2024

Sea Harvest

BUOYED
BY WHAT WE DO BEST.

ANCHORED
BY OUR PURPOSE AND VALUES.



UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED
30 JUNE 2024

CORPORATE INFORMATION

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*
E Links*
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: S Gounden

Professor Elias (Eltie) Links was appointed to the Board as a Non-executive Director on 5 August 2024.

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

YEAR ENDED 31 DECEMBER 2023	KEY PERFORMANCE INDICATORS		CHANGE %	UNAUDITED SIX MONTHS ENDED 30 JUNE 2024	UNAUDITED SIX MONTHS ENDED 30 JUNE 2023
6 204 776	Revenue (R'000)	▲	3	**3 302 632**	3 202 639
49	International revenue mix (%)			**53**	45
1 510 409	Gross profit (R'000)	▲	22	**943 987**	776 788
24	Gross profit margin (%)			**29**	24
462 417	Operating profit (R'000)	▲	23	**310 971**	251 992
7	Operating profit margin (%)			**9**	8
576 904	Earnings before interest and tax (EBIT) (R'000)	▲	6	**373 395**	352 109
9	EBIT margin (%)			**11**	11
269 359	Profit after taxation (R'000)	▼	-7	**184 758**	199 732
282 139	Profit after taxation attributable to shareholders of Sea Harvest Group	▼	-17	**176 269**	212 529
275 126	Headline earnings (R'000)	▼	-32	**144 140**	212 716
275 923	Weighted average number of shares ('000)	▲	5	**290 913**	276 074
102	Basic earnings per share (EPS) (cents)	▼	-21	**61**	77
100	Basic headline earnings per share (HEPS) (cents)	▼	-36	**50**	77
1 216	Net asset value (NAV) per share (cents)	▲	15	**1 354**	1 175
20.01	ZAR: Euro average exchange rate	▲	2	**20.23**	19.88
12.12	ZAR: AUD average exchange rate	▲	1	**12.32**	12.18
18.45	ZAR: USD average exchange rate	▲	3	**18.72**	18.21
945	Closing share price (cents)	▼	-20	**809**	1 010

SALIENT FEATURES FOR THE PERIOD

- For the six-month period ended 30 June 2024, the Group delivered:
  - EBIT of R373 million, 6% ahead of 2023, with the EBIT margin maintained at 11%; and
  - HEPS of 50 cents (2023: 77 cents, which included a once-off gain on purchased loans of R93 million that contributed 34 cents to HEPS)
- Tragic loss of 11 crew with the sinking of the MFV Lepanto
- With effect from 14 May 2024, acquired 100% of Terrasan's pelagic fishing business and 63.07% of Terrasan's abalone business
  - Pelagics (anchovy and pilchards) added to the fishing portfolio and abalone business doubles in size; and
  - Transaction increases black ownership, broadens the shareholder base, and increases the Group's hard currency earnings
- South African Fishing Group challenged by continued low catch rates resulting in lower sales volumes; however, offset by strong demand in all markets and channels and significantly improved pricing
- Reduced demand and increased competition in key abalone markets impacted volumes, selling prices and mix
- Viking Aquaculture and Aqunion integration commenced
- Increased milk flow at Ladismith
- The later start to the prawn fishing seasons in Shark Bay and Exmouth in Australia resulted in new season wild-caught prawn being available from H2 2024
- International revenue mix increased to 53%
- High interest rates persist in South Africa and Australia
- Retained Level 1 B-BBEE contributor status with c.95% black ownership

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 aquaculture 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

In a challenging environment in the six months to 30 June 2024, the **Sea Harvest Group** delivered EBIT of R373 million, 6% ahead of 2023 while maintaining the EBIT margin at 11%, and HEPS of 50 cents.

The Group's performance benefited from significantly improved pricing and strong demand in the South African Fishing Group. Performance, however, was constrained by continued low catches in the South African Fishing Group, deteriorating market conditions in the Aquaculture segment, and higher interest rates both in South Africa and Australia.

Sea Harvest Group increased **revenue** by 3% to R3.3 billion (2023: R3.2 billion), benefiting from improved selling prices offset by lower sales volumes of hake and dairy.

With good cost control and the lower volumes, Group **cost of sales** decreased by 3%, resulting in **gross profit** for the six months to 30 June 2024 increasing by 22% to R944 million (2023: R777 million) and the gross profit margin expanding to 29% (2023: 24%).

Other operating income of R34 million (2023: R62 million) included R11 million (2023: R36 million) in insurance income and R16 million in net foreign exchange and fuel hedge losses (2023: R5 million).

Selling and distribution expenses, marketing expenses, and other operating expenses increased by 14% to R667 million (2023: R587 million) as a result of the inclusion of Sea Harvest Pelagic and Aqunion expenses since acquisition.

The Group delivered **operating profit** of R311 million (2023: R252 million), an increase of 23%, with the Group operating profit margin improving to 9% (2023: 8%).

