NOTICE OF ANNUAL GENERAL MEETING AND FORM OF PROXY

FOR THE YEAR ENDED 31 DECEMBER 2021

2021

SETTING THE COURSE FOR A NEW REALITY

Sea Harvest

OUR THEME AND RATIONALE



2021

SETTING THE COURSE FOR A NEW REALITY

Sea Harvest's year under review took place against the backdrop of a world at sea. The second year of the global COVID-19 pandemic, 2021 saw our lives forever altered as history claimed a devastating chapter. The virus, and the worldwide crisis it unleashed, has presented not only mankind but also the Group with the greatest challenge of our lifetime. As an industry leader, and vital community support structure, our commitment and responsibilities to our stakeholders are not only far-reaching but essential, especially during a time of such great human need. It is this sense of duty that inspired us to stay the course and prevented us from buckling under the ever-present tide of uncertainty and fear.

Instead, we drew on decades of experience navigating our business through turbulent waters. As a global agribusiness, we know how to adapt and set a course for sustainable survival in our industry from sea to shore. We do this by maintaining our focus on the horizon. Our purpose to create value that fuels inclusive economic growth and benefits society through job creation, food security and social transformation is what steadied the waters and ensured we remained on solid ground.

Anchored by our values, we were able to forge a shared path to success with innovation and continued growth. The Group's resilience and defensive nature allowed us to streamline our business strategy, so we remained steadfast amid a global storm but also stayed the course toward reaching our short-, medium- and long-term value-creating goals. Though the global challenges remained a constant fixture in 2021, we continued to deliver on our mandate to preserve our precious natural resources, while supporting our people, our communities, and all our stakeholders. Our course is set to succeed within a changed world amidst this new reality.

THE COMPASS ENABLES NAVIGATION TOWARDS THE HORIZON

THE TRIANGLE IS THE MOST STABLE AND RIGID SHAPE, REVEALING RESILIENCE AND STEADFASTNESS OF CHARACTER

APPLICATION

The theme will be integrated throughout the reports with reference to the Group's business activities that set the course for a new reality. Our use of the compass still holds true, as we adapt to a more sustainable future in our industry from sea to shore, and focus on the horizon.

WHO WE ARE

OUR

PURPOSE

Our purpose is to create value that fuels inclusive economic growth and benefits society through job creation, food security and social transformation.

VISION

We envision a Sea Harvest Group that is a leading, black-owned, responsible and diversified global agribusiness.

MISSION

To responsibly harvest, source and add value to natural and other resources in a way that exceeds stakeholder expectations, while providing sustainable employment and positively impacting the communities in which we operate and the stakeholders we serve.

VALUES

Our five core values anchor our behaviour to guide our engagements with all our stakeholders, namely:

1. We act **RESPONSIBLY**
2. We **DO WHAT WE SAY**
3. We respect **DIVERSITY**
4. We are **PASSIONATE** about our business
5. We **SAVOUR THE SEA AND THE SHORE**

OUR HISTORY

1964 Pescanova, Southern Sea Fishing Company and Imperial Cold Storage (ICS) establish Sea Harvest Corporation in Saldanha Bay.

1960s 1970s Increased focus on international markets and Cape Hake is positioned as a premium species.

1980s Sea Harvest Corporation acquires Atlantic Trawling and becomes one of the largest, vertically integrated deep-sea hake fishing companies in South Africa. However, sanctions prevent the Company from operating beyond the country's borders.

1990s Pescanova divests from Sea Harvest Corporation and ICS increases its stake to 62% and lists Sea Harvest Corporation on the JSE. Post-1994, international markets reopen and exports recommence. Tiger Brands acquires 100% of ICS and delists Sea Harvest Corporation from the JSE.

2000s Brimstone Investment Corporation Limited (Brimstone) increases its ownership in Sea Harvest Corporation to 21%. In 2009, a black consortium consisting of Brimstone, Kagiso Investment Holdings (Kagiso) and senior management acquire Tiger Brands' interest in Sea Harvest Corporation and establish Sea Harvest Holdings, of which Sea Harvest Corporation becomes a wholly-owned subsidiary.

2014 A new management team is appointed and drives a bold investment strategy to renew the Sea Harvest fleet and factories and turn around the performance of the business.

2015 Sea Harvest Holdings' shareholders facilitate the acquisition of 4.4% of the business on behalf of employees through the establishment of the Sea Harvest Employee Share Trust.

2016 Brimstone acquires Kagiso's stake in Sea Harvest Holdings, increasing its shareholding to 85%. Sea Harvest Holdings acquires a controlling interest in Mareterram Limited (Mareterram), a diversified agribusiness listed on the Australian Securities Exchange (ASX).

2017 Sea Harvest Holdings lists on the JSE as Sea Harvest Group Limited.

2018 Sea Harvest leads a black empowerment consortium that acquires 100% of Viking Fishing. Sea Harvest Group acquires a majority share of Viking Aquaculture.

2019 The Group acquires 100% of Ladismith Cheese. In May, Sea Harvest acquires 100% of Mareterram, renames the business Sea Harvest Australia and delists it from the ASX.

2020 COVID-19 severely impacts economies and businesses around the world and Sea Harvest proves its resilience and defensive characteristics in very tough conditions. Sea Harvest continues to integrate its subsidiaries and the Group readies itself for the fishing rights allocation process (FRAP) in 2021.

2021 The Group continues to navigate the COVID-19 storm, continuously adjusting to fluctuating markets.

The Group maintains its commitment to provide premium, sustainably harvested seafood and other food products demanded by its global customer base, while continuously seeking organic and acquisitive growth to ensure the long-term sustainability of the business.

The Group acquires 100% of Mooivallei on 02 August 2021, thereby increasing its cheese production capacity, and further diversifies in the South African Foods segment through the acquisition of a 53.7% majority share in the convenience foods business, BM Foods Group on 02 September 2021.

OUR FUTURE

Sea Harvest has secured its fishing rights in South Africa for the next 15 years providing certainty and business continuity. The impending MG Kailis acquisition builds a strong, diversified vertically integrated seafood business in Australia, creating an excellent business platform. The diversification into new abalone product formats and new markets are expected to drive sales and assist the business to turn around the operating loss of 2021. The availability of additional capacity at Ladismith and the acquisition of Mooivallei is expected to deliver additional volume, efficiencies and increased profitability while the acquisition of BM Foods Group introduces a platform asset with good growth prospects.

NOTICE OF ANNUAL GENERAL MEETING

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**")

We have pleasure in enclosing the notice of Annual General Meeting ("**AGM**") and Form of Proxy for the AGM of the shareholders of Sea Harvest to be conducted entirely by electronic communication on Wednesday, 18 May 2022 at 10:00. Further details on how to participate in the AGM by electronic communication are provided in paragraph 3 on **page 5** of this notice. Shareholders are strongly encouraged to submit their votes by proxy before the AGM at their earliest convenience.

We further include the Company's summarised consolidated financial statements for the year ended 31 December 2021 on **pages 27 to 43** hereof.

The Company's Integrated Report ("**IR**"), Environmental, Social and Governance Report ("**ESG Report**") and the audited Annual Financial Statements ("**AFS**") for the year ended 31 December 2021 are available for viewing and downloading on Sea Harvest's website: **www.seaharvestgroup.co.za/investors/integrated-reporting/** and **www.seaharvestgroup.co.za/investors/financial-results/**, respectively. Shareholders are advised that the IR and the ESG Report will be available for viewing on Sea Harvest's website on 19 April 2022.

Yours faithfully



Nondumiso Seshoka
Company Secretary

NOTICE OF AGM

Notice is hereby given that the AGM of the shareholders of Sea Harvest for the year ended 31 December 2021 will be conducted entirely by electronic communication on Wednesday, 18 May 2022 at 10:00.

In accordance with sections 59(1)(a) and (b) of the Companies Act, No 71 of 2008 ("**Companies Act**"), the Board of Directors of the Company ("**Board**") has set the following record dates for determining the entitlements of shareholders:

Record date to determine the shareholders entitled to receive the Notice of AGM	08 April 2022
Last date to trade to be eligible to participate in and vote at the AGM	10 May 2022
Record date to be eligible to participate in and vote at the AGM	13 May 2022

This notice of AGM is available in English at the registered office of the Company at The Boulevard Office Park, 1st Floor, Block C, Searle Street, Woodstock, Cape Town or by emailing the Company Secretary at **nondumisos@seaharvest.co.za**, from date of issue hereof until the date of the AGM.

1. PURPOSE

The purpose of the AGM is to:

- present the AFS, consider and adopt the Directors' Report, the Audit and Risk Committee Report, the Social, Ethics and Sustainability Committee Report, the Nomination and Remuneration Committees Report, and the Implementation Report for the year ended 31 December 2021 as contained in the Company's IR;
- consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions of shareholders, set out hereunder, in the manner required by the Companies Act and the Company's Memorandum of Incorporation ("**MOI**"), as read with the Listings Requirements of the exchange operated by the JSE Limited ("**JSE Listings Requirements**") on which the Company's securities are listed; and
- deal with such business as may lawfully be dealt with at the AGM.

2. IDENTIFICATION

In terms of section 63(1) of the Companies Act, before any person may attend or participate in the AGM, that person must present reasonably satisfactory identification (such as identity documents, driver's licences or passports) and the person presiding at the AGM must be reasonably satisfied that the right of the person to participate in and vote at the AGM, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified before they may attend or participate in the AGM. A shareholder or its representative or proxy, as the case may be, will be required to provide the company's Transfer Secretaries, Computershare Investor Services Proprietary Limited ("**Computershare**") at **proxy@computershare.co.za**, with reasonably satisfactory identification as a part of the validation process to participate in the virtual AGM.

