

# BROADENING OUR HORIZONS

2023



**UNAUDITED INTERIM RESULTS  
FOR THE SIX MONTHS ENDED  
30 JUNE 2023**

# CORPORATE INFORMATION

## SEA HARVEST GROUP LIMITED

(Incorporated in the Republic of South Africa)

**REGISTRATION NUMBER:** 2008/001066/06

**JSE SHARE CODE:** SHG

**ISIN:** ZAE000240198

"Sea Harvest" or "the Company" or "the Group"

**REGISTERED ADDRESS:** The Boulevard Office Park  
1st Floor, Block C  
Searle Street  
Woodstock  
Cape Town  
7925  
South Africa

**DIRECTORS:** F Robertson\* (Chairperson)  
BM Rapiya\*\*  
WA Hanekom\*\*\*  
MI Khan\*  
T Moodley\*  
KA Lagler\*\*\*  
CK Zama\*\*\*  
F Ratheb (Chief Executive Officer)  
M Brey (Chief Financial Officer)

\* *Non-executive Director*

\*\* *Lead Independent Non-executive Director*

\*\*\* *Independent Non-executive Director*

**COMPANY SECRETARY:** S Gounden

*There has not been any changes to the board during the period*

**TRANSFER SECRETARY:** Computershare Investor Services Proprietary Limited  
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

**SPONSOR:** The Standard Bank of South Africa Limited

**AUDITORS:** Ernst & Young Incorporated

# COMMENTARY

YEAR ENDED 31 DECEMBER 2022	KEY PERFORMANCE INDICATORS	CHANGE %	UNAUDITED SIX MONTHS ENDED 30 JUNE 2023	UNAUDITED SIX MONTHS ENDED 30 JUNE 2022
5 875 295	Revenue (R'000)	▲ 18	3 202 639	2 705 863
41	International revenue mix (%)		45	39
1 337 942	Gross profit (R'000)	▲ 15	776 788	676 965
23	Gross profit margin (%)		24	25
471 743	Operating profit (R'000)	▼ -9	251 992	277 291
8	Operating profit margin (%)		8	10
500 089	Earnings before interest and tax (EBIT) (R'000)	▲ 23	352 109	286 916
9	EBIT margin (%)		11	11
294 065	Profit after taxation (R'000)	▲ 11	199 732	180 078
310 610	Profit after taxation attributable to shareholders of Sea Harvest Group	▲ 14	212 529	186 662
293 204	Headline earnings (R'000)	▲ 17	212 716	182 305
279 167	Weighted average number of shares ('000)	▼ -2	276 074	280 433
111	Basic earnings per share (EPS) (cents)	▲ 16	77	67
105	Basic headline earnings per share (HEPS) (cents)	▲ 19	77	65
1 141	Net asset value (NAV) per share (cents)	▲ 4	1 175	1 125
17.18	ZAR: Euro average exchange rate <sup>1</sup>	▲ 18	19.88	16.90
11.38	ZAR: AUD average exchange rate <sup>1</sup>	▲ 10	12.18	11.09
1 200	Closing share price (cents)		1 010	1 219

<sup>1</sup> Average spot exchange rate at which sales were recorded

## SALIENT FEATURES FOR THE PERIOD

- For the six months ended 30 June 2023, the Group delivered:
  - EBIT of R352 million, 23% ahead of 2022, with the EBIT margin maintained at 11%; and
  - HEPS of 77 cents, 19% ahead of 2022
- Group revenue increased by 18% driven by strong demand and higher selling prices in all markets and channels
- Group cost of sales increased by 20% driven by significant cost inflation, including double digit increases in the fuel price and milk price
- Continued load shedding added R22 million to direct operating costs
- South African Fishing impacted by lower available volumes as a result of the prior year FRAP process and challenging fishing conditions due to the erratic weather; however, proved its resilience benefiting from firm demand in all markets and channels, higher selling prices, and a weaker rand
- Abalone realised good price increases in all formats, turning profitable as Asian markets recover, but was restricted by supply, as farms are relatively young
- Increased shareholding in Aquaculture to 82%, resulting in a R93 million gain
- Cape Harvest Foods had a difficult H1 driven by significant cost inflation and was particularly affected by load shedding, including a load shedding-related fire at Ladismith
- Integration of the MG Kailis acquisition progressing well
- Higher borrowing levels and average interest rates 47% higher than the prior period
- Retained Level 1 B-BBEE contributor status with c.95% black ownership

## TRADING AND FINANCIAL PERFORMANCE

The **Sea Harvest Group** proved its resilience and defensive nature in the six months to 30 June 2023 by delivering **EBIT** of R352 million, 23% ahead of 2022, and **HEPS** of 77 cents, 19% ahead of 2022. The Group increased **revenue** by 18% to R3.2 billion (2022: R2.7 billion), benefiting from strong demand, higher selling prices in all markets and channels, and a weaker rand, thereby mitigating the significant inflation (including the double digit increases in the fuel price and milk price) and continued load shedding experienced during the period.

Despite lower hake catch volumes, revenue from the **South African Fishing** segment increased 10% to R1.57 billion (2022: R1.42 billion), benefiting from strong demand in all markets and channels, higher selling prices, and a weaker rand against the major trading currencies.

Revenue from the **Aquaculture** segment increased 11% to R62 million (2022: R56 million), with higher selling prices as a result of a recovering Asian market and the tailwinds of a weaker rand offset by lower available volumes due to the farms still being in their growth phase.

The **Cape Harvest Foods** segment was negatively impacted by supply constraints during the period. Lower countrywide milk flow (as farmers face significant cost inflation), load shedding, and a load shedding-related fire at Ladismith (which caused a one-month disruption at the facility) curtailed available volumes. Despite these challenges and a constrained local consumer, revenue in the segment increased 9% to R1.05 billion (2022: R956 million), benefiting from higher selling prices across all categories.

The **Australian** segment delivered a 94% increase in revenue to R524 million (2022: R270 million), benefiting from the inclusion of MG Kailis for the full period and a weaker rand – a strong sales performance in the period considering prawn fishing only started in April 2023 and sales are weighted towards the second half of the year.

Group **cost of sales** increased 20%, driven by significant inflation and the impact of load shedding. Above inflation cost increases included double digit increases in the fuel price and the milk price, while the direct cost of load shedding was R22 million during the period. Ingredients and packaging also experienced double digit cost increases.