Fair value gains of R38 million (2023: R8 million) included a net R41 million of gains on the fair value adjustment to biological assets and related stock, offset by the effects of discounting relating to the contingent consideration. 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 R373 million (2023: R352 million, including the R93 million gain on purchased loans) with the Group EBIT margin constant at 11%.

Net finance costs, which includes investment income and interest expense, increased to R128 million (2023: R104 million) as a result of higher interest rates and higher levels of debt, including the acquisition debt, during the period.

Profit after tax attributable to shareholders of Sea Harvest for the period decreased by 17% to R176 million (2023: R213 million) and **headline earnings** decreased by 32% to R144 million (2023: R213 million).

Basic EPS decreased by 21% to 61 cents (2023: 77 cents) and **basic HEPS** decreased by 36% to 50 cents (2023: 77 cents). The Group's results for the six-month period ended 30 June 2023 included a once-off gain on purchased loans of R93 million, which contributed 34 cents to EPS and HEPS.

SEGMENTAL REVIEW

South African Fishing Group

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

Segment revenue for the six months to 30 June 2024 increased by 27% to R1.99 billion (2023: R1.57 billion), while operating profit increased by 26% to R299 million (2023: 238 million) with the operating profit margin maintained at 15%.

Performance at Sea Harvest Corporation continued to be affected by challenging fishing conditions resulting in 5% lower catch volumes; however, this was more than offset by improved pricing with firm demand continuing in all export and local markets and channels.

Sea Harvest Pelagic benefited from the increased local pilchard quota and firm global fish meal and fish oil pricing, offset by the lower anchovy quota.

Good cost control resulted in the segment gross profit margin expanding to 35% (2023: 32%).

As a result of the inclusion of fish meal and fish oil, the segment's export mix has increased to 60% (2023: 54%) of revenue, with 83% (2023: 79%) of export sales to Europe.

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 700 people, the business operates a fishing fleet that catches sardines and anchovies (under its 15-year fishing rights recently renewed in the 2020 FRAP). From this catch (and those of third parties and imported raw materials), it produces fish oil and fish meal (both largely for export) and canned fish (largely for the South African market and sold under the 118-year-old *Saldanha* brand).

Aquaculture

The Aquaculture segment includes the results of **Viking Aquaculture**, the legacy abalone business, and **Aqunion** (see description below), the newly acquired vertically integrated aquaculture abalone group.

Segment revenue for the six months to 30 June 2024 increased by 64% to R102 million (2023: R62 million), benefiting from the inclusion of Aqunion since acquisition. However, the segment was challenged by reduced demand and increased competition in key abalone markets that have impacted sales volumes, prices and mix.

After accounting for fair value adjustments, the segment delivered EBIT of R27 million (2023: R79 million, including the R93 million gain on purchased loans), at an EBIT margin of 26%.

The total value of abalone biological assets has increased to R479 million at 30 June 2024.

Introduction to Aqunion

Founded in 1994, Aqunion, comprising Aqunion (Proprietary) Limited, Marifeed (Proprietary) Limited and Diamond Coast Abalone (Proprietary) Limited, is one of South Africa's leading vertically integrated abalone businesses selling approximately 560 tonnes of abalone per annum. Abalone is produced at two farms located in Hermanus and Gansbaai, while Aqunion'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, Aqunion has security of its own feed supply.

Employing 520 people, Aqunion 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 (including Mooivallei), BM Foods (BMFM)** and **Sea Harvest's factory shops**.

Segment revenue for the six months to 30 June 2024 decreased by 25% to R787 million (2023: R1.05 billion) as a result of the deconsolidation of BMFM from the second half of 2023. On a like-for-like basis, revenue decreased by 2% to R787 million (2023: R803 million) with the benefit of increased milk flow offset by a tough consumer environment driving lower sales volumes.

The dairy segment in South Africa experienced its first outbreak of Foot-and-Mouth Disease in May 2024, affecting farmers in the Eastern Cape. Ladismith's multiple facilities allowed it to mitigate any significant impact on operations.

Benefiting from good cost control, the segment increased operating profit by 39% to R40 million (2023: R29 million), at an operating profit margin of 5% (2023: 3%).

Australian operations

Revenue for the six months to 30 June 2024 decreased by 19% to R424 million (2023: R524 million) mainly driven by the later start to the prawn fishing seasons in Shark Bay and Exmouth (with new season stock largely available for sale from H2 2024).

The 2024 prawn fishing season got off to a firm start with both the Shark Bay and Exmouth prawn fisheries displaying good species and size mix. A strong resource showing resulted in increased scallop and crab quota being allocated to operators in Shark Bay, while good catches are being experienced in both the Pilbara Fish Trawl and Spanish Mackerel operations.

As a result of clearing low margin prior season stock and with higher-margin sales being skewed more to H2 2024, the segment recorded an operating loss of R15 million (2023: R2 million operating profit) for the six months to 30 June 2024.

