



KPMG
Mutual Gardens 100 The Chase (West)
Emerald Hill, Harare, Zimbabwe
Telephone +263 430 2600
Internet www.kpmg.com/zw

Independent Auditors' Report

To the shareholders of Seed Co Limited

Adverse opinion

We have audited the financial statements of Seed Co Limited (the Company), which comprise the statement of financial position as at 31 March 2026, the statement of comprehensive income, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to financial statements, including material accounting policies as set out on pages 9 to 54.

In our opinion, because of the significance of the matters described in the *Basis for adverse opinion* section of our report, the accompanying financial statements do not present fairly, in all material respects, the financial position of Seed Co Limited as at 31 March 2026, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Other Business Entities Act [Chapter 24:31].

Basis for adverse opinion

(a) Inaccurate application of change in functional currency

As described in Note 2.1.1, in April 2024, when there was a change in functional currency of the Company from Zimbabwean Dollar (ZWL) to United States Dollars (US\$), the Company adopted alternative approaches for translating property, plant and equipment, inventory and deferred tax liabilities which is a departure from the requirement of IAS 21 *Effect of Changes in Foreign Exchange Rates* because the translated values were deemed more appropriate by management to reflect their true economic value. Had the Company applied the requirements of IAS 21 appropriately, many elements in the accompanying financial statements would have been materially affected. The effects on the financial statements of the failure to appropriately apply the principles of IAS 21 for a change in functional currency have not been determined as it has been deemed impracticable. Our audit opinion on the financial statements for the year ended 31 March 2025 dated 30 June 2025 was modified accordingly.

Our opinion on the current year's financial statements is also modified because of the significance of the matter on the affected elements of the financial statements and comparability of the current year's figures and corresponding figures.



(b) Inappropriate use of internally generated exchange rates

As described in Note 2.18, the Company's policy is to record foreign currency denominated transactions and balances at the foreign currency exchange rate ruling at the transaction date (spot rate) in accounting for foreign currency denominated transactions and balances. In the 2023 financial year, the Company used an internally generated exchange rate in determining seed inventory from growers which is not consistent with the determination of the spot rate in accordance with IAS 21 *Effect of Changes in Foreign Exchange Rates*. Had the Company used the foreign currency exchange rate ruling at the transaction date (spot rate), many elements in the accompanying financial statements would have been materially affected. The effects on the financial statements of the failure to use the appropriate foreign currency exchange rate ruling at the transaction date have not been determined as this has been deemed impracticable. Our audit opinion on the financial statements for the year ended 31 March 2025 dated 30 June 2025 was modified accordingly.

Our opinion on the current year's financial statements is also modified because of the significance of the matter on the affected elements of the financial statements and comparability of the current year's figures and corresponding figures.

(c) Inconsistent application of equity-accounted investee

In accounting for the Company's investment in associate, Quton Seed Company (Private) Limited ("Quton Zimbabwe"), the Company has not applied the equity accounting method appropriately which requires an investor to adjust the investee's financial information to align its material accounting policies with those of the investor and subsequently recognise its share of profit or other comprehensive income and changes in the carrying amount of the investee. The property, plant and equipment of Quton Zimbabwe is carried at cost and not revalued at least every three years. This is not consistent with the requirements of IAS 28 *Investment in Associates and Joint Ventures*. Had the Company adjusted Quton Zimbabwe's financial information to reflect the revaluation of property, plant and equipment, investment in associate and share of profit or loss and other comprehensive income in the accompanying financial statements would have been materially affected. The effects on the financial statements of the failure to align the accounting policies of the investee with the Company have not been determined. Our audit opinion on the financial statements for the year ended 31 March 2025 dated 30 June 2025 was modified accordingly.

Our opinion on the current year's financial statements is also modified because of the significance of the matter on the affected elements of the financial statements and comparability of the current year's figures and corresponding figures.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of the financial statements of public interest entities in Zimbabwe. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.



Key audit matters

Except for the matter described in the Basis for adverse opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises the Corporate information, Directors' statement of responsibility and approval of the financial statements included in the Seed Co Limited Audited Company Financial Statements which we obtained prior to the date of this report, and the Annual Report which is expected to be made available to us after the date of this auditors' report. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Seed Co Limited Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Other Business Entities Act [Chapter 24:31], and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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



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

KPMG

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

30 June 2026

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

Mutual Gardens
100 The Chase (West)
Emerald Hill
P.O Box 6, Harare
Zimbabwe