



2021 STAYING THE COURSE FROM SEA TO SHORE

UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021





CORPORATE INFORMATION

Sea Harvest Group Limited

(Incorporated in the Republic of South Africa)

Registration number: 2008/001066/06

JSE share code: SHG

ISIN: ZAE000240198

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

Registered address: The Boulevard Office Park
1st Floor, Block C
Searle Street
Woodstock
Cape Town
7925
South Africa

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

**Non-executive Director*

*** Lead Independent Non-executive Director*

**** Independent Non-executive Director*

Company Secretary: N Seshoka

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 Inc



COMMENTARY

YEAR ENDED 31 DECEMBER 2020	KEY PERFORMANCE INDICATORS	CHANGE	PERIOD ENDED 30 JUNE 2021	PERIOD ENDED 30 JUNE 2020
4 375 339	Revenue (R'000)	▲ 5%	2 103 926	1 999 648
46	International revenue mix (%)		44	46
1 480 761	Gross profit (R'000)	▲ 2%	676 515	665 636
34	Gross profit margin (%)		32	33
629 260	Operating profit (R'000)	▲ 26%	323 429	256 992
14	Operating profit margin (%)		15	13
397 848	Profit for the period (R'000)	▲ 29%	199 336	154 778
420 909	Headline earnings (R'000)	▲ 19%	202 226	169 964
279 177	Weighted average number of shares ('000)	▲ 1%	280 674	278 604
150.8	Basic headline earnings per share (HEPS) (cents)	▲ 18%	72.1	61.0
986.5	Net asset value per share (cents)	▲ 20%	1 021.0	849.3
18.81	ZAR: Euro average exchange rate ¹	▼ 5%	17.42	18.41
11.54	ZAR: AUD average exchange rate ¹	0%	11.09	11.12
1 426	Closing share price (cents)		1 365	1 414

¹ Average spot exchange rate at which sales were recorded.

HIGHLIGHTS FOR THE PERIOD

- The Group delivered a strong set of results for the six months ended 30 June 2021, reporting:
 - operating profit of R323 million, 26% ahead of 2020 with the operating profit margin expanding to 15%;
 - Earnings per share (EPS) of 77.7 cents per share, 27% ahead of 2020; and
 - Headline earnings per share (HEPS) of 72.1 cents per share, 18% ahead of 2020
- The South African Fishing segment experienced good fishing conditions during the period
- Gradual reopening of foodservice/HORECA (hotels, restaurants and catering) markets in Europe
- Stable export and local retail markets
- Absorbed above-inflation cost increases as a result of disruptions and COVID-19 costs
 - Spent R16 million on COVID-19 related costs to ensure the safety of employees and the sustainability of the business
- Benefited from foreign exchange and fuel hedges
- Difficult trading conditions continue in the Aquaculture business due to COVID-19
- Sea Harvest Australia continues its strong trajectory
- Commenced COVID-19 vaccination programme on-site
- Retained Level 1 B-BBEE contributor status
- Completed the acquisition of 100% of Mooivallei Suiwel Proprietary Limited on 2 August 2021, increasing cheese production capacity by 40%



TRADING AND FINANCIAL PERFORMANCE

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 strong performances from the South African Fishing segment, the Cape Harvest Foods segment (which includes Ladismith Cheese) and the Australian operations. The Aquaculture segment, while showing an improving revenue trend, continues to be severely impacted by the effects of COVID-19.

Revenue for the period from the South African Fishing segment increased 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, while the Cape Harvest Foods segment delivered revenue of R516 million (2020: R470 million), 10% higher than 2020 driven by higher volumes and firm pricing. Sea Harvest Australia delivered a 2% increase in revenue to R231 million for the period (2020: R226 million), while, with the introduction of additional product formats, revenue in the Aquaculture segment more than doubled to R36 million (2020: R15 million).

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

Other operating income of R95 million (2020: other operating loss of R22 million) for the period includes R51 million in foreign exchange and fuel hedge gains (2020: R32 million hedge losses) and R17 million (2020: Nil) of insurance income.

Selling and distribution expenses, marketing expenses and other operating expenses increased 16% to R448 million (2020: R387 million) as a result of 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. Adjusting for timing sees expenditure increase by 8%.

To ensure that the Group continued to provide a safe working environment at its sea-based and land-based operations, the Group incurred net COVID-19 related costs of R16 million (2020: R11 million) in the provision of personal protective equipment, transport, care kits, food parcels, screening and testing, thereby allowing operations to continue to operate safely.

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%).

Fair value losses of R4 million (2020: fair value gains of R9 million) include a R2 million gain (2020: R12 million gain) on biological assets in the Aquaculture segment.

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).

SEGMENTAL REVIEW

		REVENUE			OPERATING PROFIT		OPERATING PROFIT MARGIN	
		H1 2021 R'M	H1 2020 R'M		H1 2021 R'M	H1 2020 R'M	H1 2021	H1 2020
South African Fishing	2%	1 320	1 289	25%	316	254	24%	20%
Sea Harvest Aquaculture	146%	36	15	5%	(37)	(39)	n/a	n/a
Cape Harvest Foods	10%	516	470	(4%)	39	40	7.5%	8.5%
Sea Harvest Australia	2%	231	226	238%	5	2	2%	1%
Group	5%	2 104	2 000	26%	323	257	15%	13%

South African Fishing: The South African Fishing segment delivered a solid set of results for the period. Despite the 5% reduction in the TAC in early 2021 and a 5% strengthening in the rand, revenue for the period ended 30 June 2021 increased 2% to R1.32 billion (2020: R1.29 billion), benefiting from increased vessel availability, strong catches, firm export markets and good retail trade.