CASH FLOW AND FINANCIAL POSITION

The Group generated cash from operations of R268 million (2023: R294 million) for the six months to 30 June 2024, after investing R242 million in working capital (2023: R171 million). The investment in working capital was largely related to the timing of sales and receipts compared to the last quarter of 2023, delays in receiving rebate refunds, and the investment in inventory as a result of being in the middle of the fishing season in both Shark Bay and Exmouth in Australia.

The Group serviced net interest of R139 million (2023: R87 million) as a result of higher average borrowing levels and settled taxes of R59 million (2023: R29 million) during the period.

This resulted in the Group generating cash of R71 million (2023: R178 million) from **operating activities** during the period.

The Group utilised R493 million (2023: R343 million) in **investing activities** during the period, including:

- R247 million (net of cash acquired) in the acquisition of Sea Harvest Pelagic and Aqunion and related loan claims;
- R220 million (2023: R304 million) in additions to property, plant, equipment and vehicles, including:
  - R161 million (2023: R168 million) on maintenance capital expenditure; and
  - R59 million (2023: R136 million) on expansion capital expenditure, largely in the investment of an additional fresh fish trawler and the roller dryer powder plant and the solar PV plant at Ladismith; and
- R34 million (2023: R40 million) in the growth of biological assets.

The Group generated R405 million (2023: R20 million) of cash from **financing activities** during the period including:

- drawing down a net R545 million (2023: R158 million) of borrowings, including R381 million relating to debt utilised to settle part of the purchase consideration for Sea Harvest Pelagic and Aqunion;
- paying a dividend of R121 million (2023: R111 million); and
- repurchasing shares to the value of R20 million (2023: R28 million).

The Group opened the period with cash of R225 million (2023: R219 million), utilised R18 million of cash during the six months to 30 June 2024, and ended the period with R206 million (2023: R78 million) of cash at bank.

Net debt (excluding amounts owed to non-controlling shareholders) at 30 June 2024 was R2.93 billion (31 December 2023: R2.33 billion), an increase of R602 million, largely as a result of the acquisition of Sea Harvest Pelagic and Aqunion and the investment in working capital.

ANCHORED BY OUR PURPOSE AND VALUES

Sea Harvest celebrates a key milestone in 2024 – its 60th year in operation. What has contributed to the Company's longevity is its commitment to setting, and striving to deliver against, quality standards in every aspect of our business. This commitment has been our north star over the years, and it is why a small fishing company located in a rural area on the south-west coast of South Africa has been able to grow into a responsible, diversified and globally competitive Group of companies.

However, the first six months of the year have been some of the most difficult months in the history of the Group. During this period, we suffered the loss of 11 of our crew members with the sinking of the MFV Lepanto. We convey our sincerest condolences to the families of the lost crew. The tragedy occurred despite the Company's emphasis and implementation of a robust and extensive safety programme across its operations.

Our partnerships with organisations, such as the World Wide Fund (WWF) for Nature in South Africa, the National Business Initiative (NBI) and Marine Stewardship Council (MSC), to manage the impact on the environment with accountability continues. Through our schools recycling project, we encouraged more than 1 600 youth to care for the environment. To develop communities, the Sea Harvest Foundation (Not-for-Profit Company) approved, *inter alia*, the donation of 118 000 meals to various organisations and awarded bursaries to tertiary students in an effort to continue our long-standing ambition to assist in addressing the educational needs within our communities. The Group also proudly retained its Level 1 broad-based black economic empowerment status, consolidating its reputation as one of the most transformed fishing businesses in the country.

Sea Harvest Group would like to thank its stakeholders for their ongoing support. We are confident that we can continue adding value and positively impacting lives through our access to financial, manufactured, intellectual, human, natural, and social and relationship capital for many years to come.

OUTLOOK

With more than 50% of the hake deep-sea trawl and Horse Mackerel quota still to be caught in H2 2024, **Sea Harvest Corporation** is focused on maximising available capacity to ensure that all of the 2024 quota is caught. The addition of the Harvest Cap Nord, a freezer trawler, and the Isabella Marine, a fresh fish trawler, will assist in taking advantage of the 5% increase in the total allowable catch (TAC). The **Sea Harvest Pelagic** operations are expected to continue contributing positively for the remainder of the year. Demand internationally and locally remains firm across the **South African Fishing Group**.

Within **Aquaculture**, the slowing Chinese and Hong Kong economies and intense competition are expected to continue during H2 2024. Management is focused on diversifying market, channel, customer and product mix to mitigate the negative effects thereof. The integration of Viking Aquaculture and Aqunion will be key to extracting full value from the acquisition.

The benefit of increased milk flow and lower input cost inflation at **Ladismith** is tempered by a constrained consumer market and softer international powder prices. Management is focused on mitigating any negative effects of the Foot-and-Mouth Disease outbreak in the Eastern Cape. From a sustainability and growth perspective, the solar PV plant and new roller dryer powder plant will be commissioned in H2 2024.

Due to the later opening of the 2024 Shark Bay and Exmouth prawn fishing seasons compared to prior years, the bulk of **Australian** sales of new season catch will occur in H2 2024. This will be complemented by the increased scallop and crab quota allocated to operators in Shark Bay in 2024. Management is focused on diversifying the product, market and channel mix to mitigate the effects of the soft global prawn pricing.

