

Sea Harvest Group Limited
 Incorporated in the Republic of South Africa
 Reg no: 2008/001066/06
 JSE share code: SHG ISIN: ZAE000240198
 "Sea Harvest" or "the Company" or "the Group"

SEA HARVEST UNAUDITED INTERIM RESULTS
 for the six months ended 30 June 2021

1. Key performance indicators
 KEY PERFORMANCE INDICATORS

	CHANGE	PERIOD ENDED	PERIOD ENDED
		30 JUNE 2021	30 JUNE 2020
Revenue (R'000)	5%	2 103 926	1 999 648
International revenue mix (%)		44	46
Gross profit (R'000)	2%	676 515	665 636
Gross profit margin (%)		32	33
Operating profit (R'000)	26%	323 429	256 992
Operating profit margin (%)		15	13
Profit for the period (R'000)	29%	199 336	154 778
Headline earnings (R'000)	19%	202 226	169 964
Weighted average number of shares ('000)	1%	280 674	278 604
Basic headline earnings per share (HEPS) (cents)	18%	72.1	61.0
Net asset value per share (cents)	20%	1 021.0	849.3
ZAR: Euro average exchange rate ¹	5%	17.42	18.41
ZAR: AUD average exchange rate ¹	0%	11.09	11.12
Closing share price (cents)		1 365	1 414

¹ Average spot exchange rate at which sales were recorded.

2. Short-form announcement

Continuing the sound performance of 2020 and despite the ongoing volatility caused by COVID-19, Sea Harvest proved its resilient and defensive nature in delivering headline earnings for the period ended 30 June 2021 of R202 million (2020: R170 million), 19% ahead of 2020, while earnings per share increased 27% to 77.7 cents per share (2020: 61.0 cents per share).

Group revenue for the period increased 5% to R2.1 billion (2020: R2.0 billion), benefiting from good performances from the South African Fishing segment which increased revenue 2% to R1.32 billion (2020: R1.29 billion) despite a 5% reduction in the total allowable catch (TAC) in early 2021 and a 5% strengthening in the rand.

The Cape Harvest Foods segment (which includes Ladismith Cheese) also performed well, delivering revenue of R516 million (2020: R470 million), 10% higher than 2020 driven by higher volumes and firm pricing, while Sea Harvest Australia continued its strong trajectory and delivered a 2% increase in revenue to R231 million (2020: R226 million).

The Aquaculture segment, while showing an improving revenue trend and more than doubling revenue to R36 million (2020: R15 million), continues to be severely impacted by the effects of COVID-19.

With cost of sales increasing 7% as a result of inflation, gross profit for the period increased 2% to R677 million (2020: R666 million), with the gross profit margin at 32% (2020: 33%).

Net operating expenses decreased to R353 million (2020: R409 million), including R51 million in foreign exchange and fuel hedge gains (2020: R32 million hedge losses) and R17 million (2020: Nil) of insurance income; however, operating expenses were negatively impacted by supply chain disruptions, increased selling and distribution costs, increased depreciation, and above-inflation cost increases in certain categories, including the flow-through effects of COVID-19.

Despite the 5% reduction in the TAC in 2021, a stronger rand, above-inflation cost increases, additional COVID-19 related costs and a R37 million (2020: R39 million) operating loss in the Aquaculture segment, the Group, benefiting from its sound hedging strategy, delivered operating profit before fair value (losses)/gains and associate (loss)/income of R323 million (2020: R257 million) for the period, 26% higher than the prior period, with the operating profit margin expanding to 15% (2020: 13%).

Net finance costs, which include investment income and interest expense, decreased to R29 million (2020: R48 million) as a result of lower interest rates during the period.

Profit after tax attributable to shareholders of Sea Harvest for the period increased 29% to R218 million (2020: R169 million), while headline earnings increased 19% to R202 million (2020: R170 million). Basic HEPS increased 18% to 72.1 cents per share (2020: 61.0 cents per share).

Sea Harvest Group is proud to have retained a Level 1 B-BBEE contributor status.

Driving transformation within Sea Harvest, and the fishing industry more broadly, is central to Sea Harvest's existence and strategy. Accordingly, the Group invests significant resources in skills development, employment equity, supplier and enterprise development initiatives, as well as projects focused on job creation, the youth, and rural development.

The Sea Harvest Foundation continued its good work on community-based projects in all locations in which the Group operates, with projects including the provision of bursaries, healthcare initiatives, early childhood development, donations and supporting youth sports development.

Sea Harvest is a co-founding member of the South African Fisheries Development Fund, a joint initiative with Brimstone. The Fund was established to empower small-scale businesses in the fishing and allied sectors.

The Group has experienced 796 positive COVID-19 cases to date, with an 88% recovery rate. Regrettably, the Group has lost eight employees to COVID-19 to date and we extend our deepest sympathies to the families of all those who have been severely affected.

A focused approach of securing and administering COVID-19 vaccines to the Sea Harvest Group's employees has progressed well with the first vaccines administered onsite on 23 July 2021. The Group continues to actively explore options to encourage vaccination and increase the number of employees vaccinated for the various sites in the Group to reach immunity as soon as possible.

With effect from 2 August 2021, Sea Harvest has, through Ladismith Cheese, acquired 100% of the issued capital of Mooivallei Suiwel Proprietary Limited (Mooivallei).

Based in Bonnievale in the western Cape, Mooivallei is a producer and supplier of dairy products with its main products of cheese and butter sold into the retail and non-retail channels in South Africa. The Mooivallei acquisition complements Ladismith Cheese through 40% additional cheese production capacity, raw material supply, access to industry skills and expertise, a strong asset base and additional working capital.

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

The interim results have not been reviewed or reported on by the Group's external auditors.

This short-form announcement is the responsibility of the directors of the Group. It contains only a summary of the information in the full announcement and does not contain full or complete details. The full announcement can be found at: <https://senspdf.jse.co.za/documents/2021/jse/isse/shge/SHGHY2021.pdf>

Copies of the full announcement are also available for viewing on the Group's website at: www.seaharvestgroup.co.za or may be requested in person, at the Group's registered office or the office of the sponsor, at no charge, during office hours.

Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement, as a whole.

3. Cash dividend declaration

In accordance with the Group's dividend policy, no interim dividend is declared or proposed for the six months ended 30 June 2021.

Date: 30 August 2021

Sponsor: The Standard Bank of South Africa Limited