ACIMA, B.Com Finance
Pearson Gowero	Non-Executive Director	MBL, BSc (Economics)
Michael Shongwe Ndoro	Non-Executive Director	BSc (Agriculture Economics)
Chance Kabaghe	Independent Non-Executive Director	MSc (Agricultural Economics) BSc (Agricultural Economics)
Frédéric Savin	Non-Executive Director	MSc & BSc (Agricultural Engineering)
Patrick Serge R. Spadin	Non-Executive Director	MBA, BSc (Agronomy)
Rudi de Wet	Independent Executive Director	B.Arch.

#### David Edward Beaumont Long - Board Chairman

David is an independent business advisory consultant. His primary focus is on strategic planning and change management initiatives as well as corporate finance transactions. His work also involves arbitration, mediation and high-end mentoring. He was educated at the Universities of Rhodesia and Cape Town obtaining a Bachelor of Law degree and an MBA. He undertook further studies through Sundridge Park, Wharton, Harvard and Regents College. David is a member of the Chartered Institute of Arbitrators, a Fellow of the Institute of Directors, and past president of the Confederation of Zimbabwe Industries. He serves as the Beit Trust Representative in Africa. He is a director of several quoted and unlisted companies, currently including CABS Building Society, Colcom Holdings and Tsebo Servcor. David is a member of the Seed Co Group Remuneration and Nominations Committee and of the boards of both Seed Co Malawi and Seed Co Zambia.

#### Morgan Nzwere - Group Chief Executive Officer

Morgan is a Chartered Accountant who holds a Masters' in Business Leadership from the University of South Africa and has also attended the Strategy Master Academy at the University of Cape Town's Business School. He attended the Advanced Management Programme 181 at Harvard Business School in Boston. Morgan has been involved in the seed industry since 1998 having joined the company back then as Chief Financial Officer. He has previously held senior corporate positions with entities in the Mining, Manufacturing, Retail, Banking and Real Estate industries. He sits on the Boards of FBC Bank and TSL Limited.

**John Matorofa - Group Finance Director**

John qualified is a Chartered Accountant having trained with Deloitte & Touché Chartered Accountants Zimbabwe after graduating with a B. Acc (Hon) degree from the University of Zimbabwe. He holds an MBA from the University of Nottingham in the United Kingdom. He successfully completed the Senior Executive Leadership Program at the London Business School in 2012. John has over 12 years' experience in the seed industry working for Seed Co. Before joining Seed Co in 2004, John held senior financial management roles with a number organisations that include the Lonrho Group, Zimbabwe Newspapers and PG Industries.

**Daniel Paul Francis Jacquemond - Non-Executive Director**

Daniel Jacquemond has been Chief Executive Officer of Vilmorin & Cie SA and Deputy Chief Executive Officer of the Limagrain Group since December 2017. He served as the Chief Financial Officer of Limagrain and Vilmorin & Cie since 2000. He has experience of more than 30 years in Limagrain's main activities and, has held several operational positions as CEO for business units in France and Germany. He is a graduate of ESCP Europe (Paris) and he sits on boards of several Limagrain Group companies.

**Remina Charity Davidzo Chitengu - Non-Executive Director**

Davidzo is the Financial Controller and Director of Unki Mines and is the Principal Officer of the Anglo-American Pension Funds. Davidzo has over 20 years' experience in the finance and accounting field. She is the current chairman of the Generation Medical Aid Fund. She currently sits on the boards of CABS and Bishopslea Preparatory School for Girls. She has chaired the Zimbabwe Association of Pension Funds ("ZAPF") Board. Davidzo holds a B.Com(Hon) degree in Finance from NUST and is an associate member of the global chartered management accountancy body CIMA.

**Kushatha Moswela – Non-Executive Director**

Kushatha Moswela is currently the Managing Director of Old Mutual Short-Term Insurance Botswana. A position she has held for the last 4 years, she is a seasoned insurance practitioner with actuarial professional background. She is the former Chairperson of the Botswana Short Term Underwriters and Insurers Association and participates in various insurance industry bodies. Kushatha holds an MSc Actuarial Science from the University of Kent at Canterbury in the UK. She has worked in various countries that include the UK, South Africa and Botswana. She moved to Botswana in 2015 to successfully set up Old Mutual's life business operations in 2015.

**Andrew Graeme Barron – Non-Executive Director**

Andrew Barron is a farmer and Managing Director of Mbabzi Estates Limited and Lincoln Investments Limited. He continues to serve on several boards including Press Corporation PLC, Mpico PLC, Seed Co Malawi (Chairman), Mpico Malls Limited, Team Planet Limited and Plantation House Investments.

**Pearson Gowero – Non-Executive Director**

Pearson Gowero is currently the Chief Executive of Delta Corporation Limited, the leading beverages company in Zimbabwe, having joined Delta in 1997 as Marketing Director of the then Chibuku Breweries Division and becoming the unit managing director in 2001. He has held various senior positions in the beverages business



and became an executive director in 2003. Pearson spent some 5 years on secondment to the SABMiller Group from 2006 to 2011 where he was the Managing Director of Zambian Breweries Group. Prior to joining Delta, he had worked for some prominent clothing retail chains. Pearson sits on the various boards of the Delta subsidiary and associate companies and holds BSc (Hon) degree in Economics and an MBL.

**Michael Shongwe Ngoro – Non-Executive Director**

Michael is currently the Chief Executive Officer/Owner of Interfruit (Private) Limited in Zimbabwe as well as the CEO of Utopia Fresh Exporters (Private) Limited. He has wide ranging experience spanning beverages, FMCG, agriculture, retail, agriculture and financial services. Michael is a former Managing Director of Schweppes Zimbabwe and ex CEO of Tedco Limited, furniture manufacturing company that was listed on the ZSE

Michael serves on the boards of Imara Asset Management and Imara Capital Zimbabwe (Private) Limited, the Imara Africa Series Limited, the African Opportunities Fund and William Bain & Company, an agricultural implements manufacturer and distributor.

**Chance Kabaghe – Non-Executive Director**

Chance chairs the Board of Seed Co Zambia and he joined the main Group Board in 2010. He holds directorship and shareholding in several Zambian registered companies that includes Choice Nuts Limited, Choice Insurance, Ace Limited, Multi Agricultural International, Harmonious Haven and Freshpikt Limited. Chance also serves on the boards of Zampalm and Capital Fisheries. He is a former Deputy Minister of Agriculture of the Government of the Republic of Zambia and was recently appointed Project Director for the Food Security Project which is a USAID funded project. Chance chairs ZAMACE (Zambian Agriculture Commodity Exchange) and has held various leadership positions in the Zambian agricultural sector.

**Fermín Jesus Azanza Moriones**

Fermin is the Head of Research Field Seeds for Groupe Limagrain. He is Senior Research Executive with more than thirty years of experience in research and strategic management of genetically modified and native trait research and plant breeding in the biotechnology, seed and agribusiness industries. Fermin also serves on the boards of Soltis, AgReliant Genetics LLC and is the president of the executive committee of Biogemma.

**Frédéric Savin**

Frédéric Savin has spent his whole career at Limagrain, in seeds activity. He joined Vilmorin & Cie as Junior Product Manager (vegetable seeds) and became Marketing Director. He continued his career with Harris Moran Seed Co, a Limagrain subsidiary, as Sales Manager for Europe. Then he led Vilmorin & Cie's subsidiary in Turkey for 8 years, trading on field seeds market, vegetable seeds market, fertilizers and home-garden products.

Since 2014 Frédéric oversaw Limagrain Field Seeds development in Africa until October 2017 when he became CEO Limagrain Africa Field Seeds. He works on the one hand with the subsidiary, Link Seed (Maize and Soya), based in South Africa, and with Seed Co Limited on the other hand, Limagrain's African partner. Today, his

experience in the seed sector enables him to quickly analyse African markets' needs and contribute to the agriculture development in Africa. Frédéric is an Agricultural Engineer who also has experience as a French Foreign Trade Advisor.

#### **Patrick Serge R. Spadin**

Patrick Spadin is an experienced leader combining strong business, operations and strategy skills. Currently Head of Development (Mergers & Acquisitions) and Strategic Intelligence. He has demonstrated history of working in the agribusiness and food industry and has extensive exposure to international assignments and roles.

#### **Rudi de Wet**

Rudie is a director of numerous companies incorporated in Botswana. He is a director and shareholder of Dewet Drilling and DWD Engineering. Over his career of more than 30 years, he played an integral part in many major drilling and civil engineering projects in Southern Africa and Botswana. He holds a degree in Architecture from the University of Pretoria. He also serves on the board of Stanbic Bank Botswana. He is also the vice chairman of the Botswana Wildlife Producers Association.

### **A1.7.2 The Directors' and immediate family members' shareholding interests**

#### **Directors' shareholding interests**

The following table shows the direct and indirect shareholding of the directors of SCIL and SCL in the share capital of the respective companies as at the Last Practicable Date.

<b>Director</b>	<b>Number of shares in SCIL</b>	<b>% holding in SCIL</b>	<b>Number of shares in SCL</b>	<b>% holding in SCL</b>
D.E.B. Long	Nil		Nil	Nil
M. Nzwere	180,000	0.05%	180,000	0.07%
J. Matorofa	112,000	0.03%	Nil	Nil
D. Jacquemond	Nil	Nil	Nil	Nil
R.C.D. Chitengu	492	0.00%	372	0.00%
P. Spadin	Nil	Nil	Nil	Nil
D. Garwe	Nil	Nil	Nil	Nil
P. Gowero	Nil	Nil	Nil	Nil
M.S. Ndoro	Nil	Nil	Nil	Nil
F. Ruwende	12,226	0.003%	14,248	0.01%
F. Savin	Nil	Nil	Nil	Nil
K. Moswela	Nil	Nil	Nil	Nil
F. Azanza	Nil	Nil	Nil	Nil
C. Kabaghe	Nil	Nil	Nil	Nil
R.D. Wet	Nil	Nil	Nil	Nil

As at the Last Practicable Date, none of the immediate family members of the directors of SCIL and SCL held any shares in the companies.

#### A1.7.3 Other interests

Except as disclosed in this Circular, none of the Directors of SCIL nor any member of their immediate families, nor any person acting in concert with the Directors of SCIL, control or is interested, beneficially or otherwise, in any SCIL shares or in any securities convertible to rights to subscribe for SCIL shares.

As provided by the Companies Act, the Directors are bound to declare at any time during the year, in writing, whether they have any interest in any contract of significance with the Company or any of its subsidiaries or joint ventures. No Director confirmed having, during or at the end of the year, any material interest in any contract of significance in relation to the Group's businesses except as disclosed in the Report of the Directors contained in the audited financial statements of the Group for the year ended 31 March 2020. Executive Directors have employment contracts with the Company or its subsidiaries.

#### A1.8 Directors Emoluments

The Non-Executive Directors' remuneration for the financial year ended 31 March 2020 amounted to US\$200,088. The remuneration of the Directors will not be varied as a result of the Proposed Transaction.