The Group did well to recover the significant cost inflation on the revenue line, resulting in **gross profit** for the six months to 30 June 2023 increasing 15% to R777 million (2022: R677 million), with the gross profit margin at 24% (2022: 25%).

**Other operating income** of R62 million (2022: R119 million) included R5 million in net foreign exchange and fuel hedge losses (2022: R89 million gain) and R36 million (2022: R6 million) in insurance income.

**Selling and distribution expenses, marketing expenses, and other operating expenses** increased 13% to R587 million (2022: R518 million) with lower export freight rates offset by the inclusion of MG Kailis' fixed expenses for the full period and, as a result of good cost control, reduced to 18% of revenue (2022: 19%).

The Group's back-up solutions minimised production losses arising from the higher levels of **load shedding** at a direct cost of R22 million (2022: R4 million) for the period. This excluded the indirect costs associated with disruptions to operations, suppliers and farmers, and the Group's supply chain.

**Fair value** gains of R8 million (2022: R11 million) included a net R5.3 million of gains on the fair value adjustment to biological assets, and as a result of acquiring the 28% minority interest in and loan claims against Viking Aquaculture at a discount during the period, the Group recognised a gain on purchased loans of R93 million. This resulted in Group **EBIT** increasing 23% to R352 million (2022: R287 million) with the Group EBIT margin constant at 11%.

**Net finance costs**, which include investment income and interest expense, increased to R104 million (2022: R52 million) as a result of higher average borrowing levels during the period and average interest rates 47% higher than the previous period.

**Profit after tax attributable to shareholders of Sea Harvest** for the period increased 14% to R213 million (2022: R187 million) and headline earnings increased 17% to R213 million (2022: R182 million).

**Basic EPS** increased 16% to 77 cents (2022: 67 cents) and basic **HEPS** increased 19% to 77 cents (2022: 65 cents).

## SEGMENTAL REVIEW

### South African Fishing

The segment continued to be impacted by the lower available volumes as a result of the prior year FRAP process and, as a result of challenging fishing conditions in the first half of 2023 due to the erratic weather and resulting lower catch rates, was unable to benefit from the 5% increase in the TAC.

Despite lower hake catch volumes, the segment proved its resilience; increasing revenue by 10% to R1.57 billion (2022: R1.42 billion), benefiting from firm demand in all markets and channels, higher selling prices, and the 8% benefit from a weaker rand.

Cost of sales were well contained during the period, increasing by 6% despite the materially higher diesel costs of the fishing fleet (as a result of the 16% increase in the fuel price), a lower level of fuel hedges in 2023, and above inflation cost increases in packaging and ingredients.

The firm growth in the revenue line and tight cost containment resulted in gross profit increasing 20% to R508 million (2022: R423 million), with the gross profit margin increasing to 32% (2022: 30%).

Operating expenses were also well contained during the period and increased by 3%, with above inflation cost increases in utilities and insurance offset by lower selling and distribution costs.

With spot rates and hedged rates largely on par, the segment recorded foreign exchange and fuel hedge losses of R5 million (2022: R89 million gains).

Operating profit for the six months to 30 June 2023 increased 1% to R238 million (2022: R236 million), at an operating profit margin of 15% (2022: 17%).

Export revenue increased 7%, with the lower catch volumes offset by higher selling prices in all markets and a weaker rand. The export mix was 54% (2022: 55%) of total revenue, with Europe remaining Sea Harvest's largest export market.

Domestic revenue increased 8%, and, as with exports, the lower catch volumes were offset by higher selling prices. Retail and foodservice markets had a good six months, while the wholesale market was softer due to availability and mix.



# COMMENTARY CONTINUED

## Aquaculture

Revenue in the segment for the six months to 30 June 2023 increased 11% to R62 million (2022: R56 million), with lower sales volumes offset by higher selling prices, a higher-value product mix, and a weaker rand to the US dollar. Although abalone demand increased as a result of a recovering Asian market, the performance of the segment was tempered by the available abalone size mix due to the farms still being in their growth phase.

Despite absorbing an additional R5 million in load shedding-related costs, the segment reduced its operating loss by 11% to R16 million (2022: R18 million), and, after accounting for fair value adjustments, impairments, associate income and the gain on purchased loans, delivered EBIT of R79 million (2022: EBIT loss of R19 million).

The Board of Viking Aquaculture resolved to consider strategic options in respect of the oyster business, in order to focus management's time and efforts on the high-value, high-margin abalone business.

Notably, the abalone business turned profitable and recorded EBIT of R6 million for the six months to 30 June 2023 (2022: EBIT loss of R12 million), after accounting for fair value gains on the revaluation of biological assets of R12 million during the period (2022: R0.6 million).

On 8 March 2023, the Group acquired a further 28% of the shares in Viking Aquaculture for R28 together with loan claims with a face value of R303 million for a purchase consideration of R210 million from minority shareholders. This resulted in a gain on purchased loans of R93 million during the period and increased the Group's ownership in Viking Aquaculture from 54% to 82%. The acquisition fits within the Group's investment criteria and allows Sea Harvest to integrate Viking Aquaculture; extract operational synergies; and align operating structures, growth strategies and funding requirements with those of Sea Harvest.

## Cape Harvest Foods

The Cape Harvest Foods segment, which includes Ladismith and Mooivallei, BM Foods and Sea Harvest's factory shops, delivered revenue of R1.05 billion (2022: R956 million, up 9%) for the six months to 30 June 2023, benefiting from higher selling prices across all categories and a higher sales value product mix despite significant supply constraints during the period, material cost inflation, and a constrained local consumer.

The supply constraints during the period included lower countrywide milk flow (as farmers faced significant cost inflation) and contributed to a double digit increase in the milk price. Significant inflation was also experienced in other raw material inputs, imports, packaging and ingredients.

This segment was particularly hard hit by load shedding and incurred costs of R15 million (2022: R2 million) in mitigating its effects during the period. In addition, a load shedding-related fire at Ladismith caused a one-month disruption at the facility. The load shedding and fire not only affected volumes but also margin as a result of the production of a lower margin product mix.

Price increases to recover the significant inflation also impacted volumes negatively. This resulted in operating profit decreasing 48% to R29 million (2022: R55 million).

## Australian operations

Revenue for the six months to 30 June 2023 increased 94% to R524 million (2022: R270 million), benefiting from the inclusion of MG Kailis for the full period (2022: five weeks) and a weaker rand to the Australian dollar.

