

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 2023

1. KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS	CHANGE %	YEAR ENDED	YEAR ENDED
		31 DECEMBER 2023	31 DECEMBER 2022
Revenue (R'000)(1)	6	6 204 776	5 875 295
International revenue mix (%)		49	43
Gross profit (R'000)	13	1 510 409	1 337 942
Gross profit margin (%)		24	23
Operating profit (R'000)	-2	462 417	471 743
Operating profit margin (%)		7	8
Earnings before interest and tax (EBIT) (R'000)	15	576 904	500 089
EBIT margin (%)		9	9
Net finance costs (R'000)	79	222 605	124 092
Profit after taxation (R'000)	-8	269 359	294 065
Profit after taxation attributable to shareholders of Sea Harvest Group Limited	-9	282 139	310 610
Weighted average number of shares ('000)		275 923	279 167
Basic earnings per share (EPS) (cents)	-8	102	111
Basic headline earnings per share (HEPS) (cents)	-5	100	105
Net asset value (NAV) per share (cents)	7	1 216	1 141
ZAR: Euro average exchange rate(2)	16	20.01	17.18
ZAR: AUD average exchange rate(2)	7	12.12	11.38
Closing share price (cents)	-21	945	1 200

(1) Excluding the revenue of BM Foods Manufacturers Proprietary Limited (BMFM) (which was deconsolidated effective 1 July 2023) in both H2 2023 and H2 2022, revenue increased by 10% on a like-for-like basis.

(2) Average spot exchange rate at which sales were recorded.

2. SHORT-FORM ANNOUNCEMENT

The Sea Harvest Group delivered a resilient operating performance for the financial year ended 31 December 2023, delivering EBIT of R577 million (2022: R500 million, up 15%) and HEPS of 100 cents (2022: 105 cents, down 5%).

The Group's performance benefited from strong demand across all markets and channels and improved pricing while its 43% hard currency exposure allowed it to benefit from the weaker rand. Performance, however, was constrained by lower volumes as a result of difficult fishing conditions, above-inflation cost increases, load shedding, and prawn prices under severe pressure globally. The primary driver of softer earnings was a further 47% increase in average interest rates.

The South African Fishing division increased revenue by 10% to R3.03 billion (2022: R2.74 billion), benefiting from firm demand in all

markets and channels, improved pricing, and the weaker rand, offset by difficult fishing conditions resulting in 7% lower sales volumes. Cost of sales increased by 4% and operating expenses increased by 6%, resulting in segment operating profit increasing by 12% to R391 million (2022: R349 million) while maintaining the operating margin at 13%. The conclusion of FRAP appeals gives the Group certainty for the next 15 years. The Harvest Cap Nord joined the freezer fleet at the beginning of 2024, adding much needed capacity to the hake fleet.

Revenue in the Aquaculture division increased by 15% to R136 million (2022: R118 million) benefiting from improved pricing and a higher-value product mix offset by lower volumes as a result of the sale of the oyster business, effective 1 September 2023. The segment reduced its operating loss by 39% to R24 million (2022: R40 million) and, after accounting for fair value adjustments on biological assets and the R93 million gain on purchased loans, recorded EBIT of R84 million (2022: EBIT loss of R37 million).

Cape Harvest Foods: Revenue decreased by 8% to R1.9 billion (2022: R2.07 billion) as a result of the deconsolidation of BM Foods for the second half of 2023. Milk flow reduced as a result of environmental challenges and load shedding, resulting in lower sales volumes. The lower sales volumes were tempered by a 12% improvement in pricing across all markets and channels, complemented by a higher value product mix. Segment performance was impacted by significant input cost pressure, including a double digit increase in the milk price. The segment incurred R27 million (2022: R16 million) in mitigating the effects of load shedding during the year, while the load shedding-related fire caused a two-month disruption to operations and affected not only volumes but also margin as a result of the production of a lower margin product mix. This resulted in the segment delivering R81 million (2022: R118 million) in operating profit in 2023.