#### A1.9 Senior Management Profiles

Set out below is the executive management team of SCIL in its various markets:

Name	Position	Qualifications
Morgan Nzwere	Group Chief Executive	MBL(UNISA), B Acc, CA (Z)
John Matorofa	Group Finance Director	MBA(UK), B Acc, CA (Z), CA (SA)
Charity Murandu	Group Marketing Director	BBS (Hons) (UZ), MBA (UZ), Eisenhower Fellow
Calvin Fambisayi	Group Business Development Director	BSc Agric, MSc (Plant genetics), MBA
Edgar Rupende	Group Production & Processing Director	BSc. Agric (Hons) Crop Science (UZ), MPhil. Agric (Agronomy) (UZ), MBA (UK), Cert. Dip Accounting & Finance and Financial Management (ACCA - UK)
Dr. Edworks Edward Mhandu	Regional Managing Director (Zimbabwe, Malawi & Mozambique)	PhD, MBA, CIS
Clive Mugadza	Regional Managing Director, East Africa & Great Lakes Region (Tanzania, Kenya, Uganda, Rwanda and Burundi)	B.Tech Management (UZ), Senior Executive Leadership Program for Africa (Harvard Business School)
Boyd Luwe	Managing Director Malawi	MBA, (Bangor) B.Acc (University of Malawi), FCCA (UK), Chartered Banker
Guntilla Muleya	General Manager, Seed Co Zambia	MBA, BSc Marketing
Wellington Wasike	General Manager, Seed Co Kenya	MBA (Instead Business School-Fontenblou), BSC Agriculture (Egerton University)
Samson Ruwisi	Group Treasurer & General Manager Seed Co Botswana	MBA (UK), CAIB (SA)
Dr Babatunde Faturoti	Country Head Nigeria	PhD, MSc, BSc
Kassim Owino	Group Head of Vegetables	BSc Agric, M.Phil. (Plant Genetics) (Birmingham), MBA (Nottingham Trent)
Dr. Gorden Mabuyaye	Group Head of Research & Development	PhD (UKZN), MPhil (UZ), BSc Hon (UZ),
Terrence Chimanya	Group Head Legal and Corporate Affairs	M.Sc. Finance and Corporate Governance, LLB (Hons), FCIS, AIRMSA, CISA

**A1.10 Directors Service Contracts**

SCIL does not propose to appoint any director in connection with the Proposed Transaction. Each of the executive directors has concluded a service contract with terms and conditions that are standard for such appointment. The service contracts are available for inspection in terms of paragraph 19 of this Circular.

**A1.11 Significant contracts**

The SCIL Group recently concluded a US\$12.5 million 7-year facility with Proparco, a Development Finance Institution, that is pending draw-down. Other than as disclosed in this Circular there have been no significant contracts entered into by SCIL, and/or any of its subsidiaries, save for those in the ordinary course of business.

**A1.12 Proforma financial information on SCIL and SCL**

The pro forma financial statements have been prepared to illustrate how the Proposed Transaction might have affected the financial position of SCIL and SCL had it been effected on 31 March 2020. The pro forma financial information is set out in Appendix III(a) and (b) to this Circular.

**A1.13 Historical summary financial information on SCIL**

The audited summary financial information of SCIL for the years ended 31 March 2018, 31 March 2019 and 31 March 2020 is set out in Appendix III(d) and the Accountants' Report on the summary financial information of SCIL is set out in Appendix III(e) to this Circular.

## Appendix II: Information on Seed Co Limited

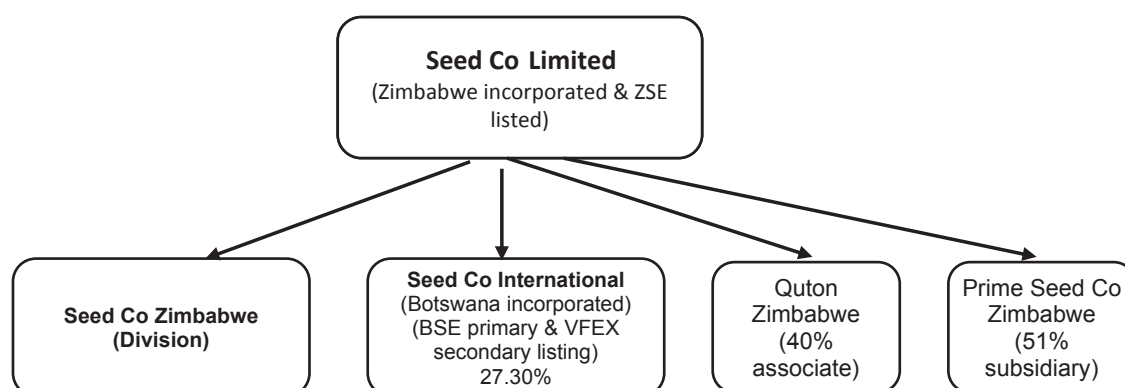
### A2.1 Company background

Seed Co Limited ("SCL") is a public company incorporated and domiciled in Zimbabwe and quoted on the Zimbabwe Stock Exchange ("ZSE"). It is the leading producer and marketer of certified crop seeds in Africa. SCL develops and markets certified crop seeds, mainly hybrid maize seed, cotton seed, wheat, soya bean, barley, sorghum and ground nut seed. Most of SCL's hybrid and non-hybrid cereals and oil crop seed varieties are proprietary, having been developed and bred at Seed Co Limited's research stations through market-oriented research and breeding projects.

SCL owns 27.3% shareholding in SCIL following the partial unbundling and separate listing, in 2018, of SCIL, which was its wholly owned subsidiary.

### A2.2 Corporate structure

The corporate structure of SCL is illustrated in the chart below:



#### Seed Co Zimbabwe

This division houses SCL's operations in Zimbabwe.

#### Prime Seed Co Zimbabwe

Prime Seed Co Zimbabwe houses the Zimbabwean operations of the Zimbabwean vegetable seed business that is a joint venture between SCL and HM. Clause.

#### Quton Zimbabwe

Quton is a producer and distributor of cotton seeds in Zimbabwe that also exports within the SADC region.

## A2.3 Directors' Profiles and Interests

### A2.3.1 Seed Co Limited Directors

Set out below are the brief profiles of the directors of SCL:

Director	Position	Qualification
D. E. B. Long	Independent Non-Executive Chairman	MBA, LLB
M. Nzwere	Group CEO – Executive Director	MBL, B Acc, CA (Z)
J. Matorofa	Group FD – Executive Director	MBA, B Acc, CA (Z), CA (SA)
D. P. F. Jacquemond	Non-Executive Director	CA
D. Garwe	Independent Non-Executive Director	PHD, MSc, BSc
F. Ruwende	Non-Executive Director	MBA, BSc
R. C. D. Chitengu	Independent Non-Executive Director	ACIMA, B.Com
P. Gowero	Independent Non-Executive Director	MBA, BSc
M. S. Ngoro	Independent Non-Executive Director	BSc
F. Savin	Non-Executive Director	MSc, BSc
P. S. R. Spadin	Non-Executive Director	MBA, MSc, BSc

### A2.3.2 The Directors' shareholding interests

As at the Last Practicable Date, SCL Directors and members of their immediate families held shares in SCIL and SCL as set out in section A1.7.2 of this Circular.

### A2.4 Significant contracts

The SCL recently concluded a US\$12.5 million 7-year facility with Proparco, a Development Finance Institution, that is pending draw-down. Other than as disclosed in this Circular there have been no significant contracts entered into by SCL, and/or any of its subsidiaries, save for those in the ordinary course of business.

### A2.5 Litigation statement

There are no legal or arbitration proceedings, pending or threatened, of which SCL, any of its subsidiaries or associates are aware, that may have or have had a material effect on the financial position of SCL in the 12-month period preceding the Last Practicable Date.

### A2.6 Summary financial information on SCL

The financial information of SCL for the audited years ended 31 March 2018 to 31 March 2020 is set out as follows:

Seed Co Limited Consolidated Income statements	Audited		
	Inflation adjusted		Historical
	31-Mar-20	31-Mar-19	31-Mar-18
	Z\$	Z\$	US\$
<b>Revenue</b>	<b>1,076,267,591</b>	<b>563,446,797</b>	<b>63,364,173</b>
Cost of sales	(378,007,031)	(255,826,041)	(26,714,404)
<b>Gross profit</b>	<b>698,260,560</b>	<b>307,620,756</b>	<b>36,649,769</b>
Other income	218,887,672	22,648,619	2,401,075
Operating expenses	(274,583,312)	(168,283,340)	(17,496,334)
<b>Operating profit</b>	<b>642,564,920</b>	<b>161,986,035</b>	<b>21,554,510</b>
Finance income	4,142,172	13,697,294	1,435,213
Finance costs	(34,917,546)	(4,999,440)	(131,850)
Net monetary (loss)/gain	(695,999,351)	-	-
Share of loss from joint venture	94,561,426	19,778,676	1,250,527
<b>Profit before taxation</b>	<b>10,351,621</b>	<b>190,462,565</b>	<b>24,108,400</b>
Income tax expense	(130,735,210)	(36,891,486)	(6,993,525)
<b>Profit after tax</b>	<b>(120,383,589)</b>	<b>153,571,079</b>	<b>17,114,875</b>
Profit from discontinued operations	-	537,326,290	4,316,904
<b>(Loss)/Profit for the year</b>	<b>(120,383,589)</b>	<b>690,897,369</b>	<b>21,431,779</b>
<b>Attributable to:</b>			
<b>Equity holders of the parent</b>	<b>(120,383,589)</b>	<b>690,897,369</b>	<b>21,516,060</b>
<b>Non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>(84,281)</b>
	<b>(120,383,589)</b>	<b>690,897,369</b>	<b>21,431,779</b>
<b>Earnings per share</b>			
Basic earnings per share - cents	(49.19)	285.03	8.99
Diluted earnings per share - cents	(78.78)	285.03	8.94
Headline earnings per share - cents	(52.09)	63.38	8.99

Seed Co Limited	Audited		
	Inflation adjusted		Historical
	31-Mar-20 Z\$	31-Mar-19 Z\$	31-Mar-18 US\$
<b>Consolidated Statements of financial position</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant & equipment	1,030,945,775	640,224,792	31,318,103
Investment in associates and joint ventures	479,774,003	445,176,307	4,589,256
Goodwill	-	-	264,472
Non-current financial assets	5,114,646	136,191,253	12,255,332
Deferred tax asset	-	-	573,852
	1,515,834,424	1,221,592,352	49,001,015
<b>Current assets</b>			
Inventories	631,985,238	174,250,064	17,027,367
Trade and other receivables	220,203,137	183,568,184	19,014,647
Amounts due from related entities	9,481,805	71,419,318	-
Other current financial assets	-	116,437,068	40,757,278
Cash and cash equivalents	33,829,569	98,061,225	12,048,606
	895,499,749	643,735,859	88,847,898
Assets held for distribution	-	-	111,820,718
	895,499,749	643,735,859	200,668,616
<b>Total assets</b>	<b>2,411,334,173</b>	<b>1,865,328,211</b>	<b>249,669,631</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share capital	8,076,504	1,882,974	241,883
Non-distributable reserves	-	-	52,379,234
Share premium	396,288,873	378,451,720	-
Share based payments reserve	14,467,969	12,931,901	-
Asset revaluation reserve	523,621,392	-	-
Foreign currency translation reserve	(94,626,554)	(35,236,574)	-
Retained earnings	1,014,427,202	1,162,337,237	149,525,911
Changes in ownership reserve	-	-	562,318
Reserves of a disposal group held for distribution	-	-	(16,992,540)
<b>Equity attributable to equity holders of the parent</b>	<b>1,862,255,386</b>	<b>1,520,367,258</b>	<b>185,716,806</b>
Non-current interests	-	-	2,490,597
<b>Total equity</b>	<b>1,862,255,386</b>	<b>1,520,367,258</b>	<b>188,207,403</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	6,938,714	-	-
Deferred tax liability	362,757,974	146,462,131	6,048,175
	369,696,688	146,462,131	6,048,175
<b>Current liabilities</b>			
Trade and other payables	10,837,184	10,076,343	11,156,074
Amounts due to related entities	9,702,514	147,656,525	-
Interest-bearing loans and borrowings	57,764,478	-	906,651
Income tax payable	73,246,971	13,679,839	1,227,690
Provisions	27,830,952	27,086,115	4,710,013
	179,382,099	198,498,822	18,000,428
Liabilities directly associated with the assets held for distribution	-	-	37,413,625
<b>Total liabilities</b>	<b>549,078,787</b>	<b>344,960,953</b>	<b>61,462,228</b>
<b>Total equity &amp; liabilities</b>	<b>2,411,334,173</b>	<b>1,865,328,211</b>	<b>249,669,631</b>