3. ELECTRONIC PARTICIPATION

Shareholders or their duly appointed proxy/ies who wish to participate in the AGM via electronic communication ("**Participant/s**") are requested to either:

- register online using the online registration portal at **www.meetnow.global/za**; or
- apply to Computershare by delivering the duly completed electronic participation form (included with this notice) to First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the Participant), or sending it by email to **proxy@computershare.co.za** so as to be received by Computershare by no later than 10:00 on Tuesday, 17 May 2022. The electronic participation form can be found as an insert in this notice of AGM.

Computershare will first validate such request and confirm the identity of the Participant in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided to the Participant by email.

4. PROPOSED RESOLUTIONS

The purpose of the AGM is for the following business to be transacted and to consider and, if deemed fit, to pass the resolutions proposed herein. In terms of section 61(8)(a) and regulation 43(5)(c) of the Companies Act, the Company must present the Directors' Report, AFS, the Audit and Risk Committee Report, and the Social, Ethics and Sustainability Committee Report at the AGM.

The following reports will be presented and dealt with at the AGM in terms of the Companies Act:

- The Directors Report;
- The audited AFS;
- The Audit and Risk Committee Report;
- The Social, Ethics and Sustainability Committee Report;
- The Nomination and Remuneration Committees Report; and
- The Remuneration Policy and Implementation Report, for approval.

A copy of the complete AFS will be presented at the AGM. The Directors' Report and the Audit and Risk Committee Report are set out on **pages 12 to 16** of the AFS for the year ended 31 December 2021, which can be accessed on the Company's website at **www.seaharvestgroup.co.za/investors/financial-results/**. The Social, Ethics and Sustainability Committee Report, the Nomination and Remuneration Committees Report, and the Implementation Report are set out on **pages 109 to 126** of the IR which can be accessed on the Company's website at **https://seaharvestgroup.co.za/investors/integrated-reporting/**

The ordinary and special resolutions set out below may be proposed, considered and, if deemed fit, passed, with or without amendment, at the AGM or at any postponement or adjournment of the AGM.

Ordinary resolutions 1.1 to 1.3: Re-election of non-executive directors retiring by rotation

Shareholders are requested to consider and, if deemed fit, elect the non-executive directors named below by way of passing the separate ordinary resolutions set out below.

Explanatory note

*The following directors retire by rotation in terms of clause 26.3.2 of the MOI, which requires not less than one-third of the directors to retire at each AGM. The Board has considered the performance of these directors and supports their re-election. Brief curricula vitae of the retiring directors standing for re-election are available on the Company's website and on **page 24 to 25** hereof. The effect of passing the above ordinary resolutions will be to re-elect the persons concerned as non-executive directors to the Board with effect from the date of the AGM.*

Ordinary resolution 1.1: Re-election of Bahleli Marshall Rapiya as Non-executive Director

"**RESOLVED THAT** Bahleli Marshall Rapiya, being eligible and available for re-election in accordance with the MOI, be and is hereby re-elected as a director of the Company with effect from the passing of this resolution."

Ordinary resolution 1.2: Re-election of Mohamed Iqbal Khan as Non-executive Director

"**RESOLVED THAT** Mohamed Iqbal Khan, being eligible and available for re-election in accordance with the MOI, be and is hereby re-elected as a director of the Company with effect from the passing of this resolution.

Ordinary resolution 1.3: Re-election of Wouter André Hanekom as Non-executive Director

"**RESOLVED THAT** Wouter André Hanekom, being eligible and available for re-election in accordance with the MOI, be and is hereby re-elected as a director of the Company with effect from the passing of this resolution."

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Ordinary resolution 2: Adoption of audited AFS

To receive and consider for adoption the audited AFS, incorporating the Directors' Report, the Audit and Risk Committee Report, and the Independent Auditor's Report for the year ended 31 December 2021.

"**RESOLVED THAT** the audited AFS of the Company, incorporating the Directors' Report, the Audit and Risk Committee Report, and the Independent Auditor's Report for the year ended 31 December 2021 be accepted and adopted."

Ordinary resolution 3: Reappointment of Ernst & Young as external auditor

To approve the reappointment of Ernst & Young as external auditor of the Company for the ensuing financial year and to note that the individual registered auditor who will undertake the audit is Pierre Du Plessis. The Audit and Risk Committee has recommended that the firm and the designated auditor be reappointed as auditor of the Group for the ensuing financial year.

Explanatory note
The effect of this resolution would be to reappoint Ernst & Young as the external auditor and Pierre Du Plessis as the individual audit partner until the next AGM.

"**RESOLVED THAT** Ernst & Young be and is hereby reappointed as the auditor of the Company to hold office from the conclusion of the AGM and that Pierre Du Plessis be and is hereby appointed as the designated auditor from the conclusion of the annual AGM, until the conclusion of the next AGM of the Company, as recommended by the Company's Audit and Risk Committee."

Ordinary resolutions 4.1 to 4.4: Re-election of Chairperson and members of the Audit and Risk Committee

To elect an Audit and Risk Committee to conduct the duties and responsibilities as outlined in section 94(7) of the Companies Act.

Explanatory note
In terms of section 94(2) of the Companies Act, a public company, at each AGM, must elect an audit committee comprising at least three members who are all independent non-executive directors. The effect of passing these resolutions will be to elect the persons listed below as members of the Company's Audit and Risk Committee, subject to each person's appointment as director. Brief curricula vitae of the candidates for election to the Audit and Risk Committee are available on the Company's website and on ***page 24 to 25*** *hereof.*

Ordinary resolution 4.1: Re-election of Kari Ann Lagler as Chairperson

"**RESOLVED THAT** Kari Ann Lagler be and is hereby re-elected as Chairperson of the Audit and Risk Committee."

Ordinary resolution 4.2: Re-election of Bahleli Marshall Rapiya as member

"**RESOLVED THAT** Bahleli Marshall Rapiya be and is hereby re-elected as a member of the Audit and Risk Committee."

Ordinary resolution 4.3: Re-election of Wouter Andre Hanekom as member

"**RESOLVED THAT** Wouter André Hanekom be and is hereby re-elected as a member of the Audit and Risk Committee."

Ordinary resolution 4.4: Re-election of Carol Kholeka Zama as member

"**RESOLVED THAT** Carol Kholeka Zama be and is hereby re-elected as a member of the Audit and Risk Committee."

Ordinary resolution 5: General authority to issue ordinary shares for cash

Explanatory note
The reason for and effect of this ordinary resolution is to authorise the Board to allot and issue ordinary shares in the capital of the Company for cash. In accordance with the JSE Listings Requirements, this resolution requires the approval of at least 75% (seventy-five percent) of the voting rights of shareholders exercised on the resolution.

"**RESOLVED THAT** the directors of the Company be and are hereby authorised (and without thereby limiting any other authority conferred upon the directors in terms of any other resolution included in this notice) by way of a general authority to allot and issue ordinary shares in the capital of the Company for cash, including within the scope of such authority the ability to issue options and securities (including any convertible preference shares in the authorised capital of the Company) that are convertible into ordinary shares, subject to the limitations as set out in the MOI and the provisions of the Companies Act and the JSE Listings Requirements from time to time, on the following basis (or such other basis as may be required by the JSE Listings Requirements from time to time):

- The shares which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such shares or rights that are convertible into a class of shares already in issue.
- There will be no restrictions in regard to the persons to whom the shares may be issued, provided that such shares are to be issued to public shareholders (as defined by the JSE Listings Requirements) and not to related parties (as defined by the JSE Listings Requirements).
- The total aggregate number of ordinary shares which may be issued for cash in terms of this authority may not exceed 14 943 310, being 5% (five percent) of the aggregate number of ordinary shares (298 866 214) listed as at the date of this notice.
- Any securities issued in terms of this general authority must be deducted from the initial number of securities available under this general authority.

- In the event of subdivision or consolidation prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio.
- This authority shall be valid until the Company's next AGM or for 15 (fifteen) months from the date of the passing of the ordinary resolution, whichever is the earlier, provided that it shall not extend beyond 15 (fifteen) months from the date that this authority is given.
- The maximum discount at which the shares may be issued is 10% (ten percent) of the weighted average traded price of those shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed to between the Company and the party/ies subscribing for the shares. The JSE should be consulted for a ruling if the Company's shares have not traded in such 30 (thirty) business day period.
- Upon any issue of ordinary shares which, together with prior issues of ordinary shares during the same financial year, will constitute 5% (five percent) or more of the total number of ordinary shares in issue prior to that issue, the Company shall publish an announcement in terms of paragraph 11.22 of the JSE Listings Requirements, giving full details hereof, including (i) the number of ordinary shares issued; (ii) the average discount to weighted average traded price of the ordinary shares over the 30 (thirty) business days prior to the date that the issue is agreed in writing between the Company and the party/ies subscribing for the shares; and (iii) in respect of the issue of options and convertible securities issued for cash, the effects of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share; or (iv) in respect of an issue of shares for cash, an explanation including supporting information (if any), of the intended use of funds."

Non-binding advisory votes 1 and 2: Approval of the Company's Remuneration Policy and the Implementation Report

Explanatory note

In terms of principle 14 of King IV™ and paragraph 3.84(j) of the JSE Listings Requirements, the Company's Remuneration Policy and Implementation Report should be tabled to the shareholders for separate non-binding advisory votes at the AGM. Accordingly, the shareholders are requested to endorse the Company's Remuneration Policy and Implementation Report, respectively, by way of separate non-binding advisory votes, in the same manner as an ordinary resolution.

The approval of the Remuneration Policy and Implementation Report is not a matter that is required to be resolved or approved by shareholders and therefore no minimum voting threshold is required for the non-binding advisory vote.