Post the acquisition of Sea Harvest Pelagic and Aquaculture, the Group is focused on cost containment, working capital management, 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

Felix Ratheb
Chief Executive Officer

Cape Town

27 August 2024

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 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2024

AUDITED YEAR ENDED 31 DECEMBER 2023 R'000		NOTES	UNAUDITED SIX MONTHS ENDED 30 JUNE 2024 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2023 R'000
6 204 776	Revenue	3	**3 302 632**	3 202 639
(4 694 367)	Cost of sales		**(2 358 645)**	(2 425 851)
1 510 409	**Gross profit**		**943 987**	776 788
132 757	Other operating income[1]		**33 726**	61 963
(276 467)	Selling and distribution expenses		**(181 395)**	(144 439)
(20 303)	Marketing expenses		**(11 554)**	(11 071)
(883 979)	Other operating expenses		**(473 793)**	(431 249)
462 417	**Operating profit**		**310 971**	251 992
4 845	Share of (loss)/profit in associates		**(4 304)**	3 055
16 910	Fair value gains		**38 476**	7 568
–	Impairment of assets		**–**	(3 816)
93 310	Gain on purchased loans		**–**	93 310
(578)	Loss on disposal of subsidiaries		**–**	–
–	Gain on bargain purchase	7	**28 252**	–
576 904	**Operating profit before net finance costs and taxation**		**373 395**	352 109
23 298	Investment income		**30 272**	10 550
(245 903)	Interest expense		**(158 210)**	(114 477)
354 299	**Profit before taxation**		**245 457**	248 182
(84 940)	Taxation		**(60 699)**	(48 450)
269 359	**Profit after taxation**		**184 758**	199 732
	Profit after taxation attributable to:			
282 139	Shareholders of Sea Harvest Group Limited		**176 269**	212 529
(12 780)	Non-controlling interests		**8 489**	(12 797)
269 359			**184 758**	199 732
	Earnings per share (cents)			
102	– Basic		**61**	77
100	– Diluted		**60**	76

[1] *Other operating income includes net foreign exchange and fuel hedge losses of R15.5 million (30 June 2023: R5 million, 31 December 2023: R1.4 million) and insurance income of R10.7 million (30 June 2023: R36 million, 31 December 2023: R65 million).*

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2024

AUDITED YEAR ENDED 31 DECEMBER 2023 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2024 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2023 R'000
269 359	**Profit after taxation**	**184 758**	199 732
	Other comprehensive income		
	Items that may be reclassified subsequently to profit or loss:		
(62 974)	Movement in cash flow hedging reserve	**95 722**	(113 098)
(6 301)	Movement in cost of hedging reserve	**(4 458)**	5 577
5 398	Reserves recycled to other operating income	**2 564**	(12 268)
85 677	Exchange differences on foreign operations	**(31 493)**	95 864
	Items that may not be reclassified subsequently to profit or loss:		
(2 242)	Movement in investment at fair value through other comprehensive income	**1 649**	–
1 513	Net measurement gain on defined benefit plan	**–**	–
21 071	**Other comprehensive income, net of tax**	**63 984**	(23 925)
290 430	**Total comprehensive income for the period**	**248 742**	175 807
	Total comprehensive income attributable to:		
302 546	Shareholders of Sea Harvest Group Limited	**240 258**	187 667
(12 116)	Non-controlling interests	**8 484**	(11 860)
290 430		**248 742**	175 807

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the six months ended 30 June 2024

AUDITED YEAR ENDED 31 DECEMBER 2023 R'000		NOTES	UNAUDITED SIX MONTHS ENDED 30 JUNE 2024 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2023 R'000
	ASSETS			
2 447 353	Property, plant, equipment and vehicles[1]		**2 897 743**	2 539 794
196 098	Right-of-use assets[1]		**194 622**	216 068
71 410	Biological assets[1]	6	**168 442**	76 097
79 432	Investment properties	6	**79 432**	3 700
1 480 314	Intangible assets[1]		**1 637 828**	1 520 414
1 036 759	Goodwill[1]		**1 112 579**	1 038 937
37 417	Investment in associates		**33 112**	10 462
28 360	Investment at fair value through other comprehensive income	6	**14 180**	31 220
33 174	Other financial assets	6	**68 083**	32 124
131 086	Loans to related parties	8	**143 056**	115 090
103 590	Loans to supplier partners[1]		**107 734**	94 554
9 961	Loans receivable[1]		**12 278**	5 678
5 007	Deferred tax assets		**3 942**	6 206
5 659 961	**Non-current assets**		**6 473 031**	5 690 344
1 034 520	Inventories[1]		**1 464 204**	1 064 421
927 800	Trade and other receivables[1]		**1 343 286**	1 088 238
118 266	Biological assets[1]	6	**310 665**	103 966
1 256	Loans receivable		**2 884**	9 655
34	Other financial assets	6	**31 414**	2 427
2 107	Tax assets		**31 895**	21 541
280 601	Cash and bank balances[1]		**244 593**	119 621
2 364 584	**Current assets**		**3 428 941**	2 409 869
8 024 545	**Total assets**		**9 901 972**	8 100 213