The segment did well, with the prawn fishing seasons in both Shark Bay and Exmouth only commencing in April and sales weighted towards the second half of the year.

After absorbing additional fixed expenses in relation to MG Kailis for the full period and experiencing elevated selling and distribution expenses, the segment recorded operating profit of R2 million (2022: R4 million) for the six months to 30 June 2023.

## CASH FLOW AND FINANCIAL POSITION

The Group generated cash from operations of R294 million (2022: R217 million) for the six months to 30 June 2023, after investing R171 million in working capital (2022: R165 million). The investment in working capital was largely related to the timing of sales and receipts compared to the last quarter of 2022 and the investment in inventory as a result of being in the middle of the fishing season in both Shark Bay and Exmouth in Australia.

The Group serviced net interest of R87 million (2022: R49 million, 77% higher as a result of average interest rates being 47% higher than the prior period and higher average borrowing levels) and settled taxes of R29 million (2022: R42 million) during the period.

This resulted in the Group generating cash of R178 million (2022: R126 million) from **operating activities** during the period.

The Group utilised R343 million (2022: R909 million) in **investing activities** during the period, including:

- R304 million (2022: R117 million) in additions to property, plant, equipment and vehicles, including:
  - R168 million (2022: R96 million) on maintenance capital expenditure, with the increase largely as a result of the inclusion of the MG Kailis fleet, factory refurbishments at Mooivallei, and the timing of refit expenditure within the South African Fishing segment; and
  - R136 million (2022: R21 million) on expansion capital expenditure largely in the investment of an additional factory freezer vessel; and
- R40 million (2022: R30 million) in the growth of biological assets.

The Group generated R20 million (2022: R299 million) of cash from **financing activities** during the period including:

- drawing down a net R158 million (2022: R619 million net repayment) of borrowings;
- paying a dividend of R111 million (2022: R169 million); and
- repurchasing shares to the value of R28 million (2022: R41 million).

The Group opened the period with cash of R219 million (2022: R687 million), utilised R145 million of cash during the six months to 30 June 2023, and ended the period with R78 million (2022: R207 million) of cash at bank.

With total borrowings of R2.55 billion (31 December 2022: R2.39 billion), the Group's net debt position at 30 June 2023 was R2.47 billion (31 December 2022: R2.17 billion), an increase of R305 million, largely as a result of the investment in working capital and the investment in the additional factory freezer trawler.

## DRIVING SOCIAL CHANGE SUSTAINABLY

Despite the challenging business environment, Sea Harvest remains committed to upholding the values that define its corporate identity. This has enabled the Group's positive impact to extend beyond the financial bottom line and includes its positive social impact and reduced environmental impact through sustainable fishing and other business practices, which are guided by a science-based ecosystems approach. This is evidenced by the Group's renewed membership of the Responsible Fisheries Alliance (RFA) and the continued Marine Stewardship Council certification of the Group's South African hake and Australian prawn operations, ensuring that these resources will be preserved for future generations.

Transformation is a key part of the Group's mission, and the Group is proud to contribute to a more equitable and fairer South Africa through its Level 1 B-BBEE contributor status and c.95% black ownership. The Group invests in skills development, employment equity, and other initiatives aimed at supporting small and medium-sized enterprises (SMMEs), with a focus on those in semi-rural areas. A new strategic partnership agreement concluded between the South African Fisheries Development Fund (which Sea Harvest initiated in partnership with Brimstone), the Fisheries Economic Development Research Advisory and Training Institute (FEDRATI) and the Cape Peninsula University of Technology (CPUT) is expected to boost the South African Oceans Economy and, in particular, the small-scale fisheries economy through initiatives that promote participation in the marine space of the most marginalised in society.

During the first six months of 2023, the Sea Harvest Foundation (Foundation) focused on providing monthly fish donations to various organisations that support vulnerable persons and on projects that promote education, youth development, and health and wellness. The Foundation's bursary programme provided financial assistance to more than 30 tertiary students who are studying towards qualifications that align with Sea Harvest's operational requirements.

# COMMENTARY CONTINUED

## OUTLOOK

Challenging fishing conditions due to the erratic weather continue to impact catch volumes in the **South African Fishing** segment. However, markets internationally and locally are firm, with the rand weaker against major trading currencies and the book well hedged against both the euro and the Australian dollar. Management continues to focus on fixed cost containment to offset a higher fuel price and lower catch volumes.

With the continued increase in the abalone size mix, the continued recovery of far east markets, and the resumption of international flights from mid-Q3 2023, the **Aquaculture** segment is well poised to continue its recovery in the 2023 financial year.

Within the **Cape Harvest Foods** segment, **Ladismith** has mitigated the effects of load shedding through additional generators. The business will continue to leverage the investment in additional capacity and the upgrade of facilities to increase performance. The business is weighted towards H2 due to the increased milk flow; headwinds, however, include a constrained local consumer, continued load shedding, and lower sales volumes due to higher selling prices.

**BM Foods** will continue to focus on recovering significant cost inflation while implementing a number of cost-saving initiatives and consolidating its Lanseria (Johannesburg) operations with its Cape Town operations to drive efficiencies.

With a bigger and more diversified wild-caught and traded product mix, the performance of the **Australian** segment is weighted towards H2. Softer pricing is expected due to an oversupply of prawns and a softer consumer market.

The Group continues to investigate solutions to load shedding at its various operating sites in South Africa, including various renewable energy solutions.

Any forward-looking statement included in this Outlook section has not been reviewed or reported on by the Group's auditors.





## DIVIDENDS

In accordance with the Group's dividend policy, no interim dividend is declared or proposed for the six months ended 30 June 2023.

## NOTICE OF APPRECIATION

The Board wishes to thank management and employees for their loyalty, dedication, care and professionalism in contributing to the success of the Group.