Nevertheless, for record purposes, the minimum percentage of voting rights that is required in favour of the Remuneration Policy and the Implementation Report is 50% (fifty percent) of the voting rights plus 1 (one) vote to be cast. In the event that the Remuneration Policy and/or the Implementation Report is/are voted against by shareholders exercising 25% or more of the voting rights exercised, the Company will invite dissenting shareholders to engage with it on their concerns in line with the provisions of the JSE Listings Requirements.

*The Remuneration Policy and the Implementation Report of the Company are set out on **page 118 to page 126** of the IR which can be accessed on the Company's website on 19 April 2022 at **https://seaharvestgroup.co.za/investors/integrated-reporting/***

Non-binding advisory vote 1: Approval of the Remuneration Policy

"**RESOLVED** as a non-binding advisory vote that the Company's Remuneration Policy, contained on **page 118** of the IR, be accepted and approved in terms of King IV™ and the JSE Listings Requirements."

Non-binding advisory vote 2: Approval of the Implementation Report

"**RESOLVED** as a non-binding advisory vote that the Company's Implementation Report, contained on **page 123** of the IR, be accepted and approved in terms of King IV™ and the JSE Listings Requirements."

Special resolution 1: General authority to repurchase the Company's shares

To consider and, if deemed fit, to pass, with or without modification, the general authority for the acquisition by the Company or any of its subsidiaries of shares issued by the Company.

Explanatory note

The reason for this special resolution is to grant the Company and subsidiaries of the Company a general authority in terms of the Companies Act and the JSE Listings Requirements to acquire the Company's ordinary shares, which authority shall be valid until the next AGM or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this AGM.

The Board requires such general authority to be implemented in order to facilitate the repurchase of the Company's ordinary shares.

Repurchases or purchases, as the case may be, will only be made after careful consideration, where the Board considers that such repurchase, or purchase, will be in the best interests of the Company and its shareholders.

"**RESOLVED THAT** the Company hereby approves, as a general authority contemplated in the JSE Listings Requirements, the acquisition by the Company or any of its subsidiaries from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the MOI, the provisions of sections 46 and 48 of the Companies Act and the JSE Listings Requirements as presently constituted and which may be amended from time to time. The applicable JSE Listings Requirements, being, as at the date of this resolution, that:

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

- any acquisition of ordinary shares shall be purchased through the order book of the trading system of the JSE, and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty;
- the general repurchase by the Company, and by its subsidiaries, of the Company's ordinary shares is authorised by its MOI;
- this general authority shall be valid until the Company's next AGM or for 15 (fifteen) months from the date of adoption of this special resolution, whichever period is shorter;
- repurchases of shares in aggregate in any one financial year may not exceed 10% (ten percent) of the Company's issued ordinary share capital as at the date of adoption of this special resolution;
- repurchases must not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction is effected, and the JSE should be consulted for a ruling if the applicant's securities have not traded in such 5 (five) business day period;
- at any point in time, the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary of the Company;
- the passing of a resolution by the directors authorising the repurchase, that the Company and its subsidiaries passed the solvency and liquidity test, and that since the test was done there have been no material changes to the financial position of the Company;
- subject to the exceptions contained in the JSE Listings Requirements, the Company and the relevant subsidiaries will not repurchase ordinary shares during a prohibited period (as defined in the JSE Listings Requirements), unless they have in place a repurchase programme where the dates and quantities of ordinary shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period and have been submitted to the JSE in writing prior to the commencement of the prohibited period. Sea Harvest will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- an announcement complying with paragraph 11.27 of the JSE Listings Requirements will be published by the Company or its subsidiary (i) when the Company and/or its subsidiary/ies have cumulatively repurchased 3% (three percent) of the ordinary shares in issue as at the date of the listing of the ordinary shares in the Company on the JSE ("**the initial number**") and (ii) for each 3% (three percent) in the aggregate of the initial number of ordinary shares acquired thereafter by the Company and/or its subsidiaries;
- in accordance with the JSE Listings Requirements, the directors record that, although there is no immediate intention to effect a repurchase of the shares of the Company, the directors will utilise this general authority to repurchase shares as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action; and
- the directors, after considering the effect of the maximum repurchase, are of the opinion that, for a period of 12 (twelve) months after the date of this notice:
  - the Company and the Group will, in the ordinary course of business, be able to pay their debts;
  - the assets of the Company and the Group, being fairly valued in accordance with International Financial Reporting Standards, will be in excess of the liabilities of the Company and the Group;
  - the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes; and
  - the working capital of the Company and the Group will be adequate for ordinary business purposes."

The following additional information, which appears in the IR and AFS, is provided in terms of the JSE Listings Requirements for purposes of this general authority:

- An analysis of ordinary shareholders on **page 111** of the AFS
- The authorised and issued shares of the Company on **page 9** of the AFS

Directors' responsibility statement

The directors, whose names appear on **page 34** of this document, collectively and individually accept full responsibility for the accuracy of the information pertaining to these resolutions and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all required information.

Material changes

There have been no material changes in the affairs or financial position of the Company and its subsidiaries between 31 December 2021 and the date of this notice.

Special resolution 2: Approval of non-executive directors' remuneration

To approve the annual remuneration of the non-executive directors of the Company, to be paid for their services in their capacity as directors, for the period from 1 July 2022 to 30 June 2023.

Explanatory note

In terms of section 66(8) of the Companies Act, the Company may pay remuneration to its directors for their service as directors. Section 66(9) requires the remuneration to be paid in accordance with a special resolution approved by shareholders within the previous two years.

"**RESOLVED THAT** the remuneration of the non-executive directors of the Company, as reflected below, be and is hereby approved for the period from 1 July 2022 to 30 June 2023. It be noted that the fees quoted are VAT exclusive.

NON-EXECUTIVE DIRECTORS' FEES	R (EXCLUDING VAT)
Sea Harvest Group Limited Board of Directors	
Chairperson	694 577
Lead Independent Director	328 216
Members	262 572
Audit and Risk Committee	
Chairperson	170 673
Members	90 797
Nomination and Remuneration Committees	
Chairperson	131 286
Members	65 644
Social, Ethics and Sustainability Committee	
Chairperson	131 286
Members	65 644
Investment and Hedging Committee	
Chairperson	131 286
Members	Nil "

Special resolution 3: General approval to provide financial assistance to related and interrelated companies and others

Explanatory note

The reason for this special resolution is for the shareholders of the Company to provide a general authority for the Company to provide direct or indirect financial assistance to a related and interrelated company or corporation, subject to subsections 45(3) and 45(4) of the Companies Act.

Section 45 of the Companies Act provides, inter alia, that any direct or indirect financial assistance to a related or interrelated company or corporation must be provided only pursuant to a special resolution of the shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient or generally for a category of potential recipients, and the specific recipient falls within that category, and the Board must be satisfied that:

- *immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act; and*
- *the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act.*

The Company, when the need arises, inter alia, provides loans to and/or guarantees repayment or other obligations of subsidiaries or related or interrelated companies. The Company requires the ability to continue providing financial assistance, if and when necessary, to its current and future subsidiaries and/or any other company or corporation that is or becomes related or interrelated, in accordance with section 45 of the Companies Act.

In the circumstances and in order to, inter alia, ensure that the Company's subsidiaries and other related and interrelated companies and/or corporations have access to financing and/or financial backing from the Company, it is necessary to obtain the approval of shareholders, as set out in this special resolution.

The passing of this special resolution will have the effect of allowing the Board the necessary authority to provide such financial assistance to a related or interrelated company or corporation and/or to any persons related to any such companies, corporations, or members, as and when required to do so.

"**RESOLVED THAT** in terms of section 45(3) of the Companies Act, and subject to compliance with the requirements of the Company's MOI and the applicable provisions of the Companies Act, including but not limited to the Board being satisfied that, immediately after providing financial assistance, the Company would satisfy the solvency and liquidity test (as contemplated in section 4 of the Companies Act) and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company, and the JSE Listings Requirements, each as presently constituted and as amended from time to time, the Company be and is hereby authorised to provide direct or indirect financial assistance, as contemplated in the Companies Act, to any present or future director or prescribed officer of the Company or of a related or interrelated company, or to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, or to a person related to any such company, corporation, director, prescribed officer, or member. The financial assistance may be provided at any time during the period commencing on the date of the adoption of this resolution and ending 2 (two) years after such date."

Special resolution 4: Approval of provision of financial assistance for the acquisition of shares

Explanatory note

In terms of section 44(3)(a)(ii) of the Companies Act, the Board may not authorise any financial assistance, unless, pursuant to a special resolution of the shareholders adopted within the previous 2 (two) years, either as a general or specific authority, the shareholders of the company have approved such financial assistance.

The reason for and effect of this special resolution is to grant the Board of the Company the general authority to provide such direct or indirect financial assistance. This authority will be in place for a period of 2 (two) years from the date of adoption of this resolution. This resolution requires the approval of at least 75% (seventy-five percent) of the voting rights of shareholders exercised on the resolution.

"**RESOLVED THAT** in terms of section 44(3) of the Companies Act, subject to the requirements of the Company's MOI, the Company be and is hereby authorised, at any time and from time to time during the period of 2 (two) years commencing on the date of adoption of this special resolution, to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with the subscription of any option, or any securities, issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company, provided that:

- the recipient or recipients of such financial assistance, and the form, nature and extent of such financial assistance, and the terms and conditions under which such financial assistance is provided, are determined by the Board from time to time; and
- the Board is satisfied that, immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test (as contemplated in section 4 of the Companies Act) and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company."

