

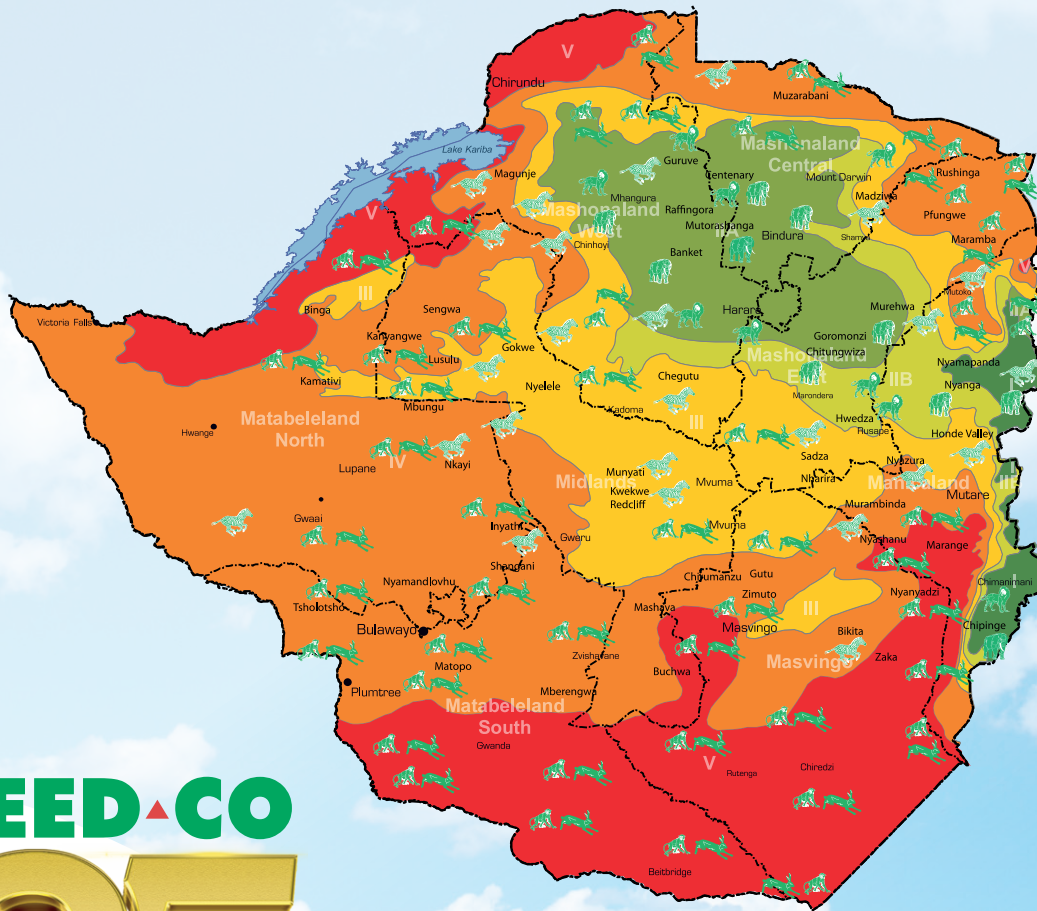


The African Seed Company

# SEED CO LIMITED

## ABRIDGED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025



THE HOME OF BUMPER HARVESTS





LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2025

## KEY METRICS

52%

Sales  
Volume  
Growth

93%

Revenue  
Growth

173%

Export  
Revenue

## ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31 March 2025	*31 March 2024
	Audited US\$'M	Restated US\$'M
<b>Revenue</b>	71.21	36.89
Cost of sales	(30.46)	(22.11)
<b>Gross profit</b>	<b>40.74</b>	<b>14.78</b>
Other income	6.09	56.65
Operating expenses	(26.16)	(22.41)
<b>Operating profit</b>	<b>20.67</b>	<b>49.02</b>
Finance income	0.52	-
Finance costs	(3.46)	(4.77)
Monetary loss	-	(13.99)
Share of profit from associates and joint venture	3.75	1.17
<b>Profit before tax</b>	<b>21.48</b>	<b>31.43</b>
Income tax expense	(3.95)	(10.24)
<b>Profit for the year</b>	<b>17.53</b>	<b>21.19</b>
<b>Other comprehensive income</b>		
Foreign exchange differences on translation of foreign operations	(0.48)	(1.02)
Share of other comprehensive profit/(loss) from associate	<b>2.34</b>	<b>(0.81)</b>
Revaluation of property, plant and equipment	5.82	0.06
Deferred tax on revaluation of property, plant & equipment	0.11	(2.92)
Total other comprehensive income/(loss) for the year	7.79	(4.69)
<b>Total comprehensive income for the year</b>	<b>25.32</b>	<b>16.50</b>
<b>Earnings per share - cents</b>		
BEPS -cents	0.07	0.08
DEPS -cents	0.06	0.08
HEPS -cents	0.06	0.07

\*The comparative figures for 31 March 2024 were initially presented in Zimbabwean Dollars(ZWL), adjusted for inflation in accordance with IAS 29-Financial Reporting in Hyperinflationary Economies. These amounts were subsequently translated into US\$ (the functional currency). Further details on the translation methodology are provided in Note 2.2.