With cost of sales increasing 7% as a result of inflation and the timing of expenditure, gross profit was flat at R529 million (2020: R529 million), with the gross profit margin at 40% (2020: 41%).

After accounting for R51 million of foreign exchange and fuel hedge gains (2020: R26 million hedging losses), R17 million (2020: Nil) of insurance proceeds and R14 million (2020: R14 million) in COVID-19 related costs, operating profit for the South African Fishing segment increased 25% to R316 million (2020: R254 million), with the operating profit margin expanding to 24% (2020: 20%).

On the back of firm retail and recovering foodservice markets, export revenue has increased 3%, with the combined export mix stable at 53% (2020: 54%) of total revenue, taking into consideration the 5% appreciation of the rand to the euro over the period. Europe remains Sea Harvest's largest export market.

Locally, revenue through the retail channel increased 4%, with a flattening of in-home consumption compared to the hard lockdown in Q2 2020. The retail channel mix was constant at 13% (2020: 13%). Affected by the various ongoing levels of lockdown, revenue in the local foodservice channel was flat, while the local wholesale channel has seen good recovery, increasing revenue by 41%. The combined local foodservice and wholesale channel mix increased to 34% (2020: 33%).

Aquaculture: The curtailment of air freight and associated inflated freight costs from South Africa, together with the continued lockdown restrictions and slow pace of roll-out of COVID-19 vaccines in the Far East, continue to severely impact the Aquaculture segment. Likewise, the oyster and mussel operations, which supply almost exclusively into foodservice, continue to be severely affected by COVID-19.

Despite the tough trading conditions and the appreciation of the rand over the period, the introduction of additional abalone product formats has resulted in revenue in the Aquaculture segment increasing 146% to R36 million (2020: R15 million) during the period to 30 June 2021. This increase in revenue was, however, insufficient to turn around the segment, and the Aquaculture segment generated an operating loss of R37 million (2020: R39 million). The Aquaculture segment accounted for R2 million (2020: R12 million) of fair value gains on the revaluation of biological assets during the period.

Cape Harvest Foods: In a tough local trading environment, the Cape Harvest Foods segment, which incorporates Ladismith Cheese as well as Sea Harvest's factory shops, increased revenue 10% to R516 million (2020: R470 million) for the period to 30 June 2021, benefiting from higher volumes and firm pricing, as well as three additional fish shops.

As a result of product mix, as well as the increased costs associated with the recently installed additional capacity across the segment, operating profit decreased 4% to R39 million (2020: R40 million), with the operating profit margin at 7.5% (2020: 8.5%).

Mooivallei acquisition: With effect from 2 August 2021, Sea Harvest has, through its wholly owned subsidiary 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.

Australian operations: Revenue for the period to 30 June 2021 increased 2% to R231 million (2020: R226 million), benefiting from a higher value product mix and the gross profit margin increased from 19% to 22% as a result of the higher proportion of wild-caught products in the basket.



With good revenue growth, a better product mix and a focus on costs, the segment delivered operating profit of R5 million (2020: R2 million) continuing its strong trajectory from 2020.

CASH FLOW AND FINANCIAL POSITION

The Group generated cash from operations of R265 million (2020: R347 million) during the period after investing R178 million (2020: R74 million) in working capital, including:

- R125 million increase in inventory over the period as a result of the Group taking advantage of good fishing conditions and the middle of the fishing season in Australia; and
- R82 million increase in trade and other receivables as a result of the timing of sales as well as delays in export shipments during the period.

After settling net interest of R29 million (2020: R48 million) and taxes of R60 million (2020: R45 million), the Group generated cash of R178 million (2020: R255 million) from operating activities during the period.

The Group utilised R180 million (2020: R240 million) in investing activities during the period, including:

- R162 million (2020: R155 million) invested in additions to property, plant, equipment and vehicles, including R108 million (2020: R133 million) on maintenance capital expenditure and R54 million (2020: R22 million) on expansion capital expenditure; and
- R34 million (2020: R34 million) in the growth of biological assets.

The Group utilised R191 million (2020: R131 million) of cash in financing activities after paying a dividend of R133 million (2020: R147 million), repurchasing R36 million of shares and repaying a net R22 million (2020: R36 million net proceeds) of borrowings during the period.

The Group opened the period with cash of R270 million (2020: R229 million), utilised R193 million of cash during the period, and ended the period with R78 million (2020: R114 million) of cash on hand.

With total borrowings of R1.413 billion (31 December 2020: R1.427 billion), the Group's net debt position at 30 June 2021 was R1.335 billion (31 December 2020: R1.156 billion), an increase of R180 million.

COVID-19

With the recent particularly infectious outbreak of the third wave of COVID-19, the Group has bolstered its proactive approach towards combating COVID-19 and ensuring the safety of its employees, with the Executive team increasing its focus on the communication and awareness

campaign, which stresses the importance of doing the basics well. These include mask wearing, hygiene, social distancing, antigen testing and vaccinating.

The robust processes implemented in the first phase of the pandemic have enabled the Group's operations to continue to run smoothly. Pleasingly, the Group has been able to maintain full employment and support productive "remote working" for many of its employees during this pandemic.