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

AUDITED YEAR ENDED 31 DECEMBER 2023 R'000		NOTES	UNAUDITED SIX MONTHS ENDED 30 JUNE 2024 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2023 R'000
	EQUITY AND LIABILITIES			
1 689 419	Stated capital[1]		**2 158 314**	1 696 124
66 296	Other reserves		**126 601**	19 060
1 598 636	Retained earnings		**1 654 047**	1 529 031
3 354 351	Attributable to shareholders of Sea Harvest Group Limited		**3 938 962**	3 244 215
23 061	Non-controlling interests[1]		**(1 298)**	45 286
3 377 412	**Capital and reserves**		**3 937 664**	3 289 501
2 277 006	Long-term borrowings[1, 2]		**2 967 944**	2 257 675
29 791	Employee-related liabilities		**28 396**	22 147
30 990	Deferred grant income		**29 800**	32 013
201 926	Lease liabilities[1]		**200 252**	223 064
–	Other financial liabilities	6	**–**	78 158
853 988	Deferred taxation[1]		**1 087 668**	831 188
3 393 701	**Non-current liabilities**		**4 314 060**	3 444 245
321 786	Short-term borrowings		**444 047**	294 016
768 031	Trade and other payables[1]		**923 478**	897 701
30 005	Lease liabilities[1]		**31 596**	30 440
4 292	Deferred grant income		**3 745**	3 070
67 041	Other financial liabilities	6	**13**	73 382
–	Contingent consideration[1]		**139 570**	–
2 838	Provisions[1]		**44 300**	26 090
3 366	Taxation[1]		**24 537**	623
56 073	Bank overdrafts		**38 962**	41 145
1 253 432	**Current liabilities**		**1 650 248**	1 366 467
8 024 545	**Total equity and liabilities**		**9 901 972**	8 100 213

[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 Aqunion Proprietary Limited by its former shareholders, which was assumed as part of the current period business combination and is owed to non-controlling shareholders.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2024

AUDITED YEAR ENDED 31 DECEMBER 2023 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2024 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2023 R'000
3 237 058	**Balance at the beginning of the period**	**3 377 412**	3 237 058
	Attributable to:		
3 185 042	Shareholders of Sea Harvest Group Limited	**3 354 351**	3 185 042
52 016	Non-controlling interests	**23 061**	52 016
302 546	**Total comprehensive income for the period attributable to shareholders of Sea Harvest Group Limited**	**240 258**	187 667
282 139	Profit after taxation	**176 269**	212 529
20 407	Movements in other items of comprehensive income, net of tax	**63 989**	(24 862)
	Movements attributable to shareholders of Sea Harvest Group Limited		
–	Shares issued	**466 837**	–
(34 364)	Shares repurchased[1]	**(19 509)**	(27 668)
(111 032)	Dividends paid	**(120 859)**	(111 032)
33 487	Share-based payments	**17 884**	16 567
(21 328)	Further investment in subsidiary	**–**	(6 361)
(28 955)	Movement attributable to non-controlling interests	**(24 359)**	(6 730)
3 377 412	**Balance at the end of the period**	**3 937 664**	3 289 501

[1] *2 225 117 shares were repurchased for purposes of the forfeitable share plan.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2024

AUDITED YEAR ENDED 31 DECEMBER 2023 R'000		NOTES	UNAUDITED SIX MONTHS ENDED 30 JUNE 2024 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2023 R'000
	Operating activities			
269 359	Profit after taxation		**184 758**	199 732
591 675	Adjustments for non-cash and other items		**325 601**	265 801
861 034	Operating cash flows before changes in working capital		**510 359**	465 533
(78 616)	Decrease/(increase) in inventories		**2 236**	(23 538)
(75 301)	Increase in trade and other receivables		**(207 938)**	(182 339)
(24 888)	(Decrease)/increase in trade and other payables		**(36 260)**	34 789
(178 805)	Working capital changes		**(241 962)**	(171 088)
682 229	Cash generated from operations		**268 397**	294 445
(215 348)	Interest paid		**(163 759)**	(97 102)
15 678	Investment income received		**24 718**	9 959
2 353	Proceeds from government grants		**–**	–
(34 728)	Income taxes paid		**(58 810)**	(28 926)
450 184	**Net cash generated from operating activities**		**70 546**	178 376
	Investing activities			
–	Acquisition of loan claims and subsidiaries (net cash)	7	**(246 819)**	–
6 158	Disposal of subsidiaries, net of bank overdraft disposed		**–**	–
(462 986)	Acquisition of property, plant, equipment and vehicles		**(219 945)**	(303 790)
2 191	Proceeds on disposal of property, plant, equipment and vehicles		**8 084**	1 870
9 410	Insurance proceeds		**–**	4 448
(257)	Acquisition of intangible assets		**–**	–
(76 874)	Additions to biological assets		**(33 529)**	(40 037)
(1 723)	Loans advanced to related parties		**(10 369)**	(500)
3 330	Proceeds on loans advanced to supplier partners		**437**	2 738
(250)	Loans advanced to supplier partners		**(1 803)**	–
–	Proceeds on sale of investment	6	**14 060**	–
(3 339)	Cash movement in other long-term and short-term loans		**(2 957)**	(7 455)
(524 340)	**Net cash utilised in investing activities**		**(492 841)**	(342 726)
	Financing activities			
(34 364)	Shares repurchased		**(19 509)**	(27 668)
392 966	Proceeds from borrowings		**907 065**	259 072
(171 674)	Repayment of borrowings and lease liabilities		**(362 141)**	(100 623)
(111 032)	Dividends paid		**(120 859)**	(111 032)
75 896	**Net cash generated from financing activities**		**404 556**	19 749
1 740	Net (decrease)/increase in cash and cash equivalents		**(17 739)**	(144 601)
218 590	Cash and cash equivalents at the beginning of the period		**224 528**	218 590
4 198	Effects of exchange rates on the balance of cash held in foreign operation		**(1 158)**	4 487
224 528	**Cash and cash equivalents at the end of the period**		**205 631**	78 476