Seed Co Limited Consolidated Statements of Cash Flows	Audited		
	Inflation Adjusted		Historical
	2020 Z\$	2019 Z\$	2018 US\$
Operating activities			
Profit before tax	10,351,621	190,462,564	29,568,563
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	27,930,087	11,854,840	3,557,403
(Profit)/loss on disposal of property, plant and equipment	(1,782,477)	65,293	36,836
Share of profit from associates and joint venture	(94,561,426)	(19,778,676)	(1,250,527)
Unrealised exchange losses	-	-	(68,250)
Share based payments	1,536,068	4,343,177	-
Allowance for credit losses	-	-	2,500,832
Allowance for credit losses	-	-	323,181
Finance income	(4,142,172)	(13,697,294)	(1,486,134)
Finance cost	34,917,546	4,999,440	2,489,324
<b>Operating cash flows before working capital changes</b>	<b>(25,750,753)</b>	<b>178,249,344</b>	<b>35,671,228</b>
<i>Working capital adjustments:</i>			
Increase in inventories	(457,735,174)	(68,353,227)	(5,728,808)
Increase in biological assets	-	-	(395,486)
Increase in trade and other receivables	(36,634,953)	(141,667,535)	5,937,555
Decrease/(increase) in amounts owed by related entities	61,937,513	(7,435,098)	-
Decrease/(increase) in other current financial assets	116,437,068	(26,430,127)	-
Increase/(decrease) in trade and other payables	760,841	(6,512,270)	(770,725)
(Decrease)/increase in amounts owed to related entities	(137,954,012)	53,658,611	-
Increase/(decrease) in provisions	744,837	(7,754,265)	-
Cash generated from operations	(478,194,633)	(26,244,567)	34,713,764
Income tax paid	(20,087,644)	(58,960,471)	(10,003,951)
<b>Net cash flows (utilised in)/generated from operating activities</b>	<b>(498,282,277)</b>	<b>(85,205,038)</b>	<b>24,709,813</b>
<b>Investing activities</b>			
Proceeds from sale of property, plant and equipment	1,976,488	667,728	255,511
Purchase of property, plant and equipment	(196,821,378)	(33,101,555)	(7,947,320)
Investment in associate	-	(24,224,030)	-
Investment in other financial assets	-	-	(34,869,305)
Loans and receivables net receipts/(advances)	131,076,607	(2,879,291)	-
Dividends received	21,063,412	-	400,000
Interest received	4,142,172	13,697,294	1,486,134
<b>Net cash flows utilised in investing activities</b>	<b>(38,562,699)</b>	<b>(45,839,854)</b>	<b>(40,674,980)</b>
<b>Financing activities</b>			
Proceeds from exercise of share options	1,031,533	4,348,544	1,451,283
Proceeds from borrowings	143,764,478	-	-
Partial disposal of interest subsidiary	-	-	1,837,500
Capital contribution by non-controlling interest	-	-	1,119,336
Repayment of borrowings	(79,061,286)	(500,000)	(270,950)
Dividend paid	(4,527,295)	(83,326,134)	(5,144,872)
Interest paid	(34,917,546)	(4,999,440)	(2,489,324)
<b>Net cash flows generated from/ (utilised in) financing activities</b>	<b>26,289,884</b>	<b>(84,477,030)</b>	<b>(3,497,027)</b>
Net (decrease)/increase in cash and cash equivalents	(510,555,092)	(215,521,922)	(19,462,194)
Effects of monetary gains/(losses)	446,323,436	(91,666,830)	180,065
Cash and cash equivalents at beginning of year	98,061,225	405,249,977	18,129,718
<b>Cash and cash equivalents at end of year</b>	<b>33,829,569</b>	<b>98,061,225</b>	<b>(1,152,411)</b>

Seed Co Limited Statement of Changes in Equity	Audited										
	Attributable to the equity holders of the holders of the parent										
	Issued share capital	Non distributable reserves	Retained earnings	US\$	US\$	Changes of ownership reserve	Reserves of a disposal group held for distribution	Total	Non controlling interests	Total equity	US\$
<b>As at 1 April 2017</b>	236,233	25,759,991	137,407,801	190,277	163,594,302	-	-	163,594,302	-	163,594,302	
Profit for the year	-	-	21,516,060	-	21,516,060	-	-	21,516,060	(84,281)	21,431,779	
Other comprehensive income	-	3,927,991	-	-	3,927,991	-	-	3,927,991	(9,917)	3,918,074	
Total comprehensive income	-	3,927,991	21,516,060	-	25,444,051	-	-	25,444,051	(94,198)	25,349,853	
Dividends	-	-	(10,361,153)	-	(10,361,153)	-	-	(10,361,153)	-	(10,361,153)	
Issue of share capital	3,638	5,212,644	-	-	5,216,282	-	-	5,216,282	-	5,216,282	
Exercise of share options	2,012	1,449,271	-	-	1,451,283	-	-	1,451,283	-	1,451,283	
Realisation of revaluation reserve through use	-	(158,029)	158,029	-	-	-	-	-	-	-	
Realisation of revaluation reserve through disposal	-	(805,174)	805,174	-	-	-	-	-	-	-	
Discontinued operations	-	16,992,540	-	-	(16,992,540)	-	-	-	-	-	
Partial disposal of interests in subsidiary	-	-	-	372,041	372,041	-	-	372,041	1,465,459	1,837,500	
Issue of shares to non controlling interest	-	-	-	-	-	-	-	-	1,119,336	1,119,336	
<b>As at 31 March 2018</b>	241,883	52,379,234	149,525,911	562,318	(16,992,540)	185,716,806	2,490,597	188,207,403	-	188,207,403	

Inflation adjusted	Audited										
	Attributable to the equity holders of the holders of the parent										
	Share capital	Share premium	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Changes in ownership reserve	Reserves of a disposal group held for distribution	Total	Non-controlling interests	Total equity
<b>At 1 April 2018</b>	1,877,610	376,105,544	8,588,721	-	-	1,103,334,282	4,364,977	(131,904,102)	1,362,367,032	19,333,187	1,381,700,219
Profit for the year	-	-	-	-	-	690,897,382	-	-	690,897,382	-	690,897,382
Other comprehensive income	-	-	-	-	(35,236,574)	296,272,831	-	-	261,036,257	-	261,036,257
Exercise of share options	-	-	-	-	(35,236,574)	987,170,213	-	-	951,933,639	-	951,933,639
Share based payments	5,364	2,346,176	-	-	-	-	-	-	2,351,540	-	2,351,540
Dividend - in specie	-	-	4,343,180	-	-	-	-	-	4,343,180	-	4,343,180
Dividend - cash	-	-	-	-	-	(953,464,336)	-	-	(953,464,336)	-	(953,464,336)
Realisation of revaluation reserve through disposal	-	-	-	-	-	(83,326,131)	-	-	(83,326,131)	-	(83,326,131)
Derecognition of change in ownership interest	-	-	-	-	-	108,623,209	(4,364,977)	(108,623,209)	-	-	-
Recycling of foreign currency translation reserve on disposal	-	-	-	-	-	-	-	240,527,311	-	-	240,527,311
Derecognition of change in ownership interest	-	-	-	-	-	-	-	-	-	(19,333,187)	(19,333,187)
<b>At 31 March 2019</b>	1,882,974	378,451,720	12,931,901	-	(35,236,574)	1,162,337,237	-	-	1,520,367,258	-	1,520,367,258
Profit for the year	-	-	-	523,621,392	(59,389,980)	(120,383,589)	-	-	(120,383,589)	-	(120,383,589)
Other comprehensive income	-	-	-	523,621,392	(59,389,980)	-	-	-	464,231,412	-	464,231,412
Total comprehensive income	-	-	-	523,621,392	(59,389,980)	(120,383,589)	-	-	343,847,823	-	343,847,823
Exercise of share options	17,198	1,014,335	-	-	-	-	-	-	1,031,533	-	1,031,533
Capital redenomination	6,166,626	(6,166,626)	-	-	-	-	-	-	-	-	-
Share based payments	-	-	1,536,068	-	-	-	-	-	1,536,068	-	1,536,068
Dividend - scrip	9,706	22,989,444	-	-	-	(22,999,150)	-	-	-	-	-
Dividend - cash	-	-	-	-	-	(4,527,296)	-	-	(4,527,296)	-	(4,527,296)
<b>At 31 March 2020</b>	8,076,504	396,288,873	14,467,969	523,621,392	(94,626,554)	1,014,427,202	-	-	1,862,255,386	-	1,862,255,386

**Appendix III (a): Unaudited pro forma statement of financial position of SCIL****Basis of preparation for proforma financial information**

The proposed Transaction is being done in line with the requirements of IFRS 3 - Business Combinations, with SCIL considered to be the acquirer. This is as a result of applying management's judgement in determining that the Board of Directors of SCIL remains unchanged after the proposed Transaction and has control over the relevant activities of SCL, even though SCIL will be issuing its own shares in exchange for ownership in SCL.

The proforma statement of financial position of SCIL set out on the next page and that of SCL set out in Appendix III(b) to this Circular (collectively the proforma financial information) are presented for illustrative purposes only, to provide information about how the acquisition of the entire issued share capital of SCL by SCIL and the subsequent delisting of SCL from the ZSE may affect the statements of financial position of SCIL and SCL as at the 31st of March 2020 should the Transaction be implemented as proposed by that date. Due to the nature of pro forma statements of financial position, they may not accurately reflect the financial positions of SCIL and SCL after the SCL Acquisition.

The proforma financial information is based on the audited consolidated financial statements of SCIL and SCL for the year ended 31 March 2020. The directors are responsible for the compilation, contents and preparation of the proforma financial information. Their responsibility includes determining that the proforma financial information has been properly compiled on the basis stated, and that the proforma adjustments are appropriate for purposes of the proforma financial information disclosed pursuant to the BSE Listings Requirements.

The proforma financial information has been prepared using accounting policies that comply with International Financial Reporting Standards ("IFRS") and that are consistent with those applied in the audited historical financial statements of SCIL and SCL for the year ended 31 March 2020.

The proforma financial information is presented in accordance with the BSE Listings Requirements.