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 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 on-site on 23 July 2021, and at the time of writing, 30% of the Group's employees had been vaccinated. The Group continues to actively explore options to encourage vaccination and increase the number of employees vaccinated in order for the various sites in the Group to reach immunity as soon as possible.

DRIVING TRANSFORMATION

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

Driving transformation within Sea Harvest, and the broader fishing industry, 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.

During the period, Sea Harvest spent R272 million procuring goods and services from 537 small- and medium-enterprises and R16 million on various skills development initiatives.

The Sea Harvest Foundation continued its focus on community-based projects during the period, including the provision of bursaries, healthcare initiatives, early childhood development, donations and supporting youth sports development. The Sea Harvest Foundation continued its COVID-19 relief assistance and assisted with disaster relief during the recent Cape Town fires.

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.

DIVIDENDS

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

OUTLOOK

Fortunately, the July 2021 unrest in KwaZulu-Natal and Gauteng had minimal impact on the Group's operations.

The Fishing Rights Allocation process (FRAP) 2020/21 recommenced in October 2020 and, at the time, guidelines were gazetted, with the timelines indicating that the FRAP process would culminate in December 2021, therefore also not impacting operations in the second half of 2021.

As a Level 1 B-BBEE contributor with over 80% black ownership, the Group believes it is well placed to renew its quota allocation for the next 15 years, and management has dedicated significant resources to ensure the future sustainability of the business.

While markets are generally more settled since the first outbreaks in December 2019 and living with COVID-19 has become the norm, it is difficult to predict the impact of the pandemic on both the supply and demand side, as the situation is extremely fluid. The impact of the particularly infectious third strain is complicating matters. The timing for the roll-out of vaccines in various jurisdictions is varied. However, it is pleasing to note that Europe, the Group's largest market, has made good progress in rolling out vaccines. Further, the majority of foreign currency sales are hedged at better exchange rates than both the 2020 financial year and the first half of 2021.

The Group will continue to focus on its COVID-19 protocols to ensure the safety and well-being of its employees, including continuing to administer and encourage employees to take the COVID-19 vaccines in order for sites to reach immunity as soon as possible.

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

On behalf of the Board

FJ Robertson

Chairperson

Cape Town
30 August 2021

F Ratheb

Chief Executive Officer



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2021

AUDITED YEAR ENDED 31 DECEMBER 2020 R'000		NOTES	UNAUDITED SIX MONTHS ENDED 30 JUNE 2021 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2020 R'000
4 375 339	Revenue	3	2 103 926	1 999 648
(2 894 578)	Cost of sales		(1 427 411)	(1 334 012)
1 480 761	Gross profit		676 515	665 636
(8 041)	Other operating income ¹		95 315	(21 833)
(207 895)	Selling and distribution expenses		(110 043)	(98 954)
(14 476)	Marketing expenses		(10 094)	(9 497)
(621 089)	Other operating expenses		(328 264)	(278 360)
629 260	Operating profit before fair value (losses)/gains and associate (loss)/income		323 429	256 992
790	Share of (loss)/profit of associate		(733)	41
(4 608)	Fair value (losses)/gains		(4 393)	9 466
625 442	Operating profit before net finance costs and taxation		318 303	266 499
28 994	Investment income		6 852	13 005
(101 079)	Interest expense		(36 203)	(61 486)
553 357	Profit before taxation		288 952	218 018
(155 509)	Taxation		(89 616)	(63 240)
397 848	Profit after taxation		199 336	154 778
	<i>Profit after taxation attributable to:</i>			
430 751	Shareholders of Sea Harvest Group Limited		218 177	169 025
(32 903)	Non-controlling interests		(18 841)	(14 247)
397 848			199 336	154 778
	Earnings per share (cents)			
154.3	- Basic		77.7	61.0
148.8	- Diluted		75.4	58.6

¹ Other operating income for the period increased mainly due to gains on the Group's foreign exchange and fuel hedges (2021: R51 million gain; 2020: R32 million loss) and insurance income (2021: R17 million, 2020: Nil).



CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2021

AUDITED YEAR ENDED 31 DECEMBER 2020 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2021 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2020 R'000
397 848	Profit after taxation	199 336	154 778
	Other comprehensive income/(loss)		
	<i>Items that may be reclassified subsequently to profit or loss:</i>		
(109 566)	Movement on cash flow hedging reserve	143 715	(215 256)
19 400	Cost of hedging reserve	(39 212)	(30 246)
31 199	Reserves recycled to other operating income	(15 008)	40 000
69 126	Exchange differences on foreign operations	(35 342)	106 809
	<i>Items that may not be reclassified subsequently to profit or loss:</i>		
619	Net measurement gain on defined benefit plan	-	-
10 778	Other comprehensive (income)/loss, net of tax	54 153	(98 693)
408 626	Total comprehensive income for the period	253 489	56 085
	<i>Total comprehensive income attributable to:</i>		
444 035	Shareholders of Sea Harvest Group Limited	272 330	76 228
(35 409)	Non-controlling interests	(18 841)	(20 143)
408 626		253 489	56 085



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the six months ended 30 June 2021