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2024

1. BASIS OF PREPARATION

The consolidated interim financial statements for the period ended 30 June 2024 are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim results and the requirements of the Companies Act of South Africa, applicable to financial statements. The Listings Requirements require interim results to be prepared in accordance with and containing the information required by IAS 34: Interim Financial Reporting and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

The 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 2023.

The information has not been audited or reviewed by the Group's auditors, Ernst & Young Inc. The directors take full responsibility for the preparation of this report. The consolidated interim financial statements were prepared under the supervision of Chief Financial Officer, M Brey CA(SA).

2. ACCOUNTING POLICIES

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

3. REVENUE

AUDITED YEAR ENDED 31 DECEMBER 2023 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2024 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2023 R'000
	Group revenue for the period can be analysed as follows:		
6 082 993	Revenue recognised at a point in time	**3 254 028**	3 154 768
121 783	Revenue recognised over time	**48 604**	47 871
6 204 776		**3 302 632**	3 202 639
	Revenue per product mix comprises:		
3 387 715	Wild-caught fish[1]	**2 168 625**	1 725 270
559 516	Shellfish[2]	**226 045**	182 827
490 213	Convenience foods[4]	**75 518**	400 149
180 361	Traded[3]	**84 720**	112 730
1 586 971	Dairy	**747 724**	781 663
6 204 776		**3 302 632**	3 202 639
	Revenue per channel mix comprises:		
3 017 744	International	**1 742 632**	1 455 231
998 113	Retail[5]	**436 521**	587 326
1 387 449	Foodservice	**670 695**	723 656
268 135	Wholesale	**208 684**	180 349
533 335	Business-to-business[5]	**244 100**	256 077
6 204 776		**3 302 632**	3 202 639
	Revenue is further split by geographic location as follows:[4]		
3 187 032	South Africa	**1 560 000**	1 747 408
1 107 539	Australia	**423 942**	516 063
1 347 646	Europe	**1 056 684**	719 486
386 016	Other markets[5]	**153 346**	149 069
176 543	Asia[5]	**108 660**	70 613
6 204 776		**3 302 632**	3 202 639

[1] *Cape Hake, Horse Mackerel, pilchards, anchovy and related by-catch*

[2] *Prawns, scallops, crabs and abalone*

[3] *Includes sales of purchased products*

[4] *The decrease relates to the deconsolidation of BMFM on 1 July 2023*

[5] *The 30 June 2023 and 31 December 2023 comparative amounts for **revenue per channel mix** and **revenue split by geographic location** have been changed to allow accurate comparative information. Within **revenue per channel mix**, the 30 June 2023 retail revenue amount of R256 million, and 31 December 2023 retail revenue amount of R533 million were reallocated to a newly formed **business-to-business** channel. Within **revenue split by geographic location**, the 30 June 2023 other markets revenue amount of R71 million and the 31 December 2023 other markets revenue amount of R177 million were reallocated to a newly formed **Asia** channel.*

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 and Cape Harvest Foods segments, 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 and wholesale 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, Australia, Aquaculture and Cape Harvest Foods segments.

