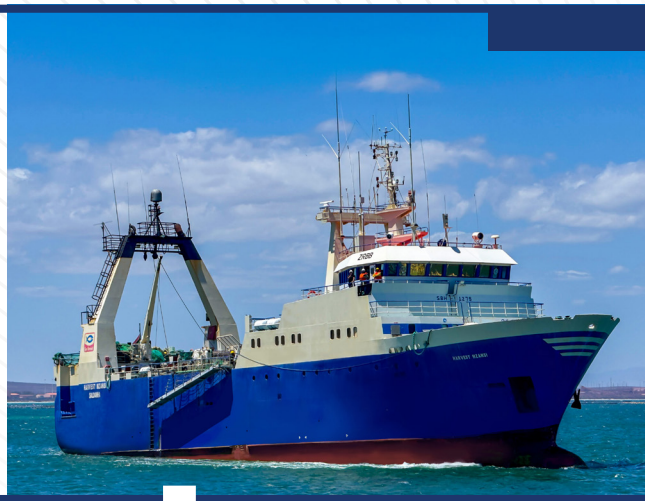




REVIEWED CONDENSED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2024



A 60-YEAR JOURNEY

A LEGACY OF LIFE,
GROWTH AND GLOBAL IMPACT

2024



1964

SEA HARVEST IS ESTABLISHED
IN SALDANHA BAY



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* (retired 27 February 2025)
GG Fortuin* (appointed 27 February 2025)
T Moodley*
KA Lagler***
CK Zama***
E Links* (appointed 5 August 2024)
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 Gouden (resigned as company secretary effective 30 April 2025)

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

KEY PERFORMANCE INDICATORS	CHANGE %	YEAR ENDED 31 DECEMBER 2024	YEAR ENDED 31 DECEMBER 2023
Revenue (R'000)	▲ 16	7 177 534	6 204 776
International revenue mix (%)	▲ 5	51	49
Gross profit (R'000)	▲ 25	1 881 165	1 510 409
Gross profit margin (%)		26	24
Operating profit (R'000)	▲ 26	580 386	462 417
Operating profit margin (%)		8	7
Earnings before interest and tax (EBIT) (R'000)	▲ 6	608 897	576 904
EBIT margin (%)		8	9
Net finance costs (R'000)	▲ 24	275 793	222 605
Profit after taxation (R'000)	▼ -15	229 788	269 359
Profit after taxation attributable to shareholders of Sea Harvest Group Limited	▼ -20	226 960	282 139
Weighted average number of shares ('000)	▲ 14	313 472	275 923
Basic earnings per share (EPS) (cents)	▼ -29	72	102
Basic headline earnings per share (HEPS) (cents)	▼ -45	55	100
Net asset value (NAV) per share (cents)	▲ 4	1 267	1 216
Dividend per share (cents)	▼ -45	22	40
Net debt: EBITDA* (times)	▼ -6	2.47	2.64
ZAR: Euro average exchange rate	▼ -1	19.82	20.01
ZAR: AUD average exchange rate	▼ 0	12.08	12.12
ZAR: USD average exchange rate	▼ -1	18.32	18.45
Closing share price (cents)	▼ -12	835	945

* Earnings before interest, taxes, depreciation and amortisation

SALIENT FEATURES FOR THE YEAR

- Sea Harvest Group delivered:
 - EBIT of R609 million, 6% ahead of 2023, with the EBIT margin at 8%
 - HEPS of 55 cents (2023: 100 cents, which included a once-off gain on purchased loans of R93 million that contributed 34 cents to HEPS)
- Sea Harvest Corporation
 - Celebrated 60 years in existence
 - Benefited from strong demand in all markets and channels and significantly improved pricing; however, offset by continued low catch rates (down 25% since 2021) resulting in lower sales volumes, higher costs and consequently lower profitability
 - Secured four hake trawlers to replace lost capacity and renew the fleet
- The Group acquired 100% of West Point (Pelagic fishing business) and 63.07% of Aquonion (abalone business) in May 2024:
 - 120 year old Pelagic business (anchovy and pilchards) diversifies and rounds out the South African wild-caught fishing exposure
 - Abalone business doubles in size and benefits from best-in-class operations
 - Transaction increases black ownership, broadens the shareholder base, and increases the Group's hard currency earnings
- Sea Harvest Pelagic performed well, benefiting from increased local industrial fish and pilchard landings
- Weak market conditions placed pressure on pricing in the abalone business. Despite this, Aquonion delivered a firm result
- Viking Aquaculture and Aquonion integration well progressed
- High inventories due to a global oversupply of prawn stocks impacted pricing in the Australian business
- Ladismith benefited from increased milk flow
- Ladismith managed the impact of foot-and-mouth disease well
- International revenue mix increased to 51%
- High borrowing levels and high average interest rates in South Africa and Australia continue to weigh on earnings
- Retained Level 1 B-BBEE contributor status with c.95% black ownership



COMMENTARY CONTINUED

LEPANTO SINKING

The Board, management and staff extend their deepest condolences to the families and loved ones of the 11 crewmen lost at sea, and the nine crew that were rescued, in the tragic sinking of the MFV Lepanto on 17 May 2024.

SEA HARVEST PELAGIC AND AQUNION ACQUISITION

With effect from 14 May 2024, the Group, through its wholly-owned subsidiaries Sea Harvest Pelagic Proprietary Limited (Sea Harvest Pelagic) and Sea Harvest Aquaculture Proprietary Limited (Sea Harvest Aquaculture), respectively, successfully concluded:

- the acquisition of 100% of the issued shares and loan claims of certain of Terrasan's subsidiaries engaged in the catching, processing and sale of pelagic fish (**Sea Harvest Pelagic**); and
- the acquisition of 63.07% of the issued shares and loan claims of certain of Terrasan's subsidiaries engaged in the farming, processing and sale of abalone (**Aqunion**).

The transaction diversifies Sea Harvest into pelagic (anchovy and pilchard) fishing and rounds out the Group's exposure to all material wild-caught fisheries in South Africa, while the abalone business doubles in size, thereby creating an abalone business of scale. Importantly, the acquisition has increased the Group's hard currency earnings, created a stronger merged business, increased black ownership in the fishing and abalone industries, and broadened Sea Harvest's shareholder base.



TRADING AND FINANCIAL PERFORMANCE

Sea Harvest Group experienced its most challenging year since listing in 2017, impacted by hake catch rates at historical lows, weak market conditions in abalone, continued soft global prawn pricing, and high interest rates. This was offset by strong demand and improved pricing in hake, a solid performance from the newly acquired Sea Harvest Pelagic business, and a firm result from Ladismith despite challenges from foot-and-mouth disease (FMD).

The Group increased **revenue** by 16% to R7.18 billion (2023: R6.20 billion), benefiting from the inclusion of Sea Harvest Pelagic and Aquion. Excluding the results of BM Foods Manufacturers Proprietary Limited (BMFM), which was deconsolidated on 1 July 2023, and the acquisitions in the current year, Group revenue was flat, with the lower overall volumes offset by firm price increases.

Group **cost of sales** increased by 13%, driven by inflationary cost increases, the deleveraging effect of lower catch volumes, and the inclusion of Aquion and Sea Harvest Pelagic. Group **gross profit** increased 25% to R1.88 billion (2023: R1.51 billion), resulting in the **gross profit margin** expanding to 26% (2023: 24%).