Special resolution 5: Specific authority to repurchase Vested Shares resulting from the Company FSP

Explanatory note

*Capitalised terms used in this special resolution have the meaning given thereto in Annexure 1 to this notice of AGM. The Company has in place a long-term share incentive plan known as the Forfeitable Share Plan ("**FSP**"), in terms of which Forfeitable Shares are from time to time awarded to employees of the Group on the basis that the relevant Forfeitable Shares (being Retention Shares, Bonus Shares and/or Performance Shares) are released to them once they have Vested. Upon such Vesting, Participants in the FSP are able to deal freely with their Forfeitable Shares.*

Due to the illiquidity of the Company Shares, the Company would prefer to have at its disposal an alternative mechanism to facilitate the sale of Vested Forfeitable Shares by those Participants who may from time to time wish to dispose of their Vested Forfeitable Shares. The Company is of the view that this could be achieved by the Company, through any one of more of its major subsidiaries, repurchasing such Vested Forfeitable Shares. The Shares repurchased from the Participants would be held as treasury shares and would be subsequently issued by the FSP for settlement of new awards made by the FSP.

Any such repurchase would be a Specific Repurchase in terms of the JSE Listings Requirements and could only be undertaken in terms of a specific authority granted by Shareholders. The Company is seeking such specific authority from Shareholders to effect such Specific Repurchases. Full details of the Specific Repurchase Authority and all related information required by the JSE Listings Requirements are set out in Annexure 1 on ***pages 14 to 19*** *to this notice of AGM.*

"**RESOLVED THAT** the Company through any one or more of its major subsidiaries be and is hereby authorised to repurchase Vested Forfeitable Shares from Participants (which may include directors or prescribed officers of the Company, or persons related to directors or prescribed officers of the Company) following the Vesting of their Forfeitable Shares, on the following basis:

- This Specific Repurchase Authority will apply in respect of Forfeitable Shares due to Vest in March 2023 and will expire at the conclusion of the Specific Repurchase, which will be calculated with reference to the Repurchase Period.
- The Specific Repurchase by the Company in terms of this Specific Repurchase Authority will be subject to the following:
  - the maximum aggregate number of Forfeitable Shares in respect of the Specific Repurchase will not exceed 2 465 721 Forfeitable Shares, being the total number of Forfeitable Shares due to Vest in March 2023, and should the Company's issued share capital remain unchanged, the Specific Repurchase would represent a repurchase of 0.83% of the Company's issued share capital.
  - the exact Specific Repurchase Price cannot at this stage be determined as the value of the Shares in 2023 is unknown, however, the Repurchase Price will be at the volume weighted average price of the Shares traded on the JSE over the 30 (thirty) Business Days prior to the date of Vesting of the Forfeitable Shares, and will not be at a premium, as agreed in writing between any one or more of the Company's major subsidiaries and the relevant Participant, using an indicative value of R14.00 (fourteen rand) per Share, the maximum Repurchase Price in respect of the Repurchase would be approximately R34 520 094 (thirty-four million five hundred and twenty thousand and ninety-four rand);
  - the Specific Repurchase will occur during the Repurchase Period and will not occur during a Prohibited Period as defined in the JSE Listings Requirements;
  - subsequent to the Specific Repurchase, the Forfeitable Shares repurchased pursuant to the Specific Repurchase will be held as treasury Shares by any one or more of the Company's major subsidiaries and would be subsequently issued by the FSP for settlement of new awards made by the FSP; and
  - is subject to Board approval in accordance with the Board Authority.

Any Specific Repurchase envisaged in this resolution is subject to the provisions of the MOI, the Companies Act and the JSE Listings Requirements, where applicable."

Ordinary resolution 6: Authorisation of directors and Company Secretary

Explanatory note

The purpose of the resolution is to authorise the directors and Company Secretary to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the ordinary and special resolutions contained in this AGM notice.

"**RESOLVED THAT** any director of the Company or the Company Secretary be and is hereby authorised to sign all such documentation and to do all such things as may be necessary for or incidental to the implementation of ordinary and special resolutions passed by the Shareholders at the AGM."

5. OTHER BUSINESS

The shareholders are authorised to transact any other business as may be transacted at the AGM. The percentage of voting rights of the votes, present in person, represented, or by proxy at the AGM, required for the passing of each special resolution proposed above is at least 75% (seventy-five percent) of the voting rights cast on such resolutions, and for the passing of each ordinary resolution proposed above is more than 50% (fifty percent) of the voting rights cast on such resolutions.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

6. GENERAL INSTRUCTIONS AND INFORMATION

Shareholders who are entitled to attend, participate in, and vote at the AGM may appoint one or more proxies to attend, participate and vote in their stead. A proxy does not have to be a shareholder of the Company. The Form of Proxy for use by ordinary shareholders that hold certificated shares or dematerialised shares registered in their 'own name' at the AGM is enclosed with this notice.

Shareholders are strongly encouraged to submit their votes by proxy before the AGM at their earliest convenience. A shareholder who wishes to appoint a proxy to represent him/her at the AGM is required to:

- complete the attached Form of Proxy; and
- lodge the completed Form of Proxy with the Company's Transfer Secretaries in South Africa, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or post it to Computershare Investor Services Proprietary Limited, Private Bag X9000, Saxonwold, 2132, or email **proxy@computershare.co.za** not later than 24 hours before the time appointed for the holding of the AGM (excluding Saturdays, Sundays and public holidays).

Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached Form of Proxy as stipulated in section 58(3)(b) of the Companies Act. Unless revoked before then, a signed Form of Proxy shall remain valid at any adjournment or postponement of the AGM and the proxy so appointed shall be entitled to vote, as indicated on the Form of Proxy, on any resolution (including any resolution which is amended or modified) at such AGM, or any adjournment or postponement thereof. Please note that if you are the owner of dematerialised shares (i.e., have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, Strate Limited ("**Strate**")), held through a CSDP or broker and are not registered as an "own name" Dematerialised shareholder, you are not a registered shareholder of the Company, but appear on the sub-register of the Company held by your CSDP. Accordingly, in these circumstances subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to virtually attend the AGM you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively,
- if you are unable to attend the AGM but wish to be represented at the AGM, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the AGM and/or request them to appoint a proxy. You must not complete the attached Form of Proxy.

The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by them. CSDPs, brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of Strate may, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the Company, vote by either appointing a duly authorised representative to virtually attend and vote at the AGM or by completing the attached Form of Proxy in accordance with the instructions thereon and, for administrative reasons, returning it to the Company's Transfer Secretaries, Computershare, in South Africa, at its physical office at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, by post to Private Bag X9000, Saxonwold, 2132 or by email to **proxy@computershare.co.za** by no later than 10:00 on Tuesday, 17 May 2022 (being not less than 24 hours before the time appointed for the holding of the AGM (excluding Saturdays, Sundays and public holidays)) provided that, should the relevant CSDP, broker or its nominee, as the case may be, not return such Form of Proxy to the Company's Transfer Secretaries within the time stipulated above, it shall nevertheless be entitled to email the Form of Proxy to the Company via Computershare at **proxy@computershare.co.za** any time before or during the AGM, provided that this must take place before the appointed proxy exercises any of the shareholder rights of the relevant CSDP, broker or its nominee, as the case may be, at the AGM (or any postponement or adjournment of the AGM).

Note that voting will be performed by way of a poll so that each shareholder virtually present or represented by way of proxy will be entitled to vote the number of shares held or represented by them. Shareholders which are companies and wish to participate in the AGM may authorise any person to act as their representative at the AGM.

The cost of the Participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone or internet service provider. The cut-off time, for administrative purposes, to submit an application to Computershare as described above or register on **www.meetnow.global/za** in order to participate in the **virtual AGM will be 10:00 on Tuesday, 17 May 2022**. The Participant's unique access credentials will be forwarded to the email address/mobile number provided by them.

By order of the Board

Sea Harvest Group Limited

Per: Nondumiso Seshoka
Company Secretary
14 April 2022



ANNEXURE 1

Explanatory annexure relating to:

Special resolution 5: Specific authority to repurchase Vested Shares resulting from the Company's Forfeitable Share Plan

1. INTRODUCTION AND RATIONALE

The Company has in place a long-term incentive plan known as the FSP, and in terms of the FSP, Forfeitable Shares are from time to time awarded to Participants on the basis that the relevant Forfeitable Shares (being a combination of Retention Shares, Bonus Shares and Performance Shares) are released to them once they have Vested. Upon such Vesting, Participants are able to deal freely with the Forfeitable Shares, and may, for example, sell them on the JSE in order to raise funds to pay any taxes in respect of which they have become liable as a result of such Vesting.

The Company wishes to have at its disposal an alternative mechanism to facilitate the sale of Vested Forfeitable Shares by those Participants who may from time to time wish to dispose of their Vested Forfeitable Shares and is of the view that this could be achieved by the Company or any one of more of its major subsidiaries repurchasing such Vested Forfeitable Shares.

The purpose of this Circular is to furnish Shareholders with information relating to the Specific Repurchase Authority, to be proposed at the AGM, at which Shareholders can vote on the special and ordinary resolutions required to implement the Specific Repurchase Authority. Should Shareholders pass the required resolutions, the Specific Repurchase Authority would apply to Forfeitable Shares due to Vest on or about 8 March 2023. As such, the Specific Repurchase Authority will expire at the conclusion of the Specific Repurchase, which period will be calculated with reference to the Repurchase Period. The Specific Repurchase will be implemented subject to Board Authority and the JSE Listings Requirements.