Sea Harvest Australia: The segment, which includes MG Kailis from 23 May 2022, was severely impacted by a significant reduction in prawn prices. Prawn prices reduced on a global basis, the result of higher inventories driven by tightening economic conditions and the slow opening of the Chinese market, compounded by an oversupply of wild prawns into the Australian market caused by exceptional catches of banana prawn in the Northern Prawn Fishery. This resulted in lower prawn sales volumes and significantly lower prawn pricing in the Australian operation. The segment benefited from good traded product sales, good catches in Pilbara Fish Trawl, the full-year effect of MG Kailis, and a weaker rand, resulting in revenue increasing by 22% to R1.140 billion (2022: R938 million). The sharp decrease in prawn sales, the additional fixed expenses in relation to MG Kailis for the full year, and elevated selling and distribution costs as a result of disruptions in the cold storage market in Australia resulted in operating profit of R15 million (2022: R45 million) in 2023.

The Group minimised production losses arising from the higher levels of load shedding during 2023 at a cost of R46 million (2022: R25 million) for the year.

Group EBIT increased by 15% to R577 million (2022: R500 million) with the Group EBIT margin maintained at 9%.

Net finance costs increased by 79% to R223 million (2022: R124 million) as a result of higher average borrowing levels and average interest rates 47% higher than the prior year.

Driven by the higher finance costs, profit after tax attributable to shareholders of Sea Harvest for the year decreased by 9% to R282 million (2022: R311 million) and headline earnings decreased by 6% to R275 million (2022: R293 million).

Basic earnings per share (EPS) decreased by 8% to 102 cents (2022: 111 cents) and basic HEPS decreased by 5% to 100 cents (2022: 105 cents).

The Group has declared a full and final cash ordinary dividend of 40 cents (2022: 38 cents) per share in respect of the year ended 31 December 2023.

Outlook: In the South African Fishing segment the additional freezer trawler will be welcomed to take advantage of the 5% increase in the Total Allowable Catch (TAC). Demand internationally and locally remains firm. With a sole focus on abalone, the Aquaculture segment is expected to benefit from larger sized abalone driving an enhanced mix. Ladismith is completing its first solar PV installation, while the addition of a roller dryer powder plant will add further product diversification to the basket. With softer prawn pricing and excess 2023 volumes expected to spill over to 2024, the Australian segment is focused on managing costs and inventories by diversifying product, market and channel mix. The recovery in international prawn demand will be key to improving pricing in the year ahead.

On 22 January 2024, the Group announced that it had, through wholly-owned subsidiaries, entered into agreements with Terrasan Group Limited (Terrasan) to acquire 100% of Terrasan's pelagic fish business (Saldanha) and 63.07% of Terrasan's abalone (Aqunion) business for an initial purchase consideration of R965 million and two performance-based contingent consideration payments. The transaction diversifies Sea Harvest into pelagic fishing and rounds out the Group's exposure to all material wild-caught fisheries, while the abalone business doubles in size. The transaction furthermore represents investments in vertically integrated profitable businesses, with high barriers to entry, good margins, and sound cash generation in hard currency. The transaction creates a stronger merged business, increases black ownership in the fishing and abalone industries, and broadens Sea Harvest's shareholder base. The transaction is

subject to conditions normal for a transaction of this nature, including regulatory and shareholder approvals.

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/2024/jse/isse/shge/SHGYE2023.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.

3. CASH DIVIDEND DECLARATION

Notice is hereby given of dividend number seven. A gross and final ordinary cash dividend amounting to 40 cents per share in respect of the year ended 31 December 2023 was recommended on Wednesday, 6 March 2024, 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 32 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	Tuesday, 2 April 2024
Commence trading ex dividend	Wednesday, 3 April 2024
Record date	Friday, 5 April 2024
Dividend payable	Monday, 8 April 2024

Share certificates may not be rematerialised between Wednesday, 3 April 2024 and Friday, 5 April 2024, both dates inclusive.

By order of the Board

S Gouden
Company Secretary

Date: 6 March 2024

Sponsor: Standard Bank