Other operating income of R121 million (2023: R133 million) included R28 million in net foreign exchange and fuel hedge gains (2023: R1 million losses) and R40 million (2023: R65 million) in insurance income.

Selling and distribution expenses, marketing expenses, and other operating expenses increased 20% to R1.42 billion (2023: R1.18 billion) largely as a result of inflationary increases and the inclusion of Sea Harvest Pelagic and Aquion expenses.

The Group delivered **operating profit** of R580 million (2023: R462 million), an increase of 26%, with the Group **operating profit margin** improving to 8% (2023: 7%).

Fair value losses of R7 million (2023: R17 million gains) included the R11 million effects of discounting relating to the contingent consideration offset by R4 million gains on the fair value adjustment to biological assets and related stock.

The Group recognised a **gain on bargain purchase** of R28 million relating to the Sea Harvest Pelagic acquisition.

This resulted in Group **EBIT** increasing by 6% to R609 million (2023: R577 million), including the R93 million gain on purchased loans) with the Group **EBIT margin** at 8% (2023: 9%).

Net finance costs, which include investment income and interest expense, increased by 24% to R276 million (2023: R223 million) as a result of higher levels of debt (including the acquisition debt) during the year.

Profit after tax attributable to shareholders of Sea Harvest for the year decreased by 20% to R227 million (2023: R282 million) and **headline earnings** decreased by 37% to R174 million (2023: R275 million).

Basic EPS decreased by 29% to 72 cents (2023: 102 cents) and **basic HEPS** decreased by 45% to 55 cents (2023: 100 cents). The Group's results for the year ended 31 December 2023 included a once-off gain on purchased loans of R93 million, which contributed 34 cents to EPS and HEPS.

The Group has declared a full and final cash ordinary **dividend** of 22 cents (2023: 40 cents) per share in respect of the year ended 31 December 2024.



COMMENTARY CONTINUED

SEGMENTAL REVIEW

	Revenue			Operating profit			Operating profit margin	
	% CHANGE	2024 R'M	2023 R'M	% CHANGE	2024 R'M	2023 R'M	2024 %	2023 %
South African Fishing	36	4 128	3 030	22	478	391	12	13
Aquaculture	138	324	136	143	11	(24)	3	n/a
Cape Harvest Foods	(9)	1 729	1 899	12	92	81	5	4
Australia	(13)	997	1 140	(100)	-	15	0	1
		7 178	6 205		580	462	8	7

SOUTH AFRICAN FISHING

The **South African Fishing Group** includes the results of Sea Harvest Corporation, the legacy hake business, and Sea Harvest Pelagic, the newly acquired, vertically integrated, wild-caught pelagic fishing business.

Segment revenue increased by 36% to R4.13 billion (2023: R3.03 billion) benefiting from firm price increases in Sea Harvest Corporation and the inclusion of Sea Harvest Pelagic since acquisition. The segment delivered operating profit of R478 million (2023: R391 million) at an operating profit margin of 12% (2023: 13%).

Performance at **Sea Harvest Corporation** continued to be affected by challenging fishing conditions with catch rates at historical lows (down 25% since 2021), which left the Group significantly behind in catching its quota and resulted in 7% lower total catch volumes. Notably, H2 2024 catch rates were 30% down on H2 2020, driving both the lower volumes in H2 2024 and the deleveraging effect on costs.

Benefiting from strong demand in all markets and channels and significantly improved pricing, revenue increased by 7% to R3.425 billion¹ (2023: R3.201 billion). The low catch rates and the deleveraging effect of the lower volumes resulted in the business delivering operating profit of R329 million (2023: R377 million), down 13% at an operating profit margin of 10% (2023: 12%).

The newly acquired **Sea Harvest Pelagic** business (see introduction on next page) performed well, benefiting from good local industrial fish and pilchard catch volumes and resultant efficiencies, delivering revenue of R970 million and operating profit of R183 million (19% operating margin).

As a result of the inclusion of fishmeal and fish oil, the segment's export mix has increased to 54% (2023: 53%) of revenue, with 80% (2023: 79%) of export sales to Europe.

¹ Includes intersegmental revenue of R267 million (2023: R171 million), which is eliminated on consolidation

INTRODUCTION TO SEA HARVEST PELAGIC

Sea Harvest Pelagic, comprising West Point Fishing Proprietary Limited, West Point Processing Proprietary Limited, and Saldanha Sales and Marketing Proprietary Limited, is a vertically integrated pelagic fishing business based in St Helena Bay on the West Coast of South Africa engaged in the catching, processing and sale of pelagic fish.

Founded in 1905 and employing c.700 people, the business operates a fishing fleet that catches sardines and anchovies (under its 15-year fishing rights renewed in the 2020 Fishing Rights Allocation Process). From this catch (and those of third parties and imported raw materials), it produces fish oil and fishmeal (both largely for export) and canned fish (largely for the South African market and sold under the 120-year-old *Saldanha* brand).

AQUACULTURE

The Aquaculture segment includes the results of Viking Aquaculture, the legacy abalone business, and Aquinion (see introduction to the right), the newly acquired, vertically integrated, aquaculture abalone group.

Benefiting from the inclusion of Aquinion, revenue in the segment increased to R324 million (2023: R136 million, up 138%). However, the segment was challenged by weak market conditions in the Far East and increased competition, which impacted sales volumes, mix and pricing (down 35% since pre-COVID-19).

After accounting for R3.6 million (2023: R14.6 million) of fair value adjustments to biological assets and related stock, the segment delivered EBIT of R15 million (2023: R84 million, including the R93 million gain on purchased loans), impacted by the current market conditions.

As at 31 December 2024, total abalone biological assets had increased to 1 238 tons valued at R512 million.

INTRODUCTION TO AQUINION

Founded in 1994, Aquinion, comprising Aquinion Proprietary Limited, Marifeed Proprietary Limited (Marifeed), and Diamond Coast Abalone Proprietary Limited, is one of South Africa's leading vertically integrated abalone businesses, selling approximately 560 tons of abalone per annum. Abalone is produced at two farms located in Hermanus and Gansbaai, while Aquinion's processing facility – also located in Hermanus – produces dried and canned abalone, which, along with live abalone, is sold across the Far East.

Through its 51% shareholding in Marifeed (a producer of feed for local and international abalone producers), Aquinion has security of its own feed supply.

Employing c.500 people, Aquinion has a mature and stable abalone biomass spread across its facilities, complemented by a strong and diversified customer base.

CAPE HARVEST FOODS

The Cape Harvest Foods segment encompasses Ladismith and Mooivallei Suiwel Proprietary Limited (Mooivallei), BM Foods Group Proprietary Limited (BM Foods or BMFG) and Sea Harvest's factory shops.

Segment revenue for the year decreased by 9% to R1.73 billion (2023: R1.9 billion) largely as a result of the deconsolidation of BMFM from the second half of 2023. On a like-for-like basis, revenue increased by 4% to R1.73 billion (2023: R1.65 billion) with good milk flow growth driving higher sales volumes, partially offset by lower average powder pricing.



COMMENTARY CONTINUED

The FMD outbreak in the Eastern Cape in May 2024 severely impacted the business as it increased costs and affected exports. The outbreak appears to be well contained within the disease management area, with the last vaccination of producers performed in September 2024.

Despite these challenges, the segment delivered operating profit of R92 million (2023: R81 million), 12% ahead of 2023 at an operating profit margin of 5% (2023: 4%), benefiting from the higher volumes and good cost control.