\*Although the conversion process was mathematically accurate, users of these financial statements should exercise caution when relying on the reported balances. The figures were significantly impacted by exchange rate distortions and challenges in accurately determining the applicable inflation indices for hyperinflation accounting.

## ABRIDGED STATEMENT OF CHANGES IN EQUITY

	31 March 2025	*31 March 2024
	Audited US\$'M	Restated US\$'M
<b>Opening shareholders' equity</b>	<b>104.23</b>	<b>85.78</b>
Comprehensive income	25.32	16.49
Exercise of share options	-	(0.01)
Share based payments	0.22	0.34
Effects of changes in functional currency	-	1.63
<b>Closing shareholders' equity</b>	<b>129.77</b>	<b>104.23</b>

## ABRIDGED STATEMENT OF FINANCIAL POSITION

	31 March 2025	*31 March 2024
	Audited US\$'M	Restated US\$'M
<b>ASSETS</b>		
Property, plant & equipment	44.90	39.91
Investment in associates & joint venture	31.88	26.60
Non-current financial assets	0.13	2.15
Inventories	25.70	28.92
Trade and other receivables	52.10	39.29
Amount due from related entities	14.87	9.79
Other current financial assets	2.14	0.71
Cash and cash equivalents	0.31	0.29
<b>Total assets</b>	<b>172.03</b>	<b>147.66</b>
<b>EQUITY AND LIABILITIES</b>		
Shareholders Equity	129.77	104.23
Long-term borrowings	5.58	8.75
Deferred tax liability	7.65	8.27
Short-term borrowings	16.45	11.15
Bank Overdrafts	2.33	1.93
Trade and other payables	3.14	8.42
Amount due to related entities	0.04	-
Provisions	3.08	1.94
Income tax payable	3.99	2.98
<b>Total equity and liabilities</b>	<b>172.03</b>	<b>147.66</b>

## ABRIDGED STATEMENT OF CASH FLOWS

	31 March 2025	*31 March 2024
	Audited US\$'M	Restated US\$'M
<b>Operating activities</b>		
Profit before tax	<b>21.48</b>	<b>31.43</b>
Reconciling items to net cash flows	0.97	(25.69)
Working capital changes	(20.10)	(25.63)
Tax paid	(3.44)	(1.53)
<b>Operating cash flows</b>	<b>(1.09)</b>	<b>(21.42)</b>
Proceeds from disposal of PPE	0.10	0.07
Purchase of PPE	(2.18)	(2.35)
Proceeds from financial assets	0.86	1.19
Purchase financial assets	(0.34)	-
Dividends received	0.34	0.25
Interest received	0.52	-
<b>Investing cash flows</b>	<b>(0.70)</b>	<b>(0.84)</b>
Net proceeds from borrowings	4.97	25.90
Interest paid	(3.16)	(3.86)
<b>Financing cash flows</b>	<b>1.81</b>	<b>22.04</b>
Net cash flows during the year	0.02	(0.22)
Effects of currency translation	-	(0.29)
Net changes in cash and cash equivalents	<b>0.02</b>	<b>(0.51)</b>
Opening cash and cash equivalents	0.29	0.80
<b>Closing cash and cash equivalents</b>	<b>0.31</b>	<b>0.29</b>

## DIRECTORS

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



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

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

**1 Corporate information**

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

**2 Basis of Preparation**

The financial statements have been prepared in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board (IFRS Accounting Standards) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC® Interpretations). Compliance with IFRS Accounting Standards is intended to achieve consistency and comparability. These financial statements comply with the requirements of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and regulations of the Zimbabwe Stock Exchange.

The Company financial statements are prepared on a going concern basis which assumes the Company will continue its operations for the foreseeable future. The Directors assessed the company's liquidity position, profitability and access to financing and concluded that no material uncertainties exist.

The Company financial statements of Seed Co Limited for the year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Directors on the 27th of June 2025.

**2.1 The Company's functional currency**

The Company changed its functional currency from the Zimbabwean Dollar (ZWL) to the United States Dollar (US\$) effective 1 April 2024. This change reflects the Company's transition to a primary economic environment more closely aligned with the US\$. The determination was made following a functional currency assessment, considering the following key factors:

- The currency that mainly influences sales prices for goods and services. The US\$ was the primary currency influencing sales prices. During the period under review, 98% of revenue was denominated in US\$, and 68% of invoices will be settled in US\$.
- The currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services. Zimbabwe officially uses the Zimbabwe Gold (ZWG) as its currency, introduced in April 2024 to replace the Zimbabwean dollar (ZWL) however the US\$ remains widely accepted in parallel with the ZWG.
- The main currency for the business's receipts and payments. The business traded mostly in US\$.
- The currency that mainly influences labour, material, and other costs of providing goods or services for the year ended March 2025 was mainly US\$.