AUDITED YEAR ENDED 31 DECEMBER 2020 R'000		NOTES	UNAUDITED SIX MONTHS ENDED 30 JUNE 2021 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2020 R'000
ASSETS				
1 993 274	Property, plant, equipment and vehicles		2 032 529	1 984 632
131 904	Right-of-use assets		123 182	130 358
67 321	Biological assets	7	67 623	81 313
733 174	Intangible assets		700 522	737 720
862 492	Goodwill		857 230	868 200
5 994	Investment in associate		5 261	5 245
25 264	Investment at fair value through other comprehensive income		25 264	25 264
25 138	Financial assets ¹	6	38 687	25 071
129 444	Loans to related parties	9	128 845	134 677
85 484	Loans to supplier partners		96 181	80 550
3 836	Long-term loan receivable		4 109	3 886
489	Deferred tax assets		627	867
4 063 814	Non-current assets		4 080 060	4 077 783
631 023	Inventories		749 214	651 869
93 087	Biological assets	7	98 024	82 130
694 747	Trade and other receivables		774 104	746 453
1 036	Short-term loan receivable		1 036	–
27 334	Financial assets ¹		151 803	36
7 729	Tax assets		3 355	8 562
275 245	Cash and bank balances		87 114	120 752
1 730 201	Current assets		1 864 650	1 609 802
5 794 015	Total assets		5 944 710	5 687 585

¹ Financial assets increased due to the Group's hedges being in the money as a result of the rand strengthening against the US dollar, the euro and the Australian dollar.

AUDITED YEAR ENDED 31 DECEMBER 2020 R'000		NOTES	UNAUDITED SIX MONTHS ENDED 30 JUNE 2021 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2020 R'000
EQUITY AND LIABILITIES				
1 809 038	Stated capital		1 773 147	1 809 968
(3 143)	Other reserves		58 080	(120 646)
948 311	Retained earnings		1 034 575	686 585
2 754 206	Attributable to shareholders of Sea Harvest Group Limited		2 865 802	2 375 907
40 138	Non-controlling interests ¹		20 205	55 405
2 794 344	Capital and reserves		2 886 007	2 431 312
1 308 982	Long-term borrowings		1 369 662	1 498 062
22 557	Employee-related liabilities		22 694	22 697
31 510	Share-based payment liability		–	29 065
30 814	Deferred grant income		32 042	31 596
99 974	Contingent consideration	8	–	95 418
–	Financial liabilities	6	–	25 239
144 261	Lease liabilities		136 624	141 167
508 807	Deferred taxation		554 392	425 623
2 146 905	Non-current liabilities		2 115 414	2 268 867
117 758	Short-term borrowings		43 339	150 960
–	Contingent consideration	8	104 987	–
648 340	Trade and other payables		670 837	578 148
15 706	Lease liabilities		16 688	14 804
4 059	Deferred grant income		3 962	3 169
24 889	Financial liabilities	6	11 373	206 888
36 432	Short-term provisions		40 847	16 882
–	Share-based payment liability		33 159	–
778	Taxation		8 817	9 607
4 804	Bank overdrafts		9 280	6 948
852 766	Current liabilities		943 289	987 406
5 794 015	Total equity and liabilities		5 944 710	5 687 585

¹ Non-controlling interests decreased as a result of its share of losses in Viking Aquaculture (Proprietary) Limited.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2021

AUDITED YEAR ENDED 31 DECEMBER 2020 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2021 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2020 R'000
2 513 774	Balance at the beginning of the period	2 794 344	2 513 774
	Attributable to:		
2 437 274	Shareholders of Sea Harvest Group Limited	2 754 206	2 437 274
76 500	Non-controlling interests	40 138	76 500
	Total comprehensive income for the period attributable to shareholders of Sea Harvest Group Limited	272 330	76 228
444 035	Profit after taxation	218 177	169 025
430 751	Movements in other items of comprehensive income, net of tax	54 153	(92 797)
13 284			
	Movements attributable to shareholders of Sea Harvest Group Limited		
(1 468)	Shares repurchased ¹	(35 891)	(538)
(146 161)	Dividends paid	(131 913)	(146 161)
20 526	Share-based payments	7 070	9 104
(36 362)	Movement attributable to non-controlling interests	(19 933)	(21 095)
2 794 344	Balance at the end of the period	2 886 007	2 431 312

¹ 2 408 237 shares were repurchased for purposes of the Forfeitable Share Plan.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2021