AUSTRALIAN OPERATIONS

Revenue decreased 13% to R997 million (2023: R1.14 billion), with high global prawn inventories continuing to drive lower prawn pricing (down 23% since 2022).

Both the Shark Bay and Exmouth prawn fisheries displayed good species and size mix; however, total prawn catch volumes were still 28% below the 10-year average. A strong resource recovery resulted in increased scallop and crab quota being allocated to operators in the Shark Bay fishery, with good catch volumes of these species achieved by the fleet.

As a result of clearing low-margin prior-season stock, the continued pressure on prawn pricing, and lower prawn volumes landed, the segment broke even at operating profit level in 2024 (2023: R15 million profit).

CASH FLOW AND FINANCIAL POSITION

The Group generated cash from operations of R1.16 billion (2023: R682 million) for the year ended 31 December 2024, after releasing R76 million from working capital (2023: R179 million investment in working capital).

The Group serviced net interest of R278 million (2023: R200 million, 39% higher largely as a result of higher borrowing levels) and settled taxes of R105 million (2023: R35 million).

This resulted in the Group generating R774 million (2023: R450 million) in cash from **operating activities** during the year.

The Group utilised R919 million (2023: R524 million) in **investing activities**, including:

- R247 million (net of cash acquired) in the acquisition of Sea Harvest Pelagic and Aquinion and related loan claims;
- R569 million (2023: R463 million) in additions to property, plant, equipment and vehicles, including:
 - R373 million (2023: R264 million) on maintenance capital expenditure, with significant spend on vessel refits and maintenance; and
 - R196 million (2023: R199 million) on expansion capital expenditure, including:
 - › acquiring and upgrading fishing trawlers,
 - › increasing capacity at the Mooivallei cheese facility,
 - › the roller dryer powder plant, solar PV plant, and cheese slicer line at Ladismith; and
- R142 million (2023: R77 million) in the growth of abalone biological assets.

The Group generated R212 million (2023: R76 million) of cash from **financing activities**, including:

- drawing down a net R358 million (2023: R221 million) of borrowings, including R381 million relating to debt utilised to settle part of the purchase consideration for Sea Harvest Pelagic and Aquinion;
- paying a dividend of R124 million (2023: R111 million); and
- repurchasing shares to the value of R22 million (2023: R34 million).

The Group opened the year with cash of R225 million (2023: R219 million), generated R67 million of cash, and ended the year with R290 million (2023: R225 million) of **cash at bank**.

The Group **net debt** position at 31 December 2024 (excluding amounts owed to non-controlling shareholders) was R2.67 billion (2023: R2.33 billion), an increase of R334 million, largely as a result of the acquisition of Sea Harvest Pelagic and Aquinion.



ANCHORED BY OUR PURPOSE AND VALUES

From the beginning of its existence in 1964, Sea Harvest Group has been more than just a business; it has always been a cornerstone of the communities in which it operates. The Group's journey has been marked by a steadfast commitment to nurturing not only the ocean's resources but also the people and communities that make its success possible. Over the decades, it has cultivated a reputation built on trust, quality and responsibility, thereby forging strong, lasting relationships with employees, customers and partners alike. It is for this reason that the year under review, 2024, is one that will be etched in its memory. While the Group, *inter alia*, celebrated the high of achieving its 60th year in operation and completed the acquisition of Sea Harvest Pelagic (West Point/Saldanha) and Aquinion, it suffered the tragic loss of 11 crew members. The Group continues to mourn the loss of these men and continues to offer support to their loved ones and colleagues.

Throughout its history, Sea Harvest has striven to remain true to its values, ensuring that its operations are not only profitable but also sustainable. With a deep respect for the environment, the business adheres to strict quotas, maintains an MSC certification (the gold standard for ocean sustainability), and continuously expands its focus on ESG principles. In 2024, the Group completed a rebased ESG double materiality assessment in view of its acquisitions over the past few years. The Group reaffirms its commitment to the Food Loss and Waste Initiative in support of the United Nation's goal of reducing global food waste by 2030. In addition, Sea Harvest is well on its way to completing a packaging audit across the business with the aim of incorporating increased eco-friendly materials to help reduce its environmental footprint.

In 2024, the Sea Harvest Foundation (the Foundation) continued to make a significant impact by addressing critical needs in the communities in which the Group serves, with more than 250 applications for funding being considered, including 94 bursary applications. Donations included 7 780 kilograms of fish, which equates to just over 200 000 high-protein meals served to the aged and to children attending early childhood development centres. Other notable projects supported by the Foundation included access to free dental treatment, thousands of kilograms of waste being diverted from landfills through a school recycling programme, and 11 schools receiving funding to nurture young talent and encourage physical activity. The Foundation also hosted a very successful third Annual Golf Day, creating an opportunity for service providers and business partners to collaborate with the Foundation on its community initiatives.

As Sea Harvest Group stands at the threshold of a new era, its vision extends far beyond its humble beginnings. The Group aims to continue supporting and changing lives and sustaining the future, one that is built on the foundation of its past; informed by the lessons that the Group has learned; and driven by unwavering commitment to its people, communities and the planet. As the business looks ahead, it is determined to deepen its impact, expand its global footprint, and lead with purpose. With unending gratitude to its legacy and immense optimism for the future, the Group strives to make the next 60 years as transformative as the last.



COMMENTARY CONTINUED

OUTLOOK

To capitalise on the 5% increase in the 2025 hake total allowable catch (TAC), to counter the effect on capacity of the lower catch rates, and to renew the fleet, four trawlers will be welcomed to the **Sea Harvest Corporation** fleet over the course of 2024 and 2025. Management will maintain a relentless focus on price increases and improving operational efficiencies alongside determined cost containment measures to maximise the benefits from firm demand and pricing when fishing conditions improve, with the first two months of 2025 showing positive signs of catch rate recovery.

Within **Sea Harvest Pelagic**, softer global fishmeal and fish oil pricing may be offset by the increased availability of local industrial fish and pilchards, with an increased initial TAC announced in 2025. The business is focused on increasing fishmeal factory capacity, thereby increasing sales volumes and efficiencies.

Within **Aquaculture**, determined cost containment measures complemented by the integration project and resultant step change benefits to Viking Aquaculture will assist in mitigating the impact of the slowing Far East economies and intense competition.

Within the **Cape Harvest Foods** segment, **Ladismith** is expected to continue with its firm performance, benefiting from increased milk volumes and the investment in the roller dryer powder plant, solar PV plant, and the cheese slicer line.

The **Australian** segment is expected to improve performance, driven by improved catch volumes in Shark Bay and Exmouth as prawn stocks recover. This may be

complemented by further increases in the scallop and crab quotas, market and channel diversification, and determined cost containment measures.

The **Group** enters a consolidation phase focusing on non-core asset disposals, efficiencies, cost containment, cash generation and debt reduction.

