

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 GROUP LIMITED FINANCIAL RESULTS  
 for the year ended 31 December 2022

1. Key performance indicators

KEY PERFORMANCE INDICATORS	CHANGE	YEAR ENDED	
		31 DECEMBER 2022	31 DECEMBER 2021
Revenue (R'000)	27%	5 875 295	4 615 463
International revenue mix (%)		41	42
Gross profit (R'000)	-6%	1 337 942	1 423 855
Gross profit margin (%)		23	31
Earnings before interest and tax (EBIT) (R'000)	-25%	500 089	669 600
EBIT margin (%)		9	15
Profit after taxation (R'000)	-32%	294 065	434 185
Profit after taxation attributable to shareholders of Sea Harvest Group	-34%	310 610	469 890
Weighted average number of shares ('000)		279 167	280 353
Basic earnings per share (EPS) (cents)	-34%	111	168
Basic headline earnings per share (HEPS) (cents)	-33%	105	157
Net asset value (NAV) per share (cents)	3%	1 141	1 110
ZAR: Euro average exchange rate*	-1%	17.18	17.40
ZAR: AUD average exchange rate*	3%	11.38	11.05
Closing share price (cents)		1 200	1 380

\* Average spot exchange rate at which sales were recorded.

2. Short-form announcement

Sea Harvest experienced a challenging year to 31 December 2022. Despite volume losses from the Fishing Rights Allocation Process (FRAP), compounded by a reduction in the Total Allowable Catch (TAC), revenue was up in all segments with firm demand in all markets and strong pricing in all channels. This firm demand was, however, offset by unprecedented cost inflation (with cost of sales increasing 42% driven by a R257 million increase in the fuel price) and supply chain disruptions (with load shedding costing the Group c.R20 million in the last four months of 2022 and export freight rates up 34%), whilst fixed costs were impacted by R36 million in once-off acquisition-related costs. Group revenue for the year increased 27% to R5.9 billion (2021: R4.6 billion) with earnings before interest and tax (EBIT) of R500 million (2021: R670 million, down 25%) and HEPS of 105 cents (2021: 157 cents, down 33%).

**South African Fishing:** The South African Fishing segment was impacted by lower available volumes (FRAP and TAC) and a 93% increase in the fuel price. Despite the 10% lower available volumes, revenue increased 3% to R2.74 billion (2021: R2.66 billion), driven by firm demand and price increases in both local and international markets. The strong focus on cost control resulted in a 9% decrease in fixed costs, however this benefit was offset by increased selling and distribution expenses largely as a result of increases in export and local freight rates. As a result, operating profit in the South African Fishing segment decreased 48% to R349 million (2021: R672 million), with the operating profit margin at 13% (2021: 25%) in the South African Fishing segment.

**Aquaculture:** Benefiting from increased sales volumes and firmer pricing, revenue in the Aquaculture segment increased 29% to R118 million (2021: R92 million), despite continued lockdown restrictions in China and Hong Kong and the curtailment of international travel for most of 2022. This resulted in the Aquaculture segment reducing its operating loss by 37% to R40 million (2021: R64 million).

**Cape Harvest Foods:** The Cape Harvest Foods segment, which includes Ladismith and Mooivallei, BM Foods Group and Sea Harvest's factory shops, delivered revenue of R2.1 billion (2021: R1.3 billion, up 59%) with Ladismith delivering top-line growth of 28% and the segment benefiting from the full-year effect of the Mooivallei (effective 2 August 2021) and BM Foods Group (effective 2 September 2021) acquisitions. Leveraging the top-line growth and a more profitable product mix, operating profit in the Cape Harvest Foods segment increased 126% to R118 million (2021: R52 million).

Revenue in the Australian segment increased 69% to R938 million (2021: R554 million), benefiting from firm pricing, good growth in the trading division, and the inclusion of MG Kailis from 23 May 2023. The MG Kailis acquisition represents a significant step in the execution of the Group's investment strategy of acquisitive growth in the international seafood space that focuses on businesses of scale in high-value seafood species. The Australian segment was impacted by the 85% increase in the fuel price and, after absorbing R34 million (2021: R10 million) in acquisition-related costs, recorded operating profit of R45 million (2021: R31 million) for the year. Adjusting for the acquisition-related costs would have resulted in the Australian operations delivering operating profit of R79 million (2021: R41 million), up 93%.

Net finance costs, which includes investment income and interest expense, increased to R124 million (2021: R57 million) as a result of higher levels of debt and higher interest rates during the period, with interest rates having increased 25% year on year.

Profit after tax attributable to shareholders of Sea Harvest for the year decreased 34% to R311 million (2021: R470 million), while headline earnings decreased 33% to R293 million (2021: R439 million). Basic EPS decreased 34% to 111 cents (2021: 168 cents) and basic HEPS decreased 33% to 105 cents (2021: 157 cents).

The Group has declared a full and final cash dividend of 38 cents (2021: 56 cents) per share in respect of the year ended 31 December 2022.

**Outlook:** The long-term fundamentals of all the Group's segments remain attractive with firm demand for high value proteins both locally and internationally. In the South African Fishing segment, the finalisation of FRAP is a significant positive development and lays the foundation for stability and long-term certainty to the Group's core South African Fishing operations. In Aquaculture, the relaxation in December 2022 of the stringent zero-COVID policies in the Far East and increased international flight options bode well for the segment. Ladismith will continue to leverage the additional installed capacity and the

Mooivallei acquisition to pursue a higher value product mix. In Australia, the business is expected to benefit from a more diversified wild-caught and traded product mix and from the full-year effect and economies of scale resulting from the MG Kailis acquisition. The Group will continue facing headwinds driven by load shedding, while fuel is expected to continue trading at elevated levels.

Underpinned by its Level 1 B-BBEE contributor status and c.90% black ownership, transformation remains core to Sea Harvest's existence and strategy of driving social change. The Group spent R4.8 million on social economic development (including projects focused on job creation, youth and rural development, education and health) and a further R6.5 million on supplier and enterprise development initiatives in 2022 to fuel broad-based economic growth and social transformation in mainly rural areas.

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

The directors of the Group take full responsibility for the preparation of this announcement. This announcement has not been audited by the Group's external auditors. The Group's auditors, Ernst & Young, have reviewed the full announcement and expressed an unmodified conclusion.

This announcement is a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors or shareholders should be based on a consideration of the full announcement. The full announcement can be found at: <https://senspdf.jse.co.za/documents/2023/jse/isse/shge/SHGYE2022.pdf>

Copies of the full announcement are also available for viewing on the Group's website at: [www.seaharvestgroup.co.za](http://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.

### 3. Cash dividend declaration

Notice is hereby given of dividend number six. A gross and final ordinary cash dividend amounting to 38 cents per share in respect of the year ended 31 December 2022 was recommended on Tuesday, 7 March 2023, 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 30.4 cents per share.

The number of ordinary shares in issue at the date of this declaration is 298 866 214.

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	Monday, 3 April 2023
Commence trading ex dividend	Tuesday, 4 April 2023
Record date	Thursday, 6 April 2023
Dividend payable	Monday, 11 April 2022

Share certificates may not be rematerialised between Tuesday, 4 April 2023 and Thursday, 6 April 2023, both dates inclusive.

By order of the Board

S Gounden  
Company Secretary

Date: 7 March 2023  
Sponsor: Standard Bank