2. DEFINED TERMS

In this Circular, unless the contrary appears from the context, words and phrases used will have the defined meanings given thereto and:

"AGM"	the Annual General Meeting of the Company to be conducted entirely by electronic communication on Wednesday, 18 May 2022 at 10:00, which meeting is convened in terms of the notice of Annual General Meeting attached to this Circular, inclusive of any meeting which may be held as a result of any postponement, adjournment or reconvening thereof;
"Board Authority"	the approval granted by the Board, approving the Specific Repurchase, in accordance with, *inter alia*, sections 46 and 48 of the Companies Act and paragraph 5.69(d) of the JSE Listings Requirements, which requires a resolution by the Board that it has authorised the Specific Repurchase, that the Company and/or its major subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group (being the liquidity and solvency provisions), as well as the statements made by the Board on an annual basis, after considering the effect of the Annual Specific Repurchase in respect of that financial year, that the provisions of sections 4 and 48 of the Companies Act have been complied with and that, for a period of 12 months from the date of the Board approval in respect of the Specific Repurchase the – 1. Company and the Group will be able in the ordinary course of business to pay their debts; 2. assets of the Company and the Group will be in excess of the liabilities of the Company or the Group, respectively (for which purpose assets and liabilities shall be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of the Company which comply with the Companies Act); 3. share capital and reserves of the Company and the Group will be adequate for ordinary business; and 4. working capital of the Company and the Group will be adequate for ordinary business purposes;
"Board"	the Board of Directors of the Company;
"Bonus Shares"	the Forfeitable Shares awarded, registered in the name of the Participant, and held for his benefit, the Vesting of which is subject to the fulfillment of the employment condition as specified in the applicable award letter;
"Business Day"	any day, other than a Saturday, Sunday, or public holiday in South Africa;
"Certificated Shareholder"	a holder of Certificated Shares;
"Certificated Shares"	Shares which are not dematerialised, title to which is represented by physical Documents of Title;
"Circular"	this bound document, dated 14 April 2022, including its annexures hereto and incorporating a notice of Annual General Meeting and, where applicable, a Form of Proxy;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended from time to time;

"CSDP"	Central Securities Depository Participant as defined in section 1 of the Financial Markets Act, appointed by a Shareholder for purposes of, and in regard to, Dematerialisation and to hold and administer Dematerialised Shares or an interest in Dematerialised Shares on behalf of a Shareholder;
"Dematerialised Shares"	Shares which have been incorporated into the Strate system, title to which is not represented by physical documents of title;
"Financial Markets Act"	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
"Forfeitable Shares"	Shares comprising Retention Shares and/or Bonus Shares; and/or Performance Shares as specified in the applicable award letter, registered in the name of the applicable Participant subsequent to the applicable award date, and the Vesting of which is subject to the fulfillment of the performance conditions, where applicable, and/or employment condition; as specified in the applicable award letter;
"Form of Proxy"	form used by Certificated Shareholders or Dematerialised Shareholders who are registered with own-name registration to vote by proxy;
"FSP Rules"	the rules of the FSP, as amended from time to time;
"FSP" or "Forfeitable Share Plan"	the Sea Harvest Group Limited Forfeitable Share Plan, approved by Shareholders and the JSE on or about 15 February 2017;
"Group"	the Company and its subsidiaries;
"JSE Listings Requirements"	the Listings Requirements of the JSE;
"JSE"	the Johannesburg Stock Exchange, being the exchange operated by the JSE Limited (Registration number 2005/022939/06), a public company incorporated and registered in accordance with the laws of South Africa, and licensed to operate as an exchange under the Financial Markets Act;
"Last Practicable Date"	the Last Practicable Date prior to the finalisation of the Circular, being Friday, 08 April 2022;
"MOI"	the Company's Memorandum of Incorporation;
"Participant"	an employee of the Group to whom an award has been made under the FSP and who has accepted such award, including the executor of such employee's deceased estate;
"Performance Shares"	the Forfeitable Shares awarded and registered in the name of the applicable Participant and held for his/her benefit, the Vesting of which is subject to the fulfillment of the performance conditions as stipulated in the applicable award letter;
"Prohibited Period"	has the meaning given thereto in the JSE Listings Requirements;
"Remuneration Committee"	the Remuneration Committee of the Board, the members of which do not hold any executive office within the Group;
"Repurchase Period"	the 60-day period calculated from the date of the Vesting of the Forfeitable Shares, and which period will be suspended for as long as it coincides with any Prohibited Period to which the Company is subject;
"Retention Shares"	the Forfeitable Shares awarded and registered in the name of the applicable Participant and held for his/her benefit, the Vesting of which is subject to the fulfillment of the employment condition as stipulated in the applicable award letter;
"Sea Harvest" or the "Company"	Sea Harvest Group Limited (Registration number 2008/001066/06), a public company duly registered and incorporated in accordance with the laws of South Africa and listed on the JSE;
"SENS"	the Stock Exchange News Service operated by the JSE;
"Shareholder"	a holder of Shares from time to time;
"Shares"	ordinary shares in the issued share capital of the Company
"Specific Repurchase Authority"	the proposed specific authority granted to the Company to repurchase the 2020 tranche of Forfeitable Shares due to Vest in 2023, through any one or more of its major subsidiaries, from Participants following Vesting of their Forfeitable Shares, subject to the limitations set out in this Circular;
"Specific Repurchase Price"	the volume weighted average price of the Shares traded on the JSE over the 30 (thirty) Business Days prior to the date of the Vesting of the that particular tranche of Forfeitable Shares which price is subject to the provisions of paragraph 4 of this Circular;
"Specific Repurchase"	the Specific Repurchase by the Company through or any one or more of its major subsidiaries of Forfeitable Shares from a Participant in terms of the Specific Repurchase Authority;
"Strate"	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated and registered in accordance with the laws of South Africa, a registered central securities depositary responsible for the electronic settlement used by the JSE;
"Transfer Secretaries"	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), full details of which are set out in the "Corporate Information" section of this Circular; and
"Vest"	Forfeitable Shares of a Participant no longer being subject to any restrictions or potential forfeiture as determined in terms of the rules of the FSP and Vesting in the name of the Participant.

ANNEXURE 1 CONTINUED

3. THE SPECIFIC REPURCHASE AUTHORITY

It is proposed that the Company be given the specific authority to repurchase, either itself or through any one or more of its wholly owned subsidiaries, by way of the Specific Repurchase, Vested Forfeitable Shares from Participants wishing to dispose of their Vested Forfeitable Shares at the Specific Repurchase Price, on the basis that such authority will apply in respect of the Forfeitable Share due to Vest in the 2023 financial year of the Company (such Vesting to occur during March 2023) and will expire at the end of the applicable Repurchase Period (i.e. during May 2023). The Specific Repurchase in terms of the Specific Repurchase Authority will be subject to the following:

3.1 the aggregate number of Forfeitable Shares to be repuchased will not exceed a maximum of 2 465 721 Forfeitable Shares, being the total number of the Forfeitable Shares due to Vest in March 2023, and representing 0.83% of the Company's issued share capital;

3.2 the Company or any one or more of its major subsidiaries will purchase the Forfeitable Shares at the Specific Repurchase Price, being the volume weighted average price of the Shares traded on the JSE over the 30 Business Days prior to the date of the Vesting of the Forfeitable Shares and as agreed in writing between the Company or any one or more of its major subsidiaries and the relevant Participant; and

3.3 the Specific Repurchase will occur in the Repurchase Period and will not occur during a Prohibited Period, unless agreed upfront with the JSE in terms of the provisions of paragraph 5.69(h) of the JSE Listings Requirements.

Following to the applicable Specific Repurchase, the Forfeitable Shares repurchased by any of the Company's wholly owned subsidiaries pursuant to the Specific Repurchase will be held as treasury shares by such subsidiaries and could be subsequently applied by the FSP in settlement of new awards made by the FSP. The Specific Repurchase would be subject to Board approval in accordance with the Board Authority. In terms of section 48(8)(a) of the Companies Act, to the extent that any Forfeitable Shares will, pursuant to the Specific Repurchase Authority, be repurchased by the Company from a director or prescribed officer of the Company, or a person related to a director or prescribed officer of the Company, this must be approved by a special resolution of the Shareholders.

In terms of the JSE Listings Requirements, the Specific Repurchase Authority requires the approval of a special resolution, which requires the support of at least 75% of the votes cast in favour thereof by all Shareholders present or represented by proxy at the Annual General Meeting.

In terms paragraph 5.69(b) of the JSE Listings Requirements, Participants and their associates will be excluded from voting their Shares on the special resolution required to provide the Specific Repurchase Authority. However, their votes will be considered for purposes of establishing a quorum for the AGM.

4. RELATED PARTIES CONSIDERATIONS

In terms of paragraph 10.1 of the JSE Listings Requirements, any directors of the Company who are Participants would be classified as related parties.

Notwithstanding that the Specific Repurchase may be from related parties as defined in terms of the JSE Listings Requirements, the Specific Repurchase Price, is not at a premium to the volume weighted average price of the Shares traded on the JSE over 30 Business Days prior to the date of the Vesting of that particular tranche of Forfeitable Shares and as agreed in writing between the Company and the relevant Participant. As such, a fairness opinion will not be required in terms of paragraph 5.69(e) of the JSE Listings Requirements.

We set out below the directors of the Company and its major subsidiaries who are also Participants and their number of Forfeitable Shares due to Vest in 2023. The directors' Forfeitable Shares listed below have been included in the calculation of the maximum number of Forfeitable Shares that may be repurchased.

DIRECTOR'S NAME*	FORFEITABLE SHARES AWARDED AND VESTING IN MARCH 2023
Felix Ratheb+	612 308
Muhammad Brey+	315 139
Terence Calvin Brown#	177 146
Madoda Khumalo#	43 839
Konrad Geldenhuys#	176 458

*In respect of related parties, only executive directors participate in the FSP
+Executive directors of both the Company and all its major subsidiaries
Executive directors of the Company's wholly owned subsidiaries

5. SOURCE OF FUNDS

Any amounts payable in terms of the Specific Repurchase will be funded from existing cash resources at the time of the Specific Repurchase.