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

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

Cape Town

4 March 2025



Felix Ratheb

Chief Executive Officer

SHG'S INVESTMENT CASE

- 1 Diversified seafood offering across various species covering both wild-caught and farmed seafood
- 2 Strong demand dynamics where global demand for premium, sustainable seafood surpasses available supply resulting in increased pricing globally
- 3 High barriers to entry (capital requirement, fishing rights, empowerment and intellectual property)
- 4 Significant hard currency revenues from multiple international markets, coupled with a ZAR cost base
- 5 Recognised consumer brands and a blue-chip B2B customer base covering major sales channels
- 6 Through-the-cycle record of cash generation



CASH DIVIDEND DECLARATION

Notice is hereby given of dividend number eight. A gross and final ordinary cash dividend amounting to 22 cents per share in respect of the year ended 31 December 2024 was recommended on Tuesday, 4 March 2025, out of current earnings. Where applicable, the deduction of dividends withholding taxation at a rate of 20% will result in a net ordinary dividend amounting to 18 cents per share.

The number of ordinary shares in issue at the date of this declaration is 358 866 214.

The Company's taxation reference number is 9223/794/16/6.

Relevant dates in respect of the ordinary dividend are as follows:

Last day to trade cum dividend	Tuesday, 8 April 2025
Commence trading ex dividend	Wednesday, 9 April 2025
Record date	Friday, 11 April 2025
Dividend payable	Monday, 14 April 2025

Share certificates may not be rematerialised between Wednesday, 9 April 2025 and Friday, 11 April 2025, both dates inclusive.



S Gouden

Company Secretary

By order of the Board

4 March 2025



INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF SEA HARVEST GROUP LIMITED

We have reviewed the condensed consolidated financial statements of Sea Harvest Group Limited, contained on **pages 12 to 32** of the accompanying reviewed condensed consolidated financial results, which comprise the condensed consolidated statement of financial position as at 31 December 2024 and the condensed consolidated statement of profit or loss, statement of other comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements, as set out in **note 1** to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed consolidated financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Sea Harvest Group Limited for the year ended 31 December 2024 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements, as set out in **note 1** to the financial statements, and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.

Ernst & Young Inc.

Director – Pierre Gustav Du Plessis
Chartered Accountant (SA)
Registered Auditor

4 March 2025

3rd Floor, Waterway House
3 Dock Road, V&A Waterfront

Cape Town



INDEPENDENT AUDITOR'S REVIEW
REPORT ON CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	REVIEWED YEAR ENDED 31 DECEMBER 2024 R'000	AUDITED YEAR ENDED 31 DECEMBER 2023 R'000
Revenue	3	7 177 534	6 204 776
Cost of sales		(5 296 369)	(4 694 367)
Gross profit		1 881 165	1 510 409
Other operating income ¹		120 595	132 757
Selling and distribution expenses		(341 005)	(276 467)
Marketing expenses		(23 331)	(20 303)
Other operating expenses		(1 057 038)	(883 979)
Operating profit		580 386	462 417
Share of profit in associates		1 674	4 845
Fair value (losses)/gains		(6 511)	16 910
Gain on purchased loans		-	93 310
Loss on disposal of subsidiaries		-	(578)
Gain on bargain purchase	7	28 252	-
Profit on disposal of associate		5 096	-
Operating profit before net finance costs and taxation		608 897	576 904
Investment income		47 666	23 298
Interest expense		(323 459)	(245 903)
Profit before taxation		333 104	354 299
Taxation		(103 316)	(84 940)
Profit after taxation		229 788	269 359
<i>Profit after taxation attributable to:</i>			
Shareholders of Sea Harvest Group Limited		226 960	282 139
Non-controlling interests		2 828	(12 780)
		229 788	269 359
Earnings per share (cents)			
- Basic		72	102
- Diluted		71	100

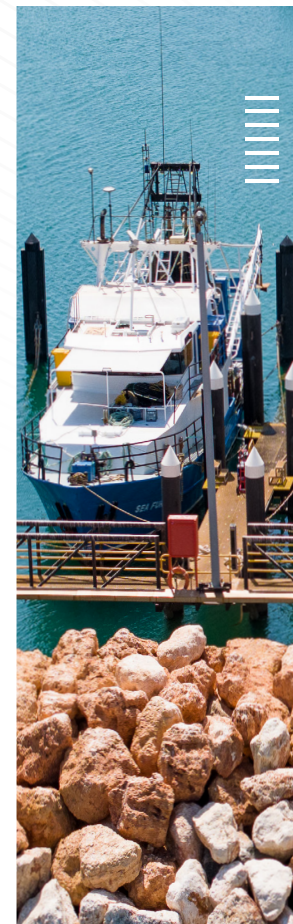
¹ Other operating income includes net foreign exchange and fuel hedge gains of R27.9 million (2023: R1.4 million loss) and insurance income of R39.6 million (2023: R6.5 million).



CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	REVIEWED YEAR ENDED 31 DECEMBER 2024 R'000	AUDITED YEAR ENDED 31 DECEMBER 2023 R'000
Profit after taxation	229 788	269 359
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Movement in cash flow hedging reserve	76 527	(62 974)
Movement in cost of hedging reserve	24 488	(6 301)
Reserves recycled to other operating income	(118)	5 398
Exchange differences on foreign operations	(74 791)	85 677
<i>Items that may not be reclassified subsequently to profit or loss:</i>		
Movement in investment at fair value through other comprehensive income	3 450	(2 242)
Net measurement (loss)/gain on defined benefit plan	(259)	1 513
Other comprehensive income, net of tax	29 297	21 071
Total comprehensive income for the year	259 085	290 430
<i>Total comprehensive income attributable to:</i>		
Shareholders of Sea Harvest Group Limited	256 262	302 546
Non-controlling interests	2 823	(12 116)
	259 085	290 430



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	NOTES	REVIEWED YEAR ENDED 31 DECEMBER 2024 R'000	AUDITED YEAR ENDED 31 DECEMBER 2023 R'000
ASSETS			
Property, plant, equipment and vehicles ¹		3 055 654	2 447 353
Right-of-use assets ¹		292 845	196 098
Biological assets ¹	6	180 391	71 410
Investment properties	6	74 882	79 432
Intangible assets ¹		1 597 694	1 480 314
Goodwill ^{1,2}		1 102 475	1 036 759
Investment in associates		34 237	37 417
Investment at fair value through other comprehensive income	6	14 180	28 360
Other financial assets	6	34 449	33 174
Loans to related parties	8	133 375	131 086
Loans to supplier partners ¹		112 770	103 590
Loan receivable ¹		12 962	9 961
Deferred tax assets		1 399	5 007
Non-current assets		6 647 313	5 659 961
Inventories ¹		1 348 670	1 034 520
Trade and other receivables ¹		1 075 176	927 800
Biological assets ¹	6	331 680	118 266
Loan receivable		–	1 256
Other financial assets	6	80 240	34
Tax assets		8 334	2 107
Cash and bank balances ¹		335 810	280 601
Current assets		3 179 910	2 364 584
Non-current assets held for sale		20 000	–
Total assets		9 847 223	8 024 545

¹ Movement includes amounts related to the current period business combination. Refer to [note 7](#)

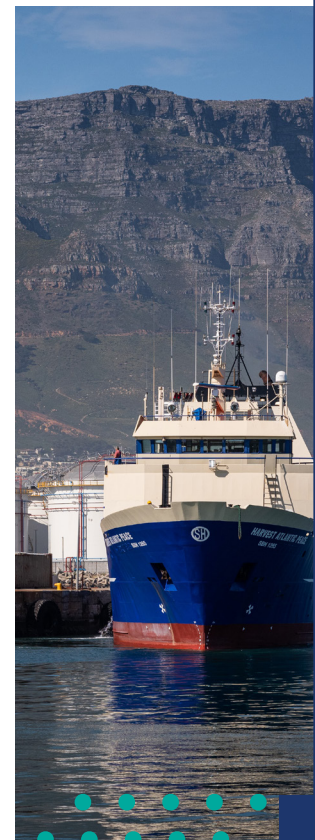
² Movement consists of R83 million acquired in the current year business combination, offset by foreign currency exchange differences of R17 million.