AUDITED YEAR ENDED 31 DECEMBER 2023 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2024 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2023 R'000
	Segment revenue		
3 030 196	South African Fishing[1, 3]	**1 988 648**	1 570 513
1 140 027	Australia	**424 452**	523 821
136 015	Aquaculture[2, 3]	**102 253**	62 272
1 898 538	Cape Harvest Foods[3]	**787 279**	1 046 033
6 204 776	**Total revenue**	**3 302 632**	3 202 639
	Segment profit/(loss) from operations		
390 733	South African Fishing[3]	**299 231**	237 586
14 571	Australia	**(14 602)**	1 977
(24 312)	Aquaculture[3]	**(13 310)**	(16 086)
81 425	Cape Harvest Foods	**39 652**	28 515
462 417	**Operating profit**	**310 971**	251 992
4 845	Share of (loss)/profit in associates	**(4 304)**	3 055
16 910	Fair value gains	**38 476**	7 568
–	Impairment of assets	**–**	(3 816)
93 310	Gain on purchased loans	**–**	93 310
(578)	Loss on disposal of subsidiaries	**–**	–
–	Gain on bargain purchase	**28 252**	–
576 904	**Operating profit before net finance cost and taxation**	**373 395**	352 109
23 298	Investment income	**30 272**	10 550
(245 903)	Interest expense	**(158 210)**	(114 477)
354 299	**Profit before taxation**	**245 457**	248 182
	Total assets		
3 443 118	South African Fishing[3]	**4 569 506**	3 290 935
2 529 374	Australia	**2 449 323**	2 664 865
692 424	Aquaculture[3]	**1 483 964**	695 343
1 359 629	Cape Harvest Foods	**1 399 179**	1 449 070
8 024 545		**9 901 972**	8 100 213
	Total liabilities		
2 624 682	South African Fishing[3]	**3 554 203**	2 568 297
1 277 232	Australia	**1 253 819**	1 367 983
372 152	Aquaculture[3]	**772 861**	377 966
373 067	Cape Harvest Foods	**383 425**	496 466
4 647 133		**5 964 308**	4 810 712

[1] *Revenue excludes intersegmental revenue of R131.9 million (2023: R80.7 million), which is eliminated on consolidation.*

[2] *Revenue excludes intersegmental revenue of Rnil (2023: R0.4 million), which is eliminated on consolidation.*

[3] *As a result of the current period business combination, Sea Harvest Pelagic financial information is reported within the South African Fishing segment, while Aqunion is reported within the Aquaculture segment.*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the six months ended 30 June 2024

5. HEADLINE EARNINGS PER SHARE

AUDITED YEAR ENDED 31 DECEMBER 2023 R'000		UNAUDITED SIX MONTHS ENDED 30 JUNE 2024 R'000	UNAUDITED SIX MONTHS ENDED 30 JUNE 2023 R'000
5.1	**Determination of headline earnings**		
282 139	Profit attributable to shareholders of Sea Harvest Group Limited	**176 269**	212 529
(1 887)	Loss/(profit) on disposal of property, plant, equipment and vehicles	**2 669**	6
(9 410)	Insurance proceeds	**(7 908)**	(4 448)
578	Loss on disposal of subsidiaries	**–**	3 816
–	Gain on bargain purchase	**(28 252)**	–
3 706	Total non-controlling interest and tax effects of adjustments	**1 362**	813
275 126	**Headline earnings for the period**	**144 140**	212 716
5.2	**Calculation of weighted average number of shares (WANOS)**		
275 923 041	WANOS on which basic earnings and basic headline earnings per share is based[1]	**290 913 496**	276 074 307
282 943 808	WANOS on which diluted earnings and diluted headline earnings per share is based[1]	**296 238 116**	281 510 736
	Reconciliation of WANOS used in the calculation of basic and diluted headline earnings per share:		
275 923 041	– Basic[1]	**290 913 496**	276 074 307
7 020 767	– Dilutive effect of treasury shares (forfeitable share plan)	**5 324 620**	5 436 429
282 943 808	**Diluted**	**296 238 116**	281 510 736
	Headline earnings per share (cents)		
100	– Basic	**50**	77
97	– Diluted	**49**	76

[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

Fair value measurement

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 30 June 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	30 June 2024	**479 107**	**–**	**–**	**479 107**
Investment properties	30 June 2024	**79 432**	**–**	**–**	**79 432**
Investment at fair value through other comprehensive income	30 June 2024	**14 180**	**–**	**–**	**14 180**
Other financial assets	30 June 2024	**99 497**	**–**	**67 081**	**32 416**
Liabilities measured at fair value					
Other financial liabilities	30 June 2024	**13**	**–**	**13**	**–**
Contingent consideration	30 June 2024	**139 570**	**–**	**–**	**139 570**

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	–

Fair value measurement hierarchy for assets and liabilities as at 30 June 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	30 June 2023	180 063	–	–	180 063
Investment at fair value through other comprehensive income	30 June 2023	31 220	–	–	31 220
Other financial assets	30 June 2023	34 551	–	2 427	32 124
Liabilities measured at fair value					
Other financial liabilities	30 June 2023	151 540	–	151 540	–

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 six months ended 30 June 2024