The Reserve Bank of Zimbabwe (RBZ) introduced the Zimbabwe Gold (ZWG) as the new currency on the 5th of April 2024, replacing the Zimbabwean Dollar (ZWL). The Company's ZWL balances as of April 5th, 2024, were translated to ZWG at a rate of 2,499 which was the official rate when ZWG was introduced.

**2.2 Conversion Process of Functional Currency to United States Dollars (US\$)**

The Company transitioned its functional currency from ZWL to US\$ effective 1 April 2024 following the restatement of its historical financial statements in line with IAS 29, "Financial Reporting in Hyperinflationary Economies." According to IAS 21, "The Effects of Changes in Foreign Exchange Rates," entities operating in hyperinflationary economies must translate their previously reported inflation-adjusted financial statements using the exchange rate at the last reporting date when changing their functional currency.

All monetary assets and liabilities (cash, receivables, payables) were translated at the closing exchange rate prevailing at the date of change in functional currency of ZWL 22,055 per US\$1. Given the distortions caused by hyperinflation and exchange rate volatility, an alternative method was used to determine opening balances for non-monetary items and the translated values were deemed more appropriate and adjustments were made to reflect their true economic value. Property, plant, and equipment carrying amounts were based on an independent fair value assessment in US\$ and the translation adjustments were made to revaluation reserve with corresponding adjustments to deferred tax balance to reflect the revised carrying amounts. Inventory values adopted were based on US\$ supplier invoices and prepayments were adjusted to reflect actual underlying US\$ payments. The translation adjustments were made to retained earnings with corresponding unwinding of deferred tax for the adjusted amounts.

The comparative financial information in the statement of comprehensive income, statement of changes in equity, and statement of cash flows has been translated to US\$ using the rate of ZWL22,055.

**2.3 The Company's presentation currency**

The Company's Financial Results are presented in United States dollars (US\$), which is the company's functional and presentation currency for the year ended 31 March 2025. These US\$ financial statements fully comply with the requirements of IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) with the exception of the treatment of non-monetary assets on the change of functional currency as noted in 2.1.2 above.

In accordance with the Monetary Policy Statement (6 February 2025), the company has prepared special purpose financial statements in ZWG to meet additional regulatory requirements. These are available for inspection at the Company's registered office.

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

**3 Accounting policies**

The principal accounting policies of the Company have been consistently followed in all material respects.

**4 Commitments And Contingencies**

	March 2025 US\$'M	March 2024 US\$'M
The Board approved Management's capital expenditure plans for the Company though these were not yet contracted for at the reporting date.	4.40	3.03

There were no contingent liabilities at 31 March 2025.

**5 Loans & Borrowings**

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

**6 Going Concern**

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

**7 Dividend**

The Board decided to declare a dividend of US0.91 cents per share.

**8 Events after the reporting date**

In accordance with IAS 10 Events After the Reporting Period, the Company has evaluated events occurring between the reporting date (31 March 2025) and the date of authorisation of these financial statements (27 June 2025). No material adjusting or non-adjusting events requiring disclosure have occurred during this period.

**9 External auditors' opinion**

The abridged Seed Co Limited results for the year ended 31 March 2025, should be read in conjunction with the financial statements for the year ended 31 March 2025, from which they have been extracted. The Company financial statements for the year ended 31 March 2025 have been audited by KPMG Chartered Accountants (Zimbabwe) and an adverse opinion issued thereon.

The auditors' report is modified for IAS 21, The Effects of Changes in Foreign Exchange Rates, in the current and prior years, in respect of determination of US\$ opening balances for non-monetary items, prior year use of internally generated rates in accounting for transactions with growers and prior year determination of split between realised and unrealised portions of exchange gains, IAS 28, Investments in Associates and Joint Ventures, in respect of the associate entity's application of the cost model in accounting for property, plant and equipment (PPE) which is not consistent with Company's policies which require PPE to be revalued annually, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors due to these areas of non-compliance remaining uncorrected in the comparative periods. The independent auditors' opinion has been made available to management and those charged with governance of Seed Co Limited. The engagement partner responsible for this review is Vinay Ramabhai (PAAB Practising Certificate Number 0569). The auditors' opinion is available for inspection at the Company's registered office.

**10 Approval of financial statements**

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



P. Gowero (Chairman)

27 June 2025



M. Nzwere (CEO)

27 June 2025

**DIRECTORS**

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

## COMMENTARY

### Overview

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

### Sales performance

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

### Financial performance

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

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

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

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

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

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

### Financial position

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

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

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

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

### Research and Development

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

### Outlook

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

F. Sithole (Company Secretary)



27 June 2025

**85th Anniversary, Together we grow & together we thrive!**

**SEED-CO**  
**85**  
Years  
KEEP GROWING



## DIRECTORS

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