NOTES	REVIEWED YEAR ENDED 31 DECEMBER 2024 R'000	AUDITED YEAR ENDED 31 DECEMBER 2023 R'000
EQUITY AND LIABILITIES		
Stated capital ¹	2 175 597	1 689 419
Other reserves	78 334	66 296
Retained earnings	1 716 354	1 598 636
Attributable to shareholders of Sea Harvest Group Limited	3 970 285	3 354 351
Non-controlling interests ¹	(9 935)	23 061
Capital and reserves	3 960 350	3 377 412
Long-term borrowings ^{1,2}	2 774 282	2 277 006
Employee-related liabilities	30 131	29 791
Deferred grant income	28 459	30 990
Lease liabilities ¹	293 666	201 926
Deferred tax liabilities ¹	1 071 739	853 988
Non-current liabilities	4 198 277	3 393 701
Short-term borrowings	459 938	321 786
Trade and other payables ¹	956 696	768 031
Lease liabilities ¹	39 829	30 005
Deferred grant income	3 327	4 292
Other financial liabilities	6 6 740	67 041
Contingent consideration ¹	6 148 579	–
Provisions ¹	25 590	2 838
Taxation ¹	1 757	3 366
Bank overdrafts	46 140	56 073
Current liabilities	1 688 596	1 253 432
Total equity and liabilities	9 847 223	8 024 545

¹ Movement includes amounts related to the current period business combination. Refer to [note 7](#)

² Included in the movement in long-term borrowings is R230 million relating to loans advanced to Aquinion Proprietary Limited by its former shareholders, which was assumed as part of the current year business combination and is owed to non-controlling shareholders.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	REVIEWED YEAR ENDED 31 DECEMBER 2024 R'000	AUDITED YEAR ENDED 31 DECEMBER 2023 R'000
Balance at the beginning of the year	3 377 412	3 237 058
Attributable to:		
Shareholders of Sea Harvest Group Limited	3 354 351	3 185 042
Non-controlling interests	23 061	52 016
Total comprehensive income for the year attributable to shareholders of Sea Harvest Group Limited	256 262	302 546
Profit after taxation	226 960	282 139
Movements in other items of comprehensive income, net of tax	29 302	20 407
Movements attributable to shareholders of Sea Harvest Group Limited		
Shares issued	466 837	–
Shares repurchased ¹	(21 984)	(34 364)
Dividends paid	(120 859)	(111 032)
Share-based payments	35 681	33 487
Further investment in subsidiary	–	(21 328)
Movement attributable to non-controlling interests ²	(32 999)	(28 955)
Balance at the end of the year	3 960 350	3 377 412

¹ 2 527 310 shares were repurchased for purposes of the forfeitable share plan.

² Includes dividends paid to non-controlling interests of R3 million (2023: Rnil).



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	REVIEWED YEAR ENDED 31 DECEMBER 2024 R'000	AUDITED YEAR ENDED 31 DECEMBER 2023 R'000
Operating activities			
Profit after taxation		229 788	269 359
Adjustments for non-cash and other items		850 201	591 675
Operating cash flows before changes in working capital		1 079 989	861 034
Decrease/(increase) in inventories		22 268	(78 616)
Decrease/(increase) in trade and other receivables		59 304	(75 301)
Decrease in trade and other payables		(5 323)	(24 888)
Working capital changes		76 249	(178 805)
Cash generated from operations		1 156 238	682 229
Interest paid		(318 464)	(215 348)
Investment income received		40 749	15 678
Proceeds from government grants		-	2 353
Income taxes paid		(104 645)	(34 728)
Net cash generated from operating activities		773 878	450 184
Investing activities			
Acquisition of loan claims and subsidiaries (net of cash acquired)	7	(246 819)	-
Disposal of subsidiaries (net of bank overdraft disposed)		-	6 158
Acquisition of property, plant, equipment and vehicles		(568 516)	(462 986)
Proceeds on disposal of property, plant, equipment and vehicles		2 287	2 191
Insurance proceeds		25 366	9 410
Additions to biological assets		(141 817)	(76 874)
Proceeds on disposal of investment properties		5 160	-
Acquisition of intangible assets		(14 056)	(257)
Proceeds on disposal of investments		24 010	-
Loans advanced to related parties		(11 065)	(1 723)
Proceeds on loans advanced to supplier partners		7 594	3 330
Loans advanced to supplier partners		(12 241)	(250)
Cash movement in other long-term and short-term loans		3 038	(3 339)
Net cash utilised in investing activities		(919 059)	(524 340)
Financing activities			
Shares repurchased		(21 984)	(34 364)
Proceeds from borrowings		1 400 829	392 966
Repayment of borrowings and lease liabilities		(1 042 906)	(171 674)
Dividends paid		(123 798)	(111 032)
Net cash generated from financing activities		212 141	75 896
Net increase in cash and cash equivalents		66 960	1 740
Cash and cash equivalents at the beginning of the year		224 528	218 590
Effects of exchange rates on the balance of cash held in foreign operation		(1 818)	4 198
Cash and cash equivalents at the end of the year		289 670	224 528



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated financial statements for the year ended 31 December 2024 are prepared in accordance with the requirements of the JSE Limited Listings Requirements (Listings Requirements) for condensed financial statements and the requirements of the Companies Act, No 71 of 2008, of South Africa, applicable to financial statements. The Listings Requirements require condensed financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS[®] Accounting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB) and contain the information required by IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council.

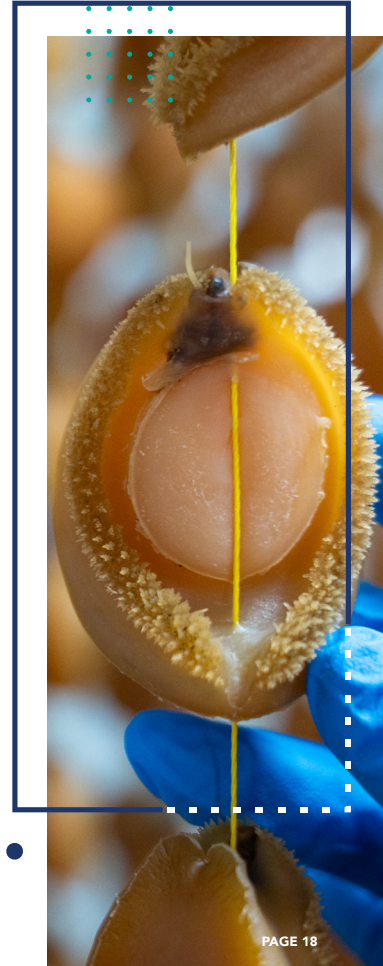
The condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated annual financial statements as at 31 December 2024, once issued.

The condensed consolidated financial statements have been reviewed by Ernst & Young Inc., who expressed an unmodified review conclusion thereon.

The directors take full responsibility for the preparation of this report. The condensed consolidated annual financial statements were prepared under the supervision of the Chief Financial Officer, M Brey CA(SA).

2. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed consolidated financial statements are consistent with those applied in the financial statements for the year ended 31 December 2023.



3.

REVENUE

Group revenue for the year can be analysed as follows:

	REVIEWED YEAR ENDED 31 DECEMBER 2024 R'000	AUDITED YEAR ENDED 31 DECEMBER 2023 R'000
Revenue recognised at a point in time	7 037 752	6 082 993
Revenue recognised over time	139 782	121 783
	7 177 534	6 204 776
Revenue per product mix comprises:		
Wild-caught fish ¹	4 556 104	3 387 715
Shellfish ²	620 308	559 516
Convenience foods ³	143 488	490 213
Traded ⁴	206 050	180 361
Dairy	1 651 584	1 586 971
	7 177 534	6 204 776
Revenue per channel mix comprises:		
International	3 652 059	3 017 744
Retail ⁵	1 026 932	998 113
Foodservice	1 561 740	1 387 449
Wholesale	353 836	268 135
Business-to-business ⁵	582 967	533 335
	7 177 534	6 204 776
Revenue per geographic location comprises:		
South Africa	3 525 477	3 187 032
Australia	967 452	1 107 539
Europe	1 924 493	1 347 646
Other markets ⁵	385 995	386 016
Asia ⁵	374 117	176 543
	7 177 534	6 204 776

¹ Cape Hake, Horse Mackerel, anchovy, pilchard, Spanish Mackerel, fish trawl, related by-catch and revenue from engineering services

² Prawns, scallops, crabs and abalone

³ The decrease relates to the deconsolidation of BMFM on 1 July 2023.

⁴ Includes sales of purchased products

⁵ The 2023 comparative amounts for revenue per channel mix and revenue split by geographic location have been changed to allow accurate comparative information. Within the revenue per channel mix, retail revenue of R533 million was reallocated to a newly formed business-to-business channel. Within the revenue split by geographic location, other markets revenue amounting to R177 million was reallocated to a newly formed Asia channel.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

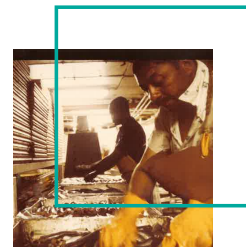
FOR THE YEAR ENDED 31 DECEMBER 2024

3. REVENUE CONTINUED

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

International revenue is disclosed in all segments. Retail, wholesale and business-to-business 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 Food Group 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, Australian, Aquaculture, and Cape Harvest Foods segments.

	REVIEWED YEAR ENDED 31 DECEMBER 2024 R'000	AUDITED YEAR ENDED 31 DECEMBER 2023 R'000
Segment revenue		
South African Fishing ^{1,2}	4 128 186	3 030 196
Australia	996 905	1 140 027
Aquaculture ²	323 886	136 015
Cape Harvest Foods	1 728 557	1 898 538
Total revenue	7 177 534	6 204 776
Segment profit/(loss) from operations		
South African Fishing ²	478 194	390 733
Australia	175	14 571
Aquaculture ²	10 513	(24 312)
Cape Harvest Foods	91 504	81 425
Operating profit	580 386	462 417
Share of profit in associates	1 674	4 845
Fair value (losses)/gains	(6 511)	16 910
Gain on purchased loans	-	93 310
Loss on disposal of subsidiaries	-	(578)
Gain on bargain purchase	28 252	-
Profit on disposal of associate	5 096	-
Operating profit before net finance cost and taxation	608 897	576 904
Investment income	47 666	23 298
Interest expense	(323 459)	(245 903)
Profit before taxation	333 104	354 299
Total assets		
South African Fishing	4 374 967	3 443 118
Australia	2 356 259	2 529 374
Aquaculture	1 577 179	692 424
Cape Harvest Foods	1 538 818	1 359 629
	9 847 223	8 024 545
Total liabilities		
South African Fishing	3 298 266	2 624 682
Australia	1 232 437	1 277 232
Aquaculture	874 163	372 152
Cape Harvest Foods	482 007	373 067
	5 886 873	4 647 133

¹ Revenue excludes intersegmental revenue of R267.2 million (2023: R170.6 million), which is eliminated on consolidation.

² As a result of the current year business combination, Sea Harvest Pelagic's financial information is reported within the South African Fishing segment, while Aquanion is reported within the Aquaculture segment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

	REVIEWED YEAR ENDED 31 DECEMBER 2024 R'000	AUDITED YEAR ENDED 31 DECEMBER 2023 R'000
5. HEADLINE EARNINGS PER SHARE		
5.1 DETERMINATION OF HEADLINE EARNINGS		
Profit attributable to shareholders of Sea Harvest Group Limited	226 960	282 139
Loss/(profit) on disposal of property, plant, equipment and vehicles	10 392	(1 887)
Insurance proceeds	(29 033)	(9 410)
Fair value gain on investment properties	(500)	–
Loss on disposal of subsidiaries	–	578
Gain on bargain purchase	(28 252)	–
Profit on disposal of associate	(5 096)	–
Re-measurements included in the equity-accounted earnings of associates	(6 878)	–
Total non-controlling interest and tax effects of adjustments	6 273	3 706
Headline earnings for the year	173 866	275 126
5.2 CALCULATION OF WEIGHTED AVERAGE NUMBER OF SHARES (WANOS)		
WANOS on which basic earnings and headline earnings per share is based ¹	313 472 189	275 923 041
WANOS on which diluted earnings and diluted headline earnings per share is based ¹	321 667 686	282 943 808
Reconciliation of WANOS used in the calculation of basic and diluted headline earnings per share:		
– Basic ¹	313 472 189	275 923 041
– Dilutive effect of treasury shares (forfeitable share plan)	8 195 497	7 020 767
Diluted	321 667 686	282 943 808
Headline earnings per share (cents)		
– Basic	55	100
– Diluted	54	97

¹ The movement in WANOS largely relates to the issue of 60 million shares as part of the purchase consideration for the current period business combination. Refer to [note 7](#)

6. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES

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 31 December 2024:

	DATE OF VALUATION	TOTAL R'000	LEVEL 1 R'000	LEVEL 2 R'000	LEVEL 3 R'000
Assets measured at fair value					
Biological assets	31 December 2024	512 071	–	–	512 071
Investment properties	31 December 2024	74 882	–	–	74 882
Investment at fair value through other comprehensive income	31 December 2024	14 180	–	–	14 180
Other financial assets	31 December 2024	114 689	–	80 240	34 449
Liabilities measured at fair value					
Other financial liabilities	31 December 2024	6 740	–	6 740	–
Contingent consideration	31 December 2024	148 579	–	–	148 579

Fair value measurement hierarchy for assets and liabilities as at 31 December 2023:

	DATE OF VALUATION	TOTAL R'000	LEVEL 1 R'000	LEVEL 2 R'000	LEVEL 3 R'000
Assets measured at fair value					
Biological assets	31 December 2023	189 676	–	–	189 676
Investment properties	31 December 2023	79 432	–	–	79 432
Investment at fair value through other comprehensive income	31 December 2023	28 360	–	–	28 360
Other financial assets	31 December 2023	33 208	–	792	32 416
Liabilities measured at fair value					
Other financial liabilities	31 December 2023	67 041	–	67 041	–