The Independent Reporting Accountants' report on the proforma financial information is set out in **Appendix III(c)** to this Circular.

	a)	b)	c)	d)	e)	f)	g)	
[A] SEED CO INTERNATIONAL LIMITED ("SCIL")	Audited 31 March 2020 in US\$	Acquisition of SCL through share swap	Post transaction SCL financial position [from note B(viii)]	Elimination of investment in SCL against SCL's share capital and pre- acquisition reserves	Elimination of intercompany balances between SCIL and SCL	Elimination of SCL's cross- shareholding in SCIL (treasury shares at Group level)	Elimination and reclassificatio n of SCL's non- controlling interest in Seed Co Zambia	Unaudited pro forma post transaction
<b>ASSETS</b>								
<b>Non-current assets</b>								
Property, plant & equipment	36,466,592		41,237,831					77,704,423
Intangible assets	5,320,000		-					5,320,000
Right-of-use assets	1,037,872		-					1,037,872
Investments in subsidiaries	-	62,204,326	-	(62,204,326)				-
Investment in associates & joint venture	1,087,317		5,571,531					6,658,848
Non-current financial assets	-		21,880,591			(21,676,005)	(5)	204,581
Deferred tax asset	842,679							842,679
	<b>44,754,460</b>	<b>62,204,326</b>	<b>68,689,953</b>	<b>(62,204,326)</b>	<b>-</b>	<b>(21,676,005)</b>	<b>(5)</b>	<b>91,768,403</b>
<b>Current assets</b>								
Inventories	18,861,108		25,279,410					44,140,518
Biological assets	1,066,293		-					1,066,293
Trade & other receivables	40,244,039		8,808,126					49,052,165
Amount due from related entities	11,757,777		1,157,827		(10,000,645)			2,914,959
Cash & cash equivalents	11,028,557	(600,000)	1,353,183					11,781,740
	<b>82,957,774</b>	<b>(600,000)</b>	<b>36,598,546</b>	<b>-</b>	<b>(10,000,645)</b>	<b>-</b>	<b>-</b>	<b>108,955,675</b>
<b>Total assets</b>	<b>127,712,234</b>	<b>61,604,326</b>	<b>105,288,499</b>	<b>(62,204,326)</b>	<b>(10,000,645)</b>	<b>(21,676,005)</b>	<b>(5)</b>	<b>200,724,078</b>
<b>EQUITY &amp; LIABILITIES</b>								
<b>Equity</b>								
Stated capital	36,249,970	62,204,326	323,060	(323,060)		(18,584,875)		79,869,421
Share premium			15,851,555	(15,851,555)				-
Share based payments reserve	321,885		578,719	(578,719)				321,885
Asset revaluation reserve	14,235,873		20,769,133	(20,769,133)			106,644	14,342,517
Foreign currency translation reserve	(53,297,813)		-	-			(317,175)	(53,614,988)
Retained earnings	74,472,860	(600,000)	37,265,180	(24,681,859)		(3,091,130)	507,927	83,872,978
<b>Equity attributable to equity holders of the parent</b>	<b>71,982,775</b>	<b>61,604,326</b>	<b>74,787,647</b>	<b>(62,204,326)</b>	<b>-</b>	<b>(21,676,005)</b>	<b>297,396</b>	<b>124,791,813</b>
Non-controlling interests	1,046,473		-	-			(297,401)	749,072
<b>Total equity</b>	<b>73,029,248</b>	<b>61,604,326</b>	<b>74,787,647</b>	<b>(62,204,326)</b>	<b>-</b>	<b>(21,676,005)</b>	<b>(5)</b>	<b>125,540,885</b>
<b>Non-current liabilities</b>								
Long-term borrowings	1,666,667		277,549					1,944,216
Long term lease liabilities	619,587		-					619,587
Deferred tax liability	2,102,293		14,510,319					16,612,612
	<b>4,388,547</b>	<b>-</b>	<b>14,787,868</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,176,415</b>
<b>Current liabilities</b>								
Short-term borrowings	37,435,560		2,310,579					39,746,139
Short term lease liabilities	464,369		-					464,369
Trade & other payables	8,773,123		433,487					9,206,610
Amount due to related entities	1,273,998		8,925,801		(10,000,645)			199,154
Provisions	2,001,884		1,113,238					3,115,122
Income tax payable	345,505		2,929,879					3,275,384
	<b>50,294,439</b>	<b>-</b>	<b>15,712,984</b>	<b>-</b>	<b>(10,000,645)</b>	<b>-</b>	<b>-</b>	<b>56,006,778</b>
<b>Total liabilities</b>	<b>54,682,986</b>	<b>-</b>	<b>30,500,852</b>	<b>-</b>	<b>(10,000,645)</b>	<b>-</b>	<b>-</b>	<b>75,183,193</b>
<b>Total equity &amp; liabilities</b>	<b>127,712,234</b>	<b>61,604,326</b>	<b>105,288,499</b>	<b>(62,204,326)</b>	<b>(10,000,645)</b>	<b>(21,676,005)</b>	<b>(5)</b>	<b>200,724,078</b>

## Notes and assumptions to the statement of financial position

a) SCIL audited Annual Financial Statements

b) Workings based on SCIL market value and BWP/USD exchange rate @ 31 March 2020 as well as proposed share swap ratio assuming all shareholders will opt for shares and estimated transaction costs relating to the transaction to be borne entirely by SCIL

c) SCL balance sheet column (h)

d) Purchase consideration	62,204,326	refer to column (b)
Fair value of net assets acquired	74,787,647	refer to column (c) assuming carrying amounts approximate fair value
Gain on bargain purchase	(12,583,321)	
e) Balance due from SCL	8,925,801	note 16 in the SCIL Annual Financial Statements
Balance due to SCL	<u>1,074,844</u>	note 24 in the SCIL Annual Financial Statements
	<u>10,000,645</u>	
f) Value of SCL's investment in SCIL	21,676,005	refer to (iv) under SCL proforma balance sheet
Value of SCI's share capital ascribed to SCL	<u>18,584,875</u>	refer to opening SOCE and note 16 in F2018 SCI AFS
	<u>3,091,130</u>	gain on valuation
g) Asset revaluation reserve	106,644	Statement of changes in equity in SCIL Annual Financial Statements
Foreign currency translation reserve	(317,175)	Statement of changes in equity in SCIL Annual Financial Statements
Retained earnings	<u>507,932</u>	Statement of changes in equity in SCIL Annual Financial Statements
Non-controlling interest	<u>297,401</u>	Statement of changes in equity and note 21 in SCIL Annual Financial Statements
SCL's 1% investment in Seed Co Zambia in Z\$	123	Notes 10 and 10.5 in SCL Annual Financial Statements
Exchange rate	<u>25</u>	
SCL's 1% investment in Seed Co Zambia in US\$	<u>5</u>	

## Appendix III (b): Unaudited pro forma statement of financial position of SCL

	i)	ii)	iii)	iv)	v)	vi)	vii)	viii)
[B] SEED CO LIMITED ("SCL") PRO-FORMA STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020	Audited 31 March 2020 in Z\$	Closing exchange rate USD/Z\$	Unaudited translated 31 March 2020 in US\$	Gain on deemed disposal (from 27.3% to 16.43%) of SCIL	Investment reclassification from associate to financial asset	Reserves associated with former associate reclassification	Restatement of foreign denominated payable to SCIL	Unaudited Pro-forma post transaction
<b>ASSETS</b>								
<b>Non-current assets</b>								
Property, plant & equipment	1,030,945,775	25	41,237,831					41,237,831
Investment in associates & joint venture	479,774,003	25	19,190,960	8,056,576	(22,120,296)			5,127,240
Non-current financial assets	5,114,646	25	204,586		22,120,296			22,324,882
	<b>1,515,834,424</b>		<b>60,633,377</b>	<b>8,056,576</b>	-	-	-	<b>68,689,953</b>
<b>Current assets</b>								
Inventories	631,985,238	25	25,279,410					25,279,410
Trade & other receivables	220,203,137	25	8,808,126					8,808,126
Amount due from related entities	9,481,805	25	379,272				778,555	1,157,827
Cash & cash equivalents	33,829,569	25	1,353,183					1,353,183
	<b>895,499,749</b>		<b>35,819,991</b>	-	-	-	<b>778,555</b>	<b>36,598,546</b>
<b>Total assets</b>	<b>2,411,334,173</b>		<b>96,453,368</b>	<b>8,056,576</b>	-	-	<b>778,555</b>	<b>105,288,499</b>
<b>EQUITY &amp; LIABILITIES</b>								
<b>Equity</b>								
Share capital	8,076,504	25	323,060					323,060
Share premium	396,288,873	25	15,851,555					15,851,555
Share based payments reserve	14,467,969	25	578,719					578,719
Asset revaluation reserve	523,621,392	25	20,944,856			(175,723)		20,769,133
Foreign currency translation reserve	(94,626,554)	25	(3,785,062)			3,785,062		-
Retained earnings	1,014,427,202	25	40,577,088	8,056,576		(3,609,339)	(7,759,145)	37,265,180
<b>Total equity</b>	<b>1,862,255,386</b>		<b>74,490,216</b>	<b>8,056,576</b>	-	-	<b>(7,759,145)</b>	<b>74,787,647</b>
<b>Non-current liabilities</b>								
Long-term borrowings	6,938,714	25	277,549					277,549
Deferred tax liability	362,757,974	25	14,510,319					14,510,319
	<b>369,696,688</b>		<b>14,787,868</b>	-	-	-	-	<b>14,787,868</b>
<b>Current liabilities</b>								
Short-term borrowings	57,764,478	25	2,310,579					2,310,579
Trade & other payables	10,837,184	25	433,487					433,487
Amount due to related entities	9,702,514	25	388,101				8,537,700	8,925,801
Provisions	27,830,952	25	1,113,238					1,113,238
Income tax payable	73,246,971	25	2,929,879					2,929,879
	<b>179,382,099</b>		<b>7,175,284</b>	-	-	-	<b>8,537,700</b>	<b>15,712,984</b>
<b>Total liabilities</b>	<b>549,078,787</b>		<b>21,963,152</b>	-	-	-	<b>8,537,700</b>	<b>30,500,852</b>
<b>Total equity &amp; liabilities</b>	<b>2,411,334,173</b>		<b>96,453,368</b>	<b>8,056,576</b>	-	-	<b>778,555</b>	<b>105,288,499</b>

## Notes and assumptions to the proforma statement of financial position

### Key note on translated Exchange Rate

There has been a material movement in the official Zimbabwean US\$/Z\$ exchange rate, the translation rate used in the SCL pro forma statement of financial position, from the date of the pro forma statement of financial position to the Last Practicable Date. The official exchange rate was US\$1: Z\$25 as of 31 March 2020 when the exchange rate regime was fixed and it is now US\$1: Z\$81.35 following the introduction of the Auction Currency Trading System in Zimbabwe. This matter of the translation rate, and other matters peculiar to Zimbabwe, form the basis of the adverse audit opinion on the financial statements of SCL just like other companies operating in Zimbabwe.

### Other assumptions

i)	SCL audited annual financial statements		
ii)	Per RBZ website		
iii)	(a) / (b)		
iv)	Current carrying amount of investment in SCIL in Z\$	340,485,745	note 9.4 in SCL Annual Financial Statements
	Exchange rate	25	
	Current carrying amount of investment in SCIL in US\$	13,619,430	
	Net asset value of SCIL post transaction (SCIL total equity sum i.e. [A](a)+[B](b))	134,633,574	
	% shareholding held in SCIL	16.43%	
	New carrying amount of investment in SCIL	22,120,296	
	Gain on deemed disposal	8,500,866	
v)	From (iv) above		
vi)	Total revaluation from associate & joint venture in Z\$	20,489,670	
	Revaluation reserve relating to Prime Seed Co in Z\$	16,096,588	note 9.4 in SCL Annual Financial Statements
	Revaluation reserve relating to SCIL in Z\$	4,393,082	
	Exchange rate	25	
	Revaluation reserve relating to SCIL in US\$	175,723	
	Foreign currency translation reserve relating to SCIL in Z\$	(94,626,554)	Statement of changes in equity in SCL Annual Financial Statements
	Exchange rate	25	
	Foreign currency translation reserve relating to SCIL in US\$	(3,785,062)	
vii)	Amounts due to SCIL in Z\$	9,702,514	note 19 in SCL Annual Financial Statements
	Exchange rate	25	
	Amounts due to SCIL in US\$	388,101	
	Amounts due from SCL	8,925,801	note 16 in the SCIL Annual Financial Statements
	Exchange loss on upliftment at closing exchange rate (opposed to 1:1 legacy debt position)	(8,537,700)	
	Amounts due from SCIL in Z\$	7,407,213	note 13 in SCL Annual Financial Statements
	Exchange rate	25	
	Amounts due from SCIL in US\$	296,289	
	Amounts due to SCL	1,074,844	note 24 in the SCIL Annual Financial Statements
	Exchange gain on upliftment at closing exchange rate (opposed to 1:1 legacy debt position)	(778,555)	
viii)	Sum of columns (iii) to (vii)		

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**Appendix III (c): Accountants Report on the unaudited pro forma Financial Information**


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[EY LETTERHEAD]

**Draft Independent Reporting Accountant's Assurance Report on the Compilation of Pro Forma Financial Information Included in a Circular**

Directors

Seed Co International Limited

Plot 43173, Carramba Business Park

Phakalane

Gaborone

***Draft report on the Assurance Engagement on the Compilation of Pro Forma Financial Information Included in a Circular***

We have completed our assurance engagement to report on the compilation of pro forma financial information of Seed Co International Limited ("Seed Co International Limited") and its subsidiaries (collectively the "Group"), by the directors.

