

THIS ABRIDGED CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Abridged 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 and Victoria Falls 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 Abridged Circular as well as the Full 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 at the end of this Abridged 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 Abridged 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.



The African Seed Company

SEED CO INTERNATIONAL LIMITED

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

ABRIDGED 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



Sponsoring Brokers in Botswana



Legal Advisors in Botswana



Transfer Secretaries in Zimbabwe



Reporting Accountants



Independent Financial Advisors

Grant Thornton Botswana



Sponsoring Brokers in Zimbabwe



Legal Advisors in Zimbabwe

Transfer Secretaries in Botswana



This Abridged Circular as well as the Full Circular is only available in English. Copies of the Full Circular are available at the Registered Offices of the Company and can also be downloaded from www.seedgroup.com

Date of issue: Wednesday 9 December 2020

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

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.

- 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 – gazettement 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:

- SCIL only comprises operations outside Zimbabwe, unlike Zimbabwean dual-listed counterparts which are made up of both international and Zimbabwean operations; and
- 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:

- 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;
- the delisting of SCL from the ZSE on a voluntary basis; and
- 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:

- 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.
- 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; and
 - 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 Companies and Business Entities Act (Chapter 24:31) ("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.

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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, whose report is part of the documents available for inspection by SCIL shareholders. 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.

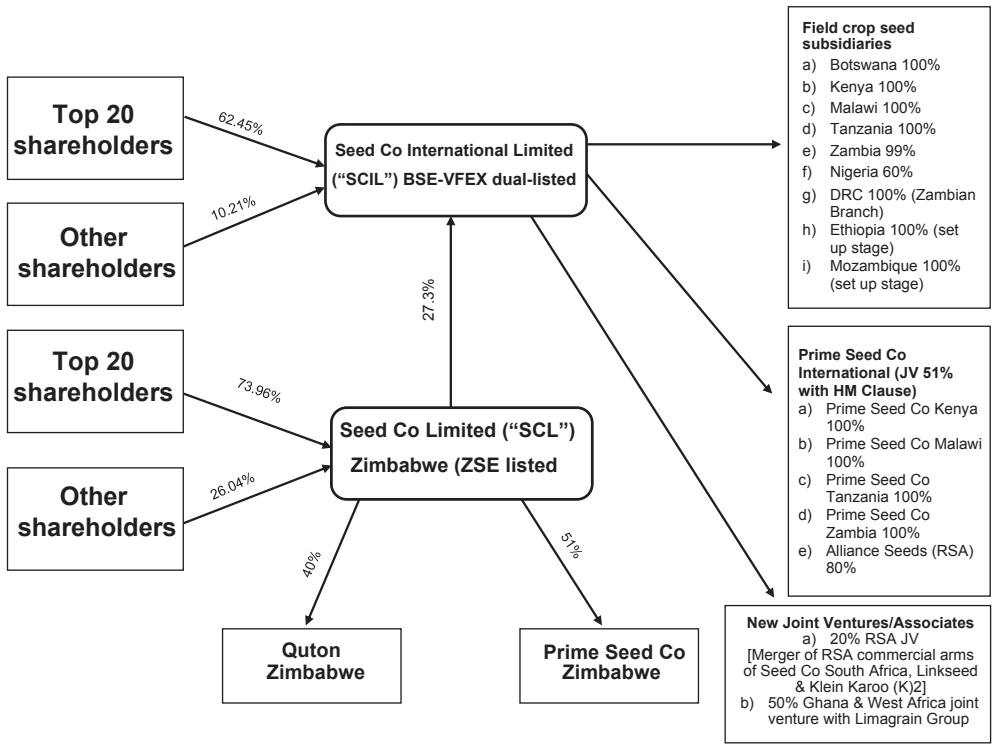
7.5. Conditions of the Proposed Transaction

The Proposed Transaction is subject to the following conditions precedent:

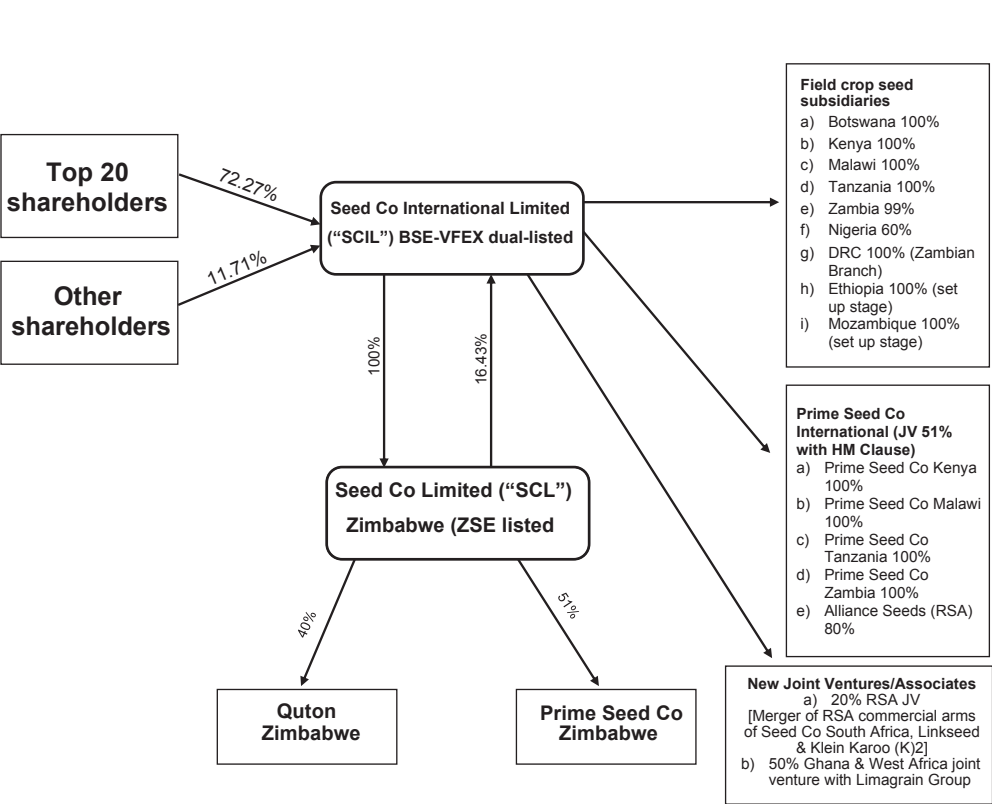
- approval by the Members of SCIL at the EGM to be held on Thursday 31 December 2020 in terms of the EGM Notice at the end of this Abridged Circular;
- approval by the Exchange Control Authorities of Zimbabwe for SCIL, a foreign registered company, to acquire the shares of SCL;
- the acceptance thresholds 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 the Proposed Transaction



8.1. Group structure after the Proposed Transaction



8.3. 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 Ordinay Shares	500,000,000	500,000,000	1,000,000,000

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

8.4. Effects on the SCIL 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	1,638,268	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
	Sub-total	90.60%	345,583,018	180,717,173	83.06%	526,300,191
	Others	9.40%	35,869,809	71,506,353	16.94%	107,376,162
	Total	100.00%	381,452,827	252,223,526	100.00%	633,676,353

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.

8.5. 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
Ungranted balance	5,854,905	5,974,393	21,147,726	27,122,119

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.

9.2. Proforma financial position of SCIL

The consolidated proforma statement of financial of SCIL showing the impact of the Transaction is as set out below.

	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 reclassification of SCL's non-controlling interest in Seed Co Zambia	Unaudited proforma post transaction
ASSETS								
Non-current assets								
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
	44,754,460	62,204,326	68,689,953	(62,204,326)	-	(21,676,005)	(5)	91,768,403
Current assets								
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
	82,957,774	(600,000)	36,598,546	-	(10,000,645)	-	-	108,955,675
Total assets	127,712,234	61,604,326	105,288,499	(62,204,326)	(10,000,645)	(21,676,005)	(5)	200,724,078
EQUITY & LIABILITIES								
Equity								
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)				14,342,517
Foreign currency translation reserve	(53,297,813)	(600,000)	-	-				(53,614,988)
Retained earnings	74,472,860		37,265,180	(24,681,859)		(3,091,130)		83,872,978
Equity attributable to equity holders of the parent	71,982,775	61,604,326	74,787,647	(62,204,326)	-	(21,676,005)	297,395	124,791,813
Non-controlling interests	1,046,473		-				(297,401)	749,072
Total equity	73,029,248	61,604,326	74,787,647	(62,204,326)	-	(21,676,005)	(5)	125,540,885
Non-current liabilities								
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
	4,388,547	-	14,787,868	-	-	-	-	19,176,415
Current liabilities								
Short-term borrowings	37,435,560		2,310,579					39,746,139
Short term lease liabilities	464,369		433,487					897,856
Trade & other payables	8,773,123		8,925,801		(10,000,645)			9,206,610
Amount due to related entities	1,273,998		1,113,238					199,154
Provisions	2,001,884		-					3,115,122
Income tax payable	345,505		2,929,879					3,275,384
	50,294,439	-	15,712,984	-	(10,000,645)	-	-	56,006,778
Total liabilities	54,682,986	-	30,500,852	-	(10,000,645)	-	-	75,183,193
Total equity & liabilities	127,712,234	61,604,326	105,288,499	(62,204,326)	(10,000,645)	(21,676,005)	(5)	200,724,078