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS

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 relate to abalone cultivated at aquaculture farms and are measured at their fair value less estimated point-of-sale costs. Fair value is determined based on the US 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 year of R3.6 million (2023: R14.6 million) was recognised in profit or loss relating to the valuation of biological assets and related trading stock. A change in unobservable inputs would not have a significant change in the fair value.
- **Investment properties:** Investment properties relates to industrial and commercial properties owned by Delecto Proprietary Limited, a subsidiary of BM Foods Group. These properties were revalued by an independent valuator using the income capitalisation approach. A net fair value gain of R0.5 million (2023: Rnil) was recognised in profit or loss upon revaluation of properties. In the current year, the remaining movement of R5.1 million (2023: Rnil) relates to the disposal of investment properties.
- **Investment at fair value through other comprehensive income:** The asset valuation method performed by an independent valuator represents unlisted shares in a vessel-owning company, Desert Diamond Fishing Proprietary Limited. 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 fair value loss for the year of Rnil (2023: R2.9 million) was recognised in other comprehensive income relating to the valuation of the investment. A change in unobservable inputs would not have a significant change in the fair value. On 26 January 2024, the Group disposed of 50% of its shares for R14 million, reducing its shareholding from 10% to 5%.
- **Financial assets and liabilities:**
 - Level 3 financial assets represents 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 with key unobservable assumptions being (i) the value of Vuna calculated using an average of actual 2023 and 2024 earnings and 2025 projected earnings multiplied by a price earnings multiple, (ii) yield curve of 7.29% (2023: 7.68%), and (iii) volatility of 32.22% (2023: 37.00%). A change in unobservable inputs would not have a material change in the fair value. A fair value gain for the year on the revaluation of the share option of R0.6 million (2023: R2.3 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.



- **Contingent consideration:** The contingent consideration requires the Group to pay the former owners of Aquinion and Sea Harvest Pelagic for achieving certain earn-out targets for the 2024 financial year, up to a maximum undiscounted amount of R158 million. The amount determined to be due (on the basis of an agreed scale) is payable at 30 June 2025.

The agreed scale is based on the achievement by Sea Harvest Pelagic and Aquinion (on a combined basis) of minimum attributable net profit after tax of at least R180 million for the financial year ending 31 December 2024. For every incremental R1 of attributable net profit after tax greater than R180 million earned in the financial year ended 31 December 2024, Sea Harvest will pay R5.25, subject to a maximum of R158 million (which equates to R210 million attributable net profit after tax).

The fair value of the contingent consideration arrangements was estimated by calculating the present value of the expected future cash flows. The estimates are based on discount rates and the assumption that the earn-out targets will be met based on the best available forecast information at acquisition date. A fair value adjustment of R11.1 million was recognised during the year, relating to the effect of discounting. Refer to [note 7](#).

7. BUSINESS COMBINATION

With effect from 14 May 2024, the Group, through its wholly-owned subsidiaries Sea Harvest Pelagic and Sea Harvest Aquaculture, entered into a share purchase agreement and implementation agreement in respect of the following target entities:

- the acquisition by Sea Harvest Pelagic of 100% of the issued shares and loan claims of certain of Terrasan's subsidiaries engaged in the catching, processing and sale of pelagic fish (Sea Harvest Pelagic); and
- the acquisition by Sea Harvest Aquaculture of 63.07% of the issued shares and loan claims of certain of Terrasan's subsidiaries engaged in the farming, processing and sale of abalone (Aquinion).

The transaction represents a notable step in the execution of Sea Harvest's strategy to grow and diversify in the South African fishing and aquaculture sectors.

The Group has elected to measure the non-controlling interests in Aquinion at its proportionate percentage (36.93%) of the recognised amounts of the acquiree's identifiable net assets.

The initial accounting for the acquisition had not been finalised at reporting date and may be subject to working capital, biological asset, and intangible asset changes.

The cash generating units (CGUs) identified for the business combination are Sea Harvest Pelagic and Aquinion.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

7. BUSINESS COMBINATION CONTINUED

The provisional purchase price allocation is as follows:

	Fair value at acquisition date		
	SEA HARVEST PELAGIC R'000	AQUINION R'000	TOTAL R'000
Assets acquired and liabilities assumed			
Property, plant, equipment and vehicles	202 951	195 066	398 017
Biological assets	–	260 290	260 290
Intangible assets	140 151	56 970	197 121
Right-of-use assets	555	9 445	10 000
Loans receivable	9 074	988	10 062
Loans to supplier partners	3 669	–	3 669
Inventories	310 864	87 846	398 710
Trade and other receivables	161 617	35 038	196 655
Cash and bank balances	102 542	31 153	133 695
Borrowings	(346 140)	(640 486)	(986 626)
Deferred tax liabilities	(54 679)	(109 696)	(164 375)
Current tax payable	(27 034)	(6 960)	(33 994)
Lease liabilities	(648)	(9 568)	(10 216)
Provisions	(17 729)	–	(17 729)
Trade and other payables	(183 643)	(22 574)	(206 217)
Total identifiable assets and liabilities	301 550	(112 488)	189 062
Total consideration comprises the following:			
Cash	228 645	151 867	380 512
Equity instrument (60 million ordinary shares)	280 517	186 320	466 837
Contingent consideration	79 641	57 796	137 437
	588 803	395 983	984 786
Loans acquired from Terrasan ¹	315 505	392 620	708 125
Purchase consideration relating to equity	273 298	3 363	276 661
Net cash flow on acquisition of business			
Consideration paid in cash	228 645	151 867	380 512
Less cash and cash equivalent balances acquired	(102 542)	(31 153)	(133 695)
	126 103	120 714	246 818
(Gain on bargain purchase)/goodwill on acquisition			
Consideration	273 298	3 363	276 661
Less: Fair value of identifiable assets acquired and liabilities assumed	(301 550)	112 488	(189 062)
Non-controlling interest	–	(32 880)	(32 880)
	(28 252)	82 971	54 719

¹ Included in borrowings are amounts owed to the former controlling shareholders of the respective entities, which were acquired by Sea Harvest and the new non-controlling shareholders as part of the business combination. Refer to footnote 2 on long-term borrowings in the statement of financial position for details of amounts owed to non-controlling shareholders

The main class of intangible asset identified in Aquion was the brand name. The main class of intangible assets identified in the Sea Harvest Pelagic businesses were the fishing rights and brand names. The fair values were determined by an external independent valuer with reference to the best estimate of arm's length transactions in an open market.

Goodwill is attributable to a control premium as well as the benefit of expected synergies, revenue growth and diversification. Goodwill is not expected to be deductible for tax purposes.

The gain on bargain purchase is largely attributable to the reduction of the total purchase consideration as a result of recognition of the fair value of the issued shares at acquisition date, which was lower than the contractual offer price.

The fair value of trade and other receivables of R196.7 million includes trade receivables with a gross contractual amount of R178.3 million and a R1.4 million contractual amount not expected to be collected. The balance of R19.8 million relates to the gross contractual amounts of other receivables.

IMPACT OF THE ACQUISITION ON THE RESULTS OF THE GROUP

	R'000
<i>Amounts included in the Group's results relating to Aquion and Sea Harvest Pelagic since date of acquisition:</i>	
Revenue	1 222 501
Profit after taxation	134 680
<i>Results of the Group if Aquion and Sea Harvest Pelagic had been consolidated from 1 January 2024:</i>	
Revenue	7 705 981
Profit after taxation	296 687

The directors consider these numbers to represent an approximate measure of the performance of the combined Group and to provide a reference point for comparison in future periods.