The *pro forma* financial information, as set out in Annexure III(a) and III(b) on pages 43 to 47 of the circular consists of the *pro forma* statements of financial position for Seed Co International Limited and Seed Co Limited as at 31 March 2020 and related notes (collectively the "***Pro forma Financial Information***"). The applicable criteria on the basis of which the directors have compiled the *Pro forma* Financial Information are specified in the Botswana Stock Exchange ("**BSE**") Listings Requirements and described in Annexure III(a) on page 43 of the circular.

The *Pro forma* Financial Information has been compiled by the directors to illustrate the impact of the corporate action or event, described under section 4 on pages 12 to 13 and section 7 on pages 14 to 16 of the circular on the Group's financial position as at 31 March 2020 as if the corporate action or event had taken place at 31 March 2020. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the year ended 31 March 2020, on which an unmodified auditor's report was issued on 26 June 2020.

***Directors' Responsibility for the Pro forma Financial Information***

The directors are responsible for compiling the *Pro forma* Financial Information on the basis of the applicable criteria specified in the BSE Listings Requirements and described in Annexure III(a) on page 43 of the circular.

***Our Independence and Quality Control***

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

***Reporting Accountant's Responsibility***

Our responsibility is to express an opinion about whether the *Pro forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the BSE Listings Requirements and described in Annexure III(a) on page 43 of the circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus*, which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *Pro forma* Financial Information has been compiled, in all material respects, on the basis specified in the BSE Listings Requirements.



For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro forma* Financial Information.

The purpose of *Pro forma* Financial Information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the Group as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the corporate action or event at 31 March 2020 would have been as presented.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *Pro forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *Pro forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the corporate action or event in respect of which the *Pro forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Opinion*

In our opinion, the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified in the BSE Listings Requirements and described in Annexure III(a) on page 43 of the circular.

Ernst & Young  
Practicing Member: Thomas Chitambo  
Partner  
Membership Number: 20030022  
Certified Auditor  
Gaborone

9 December 2020

### Appendix III (d): Summary Financial Information of SCIL

The SCIL summary financial information below includes the Group's consolidated summary statement of financial position as at 31 March 2018, 31 March 2019 and 31 March 2020 and the Group's summary statement of profit or loss and other comprehensive income (together, the "summary financial information") for the years ended 31 March 2018, 31 March 2019 and 31 March 2020.

The summary financial information was extracted without modification from the audited financial statements for the years ended 31 March 2018, 31 March 2019 and 31 March 2020 contained in the Group's annual reports. SCIL's annual reports are part of documents available for inspection set out in section 22 of this Circular. Copies of the annual reports will also be available for viewing and downloading on SCIL's website ([www.seedcogroup.com](http://www.seedcogroup.com)).

Seed Co International Limited Consolidated Statements of financial position	Audited		
	31-Mar-20 US\$	31-Mar-19 US\$	31-Mar-18 US\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant & equipment	36,466,592	38,473,312	41,850,963
Intangible assets	5,320,000	-	-
Right-of-use asset	1,037,872	-	-
Investment in joint venture	1,087,317	1,030,437	1,143,828
Deferred tax asset	842,679	1,082,612	987,774
	<b>44,754,460</b>	<b>40,586,361</b>	<b>43,982,565</b>
<b>Current assets</b>			
Inventories	18,861,108	16,853,937	12,636,140
Biological assets	1,066,293	1,159,873	688,770
Trade and other receivables	40,244,039	31,293,992	33,846,475
Amount due from related entities	11,757,777	19,395,753	11,695,982
Other financial assets	-	295,564	1,304,954
Cash and cash equivalents	11,028,557	24,478,033	16,413,398
	<b>82,957,774</b>	<b>93,477,152</b>	<b>76,585,719</b>
<b>Total assets</b>	<b>127,712,234</b>	<b>134,063,513</b>	<b>120,568,284</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Stated capital	36,249,970	35,848,041	18,584,875
Share based payments reserve	321,885	330,704	-
Asset revaluation reserve	14,235,873	13,412,621	13,792,135
Foreign currency translation reserve	(53,297,813)	(37,525,498)	(22,588,105)
Retained earnings	74,472,860	69,967,873	70,417,753
<b>Equity attributable to equity holders of the parent</b>	<b>71,982,775</b>	<b>82,033,741</b>	<b>80,206,658</b>
Non-controlling interest	1,046,473	700,241	65,057
	<b>73,029,248</b>	<b>82,733,982</b>	<b>80,271,715</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long term borrowings	1,666,667	2,333,333	-
Long term lease liabilities	619,587	-	-
Deferred tax liability	2,102,293	1,835,510	2,040,148
	<b>4,388,547</b>	<b>4,168,843</b>	<b>2,040,148</b>
<b>Current liabilities</b>			
Short-term borrowings	37,435,560	33,303,685	29,191,141
Short-term liabilities	464,369	-	-
Trade & other payables	8,773,123	6,851,874	4,467,858
Amount due to related entities	1,273,998	5,337,358	3,381,282
Provisions	2,001,884	1,642,556	1,207,151
Income tax payable	345,505	25,215	8,989
	<b>50,294,439</b>	<b>47,160,688</b>	<b>38,256,421</b>
<b>Total liabilities</b>	<b>54,682,986</b>	<b>51,329,531</b>	<b>40,296,569</b>
<b>Total equity &amp; liabilities</b>	<b>127,712,234</b>	<b>134,063,513</b>	<b>120,568,284</b>

Seed Co International Limited Consolidated Income Statements	Audited		
	31-Mar-20	31-Mar-19	31-Mar-18
	US\$	US\$	US\$
<b>Revenue</b>	<b>71,357,970</b>	<b>60,136,380</b>	<b>64,380,146</b>
Cost of sales	(36,488,368)	(30,255,451)	(31,697,439)
<b>Gross profit</b>	<b>34,869,602</b>	<b>29,880,929</b>	<b>32,682,707</b>
Other income	6,027,316	4,488,537	1,602,608
Operating expenses	(28,609,388)	(27,326,009)	(26,921,752)
<b>Operating profit</b>	<b>12,287,530</b>	<b>7,043,457</b>	<b>7,363,563</b>
Finance income	570,637	783,735	554,190
Finance cost	(3,416,617)	(2,588,011)	(2,631,459)
Share of loss from joint venture	(495,947)	(85,041)	(10,874)
<b>Profit before taxation</b>	<b>8,945,603</b>	<b>5,154,140</b>	<b>5,275,420</b>
Income tax expense	(2,874,407)	(1,375,906)	(784,131)
<b>Profit after tax</b>	<b>6,071,196</b>	<b>3,778,234</b>	<b>4,491,289</b>
<b>Attributable to:</b>			
Equity holders of the parent	6,195,338	3,778,030	4,488,446
Non-controlling interests	(124,142)	204	2,843
<b>Profit for the year</b>	<b>6,071,196</b>	<b>3,778,234</b>	<b>4,491,289</b>
<b>Statements of comprehensive income</b>			
<b>Other comprehensive (loss)/income</b>			
Net exchange difference on translation of foreign operations	(16,211,131)	(14,909,043)	1,144,081
Share of other comprehensive loss of a joint venture	(102,990)	(28,350)	(10,321)
Revaluation of property, plant and equipment	1,340,841	168,807	3,478,228
Deferred tax on revaluation of property, plant and equipment	(134,084)	(34,027)	(347,823)
<b>Total comprehensive loss for the year, net of tax</b>	<b>(9,036,168)</b>	<b>(11,024,379)</b>	<b>8,755,454</b>
<b>Attributable to:</b>			
<b>Equity holders of the parent</b>	<b>(8,687,395)</b>	<b>(11,204,583)</b>	<b>8,762,932</b>
<b>Non-controlling interest</b>	<b>(348,773)</b>	<b>204</b>	<b>(7,478)</b>
	<b>(9,036,168)</b>	<b>(11,204,379)</b>	<b>8,755,454</b>

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**Appendix III (e): Independent Accountant's Report on the Summary Financial Information of SCIL**

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**Report of the Independent Auditor on the Summary Financial Information**

To the Botswana Stock Exchange Trading and Listing Committee and the board of directors of Seed Co International Limited

*Opinion*

The summary financial information included on pages 50 to 51 in Seed Co International Limited's (the "**Group's**") Circular to shareholders dated 9 December 2020, which comprise the Group's consolidated summary statement of financial position as at 31 March 2018, 31 March 2019 and 31 March 2020 and the Group's summary statement of profit or loss and other comprehensive income for the years ended (together, the "**summary financial information**") 31 March 2018, 31 March 2019 and 31 March 2020. The summary financial information is derived from the complete audited financial statements of the Group as at and for the years ended 31 March 2018, 31 March 2019 and 31 March 2020 (the "**audited financial statements**").

In our opinion, the summary financial information included in the Group's Circular to shareholders dated 9 December 2020 is consistent, in all material respects, with the audited financial statements on the basis described in Appendix III(d).

*Summary Financial Information*

The summary financial information does not contain all the disclosures required by the International Financial Reporting Standards and the Companies Act (CAP42:01). Reading the summary financial information and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial information and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements for the year ended 31 March 2020.

*The Audited Financial Statements and Our Report Thereon*

We expressed unmodified audit opinions on the audited financial statements as at and for the years ended 31 March 2019 and 31 March 2020 in our reports dated 11 June 2019 and 26 June 2020 respectively. Those reports also include the communication of other key audit matters. An unmodified audit opinion was also expressed on the Corporation's audited financial statements as at and for the years ended 31 March 2018 by other auditors.

*Directors' Responsibility for the Summary Financial Information*

The directors are responsible for the preparation of the summary financial information included in the Circular to Shareholders dated 9 December 2020 as extracted from the audited financial statements on the basis described in Appendix III(d).

*Auditor's Responsibility*

Our responsibility is to express an opinion on whether the summary financial information is consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards of Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Ernst & Young  
Practicing Member: Thomas Chitambo  
Partner  
Membership Number: 20030022  
Certified Auditor  
Gaborone

9 December 2020

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**Appendix IV: Fair and reasonable independent valuation opinion on the SCIL Acquisition**


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The Directors  
Seed Co International Limited  
Plot 42800 Phakalane  
P. O. Box 47143, Phakalane  
Botswana

**Ref: AS/20/0053/TM/AG**

16 November 2020

Dear Sirs / Madams

**Subject: Independent Expert Opinion (as per Section 10 and Schedule 5 of Botswana Stock Exchange Listing Requirements) – Related Party Transactions**

## **Introduction**

### **Purpose of the report**

The Board of Directors of Seed Co International Limited (“SCIL” or “the Company”) has mandated Grant Thornton Capital Advisors (Pty) Ltd (“Grant Thornton” or “GT”) to provide an independent expert opinion on the fairness and reasonableness of the proposed acquisition of the entire issued share capital of Seed Co Limited (“SCL”) by SCIL.