AUDITED YEAR ENDED 31 DECEMBER 2020 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2021 R'000	RESTATE [*] UNAUDITED SIX MONTHS ENDED 30 JUNE 2020 R'000
	Operating activities		
397 848	Profit after taxation	199 336	154 778
525 721	Adjustments for non-cash and other items	243 275	265 328
923 569	Operating cash flows before changes in working capital	442 611	420 106
(41 104)	Increase in inventories	(124 986)	(48 872)
15 010	(Increase)/decrease in trade and other receivables	(81 683)	(37 988)
97 132	Increase in trade and other payables	29 070	13 255
994 607	Cash generated from operations	265 012	346 501
21 163	Investment income received	5 087	9 261
3 328	Proceeds from government grant	3 051	1 088
(111 737)	Income taxes paid	(60 125)	(44 950)
(96 645)	Interest paid	(34 961)	(57 019)
810 716	Net cash generated from operating activities	178 064	254 881
	Investing activities		
(286 313)	Acquisition of property, plant, equipment and vehicles	(161 527)	(155 271)
25 747	Insurance proceeds	16 891	–
7 574	Proceeds on disposal of property, plant, equipment and vehicles	389	836
(32 210)	Acquisition of intangible assets	(1 938)	(1 787)
(65 605)	Additions to biological assets	(34 341)	(33 700)
(8 425)	Amounts advanced to supplier partners	–	–
1 130	Proceeds on loans advanced to supplier partners	–	4 900
(56 270)	Amounts advanced to related parties	599	(56 270)
10 891	Proceeds on loans advanced to related parties	500	150
343	Cash movement in other long-term and short-term loans	(273)	1 329
(403 138)	Net cash utilised in investing activities	(179 700)	(239 813)
	Financing activities		
(15 322)	Shares repurchased	(35 891)	(9 053)
588 026	Proceeds from borrowings	141 669	416 532
(769 836)	Repayment of borrowings and lease liabilities	(151 636)	(380 707)
(22 752)	Repayment of financial liabilities	(12 245)	(11 145)
(147 115)	Dividends paid	(133 005)	(147 115)
(366 999)	Net cash utilised in financing activities	(191 108)	(131 488)
40 579	Net (decrease)/increase in cash and cash equivalents	(192 744)	(116 420)
229 293	Cash and cash equivalents at the beginning of the period	270 441	229 293
569	Effects of exchange rates on the balance of cash held in foreign operation	137	931
270 441	Cash and cash equivalents at the end of the period	77 834	113 804

* Refer to note 12.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2021

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with, 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 Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited, and the requirements of the Companies Act of South Africa, No 71 of 2008. The condensed financial information has been prepared under the supervision of the Chief Financial Officer, M Brey CA(SA).

The condensed consolidated interim financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated annual financial statements as at 31 December 2020.

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

2. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the financial statements for the year ended 31 December 2020.

3. REVENUE

AUDITED YEAR ENDED 31 DECEMBER 2020 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2021 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2020 R'000
	<i>Group revenue for the period can be analysed as follows:</i>		
4 360 967	Revenue recognised at a point in time	2 089 924	1 989 960
14 372	Revenue recognised over time	14 002	9 688
4 375 339		2 103 926	1 999 648
	<i>Revenue comprises of:</i>		
2 848 476	Wild-caught fish ¹	1 384 327	1 316 691
308 089	Shellfish ²	127 032	118 332
93 852	Vegetables and meals	55 596	45 490
188 774	Traded	60 938	89 275
936 148	Dairy	476 033	429 860
4 375 339		2 103 926	1 999 648
	<i>Revenue is further split by geographic location as follows:</i>		
2 348 134	South Africa	1 174 758	1 085 449
543 009	Australia	245 936	240 127
1 299 838	Europe	585 232	590 916
184 358	Other markets	98 000	83 156
4 375 339		2 103 926	1 999 648

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 and Aquaculture segments. Vegetables and meals are disclosed in the Australian segments, with dairy revenue disclosed in the Cape Harvest Foods segment. Traded revenue is disclosed in the South African Fishing and Cape Harvest Foods segments.

¹ Cape hake, horse mackerel, Spanish mackerel and related bycatch.

² Prawns, scallops, crabs and abalone.

4. HEADLINE EARNINGS PER SHARE

AUDITED YEAR ENDED 31 DECEMBER 2020 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2021 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2020 R'000
4.1	DETERMINATION OF HEADLINE EARNINGS		
430 751	Profit for the period attributable to shareholders of Sea Harvest Group Limited	218 177	169 025
7 574	(Profit)/loss on disposal of property, plant, equipment and vehicles	(5 600)	1 304
(25 747)	Insurance proceeds	(16 891)	–
8 331	Total tax effects of adjustments	6 540	(365)
420 909	Headline earnings for the period	202 226	169 964
4.2	CALCULATION OF WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES		
279 177 043	Weighted average number of shares on which earnings and headline earnings per share are based	280 673 670	278 604 174
289 498 880	Weighted average number of shares on which diluted earnings and diluted headline earnings per share are based	289 514 357	289 986 595
	Reconciliation of weighted average number of shares used in the calculation of basic and diluted headline earnings per share:		
279 177 043	Basic	280 673 670	278 604 174
10 321 837	Dilutive instruments	8 840 687	11 382 421
289 498 880	Diluted	289 514 357	289 986 595
	Headline earnings per share (cents)		
150.8	– Basic	72.1	61.0
145.4	– Diluted	69.9	58.6



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

for the six months ended 30 June 2021

5. SEGMENTAL RESULTS

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

AUDITED YEAR ENDED 31 DECEMBER 2020 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2021 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2020 R'000
	Segment revenue		
2 758 205	South African Fishing ¹	1 320 412	1 288 711
542 477	Australian operations	231 043	226 151
53 334	Aquaculture ²	36 420	14 791
1 021 323	Cape Harvest Foods	516 051	469 995
4 375 339	Total revenue	2 103 926	1 999 648
	Segment profit/(loss) from operations		
570 176	South African Fishing	316 358	253 797
37 525	Australian operations	5 165	1 527
(72 511)	Aquaculture	(36 642)	(38 667)
94 070	Cape Harvest Foods	38 548	40 335
629 260	Operating profit before fair value (losses)/gains and associate (loss)/income	323 429	256 992
790	Share of (loss)/profit of associate	(733)	41
(4 608)	Fair value (losses)/gains	(4 393)	9 466
625 442	Operating profit before net finance costs and taxation	318 303	266 499
28 994	Investment income	6 852	13 005
(101 079)	Interest expense	(36 203)	(61 486)
553 357	Profit before taxation	288 952	218 018
	Total assets		
3 048 569	South African Fishing	3 225 268	2 978 237
1 084 782	Australian operations	1 074 908	1 123 780
708 189	Aquaculture	702 880	716 831
952 475	Cape Harvest Foods	941 654	868 737
5 794 015		5 944 710	5 687 585
	Total liabilities		
1 878 634	South African Fishing	1 967 953	2 104 424
398 741	Australian operations	396 314	482 108
455 666	Aquaculture	467 433	471 367
266 630	Cape Harvest Foods	227 003	198 374
2 999 671		3 058 703	3 256 273