On behalf of the Board

**Frederick Robertson**  
*Non-executive Chairperson*

**Felix Ratheb**  
*Chief Executive Officer*

Cape Town  
4 September 2023



# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2023

AUDITED YEAR ENDED 31 DECEMBER 2022 R'000		NOTES	UNAUDITED SIX MONTHS ENDED 30 JUNE 2023 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2022 R'000
5 875 295	Revenue	3	3 202 639	2 705 863
(4 537 353)	Cost of sales		(2 425 851)	(2 028 898)
1 337 942	<b>Gross profit</b>		<b>776 788</b>	676 965
251 647	Other operating income <sup>1</sup>		61 963	118 746
(289 933)	Selling and distribution expenses		(144 439)	(135 081)
(22 244)	Marketing expenses		(11 071)	(16 080)
(805 669)	Other operating expenses		(431 249)	(367 259)
471 743	<b>Operating profit</b>		<b>251 992</b>	277 291
(1 110)	Share of profit/(loss) in associate		3 055	(1 092)
29 456	Fair value gains		7 568	10 717
–	Impairment of assets		(3 816)	–
–	Gain on purchased loans	7.2	93 310	–
500 089	<b>Profit before net finance costs and taxation</b>		<b>352 109</b>	286 916
19 669	Investment income		10 550	6 713
(143 761)	Interest expense		(114 477)	(59 151)
375 997	<b>Profit before taxation</b>		<b>248 182</b>	234 478
(81 932)	Taxation		(48 450)	(54 400)
294 065	<b>Profit after taxation</b>		<b>199 732</b>	180 078
	<i>Profit after taxation attributable to:</i>			
310 610	Shareholders of Sea Harvest Group Limited		212 529	186 662
(16 545)	Non-controlling interests		(12 797)	(6 584)
294 065			<b>199 732</b>	180 078
	<b>Earnings per share (cents)</b>			
111	– Basic		77	67
109	– Diluted		76	65

<sup>1</sup> Other operating income includes net foreign exchange and fuel hedge losses of R5 million (30 June 2022: R89 million gain, 31 December 2022: R165 million gain) and insurance income of R36 million (30 June 2022: R6 million, 31 December 2022: R25 million).

# CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2023

AUDITED YEAR ENDED 31 DECEMBER 2022 R'000		UNAUDITED SIX MONTH ENDED 30 JUNE 2023 R'000	UNAUDITED SIX MONTH ENDED 30 JUNE 2022 R'000
294 065	<b>Profit after taxation</b>	<b>199 732</b>	180 078
	<b>Other comprehensive income</b>		
	<i>Items that may be reclassified subsequently to profit or loss:</i>		
(43 603)	Movement in cash flow hedging reserve	<b>(113 098)</b>	22 705
26 573	Movement in cost of hedging reserve	<b>5 577</b>	39 307
(361)	Reserves recycled to other operating income	<b>(12 268)</b>	7 325
15 192	Exchange rate differences on foreign operations	<b>95 864</b>	(20 467)
	<i>Items that may not be reclassified subsequently to profit or loss:</i>		
965	Movement in investment at fair value through other comprehensive income	-	-
2 129	Net measurement gain on defined benefit plan	-	-
<b>895</b>	<b>Other comprehensive (loss)/income, net of tax</b>	<b>(23 925)</b>	48 870
<b>294 960</b>	<b>Total comprehensive income for the year</b>	<b>175 807</b>	228 948
	<i>Total comprehensive income attributable to:</i>		
313 992	Shareholders of Sea Harvest Group Limited	<b>187 667</b>	235 532
(19 032)	Non-controlling interests	<b>(11 860)</b>	(6 584)
<b>294 960</b>		<b>175 807</b>	228 948

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the six months ended 30 June 2023

RESTATED <sup>1</sup> AUDITED YEAR ENDED 31 DECEMBER 2022 R'000	NOTES	UNAUDITED SIX MONTH ENDED 30 JUNE 2023 R'000	RESTATED <sup>1</sup> UNAUDITED SIX MONTHS ENDED 30 JUNE 2022 R'000
<b>ASSETS</b>			
2 341 225	Property, plant, equipment and vehicles	<b>2 539 794</b>	2 302 670
194 149	Right-of-use assets	<b>216 068</b>	166 163
87 287	Biological assets	<b>76 097</b>	83 264
3 700	Investment property	<b>3 700</b>	3 700
1 421 503	Intangible assets	<b>1 520 414</b>	1 387 650
1 017 694	Goodwill	<b>1 038 937</b>	1 010 184
6 907	Investments in associates	<b>10 462</b>	6 924
31 220	Investment at fair value through other comprehensive income	<b>31 220</b>	29 989
29 616	Other financial assets	<b>32 124</b>	59 142
113 478	Loans to related parties	<b>115 090</b>	123 038
92 670	Loans to supplier partners	<b>94 554</b>	94 384
7 240	Loans receivable	<b>5 678</b>	7 496
5 239	Deferred tax assets	<b>6 206</b>	4 967
5 351 928	<b>Non-current assets</b>	<b>5 690 344</b>	5 279 571
1 013 197	Inventories	<b>1 064 421</b>	1 037 174
894 814	Trade and other receivables	<b>1 088 238</b>	917 923
77 909	Biological assets	<b>103 966</b>	72 966
637	Loans receivable	<b>9 655</b>	2 372
41 532	Other financial assets	<b>2 427</b>	108 717
14 930	Tax assets	<b>21 541</b>	9 197
243 270	Cash and bank balances	<b>119 621</b>	283 603
2 286 289	<b>Current assets</b>	<b>2 409 869</b>	2 431 952
7 638 217	<b>Total assets</b>	<b>8 100 213</b>	7 711 523

<sup>1</sup> The restatement relates to the finalisation of the MG Kailis business combination. Refer to [note 7](#).

RESTATED <sup>1</sup> AUDITED YEAR ENDED 31 DECEMBER 2022 R'000		NOTES	UNAUDITED SIX MONTH ENDED 30 JUNE 2023 R'000	RESTATED <sup>1</sup> UNAUDITED SIX MONTHS ENDED 30 JUNE 2022 R'000
<b>EQUITY AND LIABILITIES</b>				
1 705 898	Stated capital		1 696 124	1 791 239
51 615	Other reserves		19 060	58 493
1 427 529	Retained earnings		1 529 031	1 304 554
3 185 042	Attributable to shareholders of Sea Harvest Group Limited		3 244 215	3 154 286
52 016	Non-controlling interests		45 286	49 334
3 237 058	<b>Capital and reserves</b>		<b>3 289 501</b>	3 203 620
2 144 828	Long-term borrowings		2 257 675	2 369 351
22 170	Employee-related liabilities		22 147	23 372
34 342	Deferred grant income		32 013	30 270
200 681	Lease liabilities		223 064	173 018
7 256	Other financial liabilities	6	78 158	–
826 151	Deferred taxation		831 188	815 646
3 235 428	<b>Non-current liabilities</b>		<b>3 444 245</b>	3 411 657
242 266	Short-term borrowings		294 016	121 654
–	Contingent consideration	6	–	10 294
857 186	Trade and other payables		897 701	824 036
27 496	Lease liabilities		30 440	25 030
2 776	Deferred grant income		3 070	2 631
5 075	Other financial liabilities	6	73 382	–
5 740	Provision		26 090	24 859
512	Taxation		623	10 951
24 680	Bank overdrafts		41 145	76 791
1 165 731	<b>Current liabilities</b>		<b>1 366 467</b>	1 096 246
7 638 217	<b>Total equity and liabilities</b>		<b>8 100 213</b>	7 711 523

<sup>1</sup> The restatement relates to the finalisation of the MG Kailis business combination. Refer to [note 7](#).