### **Background**

SCIL and SCL are related parties with common directors and significant shareholders between the two companies. SCIL is incorporated in Botswana under the International Financial Services Centre (IFSC) and is listed on the Botswana Stock Exchange (BSE). The Company was previously a wholly owned subsidiary of SCL, which is a company that is incorporated and domiciled in Zimbabwe. In 2018, the shareholders of SCL approved the unbundling and separate listing of SCIL on the BSE with a secondary listing on the Zimbabwe Stock Exchange (ZSE). SCL retained a 27% shareholding in SCIL and remains the second largest shareholder of SCIL.

Both SCIL and SCL are producers and marketers of certified field crops and vegetable seeds. The companies operate under the “African Seed Company” brand with their operations falling under the same management. The two companies are involved in the breeding, multiplication and distribution of hybrid seed varieties for the following crops:

- maize;
- wheat;
- soya beans;
- sugar beans;
- cowpeas;
- sorghum;
- groundnuts; and
- vegetables.

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#### **Advisory Services**

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[twitter.com/GrantThorntonBW](https://twitter.com/GrantThorntonBW)

### Definition of Fairness and Reasonableness

A transaction is deemed fair and reasonable to the shareholders if the benefits derived from the transaction will equal or exceed the related costs thereof. The assessment of fairness is primarily quantitative. In this case, fairness is determined by the long-term income generation of SCL resulting in higher income for SCIL from effective investment of additional capital in SCL. The assessment of reasonableness is qualitative. In this case, the Transaction is deemed reasonable if the purchase consideration is in line with market standards on similar transactions.

Grant Thornton has applied the criteria explained above in preparing this opinion. Individual shareholders may be influenced by their particular circumstances such as taxation and the original price paid for the shares. Such considerations do not apply in coming up with our opinion.

### Limiting Conditions

- **Completeness and Accuracy of Information** – GT has prepared this opinion in good faith and has relied on the accuracy and veracity of the information made available to it by the Directors of SCIL and the Lead Financial Advisors on this potential transaction, Corporate Excellence Financial Advisory Services (Private) Limited. Whilst GT has no reason to doubt the accuracy or veracity of such information supplied, GT accepts no responsibility whatsoever for the accuracy or veracity of such information.
- **Economic, Market and Other Conditions** – GT has based its opinion on economic, market and other conditions prevailing on or about 13 November 2020. It should be noted that subsequent events may inevitably affect this opinion and that GT is not under any obligation to update, revise or re-affirm its opinion should any such developments transpire. Specifically, but without limiting the generality of the foregoing, such subsequent events may include material changes consequent upon changes in economic, market and other conditions, or the business of, or prospects of SCIL, SCL and their subsidiary & associate companies between the effective date of this opinion and the date of any subsequent consideration hereof.
- **Purpose of Valuation Opinion** – This valuation opinion is rendered solely as an expert opinion in order to determine the fairness and reasonableness of the proposed acquisition of the entire issued share capital of SCL by SCIL as provided for in terms of Chapter 7 of the BSE Equity Listing Requirements, and for no other purpose whatsoever.
- **Representations and Warranties** – GT makes no representation or warranty, express or implied, nor shall have any responsibility or liability whatsoever in respect of any statement, information or opinion contained or relied on herein, whether orally or in writing, or any omissions, or in respect of the completeness and/or accuracy of any such statement, information or opinion. Our review of the basis of arriving at the purchase consideration shall not constitute an independent valuation of SCIL, SCL and their subsidiary or associate companies and/ or an audit in accordance with Auditing Standards. On the basis of these enquiries and such other procedures as GT considers appropriate to the circumstances, GT believes that the information provided has been prepared with due care and consideration.

### Independence, Competence and Fees

Save for the fees payable to GT for providing this independent expert opinion, which fees are payable irrespective of the outcome of the Transaction, GT has no material interest, direct or indirect, beneficial or non-beneficial, in SCIL and SCL or any of their subsidiaries or associate companies.

The employees of GT assigned to this assignment have the necessary qualifications, experience and competence to understand the Proposed Transaction, evaluate the consequences of the Proposed Transaction and assess the effect of the transaction on the value of the shares in SCIL and SCL and the rights and interests of SCIL shareholders and are able to express opinions, exercise judgements and make decisions independently in carrying out this assignment.

## **Procedures**

### **Sources of Information**

Our analysis relied upon financial and other information received from SCIL management and the company's lead financial advisors and from various public and industry sources. Our conclusion is dependent on that information being complete and accurate in all material aspects.

We have considered, inter alia the following:

- The annual reports for SCIL and SCL for the years ended 31 March 2019 and 2020;
- Management projections for SCIL and SCL for the years ended 31 March 2021 to 2025;
- Year-to-date Management financial statements for SCIL and SCL for the period April to September 2020;
- Report on desktop valuation of SCIL and SCL issued by the lead financial advisors including valuation assumptions, valuation of both companies and the share swap ratio for the Proposed Transaction as provided by the Directors of SCIL;
- Relative valuation multiples for comparable regional and international listed agricultural companies obtained from various sources including the website [www.marketwatch.com](http://www.marketwatch.com);
- Discussions and correspondence with Directors of SCIL and representatives of their lead financial advisors regarding the Transaction;
- Publicly available information relating to share prices and financial ratios that are applicable; and
- Publicly available information relating to the industry that SCIL and SCL operate in.

### **Background to the Transaction**

The Board of Directors of SCIL has resolved to bundle SCIL and SCL into a single entity. The bundling will be achieved through the acquisition of 100% of SCL's issued share capital by SCIL by way of an open market offer in compliance with the Zimbabwean Companies and Other Business Entities Act (COBE) and the ZSE Listings Requirements.

The Board proposes that SCIL will acquire up to 247,169,845 (Two hundred forty-seven million One hundred sixty-nine thousand Eight hundred forty-five) SCL ordinary shares (constituting the entire issued shares of SCL) in return for up to 252,223,526 (Two hundred fifty-two million Two hundred twenty-three thousand Five hundred twenty six) SCIL shares.

The swap ratio for the Proposed Transaction is 1 SCIL ordinary share for every 0.98 SCL ordinary shares held.

When SCIL's shareholding in SCL exceeds 70% or SCL has less than 300 shareholders, SCL shall subsequently apply for a voluntary delisting from the ZSE on the basis that SCL will no longer comply with the ZSE Listings Requirements.

### **Review of Valuation**

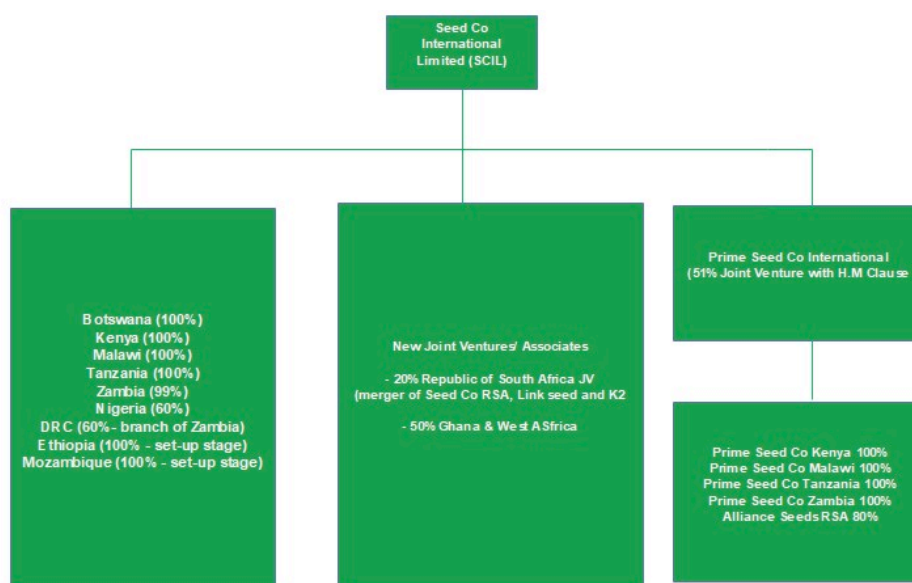
In order to assess the fairness and reasonableness of the proposed swap ratio for acquiring the 100% equity stake in SCL, GT conducted the following:

- high-level review of the recent historical financial performance of SCL and SCIL for financial years 2018-20 (as applicable);
- testing the appropriateness of the valuation methodologies used in order to arrive at the business valuations of SCL and SCIL, the purchase consideration and related swap ratio – with due consideration to the underlying industry in which SCIL and SCL operate, business cycles, etc.;
- review of the key assumptions to financial forecasts for FY2021 to FY2025 of SCL and SCIL, which formed the basis of the projected financial performance used to value both the companies

Following confirmation from Directors of SCIL that there have been no material changes in the businesses of SCIL and SCL and their subsidiary and associate companies since the date of the transaction proposal, GT believes the valuations of SCIL and SCL are valid.

### **Valuation and structure of the Transaction**

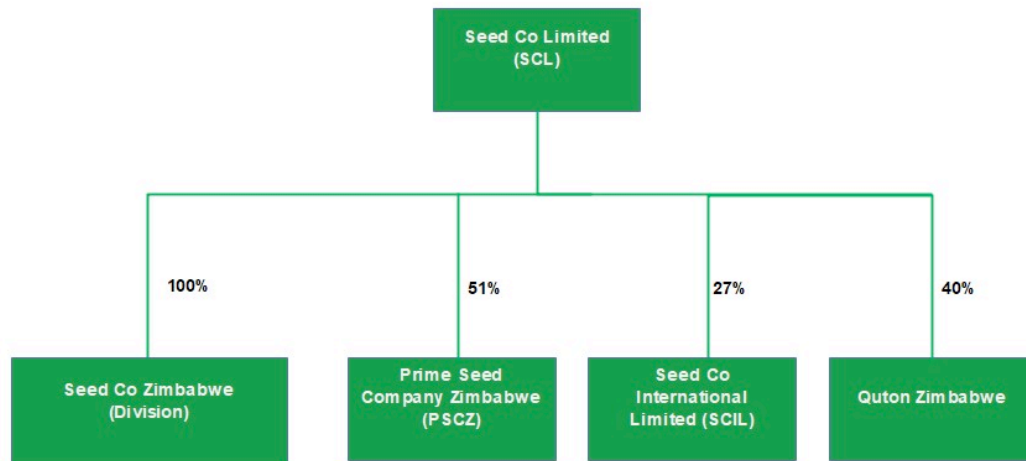
- As at the valuation date of 31 July 2020, SCIL had investments in the following subsidiary and associate companies:



Source: SCIL



- As at the valuation date on 31 July 2020, SCL had investments in the following subsidiary and associate companies:



Source: SCL

- There were no changes between 31 July 2020 and 13 November 2020.
- SCIL valuation methodology:
  - DCF methodology
    - SCIL is valued using two methods, viz. the discounted cash flows method (DCF) and relative valuation approach using the EV/EBITDA multiple method. All valuations are computed in US Dollars.
    - A sum-of-parts valuation methodology is applied for the DCF valuation with the enterprise values of each of the SCIL's subsidiaries and associate companies being derived separately.
    - The projected cash flows for the DCF valuation are based on the projected financial statements for the financial years ending 2021 to 2025 that are provided by management.
    - The perpetual growth rate of 4.3% per annum is based on the Compound Annual Growth Rate (CAGR) of the SCIL Free Cash Flow during the remaining 5 years of the 10-year forecast period.
    - The US dollar risk-free rate is based on the 5-year US Treasury Yield of 0.24% as at the end of July 2020.
    - Beta is estimated using Aswath Damodaran's emerging markets farming and agriculture sector unlevered beta of 0.81 and this is levered based on SCIL's gearing factor of 50% and effective tax rate 32% to obtain a levered beta of 1.09.