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

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>	

9.3. Proforma financial position of SCL

The consolidated proforma statement of financial of SCL showing the impact of the Transaction is as set out below.

	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
ASSETS								
Non-current assets								
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			<u>22,324,882</u>
	1,515,834,424		60,633,377	8,056,576	-	-	-	68,689,953
Current assets								
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
	895,499,749		35,819,991	-	-	-	778,555	36,598,546
Total assets	2,411,334,173		96,453,368	8,056,576	-	-	778,555	105,288,499
EQUITY & LIABILITIES								
Equity								
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
Total equity	1,862,255,386		74,490,216	8,056,576	-	-	(7,759,145)	74,787,647
Non-current liabilities								
Long-term borrowings	6,938,714	25	277,549					277,549
Deferred tax liability	362,757,974	25	14,510,319					14,510,319
	369,696,688		14,787,868	-	-	-	-	14,787,868
Current liabilities								
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
	179,382,099		7,175,284	-	-	-	8,537,700	15,712,984
Total liabilities	549,078,787		21,963,152	-	-	-	8,537,700	30,500,852
Total equity & liabilities	2,411,334,173		96,453,368	8,056,576	-	-	778,555	105,288,499

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

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	<u>25</u>	
	Current carrying amount of investment in SCIL in US\$	<u>13,619,430</u>	
	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	<u>22,120,296</u>	
	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\$	<u>16,096,588</u>	note 9.4 in SCL Annual Financial Statements
	Revaluation reserve relating to SCIL in Z\$	<u>4,393,082</u>	
	Exchange rate	<u>25</u>	
	Revaluation reserve relating to SCIL in US\$	<u>175,723</u>	
	Foreign currency translation reserve relating to SCILin Z\$	(94,626,554)	Statement of changes in equity in SCL Annual Financial Statements
	Exchange rate	<u>25</u>	
	Foreign currency translation reserve relating to SCILin US\$	<u>(3,785,062)</u>	
vii)	Amounts due to SCIL in Z\$	9,702,514	note 19 in SCL Annual Financial Statements
	Exchange rate	<u>25</u>	
	Amounts due to SCIL in US\$	<u>388,101</u>	
	Amounts due from SCL	<u>8,925,801</u>	note 16 in the SCIL Annual Financial Statements
	Exchange loss on upliftment at closing exchange rate (opposed to 1:1 legacy debt position)	<u>(8,537,700)</u>	
	Amounts due from SCIL in Z\$	7,407,213	note 13 in SCL Annual Financial Statements
	Exchange rate	<u>25</u>	
	Amounts due from SCIL in US\$	<u>296,289</u>	
	Amounts due to SCL	<u>1,074,844</u>	note 24 in the SCIL Annual Financial Statements
	Exchange gain on upliftment at closing exchange rate (opposed to 1:1 legacy debt position)	<u>(778,555)</u>	
viii)	Sum of columns (iii) to (vii)		

10. Financial Highlights

The audited abridged financial information for SCIL for the years ended 31 March 2018 – 2020 are as follows:

Seed Co International Limited Consolidated Income Statements	Audited		
	31-Mar-20	31-Mar-19	31-Mar-18
	US\$	US\$	US\$
Revenue	71,357,970	60,136,380	64,380,146
Cost of sales	(36,488,368)	(30,255,451)	(31,697,439)
Gross profit	34,869,602	29,880,929	32,682,707
Other income	6,027,316	4,488,537	1,602,608
Operating expenses	(28,609,388)	(27,326,009)	(26,921,752)
Operating profit	12,287,530	7,043,457	7,363,563
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)
Profit before taxation	8,945,603	5,154,140	5,275,420
Income tax expense	(2,874,407)	(1,375,906)	(784,131)
Profit after tax	6,071,196	3,778,234	4,491,289
Attributable to:			
Equity holders of the parent	6,195,338	3,778,030	4,488,446
Non-controlling interests	(124,142)	204	2,843
Profit for the year	6,071,196	3,778,234	4,491,289
Statements of comprehensive income			
Other comprehensive (loss)/income			
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)
Total comprehensive loss for the year, net of tax	(9,036,168)	(11,024,379)	8,755,454
Attributable to:			
Equity holders of the parent	(8,687,395)	(11,204,583)	8,762,932
Non-controlling interest	(348,773)	204	(7,478)
	(9,036,168)	(11,204,379)	8,755,454

Seed Co International Limited Consolidated Statements of financial position	Audited		
	31-Mar-20 US\$	31-Mar-19 US\$	31-Mar-18 US\$
Assets			
Non-current assets			
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
	44,754,460	40,586,361	43,982,565
Current assets			
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
	82,957,774	93,477,152	76,585,719
Total assets	127,712,234	134,063,513	120,568,284
Equity and liabilities			
Equity			
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
Equity attributable to equity holders of the parent	71,982,775	82,033,741	80,206,658
Non-controlling interest	1,046,473	700,241	65,057
	73,029,248	82,733,982	80,271,715
Liabilities			
Non-current liabilities			
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
	4,388,547	4,168,843	2,040,148
Current liabilities			
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
	50,294,439	47,160,688	38,256,421
Total liabilities	54,682,986	51,329,531	40,296,569
Total equity & liabilities	127,712,234	134,063,513	120,568,284

Seed Co International Statement of Changes in Equity	Attributable to the equity holders of the holders of the parent							
	Share capital	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
At 1 April 2017	18,584,875	-	10,819,759	(23,732,186)	65,146,807	70,819,255	-	70,819,255
Profit for the year	-	-	-	-	4,488,446	4,488,446	2,843	4,491,289
Other comprehensive income	-	-	3,130,405	1,144,081	-	4,274,486	(10,321)	4,264,165
Total comprehensive income	-	-	3,130,405	1,144,081	4,488,446	8,762,932	(7,478)	8,755,454
Transferred to non-controlling interest	-	-	-	-	624,471	624,471	(624,471)	-
Non-controlling equity interest	-	-	-	-	-	-	697,006	697,006
Realisation of revaluation reserve through use	-	-	(158,029)	-	158,029	-	-	-
As 31 March 2018	18,584,875	-	13,792,135	(22,588,105)	70,417,753	80,206,658	65,057	80,271,715
IFRS 9 transition adjustment	-	-	-	(5,348,075)	-	(5,348,075)	-	(5,348,075)
Restated at 1 April 2018	18,584,875	-	13,792,135	(22,588,105)	65,069,678	74,858,583	65,057	74,923,640
Profit for the year	-	-	-	-	3,778,030	3,778,030	204	3,778,234
Other comprehensive loss	-	-	134,780	(14,937,393)	-	(14,802,613)	-	(14,802,613)
Total comprehensive loss	-	-	134,780	(14,937,393)	3,778,030	(11,024,583)	204	(11,024,379)
Issue of share capital net of transaction costs	17,263,166	-	-	-	-	17,263,166	-	17,263,166
Share based payments	-	330,704	-	-	-	330,704	-	330,704
Realisation of revaluation reserve through use	-	-	(514,294)	-	514,294	-	-	-
Dividend paid	-	-	-	-	(93,124)	(93,124)	-	(93,124)
Capital injection by non-controlling interest in subsidiary	-	-	-	-	698,995	698,995	1,333,975	1,333,975
Effect of demand disposal of shares to non-controlling interest	-	-	-	-	-	-	(688,995)	-
As 31 March 2019	35,848,041	330,704	13,412,621	(37,525,498)	69,967,873	82,033,741	700,241	82,733,982
IFRS 16 transition adjustment	-	-	-	(60,904)	(60,904)	(80,904)	-	(80,904)
At 1 April 2019	35,848,041	330,704	13,412,621	(37,525,498)	69,876,969	81,942,837	700,241	82,643,078
Profit for the year	-	-	-	-	6,195,338	6,195,338	(134,124)	6,071,196
Other comprehensive income	-	-	1,206,757	(16,089,490)	-	(14,882,733)	(224,631)	(15,107,364)
Total comprehensive income	-	-	1,206,757	(16,089,490)	6,195,338	(8,687,395)	(348,773)	(9,036,168)
Exercise of share options	401,929	(401,929)	-	-	-	-	-	-
Share based payments	-	393,110	-	-	-	393,110	-	393,110
Realisation of revaluation reserve through use	-	-	(276,861)	-	276,861	-	-	-
Recognition of non-controlling interest	-	-	(106,644)	317,175	(507,932)	(297,401)	297,401	-
Dividend paid	-	-	-	-	(1,368,376)	(1,368,376)	-	(1,368,376)
Capital injection by non-controlling interest in subsidiary	-	-	-	-	-	-	397,604	397,604
As 31 March 2020	36,249,970	321,885	14,235,873	(53,297,813)	74,472,860	71,982,775	1,046,473	73,029,248