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2023

AUDITED YEAR ENDED 31 DECEMBER 2022 R'000		UNAUDITED SIX MONTH ENDED 30 JUNE 2023 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2022 R'000
3 168 724	<b>Balance at the beginning of the period</b>	3 237 058	3 168 724
	Attributable to:		
3 112 218	Shareholders of Sea Harvest Group Limited	3 185 042	3 112 218
56 506	Non-controlling interests	52 016	56 506
	<b>Total comprehensive income for the period attributable to shareholders of Sea Harvest Group Limited</b>		
313 992		187 667	235 532
310 610	Profit after taxation	212 529	186 662
3 382	Movements in other items of comprehensive income, net of tax	(24 862)	48 870
	<b>Movements attributable to shareholders of Sea Harvest Group Limited</b>		
(88 688)	Shares repurchased <sup>1</sup>	(27 668)	(41 248)
(169 370)	Dividends paid	(111 032)	(168 396)
32 020	Share-based payments	16 567	16 180
(15 130)	Further investment in subsidiary <sup>2</sup>	(6 361)	–
(4 490)	Movement attributable to non-controlling interests	(6 730)	(7 172)
3 237 058	<b>Balance at the end of the period</b>	3 289 501	3 203 620

<sup>1</sup> 2 725 132 shares were repurchased for purposes of the forfeitable share plan.

<sup>2</sup> Transaction arising on acquisition of minority interests in Viking Aquaculture. Refer to [note 7.2](#).

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2023

RESTATED <sup>1</sup> AUDITED YEAR ENDED 31 DECEMBER 2022 R'000		UNAUDITED SIX MONTH ENDED 30 JUNE 2023 R'000	RESTATED <sup>1</sup> UNAUDITED SIX MONTH ENDED 30 JUNE 2022 R'000
	<b>Operating activities</b>		
294 065	Profit after taxation	199 732	180 078
431 386	Adjustments for non-cash and other items	265 801	202 449
725 451	Operating cash flows before changes in working capital	465 533	382 527
(28 802)	Increase in inventories	(23 538)	(62 604)
(102 826)	Increase in trade and other receivables	(182 339)	(126 226)
63 935	Increase in trade and other payables	34 789	23 712
(67 693)	Working capital changes	(171 088)	(165 118)
657 758	Cash generated from operations	294 445	217 409
(142 564)	Interest paid	(97 102)	(55 989)
16 437	Investment income received	9 959	6 771
6 813	Proceeds from government grants	–	–
(58 601)	Income taxes paid	(28 926)	(41 762)
479 843	<b>Net cash generated from operating activities</b>	<b>178 376</b>	<b>126 429</b>
	<b>Investing activities</b>		
(768 430)	Acquisition of subsidiaries	–	(768 430)
(259 054)	Acquisition of property, plant, equipment and vehicles	(303 790)	(117 254)
4 074	Proceeds on disposal of property, plant, equipment and vehicles	1 870	6 486
25 099	Insurance proceeds	4 448	5 876
(2 754)	Acquisition of intangible assets	–	(2 754)
(71 250)	Additions to biological assets	(40 037)	(30 088)
–	Amounts advanced to related parties	(500)	(1 320)
2 789	Proceeds on loans advanced to supplier partners	2 738	–
105	Cash movement in other long-term and short-term loans	(7 455)	(1 885)
(1 069 421)	<b>Net cash utilised in investing activities</b>	<b>(342 726)</b>	<b>(909 369)</b>
	<b>Financing activities</b>		
(88 688)	Shares repurchased	(27 668)	(41 248)
1 409 385	Proceeds from borrowings	259 072	1 345 224
(925 367)	Repayment of borrowings and lease liabilities	(100 623)	(726 003)
(169 958)	Dividends paid	(111 032)	(168 984)
(110 000)	Settlement of contingent consideration	–	(110 000)
115 372	<b>Net cash generated from financing activities</b>	<b>19 749</b>	<b>298 989</b>
(474 206)	Net decrease in cash and cash equivalents	(144 601)	(483 951)
686 919	Cash and cash equivalents at the beginning of the period	218 590	686 919
5 877	Effects of exchange rates on the balance of cash held in foreign operation	4 487	3 844
218 590	<b>Cash and cash equivalents at the end of the the period</b>	<b>78 476</b>	<b>206 812</b>

<sup>1</sup> The restatement relates to the finalisation of the MG Kailis business combination. Refer to [note 7](#).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2023

## 1. BASIS OF PREPARATION

The consolidated interim financial statements for the period ended 30 June 2023 are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim results and the requirements of the Companies Act of South Africa, applicable to financial statements. The Listings Requirements require interim results to be prepared in accordance with and containing the information required by IAS 34: Interim Financial Reporting and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. The interim financial information has been prepared under the supervision of the Chief Financial Officer, M Brey CA(SA).

The consolidated interim financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated annual financial statements as at 31 December 2022.

The information has not been audited or reviewed by the Group's auditors, Ernst & Young Inc.

## 2. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these consolidated interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2022.