- The market risk premium of 5.6% is computed based on Aswath Damodaran's latest estimation of the mature market premium as of July 2020.
- Country risk premiums were applied for each subsidiary or associate company based on Aswath Damodaran's latest estimations of various worldwide US dollar country risk premiums published in July 2020.
- Cost of debt is estimated based on SCIL's effective cost of debt of 8.59%.
- SCIL's shareholding in each subsidiary and associate company is applied on their respective enterprises values and those values are added together to arrive at the enterprise value of SCIL. The group net debt as at 31 March 2020 is deducted from the enterprise value to arrive at the equity value of US\$163,510,144.

➤ EV/EBITDA methodology

- The theoretical EV/EBITDA multiple for SCIL is derived by taking a simple average of the forward EV/EBITDA multiples of seven comparable listed companies operating internationally in the agricultural and seed production and marketing sectors, and applying a country risk discount of 10%.
  - The maintainable EBITDA of US\$ 17,596,224 is computed by taking an average of the forecast EBITDA of SCIL for financial years ending 31 March 2021 and 2022.
  - The theoretical EV/EBITDA multiple of 7.86 is applied on the maintainable EBITDA to arrive at the enterprise value of SCIL. The group net debt as at 31 March 2020 is deducted from the enterprise value to arrive at the equity value of US\$ 109,544,286.
- The overall valuation for SCIL is obtained by applying a weighting of 60% to the DCF valuation and 40% to the EV/EBITDA valuation. The net debt owed by SCL to SCIL is added to arrive at the equity value of SCIL of US\$ 149,596,669.

• SCL Valuation Methodology:

- A sum-of-parts valuation methodology was applied with the equity values of the Seed Co Zimbabwe SBU (Seed Co Zimbabwe), PSCZ, SCIL and Quton being established separately. All valuations were computed in US Dollars.

**Quton Zimbabwe valuation methodology**

Quton Zimbabwe was valued using the Net-Asset-Value (NAV) approach. The NAV as at 31 March 2020 was converted from Zimbabwe Dollars into US Dollars using the prevailing Zimbabwe interbank market exchange rate of 1USD/ZWL\$25. The total Quton Zimbabwe NAV was US\$ 4,161,426 with SCL's 40% stake being valued at US\$ 1,664,570.

**SCIL valuation methodology**

A separate sum-of-parts valuation was performed for SCIL using the DCF and EV/EBITDA approaches as described above, with SCL being assigned 27% of the resulting valuation. The total valuation of SCIL was US\$ 149,596,669 with a 27% being worth US\$ 41,064,286.

## Seed Co Zimbabwe and PSCZ valuation

- DCF valuation methodology
  - ✓ Separate DCF valuations were computed for Seed Co Zimbabwe and PSCZ.-
  - ✓ The projected cash flows for the DCF valuation were based on the projected financial statements for the years ended 2021 to 2025 that were provided by management. The perpetual annual cash flow growth rate thereafter was 4.5% per annum based on the Compound Annual Growth Rate (CAGR) of the Seed Co Zimbabwe Free Cash Flow during the remaining 5 years of the 10-year forecast period.
  - ✓ Beta was estimated using the Aswath Damodaran's emerging markets farming and agriculture sector unlevered beta of 0.81. This was levered with the Seed Co gearing factor of 6% and effective tax rate of 25.75% to obtain a levered beta for SCL Zimbabwe of 0.85. PSCZ's gearing factor was 8% resulting in a levered beta of 0.86.
  - ✓ The market risk premium of 5.6% was computed based on Aswath Damodaran's latest estimation of the mature market premium as of July 2020.
  - ✓ A Zimbabwe country risk premium of 17.63% was applied based on Aswath Damodaran's latest estimations of various worldwide US dollar country risk premiums published in July 2020.
  - ✓ Cost of debt was estimated based on each company's effective cost of debt. Seed Co Zimbabwe's effective cost of debt was 58.42% while PSCZ's effective cost of borrowing was 5.04%.
  - ✓ SCL's shareholding in each of the two subsidiaries was applied on their respective equity values to arrive at the equity value due to SCL from the two subsidiaries of US\$ 27,740,197.
- EV/EBITDA valuation methodology
  - ✓ The theoretical comparable EV/EBITDA multiple for Seed Co Zimbabwe and PSCZ was obtained based on the average EV/EBITDA multiple of seven international companies operating in the agricultural and seed production and marketing sectors. A country risk discount of 20% was applied to take into account Zimbabwe country risk.
  - ✓ The combined maintainable EBITDA of US\$ 11,133,524 was computed by taking an average of the 2021 and 2022 forecast EBITDA.
  - ✓ The theoretical EV/EBITDA multiple of 6.99 was applied on the maintainable EBITDA to arrive at the enterprise value of the subsidiaries. Net debt as at 31 March 2020 was deducted from the enterprise value to arrive at the equity value of US\$ 76,546,441.

- The overall valuation for Seed Co Zimbabwe and PSCZ of US\$ 64,344,880 was obtained by applying a weighting of 75% to the EV/EBITDA valuation and 25% to the DCF valuation.
- The overall value of SCL was then obtained by applying its proportion of the shareholding of each subsidiary or associate as detailed above and subtracting the inter-company debt that was owed to SCIL by SCL as at 31 March 2020. The resulting valuation of SCL was US\$ 99,400,868.
- Based on the above-mentioned methodology, the valuations for SCIL and SCL and the swap ratio obtained are as follows;

Title	Equity Value (USD)	Number of shares	Equity value per share (USD)
SCIL	149,596,669	380,816,577	0.39
SCL	99,400,868	247,202,645	0.40
Swap ratio (1 SCIL share per SCL share)			0.98

Source: SCIL

### Assumptions

Grant Thornton arrived at its opinion based on the following assumptions:

- Reliance can be placed on the financial information provided;
- The current economic, regulatory and market conditions will not change materially;
- SCIL and SCL are not involved in any material legal proceedings;
- SCIL and SCL do not have any outstanding disputes with any regulatory bodies including their respective tax authorities;
- There are no undisclosed contingencies that can affect the value of SCIL and SCL shares;
- The transaction will not give rise to any undisclosed tax liabilities; and
- Reliance can be placed upon the representations made by Management during the course of forming this opinion.

### Appropriateness and Reasonableness of information and assumptions used

We satisfied ourselves of the appropriateness and reasonableness of the underlying information and assumptions provided by SCIL Management by:

- Considering historical trends of provided information and assumptions;
- Comparing and corroborating such information with external sources of information where such information was available; and
- Determining the extent to which representations from Management and other industry experts were confirmed by documentary evidence as well as our own understanding of SCIL, SCL and the industry within which they operate;

In regard to the historical and projected financial information of SCIL and SCL, GT is of the view that the information is reasonably reliable. GT has made use of annual reports, management accounts and projected financial statements of these companies as availed to us. Although GT believes the financial information provided by Directors of SCIL were prepared with due care and consideration, GT has not audited any of the information.

In regard to the publicly available information, GT is satisfied that the data extracted from Aswath Damodaran, BSE, ZSE, and marketwatch.com is reasonable and appropriate.

### **Fair and Reasonable Opinion**

Based upon the above and subject to the foregoing, GT is of the opinion that the basis of the proposed acquisition of SCL, which is a related party to SCIL, is fair and reasonable.

- The transaction swap ratio is reasonable in that:
  - it is based on an intrinsic valuation of the two companies that has been computed using valuation methodologies and parameters that we assessed to be theoretically sound.
  - it is close to a swap ratio of 1 SCIL share for every 1.03 SCL shares that was obtained based on the stock market valuations of SCIL and SCL as at the valuation date, i.e. the last trading date prior to suspension.
  - the theoretical EV/EBITDA multiple applied on maintainable EBITDA of SCIL and SCL considers appropriate discounts to factor in country risk.
  - the DCF valuations for SCIL and SCL are arrived at by considering country and equity market risks and incorporating these into the discount factors used to arrive at present values of future free cash flows of each of the associate and subsidiary companies.
  - we have interrogated the assumptions to the financial projections on which the valuation is based and we are of the opinion that these assumptions are reasonable and the projections have been computed in the appropriate manner.

### **Responsibility**

Compliance with the Companies Act and the BSE Listing Requirements is the responsibility of the Board of Directors of SCIL. Grant Thornton's responsibility is to provide a fairness and reasonableness opinion to the Board of Directors on the Proposed Transaction regarding its effect on the shareholders of SCIL.

We confirm that our opinion has been provided to the Board and that we understand that the Board of Directors may use the results of our work to comply with the requirements of the Companies Act and BSE Listing Requirements.

### **Independent Advice**

It should be noted that this opinion is not a recommendation to any Directors and shareholder of SCIL as to the manner in which they should vote, nor is it advice given on the appropriate course of action for such Directors or Shareholders to take.

The shareholders of SCIL should note that each individual shareholder's decision may be influenced by such shareholder's particular circumstances and accordingly that such shareholder should consult an independent advisor if in any doubt as to the merit or otherwise of the transaction.

### **Caveats**

Our view is based on our review of the valuation and proposed transaction structure provided by the Directors of SCIL. In arriving at this view, we have relied upon, and assumed to be true, accurate, complete and not misleading, the information, opinions and representation expressed by the Directors of SCIL. Accordingly, Grant Thornton accepts no liability of whatever nature of any loss, damage or expense resulting directly or indirectly from the above view.

The reader's attention is drawn to the fact that this opinion does not purport to contain all of the information required for an investment or disposal decision, and any such investment or disposal decision should only be made after careful consideration of the financial and business prospects of the subsidiary companies.

GT has based this opinion on the state of the respective geographies in which each of the operating subsidiary & associate companies of SCIL and SCL operate, and the trading conditions as of 13 November 2020. Shareholders should note that subsequent developments may affect this opinion, but GT is under no obligation to update, revise or re-affirm this opinion should any such developments transpire.

**Consent**

Grant Thornton hereby consent to the inclusion of this opinion and appendices thereto, in whole and in part, in the form and context in which they appear to be included in any regulatory announcement, circulars or any documentation regarding the Proposed Transaction.

Should you need any further information relating to the above, please contact the undersigned.