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 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 R14.6 million (30 June 2023: R5.3 million, 31 December 2023: R14.6 million) was recognised in profit or loss relating to the valuation of biological assets. 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 Proprietary Limited. These properties were last revalued at 31 December 2023 by an independent valuator using the income capitalisation approach.
- **Investment at fair value through other comprehensive income:** Asset valuation method performed by an independent valuator and represents unlisted shares in a vessel-owning company. 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 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 in the vessel-owning company for R14 million. The Group previously held 10% of the ordinary share capital of Desert Diamond Fishing Proprietary Limited, a company involved in the fishing and fish-processing industries. The Group now holds 5%.
- **Financial assets/liabilities:**
  - Level 3 financial assets represent 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. Key unobservable assumptions being (i) the value of Vuna calculated using an average of actual 2023 earnings and 2024 projected earnings multiplied by a price earnings multiple, (ii) yield curve of 7.73% (30 June 2023: 8.49%, 31 December 2023: 7.68%), and (iii) volatility of 36.44% (30 June 2023: 37.95%, 31 December 2023: 37%). A change in unobservable inputs would not have a material change in the fair value. A fair value gain for the period on the revaluation of the share option of Rnil million (30 June 2023: R2.5 million, 31 December 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 Aqunion 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 Aqunion (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 R2.1 million was recognised during the period, 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 (Aqunion).

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 Aqunion at its proportionate percentage (36.93%) of the recognised amounts of the acquiree's identifiable net assets.

As the effective date of acquisition was 14 May 2024, the initial accounting for the acquisition has not been finalised at reporting date and may be subject to working capital, biological asset, and intangible asset changes.

The cash generating units identified for the business combination are Sea Harvest Pelagic and Aqunion.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the six months ended 30 June 2024

7. BUSINESS COMBINATION CONTINUED

The provisional purchase price allocation is as follows:

	FAIR VALUE AT ACQUISITION DATE SEA HARVEST PELAGIC R'000	FAIR VALUE AT ACQUISITION DATE AQUNION 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 partrners	3 669	–	3 669
Inventories	310 864	87 846	398 710
Trade and other receivables	161 617	35 038	196 656
Cash and bank balances	102 542	31 153	133 694
Borrowings[1]	(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 is made up of 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)	(133 694)
	126 103	120 714	246 819
(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 the 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 Aqunion was the brand name. The main classes 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 for 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.

	R'000
Impact of the acquisition on the results of the Group	
Amounts included in the Group's results relating to Aqunion and Saldanha since date of acquisition:	
Revenue	**441 165**
Profit after taxation	**85 441**
Results of the Group if Aqunion and Saldanha had been consolidated from 1 January 2024:	
Revenue	**3 844 359**
Profit after taxation	**240 745**

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

Acquisition-related costs

Acquisition costs of R16.2 million were recognised in profit or loss for the period ended 30 June 2024 and are included in other operating expenses.

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 are marketed by Sea Harvest Corporation Proprietary Limited.

	AUDITED YEAR ENDED 31 DECEMBER 2023 R'000		UNAUDITED YEAR ENDED 30 JUNE 2024 R'000	UNAUDITED YEAR ENDED 30 JUNE 2023 R'000
8.1		**Related party loans**		
		Loans to related parties – non-current		
	27 420	Vuna (joint venture of Brimstone Investment Corporation Limited (Brimstone))	**27 420**	27 420
	45 068	Vuna Fishing Group Proprietary Limited (subsidiary of Brimstone)	**45 068**	45 068
	39 396	SeaVuna[1]	**40 998**	42 602
	19 202	BM Foods Manufacturers Proprietary Limited (associate of Cape Harvest Food Group Proprietary Limited)	**29 570**	–
	131 086	**Total**	**143 056**	115 090
8.2		**Related party transactions**		
		Sales to related parties		
	14 778	SeaVuna[1]	**4 979**	7 621
		Purchases from related parties		
	295 092	SeaVuna[1]	**148 198**	152 677

[1] *SeaVuna is a wholly-owned subsidiary of Vuna.*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the six months ended 30 June 2024

9. STATED CAPITAL (NUMBER)

AUDITED YEAR ENDED 31 DECEMBER 2023		UNAUDITED YEAR ENDED 30 JUNE 2024	UNAUDITED YEAR ENDED 30 JUNE 2023
	In issue (number)		
298 866 214	Ordinary shares	**358 866 214**	298 866 214
(23 493 243)	Held as treasury shares	**(23 306 832)**	(22 790 291)
275 372 971		**335 559 382**	276 075 923

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	**298 866 214**	**23 493 243**	**275 372 971**
Shares issued	**60 000 000**	**–**	**60 000 000**
Shares repurchased	**–**	**2 225 117**	**(2 225 117)**
Shares vested	**–**	**(2 411 528)**	**2 411 528**
Closing balance	**358 866 214**	**23 306 832**	**335 559 382**

10. GOING CONCERN

Management assessed going concern, taking into account current economic conditions, available information about future risks and uncertainties (including load shedding), 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 assessment included the consideration of organic expansion projects through investment in additional capacity and the upgrade of facilities to increase performance.

The Aquaculture segment assessment included the consideration of growth rates, new product formats, new markets and customers.

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 consolidated interim financial statements.

No material covenants were breached during the period ended 30 June 2024. 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.

11. EVENTS SUBSEQUENT TO THE REPORTING DATE

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 its financial position.

12. 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.

NOTES



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