## 3. REVENUE

AUDITED YEAR ENDED 31 DECEMBER 2022 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2023 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2022 R'000
	<b>Group revenue for the period can be analysed as follows:</b>		
5 817 452	Revenue recognised at a point in time	3 154 768	2 688 623
57 843	Revenue recognised over time	47 871	17 240
5 875 295		3 202 639	2 705 863
	<b>Revenue per product mix comprises:</b>		
3 022 329	Wild-caught fish <sup>1</sup>	1 725 270	1 505 197
595 195	Shellfish <sup>2</sup>	182 827	150 354
489 511	Convenience foods	400 149	259 160
189 600	Traded <sup>3</sup>	112 730	98 576
1 578 660	Dairy	781 663	692 576
5 875 295		3 202 639	2 705 863
	<b>Revenue per channel mix comprises:</b>		
2 435 680	International	1 455 231	1 067 493
1 727 702	Retail	843 403	854 507
1 085 383	Foodservice	723 656	565 098
626 530	Wholesale	180 349	218 765
5 875 295		3 202 639	2 705 863
	<b>Revenue is further split by geographic location as follows:</b>		
3 439 614	South Africa	1 747 408	1 638 370
869 463	Australia	516 063	266 440
1 222 721	Europe	719 486	668 041
343 497	Other markets	219 682	133 012
5 875 295		3 202 639	2 705 863

<sup>1</sup> Cape Hake, Horse Mackerel, Spanish Mackerel and related by-catch

<sup>2</sup> Prawns, scallops, crabs and abalone

<sup>3</sup> Includes sales of purchased products



### 3. REVENUE CONTINUED

Revenue from wild-caught fish is disclosed in South African Fishing, Australian and Cape Harvest Foods segments. Shellfish revenue is disclosed in the South African Fishing, Australian, Aquaculture and Cape Harvest Foods segments. Revenue from convenience foods is disclosed in the Australian and Cape Harvest Foods segments, with dairy revenue disclosed in the Cape Harvest Foods segment. Traded revenue is disclosed in the South African Fishing and Cape Harvest Foods segments.

International revenue is disclosed in all segments. Retail and wholesale revenue is disclosed in the South African Fishing and Cape Harvest Foods segments, while foodservice revenue is disclosed in the South African Fishing, Aquaculture and Cape Harvest Foods segments.

The geographic location split of revenue is based on where the customer is located. Within each segment, products are marketed nationally and internationally.

### 4. SEGMENTAL RESULTS

The Groups' reportable segments under IFRS 8: Operating Segments are the South African Fishing, Australia, Aquaculture and Cape Harvest Foods segments.

RESTATED <sup>1</sup> AUDITED YEAR ENDED 31 DECEMBER 2022 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2023 R'000	RESTATED <sup>1</sup> UNAUDITED SIX MONTHS ENDED 30 JUNE 2022 R'000
	<b>Segment revenue</b>		
2 744 422	South African Fishing <sup>2</sup>	1 570 513	1 423 603
938 067	Australia	523 821	269 920
117 955	Aquaculture <sup>3</sup>	62 272	56 352
2 074 851	Cape Harvest Foods <sup>4</sup>	1 046 033	955 988
5 875 295	<b>Total revenue</b>	<b>3 202 639</b>	<b>2 705 863</b>
	<b>Segment profit/(loss) from operations</b>		
349 193	South African Fishing	237 586	236 362
44 773	Australia	1 977	3 648
(40 162)	Aquaculture	(16 086)	(18 073)
117 939	Cape Harvest Foods	28 515	55 354
471 743	<b>Operating profit</b>	<b>251 992</b>	<b>277 291</b>
(1 110)	Share of profit/(loss) in associate	3 055	(1 092)
29 456	Fair value gains	7 568	10 717
–	Impairment of assets	(3 816)	–
–	Gain on purchased loans	93 310	–
500 089	<b>Profit before net finance cost and taxation</b>	<b>352 109</b>	<b>286 916</b>
19 669	Investment income	10 550	6 713
(143 761)	Interest expense	(114 477)	(59 151)
375 997	<b>Profit before taxation</b>	<b>248 182</b>	<b>234 478</b>
	<b>Total assets</b>		
3 124 470	South African Fishing	3 290 935	3 287 757
2 366 294	Australia	2 664 865	2 344 697
686 664	Aquaculture	695 343	675 076
1 460 789	Cape Harvest Foods	1 449 070	1 403 993
7 638 217		<b>8 100 213</b>	<b>7 711 523</b>
	<b>Total liabilities</b>		
2 243 394	South African Fishing	2 568 297	2 387 552
1 194 152	Australia	1 367 983	1 171 239
469 377	Aquaculture	377 966	457 128
494 236	Cape Harvest Foods	496 466	491 984
4 401 159		<b>4 810 712</b>	<b>4 507 903</b>

<sup>1</sup> The restatement relates to the finalisation of the MG Kailis business combination. Refer to [note 7](#).

<sup>2</sup> Revenue excludes intersegmental revenue of R80.7 million (2022: R109.3 million), which is eliminated on consolidation.

<sup>3</sup> Revenue excludes intersegmental revenue of Rnil (2022: R1.1 million), which is eliminated on consolidation.

<sup>4</sup> Revenue excludes intersegmental revenue of R0.4 million (2022: Rnil), which is eliminated on consolidation.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the six months ended 30 June 2023

## 5. HEADLINE EARNINGS PER SHARE

	AUDITED YEAR ENDED 31 DECEMBER 2022 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2023 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2022 R'000
<b>5.1</b>		<b>Determination of headline earnings</b>		
	310 610	Profit attributable to shareholders of Sea Harvest Group Limited	212 529	186 662
	497	Loss/(profit) on disposal of property, plant, equipment and vehicles	6	(746)
	(25 134)	Insurance proceeds	(4 448)	(5 876)
	–	Impairment of assets	3 816	–
	7 231	Total non-controlling interest and tax effects of adjustments	813	2 265
	<b>293 204</b>	<b>Headline earnings for the period</b>	<b>212 716</b>	<b>182 305</b>
<b>5.2</b>		<b>Calculation of weighted average number of shares (WANOS)</b>		
	279 167 094	WANOS on which basic earnings and basic headline earnings per share are based	276 074 307	280 432 840
	286 264 422	WANOS on which diluted earnings and diluted headline earnings per share are based	281 510 736	286 378 276
		Reconciliation of WANOS used in the calculation of basic and diluted headline earnings per share:		
	279 167 094	– Basic	276 074 307	280 432 840
	7 097 328	– Dilutive effect of treasury shares (forfeitable share plan)	5 436 429	5 945 436
	<b>286 264 422</b>	<b>Diluted</b>	<b>281 510 736</b>	<b>286 378 276</b>
		<b>Headline earnings per share (cents)</b>		
	105	– Basic	77	65
	102	– Diluted	76	64

## 6. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES

### Fair value measurement

The following table analyses the Group's assets and liabilities that are measured at fair value subsequent to initial recognition, grouped in Levels 1 to 3 based on the degree to which fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