6. IMPACT OF THE SPECIFIC REPURCHASE ON FINANCIAL INFORMATION

The exact Specific Repurchase Price cannot at this stage be determined as the value of the Company's Shares in 2023 is unknown. However, using an indicative value of R14.00 (fourteen rand) per Share, the maximum Repurchase Price in respect of the 2023 Repurchase would be approximately R34 520 094 (thirty-four million five hundred and twenty thousand and ninety-four rand). In approving the Specific Repurchase, the Board, after considering all factors in 2023 and subject to the provision of paragraph 4 of this Circular, will approve the Specific Repurchase Price in respect of the Specific Repurchase.

The Company's cash balances in the 2023 financial year will decrease by the aggregate Specific Repurchase Price as a result of the Specific Repurchase. The repurchased Forfeitable Shares will continue to be held as treasury shares, and thus there will be no change to the financial information. To the extent that any of the Forfeitable Shares repurchased by way of the Specific Repurchase are repurchased by the Company and cancelled, the Company's share capital and share premium will reduce by a corresponding amount.

7. SHARE CAPITAL OF SEA HARVEST

The share capital before and after the Specific Repurchase and the repurchased Forfeitable Shares held in treasury, is as follows, as at 31 December 2021:

	AS AT 31 DECEMBER 2021
Authorised shares (no par value)	10 000 000 000
Issued and fully paid	298 866 214
Held as treasury shares	(18 899 604)
Net Shares in issue	279 966 610

Note: The FSP Shares to be repurchased are currently treated as treasury shares and comprise c.13% or 2 465 721 of current treasury shares held and will remain treasury shares until they Vest. Upon repurchase of the Forfeitable Shares by any one or more of the Company's major subsidiaries, the repurchased Forfeitable Shares will remain treasury shares and assuming that the maximum number of Forfeitable Shares is repurchased, and are all held as treasury shares, the share capital of the Company will remain the same.

8. MAJOR SHAREHOLDERS OF THE COMPANY

The following Shareholders have a direct or indirect beneficial interest of 5% or more in the issued share capital of the Company, as at 31 December 2021:

	NUMBER OF SHARES	% OF ISSUED CAPITAL
Brimstone Investment Corporation Limited (through Newshelf 1411 Proprietary Limited and Newshelf 1169 Proprietary Limited)	159 507 961	53.37
Government Employees Pension Fund	26 325 000	8.81
Visio Capital Management	19 667 804	6.58
36One Asset Management	16 474 045	5.51
Kagiso Asset Management	16 306 264	5.46
TOTAL	**238 281 074**	**80.00**

9. MATERIAL CHANGES

There have been no material changes in the financial or trading position of the Company and its subsidiaries between 31 December 2021 and the date of this Circular.

10. MATERIAL RISK

Shareholders are referred to **page 54** of the IR of the Company, dated 14 April 2022, which sets out the material risks of the Company.

ANNEXURE 1 CONTINUED

11. DIRECTORS' INTEREST IN SHARES

The direct and indirect beneficial interests of the directors and their associates' holdings in the share capital of Sea Harvest as at 31 December 2021, and any changes thereto, are set out below:

DIRECTOR	DIRECT BENEFICIAL	INDIRECT BENEFICIAL	TOTAL	%
M Brey	2 024 948	–	2 024 948	0.68
WA Hanekom	–	730 009	730 009	0.24
MI Khan	8 000	–	8 000	0.00
T Moodley	–	8 000	8 000	0.00
BM Rapiya	40 000	–	40 000	0.01
F Ratheb	3 066 743	–	3 066 743	1.03
F Robertson	5 600	233 826	239 426	0.08
TOTAL	**5 145 291**	**971 835**	**6 117 126**	**2.05**

The following shares have been issued in terms of the FSP since 31 December 2021 and the Last Practicable Date:
(i) M Brey 326 183
(ii) F Ratheb 619 884

12. WORKING CAPITAL STATEMENT

The Specific Repurchase is subject to the provisions of the MOI, the Companies Act and the JSE Listings Requirements, where applicable. The directors of the Company are of the opinion that, after considering the effect of the Specific Repurchase referred to in paragraph 6 above:

12.1 the Company and the Group are in a position to pay their debts in the ordinary course of business for a period of 12 months after the date of approval of the Specific Repurchase Authority;

12.2 the assets of the Company and the Group, being fairly valued in accordance with International Financial Reporting Standards, are in excess of the liabilities of the Company and the Group for a period of 12 months after the date of approval of the Specific Repurchase Authority;

12.3 the share capital and reserves of the Company and the Group are adequate for ordinary business purposes for a period of 12 months from the date of the Specific Repurchase Authority; and

12.4 the available working capital is adequate to continue the operations of the Company and the Group for a period of 12 months from the date of approval of the Specific Repurchase Authority.

In addition, a resolution by the Board has been adopted, stating that the Board has authorised the Specific Repurchase, subject to Shareholder approval and that the Group has passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group.



13. DIRECTORS' RESPONSIBILITY STATEMENT

The Board, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information as required by law and the JSE Listings Requirements.

14. EXPENSES RELATING TO THE SPECIFIC REPURCHASE AUTHORITY

The expenses relating to the Specific Repurchase Authority are estimated at approximately R130 000 (excluding VAT) and comprise:

DESCRIPTION	RAND
JSE documentation	30 000
Legal advisor – CDH	30 000
Sponsor fee – The Standard Bank of South Africa Limited	30 000
Printing and posting – Ince	14 100
TOTAL	**104 100**

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection by Shareholders at the registered office of Sea Harvest or on the Company's website from Thursday, 14 April 2022 up to and including the date of the AGM, during normal business hours:

15.1 this Notice of Annual General Meeting;

15.2 the rules of the FSP;

15.3 historical Annual Financial Statements of the Company for the years ended 31 December 2021, 2020 and 2019; and

15.4 the MOI of the Company and its major subsidiaries.



FORM OF PROXY

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**")

For use at the Annual General Meeting (the "**AGM**") of Shareholders of the Company (the "**Shareholders**") to be conducted entirely by electronic communication, on Wednesday, 18 May 2022 at 10:00 and at any adjournment or postponement thereof.

Not to be used by beneficial owners of shares who have dematerialised their shares ("**Dematerialised Shares**") through a Central Securities Depository Participant ("**CSDP**") or broker, as the case may be, unless they are recorded on the sub-register as "**own-name**" Dematerialised Shareholders ("**own-name Dematerialised Shareholders**").

Generally, a Shareholder will not be an own-name Dematerialised Shareholder unless the Shareholder has specifically requested the CSDP to record the Shareholder as the holder of the shares in the Shareholder's own name in the Company's sub-register.

Each Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies (none of whom need be a Shareholder) to attend, speak and vote in place of that Shareholder at the AGM and any adjournment or postponement thereof.

Please note the following:

- The appointment of a proxy will be suspended at any time and to the extent that a Shareholder chooses to act directly and in person in the exercise of his/her rights as a Shareholder at the AGM.
- The appointment of the proxy is revocable.
- A Shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.
- Unless revoked before then, a signed proxy form shall remain valid at any adjournment or postponement of the AGM and the proxy so appointed shall be entitled to vote, as indicated on the proxy form, on any resolution (including any resolution which is amended or modified) at such AGM or any adjournment or postponement thereof.

Please note that any Shareholder of the Company may authorise any person to act as its representative at the AGM.

Section 63(1) of the Companies Act, No 71 of 2008, as amended ("**Companies Act**") requires that persons wishing to participate in the AGM (including the aforementioned representative) provide satisfactory identification before they may so participate.

Voting will be performed by way of a poll so that each Shareholder present or represented by way of proxy will be entitled to a number of votes equal to the number of shares held or represented by them. Shareholders are strongly encouraged to submit their votes by proxy before the AGM at their earliest convenience.

My/our proxy may delegate to another person his/her authority to act on my/our behalf at the AGM, provided that my/our proxy:

- provides written notification to the Transfer Secretaries of the Company in South Africa, namely Computershare Investor Services Proprietary Limited, of the delegation by my/our proxy of his/her authority to act on my/our behalf at the AGM by no later than 10:00 on Tuesday, 17 May 2022, being 24 hours before the AGM to be held on Wednesday, 18 May 2022, at 10:00; and
- provides his/her delegate a copy of his/her authority to delegate his/her authority to act on my/our behalf at the AGM.

Refer to notes on **page 22**.

To be returned to the Transfer Secretaries of Sea Harvest Group Limited, namely Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or emailed to: **proxy@computershare.co.za** as soon as possible to be received, for administrative reasons, by not later than 24 hours before the AGM.

I/we (full names) _____

Of (address) _____

Telephone: _____ Cell: _____ Email: _____

being a Shareholder(s) of the Company, holding _____ shares in the Company hereby appoint (refer note 1):

_____ or failing him/her,

_____ or failing him/her,

the Chairperson of the AGM as my/our proxy to act for me/us on my/our behalf at the aforementioned AGM of Shareholders, which will be held for the purpose of considering and, if deemed fit, passing the resolutions to be proposed thereat, with or without modification or amendment, and at any adjournment or postponement thereof and to vote for or against such resolutions or to abstain from voting and to vote for or against any motions to postpone or adjourn the AGM or to abstain from voting, in respect of the Shares in the issued capital of the Company registered in my/our name/s, in accordance with the following instructions:

Insert an "**X**" in the relevant spaces according to how you wish your votes to be cast. If you wish to cast less than all the votes in respect of the Shares held by you, insert the number of Shares in respect of which you desire to vote, unless otherwise instructed.

My/our proxy can vote as he/she deems fit.