¹ Revenue excludes intersegmental revenue of R106.2 million (2020: R79.6 million) which is eliminated on consolidation.

² Revenue excludes intersegmental revenue of R3.7 million (2020: R1.4 million) which is eliminated on consolidation.

6. OTHER FINANCIAL ASSETS AND LIABILITIES

AUDITED YEAR ENDED 31 DECEMBER 2020 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2021 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2020 R'000
52 472	Financial derivative assets	190 490	25 107
25 138	Non-current portion of financial assets	38 687	25 071
25 138	Call option ¹	23 675	25 071
–	Foreign exchange contracts ²	15 012	–
27 334	Current portion of financial assets ²	151 803	36
27 334	Foreign exchange contracts	151 803	36
	Other financial assets		
25 264	Investment at fair value through other comprehensive income ³	25 264	25 264
227	Financial derivative liabilities	–	194 007
227	Current portion of financial liabilities ²	–	194 007
	Other financial liabilities		
24 662	Fishing licence liability ⁴	11 373	38 120
–	Non-current portion of financial liability	–	25 239
24 662	Current portion of financial liability	11 373	12 881

¹ CALL OPTION DERIVATIVE

Included in non-current financial assets is a call option to acquire 100% of the shareholding in Vuna Fishing Company Proprietary Limited from Vuna Fishing Group Proprietary Limited. The fair value was independently determined by an expert using the Black-Scholes option pricing model. The call option financial asset has been classified as a non-current asset at 30 June 2021 due to the expected exercising date thereof exceeding 12 months from the reporting date. The call option disclosed in financial assets is regarded as a Level 3 financial instrument for fair value measurement purposes. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The movement in the call option derivative is as follows:

23 218	Opening balance	25 138	23 218
1 920	Fair value movement	(1 463)	1 853
25 138	Closing balance	23 675	25 071



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

for the six months ended 30 June 2021

6. OTHER FINANCIAL ASSETS AND LIABILITIES (continued)

Assumption sensitivity analysis

The Group performed a sensitivity analysis relating to its exposure to a change in the assumptions used in the valuation. The sensitivity analysis demonstrates the increase/(decrease) on the asset held at fair value through profit or loss, which could result from a change in these assumptions.

AUDITED YEAR ENDED 31 DECEMBER 2020 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2021 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2020 R'000
	Vuna Fishing Company valuation		
2 212	+ 5%	2 187	1 955
(2 161)	- 5%	(2 135)	(1 926)
	Yield curve 6.270% (2020: 5.982%)		
1 782	+ 5%	1 656	1 597
(1 786)	- 5%	(1 621)	(1 548)
	Volatility 33.976% (2020: 41.601%)		
839	+ 1%	867	911
(817)	- 1%	(846)	(923)

As Vuna Fishing Company Proprietary Limited is unlisted, the volatility was determined using the quadratic mean volatility of peer group companies.

² FINANCIAL DERIVATIVE ASSETS AND LIABILITIES

Financial assets and liabilities arise from hedging contracts entered into by the Group for the purpose of minimising the Group's exposure to foreign currency and fuel price volatility. Hedging contracts are regarded as Level 2 financial instruments for fair value measurement purposes. Level 2 fair value measurements are those derived from inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

³ INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group holds 10% of the ordinary share capital of Desert Diamond Fishing Proprietary Limited, a company involved in the fishing and fishing processing industries.

The Group reassesses the valuation of the fair value through other comprehensive income investments annually, by using an asset valuation method performed by an independent valuator.

The investment is regarded as a Level 3 financial instrument. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assumption sensitivity analysis

The Group performed a sensitivity analysis relating to its exposure to a change in the assumptions used in the valuation. The sensitivity analysis demonstrates the increase/(decrease) on the investment, which could result from a change in this assumption.

	Desert Diamond vessel valuation		
1 263	+ 5%	1 263	1 263
(1 263)	- 5%	(1 263)	(1 263)

⁴ FISHING LICENCE LIABILITY

The fishing licence liabilities relate to the Shark Bay Prawn Managed Fishery Voluntary Fisheries Adjustment Scheme (VFAS). The VFAS operates from 12 November 2010 until 1 July 2021. Sea Harvest Australia owns 10 fishing licences in the Shark Bay region. The liabilities shown represent present values, discounted at the five-year Australian Corporate Bond rate. Fishing licence liabilities are carried at amortised cost.

7. BIOLOGICAL ASSETS

The Group owns biological assets in the form of abalone, mussels, oysters and fish. Biological assets are measured at the best estimate of fair value, less anticipated marketing and other related selling costs.