ACQUISITION-RELATED COSTS

Acquisition costs of R23.2 million were recognised in profit or loss for the year within the other operating expenses line item.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

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 is marketed by Sea Harvest Corporation Proprietary Limited.

	REVIEWED YEAR ENDED 31 DECEMBER 2024 R'000	AUDITED YEAR ENDED 31 DECEMBER 2023 R'000
8.1 RELATED PARTY LOANS		
Loans to related parties – non-current		
Vuna (joint venture of Brimstone Investment Corporation Limited (Brimstone))	27 420	27 420
Vuna Fishing Group Proprietary Limited (subsidiary of Brimstone)	45 069	45 068
SeaVuna ¹	33 980	39 396
BMFM (associate of Cape Harvest Food Group Proprietary Limited)	26 906	19 202
Total	133 375	131 086
8.2 RELATED PARTY TRANSACTIONS		
Sales to related parties		
SeaVuna ¹	12 988	14 778
Recoveries and other income from related parties		
SeaVuna ¹	28 875	23 623
Purchases from related parties		
SeaVuna ¹	312 399	295 092
Amounts owed by related parties		
SeaVuna ¹	29 255	40 580
Amounts owed to related parties		
SeaVuna ¹	40 935	56 074

¹ SeaVuna is a wholly-owned subsidiary of Vuna.



9. STATED CAPITAL (NUMBER)

	REVIEWED YEAR ENDED 31 DECEMBER 2024 R'000	AUDITED YEAR ENDED 31 DECEMBER 2023 R'000
In issue (number)		
Ordinary shares	358 866 214	298 866 214
Held as treasury shares	(22 084 893)	(23 493 243)
	336 781 321	275 372 971

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

	TOTAL SHARES IN ISSUE	LESS TREASURY SHARES	TOTAL NET SHARES IN ISSUE
Opening balance	298 866 214	23 493 243	275 372 971
Shares issued	60 000 000		60 000 000
Shares repurchased	–	2 527 310	(2 527 310)
Shares vested	–	(3 935 660)	3 935 660
Closing balance	358 866 214	22 084 893	336 781 321



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

10. CONTINGENT LIABILITIES AND COMMITMENTS

The Group had no contingent liabilities at the end of the year (2023: Rnil).

	REVIEWED YEAR ENDED 31 DECEMBER 2024 R'000	AUDITED YEAR ENDED 31 DECEMBER 2023 R'000
Capital commitments		
Budgeted capital expenditure is as follows:		
– Contracted	23 183	13 048
– Not contracted	449 682	276 115

11. GOING CONCERN

Management assessed going concern, taking into account current economic conditions, available information about future risks and uncertainties, 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 the 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 through investment in additional capacity and upgrade of facilities to increase performance.

The Aquaculture segment's assessment included the consideration of growth rates, new product formats, new markets, and customers, complemented by the integration of the two businesses.

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 covenants were breached during the year. Therefore, the directors have no reason to believe that the Group will not be a going concern in the foreseeable future, and, accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.



12. IMPAIRMENT ASSESSMENT OF AUSTRALIAN CASH GENERATING UNIT

Sea Harvest Australia is a vertically integrated fishing business that catches, processes and packs prawns, scallops, crabs, Spanish Mackerel and other wild-caught fish species for the Australian domestic and international markets. In addition, it operates a nationwide retail and foodservice sales and distribution business.

In 2023 and 2024, prawn prices reduced 23% on a global basis as result of higher inventories driven by tightening economic conditions and the prolonged reopening of the Chinese market. Due to the protracted recovery within the prawn fishing industry, management performed an impairment assessment of the Australian CGU. Goodwill of R256 million and intangible assets of R1.2 billion with indefinite useful lives in Australia largely relate to the fishing division. The recoverable amount of this CGU is determined based on a value-in-use (VIU) calculation that requires the use of certain assumptions. The calculation uses cash flow projections based on approved financial budgets and forecasts, covering a five-year period.

The below key estimates are used in the value-in-use calculation:

	2024 %	2023 %
Pre-tax discount rate ¹	13.30	11.46
Average food inflation increase ²	5.00	3.00
Incremental catch growth rate ³	10.00	10.00
Consumer price inflation ⁴	2.75	3.00
Terminal growth rate ⁴	2.75	3.00

¹ The discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated into the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

² The average sales price used in the VIU calculation is the average sales prices achieved in 2024 increased by food inflation in the forecast periods. The food inflation used assumes that prawn prices will incrementally increase in each of the forecast periods with the gradual reduction in oversupply of prawn until almost full recovery in 2029.

³ The incremental catch growth rate assumes that the CGU will recover to historical averages as supported by long-term historical catch data.

⁴ In line with long-term consumer inflation and the GDP growth in Australia.

Due to the protracted recovery within the prawn fishing industry, management has exercised significant judgement on the sales prices, incremental catch growth rates (sales volumes), and the discount rate.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

12. IMPAIRMENT ASSESSMENT OF AUSTRALIAN CASH GENERATING UNIT CONTINUED

RESULT OF IMPAIRMENT TEST AND SENSITIVITY ANALYSIS

As at 31 December 2024, the valuations resulted in a surplus of the VIU over the carrying amount of the CGU.

A sensitivity analysis of the impact on the excess of the VIU over the carrying value of the CGU to changes in key assumptions, in isolation, at 31 December 2024 is set out below:

KEY INPUTS	MOVEMENT (%)	IMPAIRMENT (R'000)
Pre-tax discount rate	+0.50	Nil
Average food inflation	-0.25	Nil
Incremental catch growth rate	-5.00	Nil
Consumer price inflation	+0.25	Nil
Terminal growth rate	-0.25	Nil
The Group estimates that an impairment would be triggered if:		
Pre-tax discount rate increases by	0.7	
Average food inflation decreases by	0.7	
Incremental catch growth rate decreases by	7.8	
Consumer price inflation increases by	0.9	
Terminal growth rate decreases by	0.9	

Management will continue to assess the long-term effects of the global oversupply of prawns, sales price recovery, and catch volumes recovery and the impact it has on goodwill and intangible assets with indefinite useful lives in respect of impairment assessment on the Australian CGU.

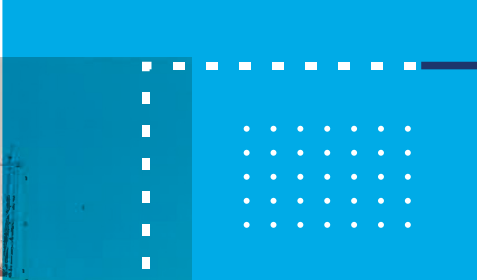
13. EVENTS SUBSEQUENT TO THE REPORTING DATE

The Board of Directors recommended a gross and final cash dividend on 4 March 2025 amounting to 22 cents per share (2023: 40 cents per share), in respect of the year ended 31 December 2024.

14. OTHER SIGNIFICANT EVENT

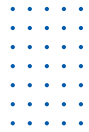
As a result of the issue of 60 million ordinary shares on 14 May 2024 as part of the total purchase consideration for the acquisition referred to in [note 7](#), Newshelf 1063 (RF) Proprietary Limited (which is a wholly-owned subsidiary of Brimstone) was diluted from 53.4% to 44.5%. As a result, Sea Harvest is no longer a subsidiary of Brimstone.





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in Saldanha Bay



2024

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