	RESOLUTION	FOR	AGAINST	ABSTAIN
1.	**Ordinary resolution 1.1:** Re-election of Bahleli Marshall Rapiya as Non-executive Director			
2.	**Ordinary resolution 1.2:** Re-election of Mohamed Iqbal Khan as Non-executive Director			
3.	**Ordinary resolution 1.3:** Re-election of Wouter André Hanekom as Non-executive Director			
4.	**Ordinary resolution 2:** Adoption of audited AFS			
5.	**Ordinary resolution 3:** Reappointment of Ernst & Young as external auditor and appointment of Pierre Du Plessis as external audit partner			
6.	**Ordinary resolution 4.1:** Re-election of Kari Ann Lagler as Chairperson of the Audit and Risk Committee			
7.	**Ordinary resolution 4.2:** Re-election of Bahleli Marshall Rapiya as a member of the Audit and Risk Committee			
8.	**Ordinary resolution 4.3:** Re-election of Wouter André Hanekom as a member of the Audit and Risk Committee			
9.	**Ordinary resolution 4.4:** Re-election of Carol Kholeka Zama as a member of the Audit and Risk Committee			
10.	**Ordinary resolution 5:** General authority to issue ordinary shares for cash			
11.	**Non-binding advisory vote 1:** Approval of the Remuneration Policy			
12.	**Non-binding advisory vote 2:** Approval of the Implementation Report			
13.	**Special resolution 1:** General authority to repurchase the Company's shares			
14.	**Special resolution 2:** Approval of non-executive directors' remuneration			
15.	**Special resolution 3:** General approval to provide financial assistance to related or interrelated companies and others			
16.	**Special resolution 4:** Approval of provision of financial assistance for the acquisition of shares			
17.	**Special resolution 5:** Specific authority to repurchase Vested Shares from the Company FSP			
18.	**Ordinary resolution 6:** Authorisation of directors and Company Secretary			

Signed at _____ on this _____ day of _____ 2022

Signature _____ Assisted by signature* _____

Name of signatory _____ Name of assistant _____

Capacity _____

(Authority of signatory to be attached if applicable)

** Where applicable*

SUMMARY OF SHAREHOLDERS' RIGHTS IN RESPECT OF PROXY APPOINTMENTS

as contained in section 58 of the Companies Act

Please note that, in terms of section 58 of the Companies Act:

- This Form of Proxy must be dated and signed by the Shareholder appointing the proxy.
- You may appoint an individual as a proxy, including an individual who is not a Shareholder, to participate in and speak and vote at the AGM on your behalf, and may appoint more than one proxy to exercise voting rights attached to shares held by you.
- Your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this Form of Proxy.
- This completed Form of Proxy must be lodged with the Transfer Secretaries of the Company in South Africa, namely Computershare by the time specified in this proxy form before your proxy exercises any of your rights as a Shareholder at the AGM.
- The appointment of your proxy or proxies will be suspended at any time and to the extent that you choose to act directly and in person in the exercise of any of your rights as a Shareholder at the AGM.
- The appointment of your proxy is revocable unless you expressly state otherwise in this Form of Proxy.
- As the appointment of your proxy is revocable, you may revoke the proxy appointment by (i) cancelling it in writing or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Company and the proxy as aforesaid.
- Your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the AGM, but only as directed by you on this Form of Proxy. You are strongly encouraged to submit your vote by proxy before the AGM at your earliest convenience.
- The appointment of your proxy remains valid only until the end of the AGM or any adjournment or postponement thereof or for a period of one year, whichever is shortest, unless it is revoked by you before then.
- The Form of Proxy shall be valid and shall apply to any adjournment or postponement of the AGM to which it relates and shall apply to any resolution proposed at the AGM to which it relates, and to such resolution as modified or amendment including any such modified or amended resolution to be voted on or at any adjourned or postponed meeting of the AGM to which the proxy relates, unless before the adjourned or postponed meeting the appointment of the proxy is revoked.

Notes relating to Form of Proxy

1. A certificated or own-name Dematerialised Shareholder or nominee of a CSDP or broker registered as a Shareholder in the Company's sub-register may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the Chairperson of the AGM", but any such deletion must be initialled by the Shareholder. The person whose name stands first on the proxy form and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, then the Chairperson shall be deemed to be appointed as the proxy.
2. A Shareholder's instructions to the proxy must be indicated in the appropriate space provided. If there is no clear indication as to the voting instructions to the proxy, the proxy will be deemed to be authorised to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or his/ her proxy is not obliged to use all the votes exercisable by the Shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable by the Shareholder.
3. Proxy forms should be lodged with the Company's Transfer Secretaries in South Africa, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to Computershare Investor Services Proprietary Limited, Private Bag X9000, Saxonwold, 2132, or emailed to **proxy@computershare.co.za.** Forms of Proxy should, for administrative reasons, be received by or lodged with the Company's Transfer Secretaries by no later than 24 hours (excluding Saturdays, Sundays, and public holidays) before the AGM (i.e. by 10:00 on Tuesday, 17 May 2022).

4. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the AGM (or any adjournment or postponement thereof) and speaking and voting in person thereat to the exclusion of any proxy appointed in terms of this Form of Proxy.
5. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of Shareholders, will be accepted.
6. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form, unless previously recorded by the Company's Transfer Secretaries or waived by the Chairperson of the AGM if he/she is reasonably satisfied that the right of the representative to participate and vote has been reasonably verified. CSDPs or brokers registered as Shareholders in the Company's sub-register voting on instructions from owners of shares registered in the Company's sub-register, are requested to identify the owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the Company's Transfer Secretaries, together with this Form of Proxy.
7. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company's Transfer Secretaries.
8. Certificated Shareholders which are a company or body corporate may, by resolution of their directors or other properly authorised body, in terms of section 57 of the Companies Act, authorise any person to act as their representative.
9. The Chairperson of the AGM may, in his/her discretion, accept or reject any Form of Proxy which is completed other than in accordance with these notes.
10. If required, additional Forms of Proxy are available from the Company's Transfer Secretaries or the registered office of the Company.
11. If you are the owner of Dematerialised Shares held through a CSDP or broker (or its nominee) and are not an own-name Dematerialised Shareholder, then you are not a Shareholder of the Company, but appear as the holder of a beneficial interest on the relevant sub-register of the Company held by your CSDP. Accordingly, in these circumstances, do NOT complete this proxy form subject to the mandate between yourself and your CSDP or broker:

    - If you wish to attend the AGM, you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them.
    - Alternatively, if you are unable to attend the AGM but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the AGM and/or request them to appoint a proxy. You must not complete the attached Form of Proxy. Your instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be.

    CSDPs, brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of Dematerialised Shares held on behalf of an investor/beneficial owner in terms of Strate should, when authorised in terms of their mandate or instructed to do so by the person on behalf of whom they hold the Dematerialised Shares, vote by either appointing a duly authorised representative to attend and vote at the AGM or by completing the attached Form of Proxy in accordance with the instructions thereon and returning it to the Company's Transfer Secretaries to be received, for administrative reasons, not less than 24 hours prior to the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

DIRECTORS STANDING FOR RE-ELECTION

at the Company's Annual General Meeting on, Wednesday, 18 May 2022

1.

Name of Director:	Bahleli Marshall Rapiya
Position:	Lead Independent Non-Executive Director
Age:	69
Nationality:	South African
Qualifications:	BAdmin (UNISA); Global Leadership Programme (London Business School); Channel Leadership (INSEAD, France); Leading Organisational Change and Renewal Programme (Harvard University)
Other Directorships:	Old Mutual Limited; Old Mutual Life Assurance Company of SA Limited

Re-election to the Board as Independent Non-Executive Director and re-election as member of the Audit and Risk Committee

Brief Profile:
Mr Rapiya has extensive business leadership and management experience and is the former Chief Executive Officer of Old Mutual Life Insurance (SA). Mr Rapiya has served on various boards in South Africa.

2.

Name of Director:	Wouter André Hanekom
Position:	Independent Non-Executive Director
Age:	63
Nationality:	South African
Qualifications:	CA(SA)
Other Directorships:	Quantum Foods Holdings Limited; Rooibos Limited

Re-election to the Board as Independent Non-Executive Director and re-election as member of the Audit and Risk Committee

Brief Profile:
Mr Hanekom has over 31 years' experience in the FMCG and manufacturing industries. He is the former Chief Executive Officer of Bokomo, former Chief Executive Officer of Pioneer Foods, and current Chairperson of Quantum Foods Holdings Limited.

3.

Name of Director:	Iqbal Khan
Position:	Non-Executive Director
Age:	55
Nationality:	South African
Qualifications:	CA(SA)
Other Directorships:	Brimstone Investment Corporation Limited; House of Monatic; Lion of Africa Insurance Company; South African Enterprise Development

Re-election to the Board as Non-Executive Director

Brief Profile:
Mr Khan has over 26 years' experience as a Chartered Accountant at SAA and the Old Mutual Group, former partner at Ernst & Young, former Chief Operating Officer at Old Mutual Investment Group, former board member of the Independent Regulatory Board of Auditors, former head of the audit committee of the University of the Western Cape, and currently Chief Operating Officer of Brimstone.

4.		
	Name of Director:	Kari Ann Lagler
	Position:	Independent Non-Executive Director
	Age:	52
	Nationality:	South African
	Qualifications:	CA(SA)
	Other Directorships:	Lion of Africa Life Assurance Company Limited

Re-election as Chairperson of the Audit and Risk Committee

Brief Profile:
Ms Lagler has over 26 years' business experience. She is a former Tax Partner at KPMG, former General Manager in Old Mutual Corporate, accountant member of the Western Cape Tax Court, tax practitioner and professional trustee.

5.		
	Name of Director:	Carol Kholeka Zama
	Position:	Independent Non-Executive Director
	Age:	44
	Nationality:	South African
	Qualifications:	CA(SA)
	Other Directorships:	Cape Town International Convention Centre Company (RF); Communicare Foundation NPC; Communicare NPC; Communicare Construction NPC; WESGRO; Mother City Housing Company NPC

Re-election as member of the Audit and Risk Committee

Brief Profile:
Ms Zama has over 26 years' experience in finance. She is the former Management Accountant for Mondi, former Chief Financial Officer of Ezemvelo KZN Wildlife, former Head of Internal Audit and Financial Controller at British American Tobacco South Africa, and the current Chief Financial Officer at Cape Town and Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro).