RECONCILIATION OF BIOLOGICAL ASSETS

	ABALONE	MUSSELS AND OYSTERS	FISH IN WATER	TOTAL
30 JUNE 2021				
Balance as at 1 January 2021	123 276	29 935	7 197	160 408
Increase due to additions and cost capitalised	22 632	9 252	2 457	34 341
Decrease due to harvest and mortalities	(14 696)	(10 474)	(6 014)	(31 184)
Fair value adjustment	2 567	(455)	(30)	2 082
Balance as at 30 June 2021	133 779	28 258	3 610	165 647
Transferred to current	80 637	14 446	2 941	98 024
Total non-current	53 142	13 812	669	67 623
31 DECEMBER 2020				
Balance as at 1 January 2020	107 758	24 181	7 400	139 339
Increase due to additions and cost capitalised	47 069	12 190	6 346	65 605
Decrease due to harvest and mortalities	(28 451)	(8 456)	(10 214)	(47 121)
Fair value adjustment	(3 100)	2 020	3 665	2 585
Balance as at 31 December 2020	123 276	29 935	7 197	160 408
Transferred to current	73 035	16 099	3 953	93 087
Total non-current	50 241	13 836	3 244	67 321
30 JUNE 2020				
Balance as at 1 January 2020	107 758	24 181	7 400	139 339
Increase due to additions and cost capitalised	24 284	5 791	3 626	33 701
Decrease due to harvest and mortalities	(14 218)	(2 724)	(4 825)	(21 767)
Fair value adjustment	10 829	394	947	12 170
Balance as at 30 June 2020	128 653	27 642	7 148	163 443
Transferred to current	62 572	14 766	4 792	82 130
Total non-current	66 081	12 876	2 356	81 313

The fair value of abalone, mussels, oysters, fish and spats is determined based on the market prices of biological assets of a similar age, breed and genetic merit. In the absence of an active market, due to the early stages of biological assets transformation, the capitalised costs are deemed to be the best estimate of fair value. Subsequent expenditure incurred in the development of abalone, mussels, oysters, fish and spats from a certain size to the point of maturity is capitalised in the cost. The fair value measurements for abalone biological assets have been categorised as Level 3 fair value, based on the inputs to the valuation techniques used.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED
for the six months ended 30 June 2021

7. BIOLOGICAL ASSETS (continued)

Assumption sensitivity analysis

The Group performed a sensitivity analysis relating to its exposure to a change in exchange rates used in the valuation of abalone. The sensitivity analysis demonstrates the increase/(decrease) on the biological assets, which could result from a change in this assumption.

	EXCHANGE RATE	FAIR VALUE ADJUSTMENT R'000
30 JUNE 2021		
- 10% (weakening of the rand against the USD)	\$1/R15.72	8 397
+ 10% (strengthening of the rand against the USD)	\$1/R12.87	(8 397)
31 DECEMBER 2020		
- 10% (weakening of the rand against the USD)	\$1/R16.12	8 745
+ 10% (strengthening of the rand against the USD)	\$1/R13.19	(8 745)
30 JUNE 2020		
- 10% (weakening of the rand against the USD)	\$1/R19.23	4 543
+ 10% (strengthening of the rand against the USD)	\$1/R15.74	(4 543)

8. CONTINGENT CONSIDERATION

The contingent consideration relates to the acquisition of Viking Fishing in the 2018 financial year. It was estimated by an independent valuer based on Viking Fishing achieving the earn-out targets for the 2018 and 2019 financial years, discounted at the prime lending rate. It is regarded as a Level 3 financial instrument for fair value measurement purposes. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The movement in the contingent consideration is as follows:

AUDITED YEAR ENDED 31 DECEMBER 2020 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2021 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2020 R'000
90 862	Opening balance	99 974	90 862
9 112	Fair value movement	5 013	4 556
99 974		104 987	95 418
-	Portion transferred to current liabilities	104 987	-
99 974	Non-current liabilities	-	95 418

9. RELATED PARTY TRANSACTIONS

AUDITED YEAR ENDED 31 DECEMBER 2020 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2021 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2020 R'000
This disclosure relates to material related party balances and transactions.			
9.1 RELATED PARTY LOANS			
	Loans to related parties – non-current		
27 420	Vuna Fishing Company Proprietary Limited (joint venture of Brimstone Investment Corporation Limited)	27 420	27 420
45 068	Vuna Fishing Group Proprietary Limited (subsidiary of Brimstone Investment Corporation Limited)	45 068	45 068
56 956	SeaVuna Fishing Company Proprietary Limited ¹	56 357	62 189
129 444	Total	128 845	134 677
	Loans to related parties – non-current (investment in associate)		
4 000	Specialised Aquatic Feeds Proprietary Limited (associate of Viking Aquaculture Proprietary Limited)	4 000	4 000
4 000	Total	4 000	4 000
9.2 RELATED PARTY TRANSACTIONS			
	Sales to related parties		
33 408	SeaVuna Fishing Company Proprietary Limited ¹	14 004	23 159
	Purchases from related parties		
221 374	SeaVuna Fishing Company Proprietary Limited ¹	137 159	122 334

¹ SeaVuna Fishing Company Proprietary Limited is a wholly-owned subsidiary of Vuna Fishing Company Proprietary Limited, which is a joint venture of Brimstone Investment Corporation Limited.