#### Fair value measurement hierarchy for assets and liabilities as at 30 June 2023:

	DATE OF VALUATION	TOTAL R'000	LEVEL 1 R'000	LEVEL 2 R'000	LEVEL 3 R'000
<b>Assets measured at fair value</b>					
Biological assets	30 June 2023	180 063	–	–	180 063
Investment at fair value through other comprehensive income	30 June 2023	31 220	–	–	31 220
Other financial assets	30 June 2023	34 551	–	2 427	32 124
<b>Liabilities measured at fair value</b>					
Other financial liabilities	30 June 2023	151 540	–	151 540	–

#### Fair value measurement hierarchy for assets and liabilities as at 31 December 2022:

	DATE OF VALUATION	TOTAL R'000	LEVEL 1 R'000	LEVEL 2 R'000	LEVEL 3 R'000
<b>Assets measured at fair value</b>					
Biological assets	31 December 2022	165 196	–	–	165 196
Investment at fair value through other comprehensive income	31 December 2022	31 220	–	–	31 220
Other financial assets	31 December 2022	71 148	–	41 532	29 616
<b>Liabilities measured at fair value</b>					
Other financial liabilities	31 December 2022	12 331	–	12 331	–

#### Fair value measurement hierarchy for assets and liabilities as at 30 June 2022:

	DATE OF VALUATION	TOTAL R'000	LEVEL 1 R'000	LEVEL 2 R'000	LEVEL 3 R'000
<b>Assets measured at fair value</b>					
Biological assets	30 June 2022	156 230	–	–	156 230
Investment at fair value through other comprehensive income	30 June 2022	29 989	–	–	29 989
Other financial assets	30 June 2022	167 859	–	142 704	25 155
<b>Liabilities measured at fair value</b>					
Contingent consideration liability	30 June 2022	10 294	–	–	10 294

There were no transfers between Levels 1, 2 and 3 during the current or prior period.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the six months ended 30 June 2023

## 6. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES CONTINUED

Specific valuation techniques used for the instruments are:

- **Biological assets:** Biological assets are measured at fair value less costs to sell. Biological assets include abalone and oysters cultivated at aquaculture farms and are measured at their fair value less estimated point-of-sale costs. Fair value is determined based on the dollar denominated market prices of biological assets of similar age, breed and genetic merit. In order to measure and value biological assets, management uses growth-formula and drip-and-purge loss factors to determine the weight of animals at the reporting date. These formulas are based on empirical evidence and confirmed industry norms. A net fair value gain for the period of R5.3 million (2022: R0.2 million) was recognised in profit or loss relating to the valuation of biological assets. A change in unobservable inputs would not have a significant change in the fair value.
- **Investment at fair value through other comprehensive income:** Asset valuation method performed by an independent valuator and represents unlisted shares in a vessel-owning company. The underlying vessel is valued based on the age and condition of the vessel and current market value derived by sales comparison of these or similar types of vessels adjusted for differences in age, condition, size, and degree of upgrade already carried out on the vessel. A change in unobservable inputs would not have a significant change in the fair value.
- **Financial assets/liabilities:**
  - Level 3 financial assets represent the call option to acquire shares in Vuna Fishing Company Proprietary Limited (Vuna). The fair value was independently determined by an expert using the Black-Scholes option pricing model. Key unobservable assumptions being (i) the value of Vuna calculated using an average of actual 2022 earnings and 2023 projected earnings multiplied by a price earnings multiple, (ii) yield curve of 8.49% (2022: 8.01%), and (iii) volatility of 37.95% (2022: 37.57%). A change in unobservable inputs would not have a material change in the fair value. A fair value gain for the period on the revaluation of the share option of R2.5 million (2022: R0.3 million) has been recognised in profit or loss.
  - Level 2 financial assets and liabilities relate to hedging contracts entered into by the Group for the purpose of minimising the Group's exposure to foreign currency and fuel price volatility. The valuation is performed by an independent valuator, taking into account forward exchange contracts spot and forward rates, current fuel prices, and discount factors.

## 7 BUSINESS COMBINATION AND OTHER TRANSACTIONS

### 7.1 MG KAILIS

With effect from 23 May 2022, the Group, through its wholly-owned foreign subsidiaries, Sea Harvest Proprietary Limited and Sea Harvest Marine Proprietary Limited acquired selected net assets of the Western Australia-based fishing and related businesses of MG Kailis and its subsidiaries (MG Kailis).

The initial accounting for the acquisition of MG Kailis has been finalised at the reporting date. The measurement period adjustments relate to the finalisation of the intangible asset valuation and working capital adjustments. These adjustments also had an impact on total consideration.

	PROVISIONAL FAIR VALUES REPORTED 30 JUNE 2022 R'000	MEASUREMENT PERIOD ADJUSTMENTS R'000	PROVISIONAL FAIR VALUES REPORTED 31 DECEMBER 2022 R'000	MEASUREMENT PERIOD ADJUSTMENTS R'000	FINAL PURCHASE PRICE ALLOCATION 30 JUNE 2023 R'000
<b>Assets acquired and liabilities assumed</b>					
Property, plant, equipment and vehicles	117 174	–	117 174	–	117 174
Right-of-use assets	7 162	–	7 162	–	7 162
Intangible assets	534 770	102 401	637 171	–	637 171
Inventories	75 624	–	75 624	–	75 624
Trade and other receivables	55 744	(688)	55 056	–	55 056
Deferred tax	(160 431)	(26 095)	(186 526)	–	(186 526)
Lease liabilities	(7 532)	–	(7 532)	–	(7 532)
Trade and other payables	(75 385)	(1 946)	(77 331)	–	(77 331)
<b>Total identifiable assets and liabilities</b>	<b>547 126</b>	<b>73 672</b>	<b>620 798</b>	<b>–</b>	<b>620 798</b>
<b>Total consideration transferred</b>					
Cash	761 305	8 309	769 614	(1 184)	768 430
Deferred payment	3 917	(3 917)	–	–	–
	<b>765 222</b>	<b>4 392</b>	<b>769 614</b>	<b>(1 184)</b>	<b>768 430</b>
<b>Net cash flow on acquisition of subsidiary</b>					
Consideration paid in cash	761 305	8 309	769 614	(1 184)	768 430
	<b>761 305</b>	<b>8 309</b>	<b>769 614</b>	<b>(1 184)</b>	<b>768 430</b>
<b>Goodwill</b>					
Consideration	765 222	4 392	769 614	(1 184)	768 430
Less: Fair value of identifiable assets acquired and liabilities assumed	(547 126)	(73 672)	(620 798)	–	(620 798)
	<b>218 096</b>	<b>(69 280)</b>	<b>148 816</b>	<b>(1 184)</b>	<b>147 632</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the six months ended 30 June 2023

## 7 BUSINESS COMBINATIONS

### 7.1 MG KAILIS continued

Property, plant, equipment and vehicles with a fair value of R117.2 million includes fishing vessels with a carrying amount of R102.5 million, which approximates its fair value at acquisition date. The valuations for fishing vessels were performed by an independent valuator.