THIS ABRIDGED CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

12. 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.

13. Regulatory issues

This Abridged Circular is issued in compliance with the BSE Listings Requirements. The Listings Committe of the BSE approved the Proposed Transaction and granted approval for the publication of this Abridged Circular and the distribution to Shareholders of the Full 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 COBE.

14. 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 Abridged Circular have the borrowing powers been exceeded.

15. Borrowing and liabilities

The Directors are authorized to borrow up to twice the outstanding value of the equity and reserves attributable to shareholders. The tables below set out the material borrowings of the Company and its subsidiaries.

Borrowings	Term	2020 US\$	2019 US\$
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
Total		39,102,227	35,637,018
Barclays Bank Botswana facility			
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		
Stanbic Bank Botswana facility			
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		
Zanaco facility			
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		
African Enterprise Challenge Fund loan			
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		

16. 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 Abridged Circular with the inclusion of their logos, names and reports in the forms and contexts in which they appear.

17. 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.

18. 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.

19. Dividend policy

Generally, the Directors may from time to time declare and pay to the Members 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.

20. 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 SCIL 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.

21. 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

22. Recommendations

22.1. 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.

22.2. Directors' recommendations

The 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 Directors recommend that Shareholders vote in favour of the resolutions giving effect to the proposed Transaction.

The Directors of SCIL will collectively vote in favour of the resolutions to approve the proposed Transaction at the EGM in respect of their own shareholdings.

23. Directors responsibility statement

The Directors of SCIL, whose names are set at the top of this Abridged Circular, collectively and individually accept full responsibility for the accuracy of the information provided in this Abridged as well as the Full 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 Abridged as well as the Full Circular false or misleading, that they have made all reasonable inquiries to ascertain such facts (where applicable), and that this Abridged as well as the Full Circular contain all information required by law.

THIS ABRIDGED CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

NOTICE OF EXTRAORDINARY GENERAL MEETING



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

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 authorised but 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 authorised shares and to increase the stated capital of the company accordingly".

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:

- 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.
- 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.
- 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**

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 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 authorized but unissued 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 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 authorised but 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 authorised shares and to increase the stated capital of the company accordingly."			
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."			

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

- 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.
- Unless otherwise instructed, the proxy will vote as he/she thinks fit.
- 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.
- The proxy form must be signed and dated for it to be valid. Any alterations or corrections to this form must be initialed.
- Anyone signing this proxy form in a representative capacity must be authorised to do so. Please stamp this form with your company or organisation's stamp and enclose proof of authorisation.
- 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 Gaborone, Botswana	Corpserv Zimbabwe 2nd Floor ZB Centre Corner 1st & Kwame Nkrumah Avenue Harare, Zimbabwe	Eric M. Kalaote -The Company Secretary Seed Co International Limited Plot 70713, Unit 1, Phakalane, P.O. Box 47143, Gaborone, Botswana
Email: nphalatse@bse.co.bw akhupe@bse.co.bw	Email: corpserv@escrowgroup.org	Email: eric.kalaote@seedcogroup.com