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

for the six months ended 30 June 2021

10. STATED CAPITAL (NUMBER)

AUDITED YEAR ENDED 31 DECEMBER 2020		UNAUDITED SIX MONTHS ENDED 30 JUNE 2021	UNAUDITED SIX MONTHS ENDED 30 JUNE 2020
	In issue (number)		
294 293 814	Ordinary shares	294 293 814	294 293 814
(14 600 889)	Held as treasury shares	(14 388 975)	(14 533 154)
279 692 925		279 904 839	279 760 660

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

	TOTAL SHARES IN ISSUE	LESS TREASURY SHARES	TOTAL NET SHARES IN ISSUE
Opening balance	294 293 814	14 600 889	279 692 925
Shares repurchased	-	2 408 237	(2 408 237)
Shares vested	-	(2 620 151)	2 620 151
Closing balance	294 293 814	14 388 975	279 904 839

11. COVID-19 PANDEMIC ASSESSMENT AND GOING CONCERN

- The Group is fully committed to the preventative measures that have been implemented by various governments in the countries in which it operates to contain the spread of COVID-19 since early 2020. The Group's primary priority is to ensure the health and safety of employees, preserve jobs and hence livelihoods, ensure food security through the continuity of operations, and ensure the Group's ability to continue meeting stakeholders' expectations in terms of product demand.
- As previously reported, the Aquaculture operation, with its main markets being in the Far East, continues to experience the negative effects of COVID-19 as a direct result of continued lockdown restrictions, the curtailment of air freight and associated high freight cost from South Africa, and the slow pace of vaccination roll-outs in target markets, resulting in the marked slowdown in local and export foodservice markets.
- With the Aquaculture segment incurring operating losses for the six months ended 30 June 2021, management performed an assessment of goodwill impairment. The assessment resulted in an update to the forecast abalone sales volumes used in the last reporting period's value-in-use calculation to reflect the current and forecast performance of the business. The calculation was also updated with current and forecast sales prices and, with the strengthening of the rand to the USD during the period, revised forecast exchange rates. The discount rate was also increased to 15.30% compared to the discount rate of 15.03% at 31 December 2020. The assessment of goodwill resulted in reduced headroom since the last reporting date. Management will continue to assess the long-term effects of COVID-19 on the Aquaculture operation and the impact it has on the assessment of goodwill impairment.

GOING CONCERN

- Management has assessed the going concern assumption, taking into account the impact of COVID-19 on the Group's cash flow, operations and available funding facilities. The cash flow analysis considered all factors that impact the ability of the Group to generate or preserve cash. Such factors included the limitations of COVID-19 on production, and the resulting sales, fixed costs and capital expenditure plans that would require funding, as well as available facilities. The result of these analyses was that the Group will have sufficient cash resources to sustain operations. An analysis of the potential impact of COVID-19 on funding covenants was also considered and management is of the view that funding covenants will not be breached. No funding covenants were breached in the six-month period ended 30 June 2021. Fortunately, the July 2021 unrest in KwaZulu-Natal and Gauteng had minimal impact on the Group's operations. Therefore the directors have no reason to believe that the Group will not be a going concern in the foreseeable future and, accordingly, the financial statements were prepared on a going concern basis.

12. RESTATEMENT OF PRESENTATION OF CASH FLOWS RELATING TO LOANS TO RELATED PARTIES AND SUPPLIER PARTNERS

In the prior period, cash flows relating to loans to related parties and supplier partners and the respective proceeds were presented under cash flows from financing activities in the Statement of Cash Flows. These movements have been revised to more accurately align with the requirements of IAS 7: Statement of Cash Flows. Prior period comparatives have been restated by reclassifying R51.2 million relating to amounts advanced to supplier partners and proceeds on loans advanced to related parties and supplier partners from cash flows utilised in financing activities to cash flows utilised in investing activities. The result is a decrease in net cash utilised in financing activities from R182.7 million to R131.5 million and an increase in net cash utilised in investing activities from R188.6 million to R239.8 million. There is no impact on the Statement of Comprehensive Income, Statement of Changes in Equity or Statement of Financial Position.

Impact of the classification on the condensed Statement of Cash Flows:

	PREVIOUS PRESENTATION	REVISED PRESENTATION	EFFECT ON CASH FLOWS
Investing activities			
Amounts advanced to related parties	–	(56 270)	(56 270)
Proceeds on loans advanced to related parties	–	150	150
Proceeds on loans advanced to supplier partners	–	4 900	4 900
Impact on cash flows utilised in investing activities	–	–	(51 220)
Financing activities			
Amounts advanced to related parties	(56 270)	–	56 270
Proceeds on loans advanced to related parties	150	–	(150)
Proceeds on loans advanced to supplier partners	4 900	–	(4 900)
Impact on cash flows from financing activities	–	–	51 220
Net impact on cash flows			–

13. EVENTS SUBSEQUENT TO THE REPORTING DATE

With effect from 2 August 2021, Sea Harvest has, through its wholly owned subsidiary Ladismith Cheese Company Proprietary Limited (“Ladismith Cheese”), acquired 100% of the issued capital of Mooivallei Suiwel Proprietary Limited (“Mooivallei”) for a purchase consideration of R10 million and assumed or settled Mooivallei debts to the value of R35 million. Sea Harvest is in the process of determining the fair values of the assets and liabilities of Mooivallei for IFRS 3: Business Combinations purposes.

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.

Other than the items outlined above, there has not arisen in the interval between the reporting date and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect substantially the operations of the Group, the results of its operations or the state of affairs of the Group.



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