The intangible assets identified were fishing licences. The fair value was determined by an independent industry expert valuator with reference to the best estimate of a market participant's ability to generate economic benefits by using the asset in its highest and best use.

The fair value of trade and other receivables of R55.1 million includes trade receivables with a fair value of R47.3 million, which approximates the gross contractual amount.

Goodwill is attributable to the benefit of revenue growth, expected synergies and diversification into high-value species.

### 7.2. Acquisition of a further 28% equity interest in Viking Aquaculture

On 8 March 2023, the Group, through its wholly-owned subsidiary, Sea Harvest Aquaculture Proprietary Limited, which owned 54% of the shares in Viking Aquaculture, entered into an agreement to acquire a further 28% of the shares in and loan claims with a face value of R303 million against Viking Aquaculture for a purchase consideration of R210 million from minority shareholders. The acquisition of the loan claims resulted in a gain on purchased loans of R93 million during the period.

The further acquisition fits within the Group's investment criteria and increases the Group's ownership in Viking Aquaculture from 54% to 82%, allowing Sea Harvest to integrate Viking Aquaculture; extract operational synergies; and align operating structures, growth strategies and funding requirements with those of Sea Harvest.

The purchase consideration related to the 28% of the shares of R28 was settled in cash on the effective date of 15 March 2023. The purchase consideration of R210 million related to the loan claims will be settled in five equal instalments of R42 million, together with interest calculated at a rate equal to prime less 2% per annum, commencing on 1 January 2024 and ending on 1 January 2028.

## 8. RELATED PARTY TRANSACTIONS

This disclosure relates to material related party balances and transactions.

In terms of the supply agreement with Vuna and SeaVuna Fishing Company Proprietary Limited (SeaVuna), fish caught by Vuna and SeaVuna are marketed by Sea Harvest Corporation Proprietary Limited.

	AUDITED YEAR ENDED 31 DECEMBER 2022 R'000		UNAUDITED YEAR ENDED 30 JUNE 2023 R'000	UNAUDITED YEAR ENDED 30 JUNE 2022 R'000
<b>8.1</b>		<b>Related party loans</b>		
		<b>Loans to related parties – non-current</b>		
	27 420	Vuna (joint venture of Brimstone Investment Corporation Limited)	27 420	27 420
	45 068	Vuna Fishing Group Proprietary Limited (subsidiary of Brimstone Investment Corporation Limited)	45 068	45 068
	40 990	SeaVuna <sup>1</sup>	42 602	50 550
	<b>113 478</b>	<b>Total</b>	<b>115 090</b>	<b>123 038</b>
<b>8.2</b>		<b>Related party transactions</b>		
		<b>Sales to related parties</b>		
	29 570	SeaVuna <sup>1</sup>	7 621	20 486
		<b>Purchases from related parties</b>		
	283 906	SeaVuna <sup>1</sup>	152 677	134 284

<sup>1</sup> SeaVuna is a wholly-owned subsidiary of Vuna.

## 9. STATED CAPITAL (NUMBER)

	AUDITED YEAR ENDED 31 DECEMBER 2022		UNAUDITED YEAR ENDED 30 JUNE 2023	UNAUDITED YEAR ENDED 30 JUNE 2022
		<b>In issue (number)</b>		
	298 866 214	Ordinary shares	298 866 214	298 866 214
	(22 530 877)	Held as treasury shares	(22 790 291)	(18 995 005)
	<b>276 335 337</b>		<b>276 075 923</b>	<b>279 871 209</b>

The movement in the number of shares during the period was as follows:

	TOTAL SHARES IN ISSUE	LESS TREASURY SHARES	TOTAL NET SHARES IN ISSUE
<b>Opening balance</b>	<b>298 866 214</b>	<b>22 530 877</b>	<b>276 335 337</b>
Shares repurchased	–	2 725 132	(2 725 132)
Shares vested	–	(2 465 718)	2 465 718
<b>Closing balance</b>	<b>298 866 214</b>	<b>22 790 291</b>	<b>276 075 923</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the six months ended 30 June 2023

## 10. GOING CONCERN

Management assessed going concern, taking into account current economic conditions, available information about future risks and uncertainties (including load shedding), cash flow analyses, operational analyses, and available funding facilities across the Group.

The South African Fishing and Australian segments' assessment included the consideration of the sustainability of fishing resources in the sectors and geographies in which the Group operates as well as the impact of climate change. The sustainability of resources and impact of climate change features as one of the Group's top risks, and management continues to assess the potential effects on the business and value chain. The Group's diversification strategy and investment along different coastlines enable it to mitigate risk through geographic and species diversification.

The Cape Harvest Foods segment's assessment included the consideration of organic expansion projects completed in 2022 as well as the diversification introduced through the acquisitions of Mooivallei and BM Foods Group.

The Aquaculture segment's assessment included the consideration of the growth rates, new product formats, new markets and customers as well as the status of lockdown restrictions in China and Hong Kong and freight costs from South Africa. The rolling back of China's strict COVID-19 protocols and the resumption of international flights scheduled for the second half of 2023 bode well for the segment.

The Group's forecasts and projections of its current and expected profitability and cash flows, taking account of reasonably possible changes in trading performance, capital and liquidity, show that the Group will have sufficient cash resources to sustain operations for at least 12 months from the reporting date of the condensed consolidated financial statements.

No material funding covenants were breached during the period ended 30 June 2023. Therefore, the directors have no reason to believe that the Group will not be a going concern for the foreseeable future and, accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

## 11. EVENTS SUBSEQUENT TO THE REPORTING DATE

There has not arisen in the interval between the reporting date and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect substantially the operations of the Group, the results of its operations, or the financial position of the Group.







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