Yours sincerely,

**Kalyanaraman Vijay**  
**Managing Director**

**Appendix V: Details of borrowings**

<b>Borrowings</b>	<b>Term</b>	<b>2020 US\$</b>	<b>2019 US\$</b>
Barclays Bank Botswana facility	Revolving credit	20,805,806	18,047,388
Stanbic Bank Botswana facility	Short term	13,221,662	12,750,136
Zanaco facility	Short term	5,074,759	4,459,494
African Enterprise Challenge Fund	Repayable grant	-	380,000
<b>Total</b>		<b>39,102,227</b>	<b>35,637,018</b>

<b>Barclays Bank Botswana facility</b>	
Type of facility (description)	Revolving Credit Line Facility
Limit (currency)	US\$19m (2019: US\$19m)
Purpose (description)	Working Capital Funding
Tenure (days)	360 Days
Interest rate (%)	3 months LIBOR + 3.5% (2019: 3 months LIBOR + 3.5%)
Security details (description and currency)	Movable assets (including inventories and receivables) and guarantees
<b>Stanbic Bank Botswana facility</b>	
Type of facility (description)	General Short-Term Banking Facility
Limit (currency)	US\$16.5m (2019: US\$16.5m)
Purpose (description)	Working Capital Funding
Tenure (days)	360 Days
Interest rate (%)	3 months LIBOR + 3.5% (2019: 3 months LIBOR + 3.5%)
Security details (description and currency)	Movable assets (including inventories and receivables) and guarantees
<b>Zanaco facility</b>	
Type of facility (description)	Short-Term Facility
Limit (currency)	ZMW 96m (ZMW 50m)
Purpose (description))	Working Capital
Tenure (days)	360 days
Interest rate (%)	20% (2019: 16%)
Security details (description and currency)	Buildings
<b>African Enterprise Challenge Fund loan</b>	
Type of facility (description)	Repayable grant
Limit (currency)	US\$400k (US\$400k)
Purpose (description)	Last mile penetration
Tenure (days)	1,440 days
Interest rate (%)	0% (2019: 0%)
Security details (description and currency)	N/A

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**Appendix VI: Notice of Extraordinary General Meeting**


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**The African Seed Company**

**SEED CO INTERNATIONAL LIMITED**

(Incorporated in Botswana under company unique identification number BW0000 2529282)

**Directors:** Mr. D. E. B. Long, Mr. C. Kabaghe, Mr. P. Spadin, Mr. F. Savin, Mr. M. S. Ndoro, Dr. F. J. A. Moriones, Mrs. R. D. Chitengu, Mr. D. P. F. Jacquemond, Mr. P. Gowero, Mr. A. Barron, Mr. R. de Wet, Ms. K. Moswela, Mr. J. Matorofa\*, Mr. M. Nzwere\* (\*Executive)

**Address:** Plot 70713, Unit 1, Phakalane, P.O. Box 47143, Gaborone, Botswana

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**NOTICE IS HEREBY GIVEN THAT** the Extraordinary General Meeting of members of Seed Co International Limited (“the Company”) will be held virtually on Thursday 31 December 2020, at 1000 hours through the following link <https://escrowagm.com/eagmZim/Login.aspx>. Members will be asked to consider, and if deemed fit, to pass with or without modification, the resolutions set out below:-

**AS SPECIAL RESOLUTION:**

**1. Increase in authorised share capital**

“**THAT**, the authorised share capital of the Company be and is hereby increased from 500,000,000 (five hundred million) ordinary shares of no par value to 1,000,000,000 (one billion) ordinary shares of no par value, to rank pari passu in every respect with the existing shares of the Company and to be placed under the control of the Directors to be issued subject to prior shareholder approval or in accordance with the Botswana Stock Exchange Listings Requirements”.

**AS ORDINARY RESOLUTIONS:**

**2. The proposed acquisition of Seed Co Limited**

“**THAT**, the Company be and is hereby authorised, to acquire up to 247,169,845 (two hundred and forty seven million one hundred and sixty nine thousand eight hundred and forty five) Seed Co Limited (“SCL”) ordinary shares (constituting all the issued shares) from SCL shareholders, through a takeover and de-listing threshold success-based open market offer, at a consideration of 1 SCIL ordinary share for every 0.98 SCL ordinary shares held and to increase the stated capital of the Company by allotting up to 252,223,526 (two hundred and fifty-two million two hundred and twenty-three thousand five hundred and twenty-six) SCIL ordinary shares to the former SCL shareholders, pursuant to their acceptance of the offer by SCIL”.



**3. Directors' Authority to settle the proposed acquisition of Seed Co Limited shares using the Company's unissued shares**

"THAT, subject to the passing of both of the ordinary resolutions in (1) and (2) above, the Directors be and are hereby authorised to settle the acquisition of SCL shares using the Company's unissued shares."

**4. Amendment of the 2018 Seed Co International Share Appreciation Rights Scheme**

"THAT, subject to the passing of resolution in (1) and (2) above, the Directors be and are hereby authorised to amend the 2018 Seed Co International Share Appreciation Rights Scheme ("the SAR Scheme") by the addition of 28,737,645 (twenty-eight million seven hundred and thirty-seven thousand six hundred and forty-five) ordinary shares to increase the SAR Scheme limit from 35,000,000 (thirty-five million) ordinary shares to 63,737,645 (sixty-three million seven hundred and thirty-seven thousand six hundred and forty-five) ordinary shares and the issue and allotment of such ordinary shares to the 2017 Seed Co Limited Share Appreciation Rights Scheme participating employees migrating to the SAR Scheme pursuant to the successful conclusion of the acquisition of SCL by SCIL".

**5. Directors' Authority to give effect to the above Resolutions**

"THAT, subject to the passing of any one or all of the ordinary resolutions above, the Directors be and are hereby authorised, instructed and empowered to do all such things and sign all such documents and procure the doing of all such things and the signing of all such documents as may be necessary to give effect to the resolutions."

**Any Other Business**

To transact any other business competent to be dealt with at a general meeting.

**Notes:**

- a) In terms of the Companies Act [Chapter 42:01] a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company.
- b) Proxy forms must be lodged at the registered office of the Company not less than forty-eight hours before the time for holding the meeting.
- c) The registration of members attending the meeting will commence at 0800 hours.

**BY ORDER OF THE BOARD**

**Eric. M Kalaote (Mr)**  
**Company Secretary**  
**9 December 2020**

**Registered Office**

Seed Co International Limited  
Plot 70713, Unit 1, Phakalane,  
P.O. Box 47143,  
**Gaborone, Botswana**

**FORM OF PROXY**

A form of proxy, in which are set out the relevant instructions for its completion, is attached hereto, for use by such shareholder of the Company who is unable to attend the EGM but who wishes to be represented thereat. Completion of a form of proxy will not preclude such shareholder of the Company from attending and voting (in preference to the appointed proxy) at the EGM.

The instrument appointing a proxy and the authority (if any) under which it is signed must be received by the Company's transfer secretaries or at the Company's Registered Offices (Attention the Company Secretary) no later than 48 (Forty-eight hours) before the time appointed for the holding of the EGM.



**The African Seed Company**

**SEED CO INTERNATIONAL LIMITED**

**(Incorporated in Botswana under company unique identification number BW0000 2529282)**

**Directors:** Mr. D. E. B. Long, Mr. M. Nzwere\*, Mr. C. Kabaghe, Mr. P. S. R. Spadin, Mr. F. Savin, Mr. M. S. Ndoro, Mr. F. J. A. Moriones, Mrs. R. D. Chitengu, Mr. D. P. F. Jacquemond, Ms. K. Moswela, Mr. P. Gowero, Mr. A. G. Barron, Mr. R. de Wet, Mr. J. Matorofa\*, **\*Executive**

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**Address:** Plot 70713, Unit 1, Phakalane, P.O. Box 47143, **Gaborone, Botswana**

For use by Shareholders at the Company's EGM to be held on Thursday 31 December 2020 at 1000 hours.

**Each member entitled to attend and vote at the EGM is entitled to appoint one person as his proxy, who need not be a member of the Company, to attend, speak and vote in his/her stead at the EGM.**

I/We \_\_\_\_\_  
(Name in block letters)

Of \_\_\_\_\_

Being the holder of \_\_\_\_\_ shares in the Company hereby appoint

1. \_\_\_\_\_ of \_\_\_\_\_ or failing him/her

2. \_\_\_\_\_ of \_\_\_\_\_ or failing him/her

3. The Chairman of the EGM

As my/our proxy to act for me/us at the EGM for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name (see note 2) in accordance with the following instructions:

SPECIAL RESOLUTION		Number of Votes		
		For	Against	Abstain
1	<b>Increase in Authorised share capital</b> <b>“THAT</b> , the authorised share capital of the Company be and is hereby increased from 500,000,000 (five hundred million) ordinary shares of no par value to 1,000,000,000 (one billion) ordinary shares of no par value, to rank pari passu in every respect with the existing shares of the Company and to be placed under the control of the Directors to be issued subject to prior shareholder approval or in accordance with the Botswana Stock Exchange Listings Requirements.”			
ORDINARY RESOLUTIONS		Number of Votes		
		For	Against	Abstain
2	<b>The proposed acquisition of Seed Co Limited</b> <b>“THAT</b> , the Company be and is hereby authorised, to acquire up to 247,169,845 (two hundred and forty seven million one hundred and sixty nine thousand eight hundred and forty five) Seed Co Limited (“SCL”) ordinary shares (constituting all the issued shares) from SCL shareholders, through a takeover and de-listing threshold success-based open market offer, at a consideration of 1 SCIL ordinary share for every 0.98 SCL ordinary shares held and to increase the stated capital of the Company by allotting up to 252,223,526 (two hundred and fifty-two million two hundred and twenty-three thousand five hundred and twenty-six) SCIL ordinary shares to the former SCL shareholders, pursuant to their acceptance of the offer by SCIL”.			
3	<b>Directors’ Authority to settle the proposed acquisition of Seed Co Limited shares using the Company’s authorised but unissued shares</b> <b>“THAT</b> , subject to the passing of both of the ordinary resolutions in (1) and (2) above, the Directors be and are hereby authorised to settle the acquisition of SCL shares using the Company’s unissued shares.”			
4	<b>Amendment of the 2018 Seed Co International Share Appreciation Rights Scheme</b> <b>“THAT</b> , subject to the passing of resolution in (1) and (2) above, the Directors be and are hereby authorised to amend the 2018 Seed Co International Share Appreciation Rights Scheme (“the SAR Scheme”) by the addition of 28,737,645 (twenty-eight million seven hundred and thirty-seven thousand six hundred and			

	<p>forty-five) ordinary shares to increase the SAR Scheme limit from 35,000,000 (thirty-five million) ordinary shares to 63,737,645 (sixty-three million seven hundred and thirty-seven thousand six hundred and forty-five) ordinary shares and the issue and allotment of such ordinary shares to the 2017 Seed Co Limited Share Appreciation Rights Scheme participating employees migrating to the SAR Scheme pursuant to the successful conclusion of the acquisition of SCL by SCIL".</p>			
5	<p><b>Directors' Authority to give effect to the above Resolutions</b></p> <p>"THAT, subject to the passing of any one or all of the ordinary resolutions above, the Directors be and are hereby authorised, instructed and empowered to do all such things and sign all such documents and procure the doing of all such things and the signing of all such documents as may be necessary to give effect to the resolutions."</p>			

Every person present and entitled to vote at the EGM shall, on a show of hands, have one vote only, but in the event of a poll, every share shall have one vote.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2020

Signature(s) \_\_\_\_\_

Assisted by me \_\_\_\_\_

Full name(s) of signatory/ies if signing in a representative capacity (see note 2) (please use block letters).

## NOTES TO THE FORM OF PROXY

### INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. In terms of the Companies Act [Chapter 42:01], a member of the Company is entitled to appoint one or more persons to act in the alternative as his proxy, to attend and vote and speak in his stead. A proxy need not be a shareholder of the Company.
2. Unless otherwise instructed, the proxy will vote as he/she thinks fit.
3. This proxy form must be deposited at the Registered Office of the Company, which is situated at Plot 70713, Unit 1, Phakalane, P.O. Box 47143, **Gaborone, Botswana**, to be received by the Secretary not less than 48 hours before the meeting.
4. The proxy form must be signed and dated for it to be valid. Any alterations or corrections to this form must be initialled.

5. Anyone signing this proxy form in a representative capacity must be authorised to do so. Please stamp this form with your company or organisation's stamp and enclose proof of authorisation.
6. 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.

OFFICES OF THE TRANSFER SECRETARIES		COMPANY REGISTERED OFFICE
CSDB Fourth Floor, Fairscape Precinct Plot 70667, Fairgrounds Office Park Private Bag 00417 <b>Gaborone, Botswana</b>  Email: nphalatse@bse.co.bw akhupe@bse.co.bw	Corpserve Zimbabwe 2nd Floor ZB Centre Corner 1st & Kwame Nkrumah Avenue <b>Harare, Zimbabwe</b>  Email: corpserve@escrowgroup.org	Eric M. Kalaote -The Company Secretary Seed Co International Limited Plot 70713, Unit 1, Phakalane, P.O. Box 47143, <b>Gaborone, Botswana</b>  Email: eric.kalaote@seedcogroup.com



**The African Seed Company**

**SEED CO INTERNATIONAL LIMITED**

(A public company incorporated in Botswana under company unique identification number BW0000 2529282)