PARTICIPATION IN THE AGM VIA ELECTRONIC COMMUNICATION

Capitalised terms used in this form shall bear the meanings ascribed thereto in the notice of AGM to which this participation form is attached.

1. Shareholders or their duly appointed proxies who wish to participate in the AGM via electronic communication ("**Participants**") are requested to either:
   - register online using the online registration portal at **www.meetnow.global/za**; or
   - apply to Computershare, by delivering the duly completed Electronic Participation Form to First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196; or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the Participant); or sending it by email to **proxy@computershare.co.za**, so as to be received by Computershare by no later than 10:00 on Tuesday 17 May 2022. Computershare will first validate such requests and confirm the identity of the Participant in terms of section 63(1) of the Companies Act. If the request is validated, further details will be provided on using the electronic communication facility to participate electronically in the AGM.
2. The Company will by no later than 17:00 on Tuesday, 17 May 2022, notify Participants who have delivered valid notices in the form of this Electronic Participation Form, by email of the relevant details through which Participants can participate electronically.

APPLICATION FORM

Full name of Participant _____

ID number of Participant _____

Email address of Participant _____

Cell number of Participant _____

Telephone number of Participant (code) _____ (number) _____

Name of CSDP or broker (if Shares are held in dematerialised format) _____

Share certificate account number or broker account number _____

Signature _____ Date _____

TERMS AND CONDITIONS FOR PARTICIPATION IN THE AGM VIA ELECTRONIC COMMUNICATION

- The cost of electronic participation in the AGM is for the expense of the Participant and will be billed separately by the Participant's own service provider.
- The Participant acknowledges that the electronic communication services are provided by third parties and indemnifies the Company against any loss, injury, damage, penalty, or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the AGM.
- The Company cannot guarantee there will not be a break in electronic communication that is beyond its control.

Participant's name _____

Signature _____ Date _____



SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2021

	NOTES	AUDITED YEAR ENDED 31 DECEMBER 2021 R'000	AUDITED YEAR ENDED 31 DECEMBER 2020 R'000
Revenue	3	**4 615 463**	4 375 339
Cost of sales		**(3 191 608)**	(2 894 578)
Gross Profit		**1 423 855**	1 480 761
Other operating income/(loss)[1]		**241 778**	(8 041)
Selling and distribution expenses		**(238 625)**	(207 895)
Marketing expenses		**(20 638)**	(14 476)
Other operating expenses		**(715 140)**	(621 089)
Operating profit before fair value (losses)/gains, associate (loss)/ income, gain on bargain purchase and impairment of assets		**691 230**	629 260
Share of (loss)/profit in associate		**(478)**	790
Gains on bargain purchase		**1 578**	–
Fair value losses		**(16 577)**	(4 608)
Impairment of assets		**(6 153)**	–
Operating profit before net finance cost and taxation		**669 600**	625 442
Investment income		**20 770**	28 994
Interest expense		**(77 859)**	(101 079)
Profit before taxation		**612 511**	553 357
Taxation		**(178 326)**	(155 509)
Profit after taxation		**434 185**	397 848
Profit after taxation attributable to:			
Shareholders of Sea Harvest Group Limited		**469 890**	430 751
Non-controlling interests		**(35 705)**	(32 903)
		434 185	397 848
Earnings per share (cents)			
– Basic		**168**	154
– Diluted		**166**	149

[1] *Other operating income includes net foreign exchange and fuel hedge gains of R143 million (2020: R68 million hedge losses) and insurance income of R46 million (2020: R26 million) largely relating to vessel breakdowns.*

SUMMARISED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2021

	AUDITED YEAR ENDED 31 DECEMBER 2021 R'000	AUDITED YEAR ENDED 31 DECEMBER 2020 R'000
Profit after taxation	**434 185**	397 848
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Movement in cash flow hedging reserve	**59 886**	(109 566)
Movement in cost of hedging reserve	**(34 660)**	19 400
Reserves recycled to other operating income	**(10 507)**	31 199
Exchange rate differences on foreign operations	**18 947**	69 126
Items that may not be reclassified subsequently to profit or loss:		
Movement in investment at fair value through other comprehensive income	**3 639**	–
Net measurement gain on defined benefit plan	**324**	619
Other comprehensive income, net of tax	**37 629**	10 778
Total comprehensive income for the year	**471 814**	408 626
Total comprehensive income attributable to:		
Shareholders of Sea Harvest Group Limited	**507 519**	444 035
Non-controlling interests	**(35 705)**	(35 409)
	471 814	408 626

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2021

	NOTES	AUDITED YEAR ENDED 31 DECEMBER 2021 R'000	AUDITED YEAR ENDED 31 DECEMBER 2020 R'000
ASSETS			
Property, plant, equipment and vehicles[1]		**2 192 999**	1 993 274
Right-of-use assets		**114 446**	131 904
Biological assets	6	**68 299**	67 321
Investment property		**3 700**	–
Intangible assets		**769 463**	733 174
Goodwill		**865 192**	862 492
Investment in associate		**8 073**	5 994
Investments at fair value through other comprehensive income	6	**29 989**	25 264
Other financial assets	6	**24 936**	25 138
Loans to related parties	8	**121 718**	129 444
Loans to supplier partners		**94 384**	85 484
Long-term loan receivable		**7 446**	3 836
Deferred tax assets		**3 312**	489
Non-current assets		**4 303 957**	4 063 814
Inventories[2]		**902 618**	631 023
Biological assets	6	**82 123**	93 087
Trade and other receivables[3]		**739 496**	694 747
Short-term loan receivable		**537**	1 036
Other financial assets		**58 866**	27 334
Tax assets		**10 678**	7 729
Cash and bank balances		**739 909**	275 245
Current assets		**2 534 227**	1 730 201
Total assets		**6 838 184**	5 794 015

[1] Movement in property, plant, equipment and vehicles includes:

– Acquired through business combination of R164 million. Refer to note 7 for details; and

– Vessel refits of R113 million.

[2] Movement in inventories includes inventories acquired through business combination of R70 million (refer to note 7 for details), with the remaining movement largely relating to supply chain disruptions and the rebuilding of low finished goods inventory levels.

[3] Movement in trade and other receivables includes trade and other receivables acquired through business combination of R50 million. Refer to note 7 for details.

	NOTES	AUDITED YEAR ENDED 31 DECEMBER 2021 R'000	AUDITED YEAR ENDED 31 DECEMBER 2020 R'000
EQUITY AND LIABILITIES			
Stated capital[1]		**1 832 487**	1 809 038
Other reserves		**(6 558)**	(3 143)
Retained earnings		**1 286 289**	948 311
Attributable to shareholders of Sea Harvest Group Limited		**3 112 218**	2 754 206
Non-controlling interests[4]		**56 506**	40 138
Capital and reserves		**3 168 724**	2 794 344
Long-term borrowings[2]		**1 793 679**	1 308 982
Employee-related liabilities		**20 927**	22 557
Share-based payment liability		**–**	31 510
Deferred grant income		**32 148**	30 814
Contingent consideration	6	**9 773**	99 974
Lease liabilities		**125 224**	144 261
Deferred taxation		**608 994**	508 807
Non-current liabilities		**2 590 745**	2 146 905
Short-term interest bearing borrowings[2]		**70 828**	117 758
Contingent consideration	6	**120 671**	–
Trade and other payables[3]		**727 408**	648 340
Lease liabilities		**19 882**	15 706
Share-based payment liability		**35 746**	–
Deferred grant income		**3 546**	4 059
Other financial liabilities		**118**	24 889
Short-term provisions		**47 513**	36 432
Taxation		**13**	778
Bank overdrafts		**52 990**	4 804
Current liabilities		**1 078 715**	852 766
Total equity and liabilities		**6 838 184**	5 794 015

[1] 4 572 400 shares were issued and 2 432 929 shares were repurchased during the year.

[2] Movement in borrowings includes borrowings assumed through business combinations of R85 million (refer to note 7 for details) and borrowings of R451 million raised to place the Group in a position to execute on acquisitions.

[3] Movement in trade and other payables includes trade and other payables acquired through business combinations of R55 million. Refer to note 7 for details.

[4] Movement in non-controlling interests includes non-controlling interests arising at acquisition of BM Foods Group of R51 million. Refer to note 7 for details

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	AUDITED YEAR ENDED 31 DECEMBER 2021 R'000	AUDITED YEAR ENDED 31 DECEMBER 2020 R'000
Balance at the beginning of the year	**2 794 344**	2 513 774
Attributable to:		
Shareholders of Sea Harvest Group Limited	**2 754 206**	2 437 274
Non-controlling interests	**40 138**	76 500
Total comprehensive income for the period attributable to shareholders of Sea Harvest Group Limited	**507 519**	444 035
Profit after taxation	**469 890**	430 751
Movements in other items of comprehensive income, net of tax	**37 629**	13 284
Movements attributable to shareholders of Sea Harvest Group Limited		
Shares repurchased	**(36 221)**	(1 468)
Dividends paid	**(131 913)**	(146 161)
Share-based payments	**(18 703)**	20 526
Further acquisition of investment in subsidiary	**(76)**	–
Movement attributable to non-controlling interests	**16 368**	(36 362)
Balance at the end of the year	**3 168 724**	2 794 344

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2021

	AUDITED YEAR ENDED 31 DECEMBER 2021 R'000	AUDITED YEAR ENDED 31 DECEMBER 2020 R'000
Operating activities		
Profit after taxation	**434 185**	397 848
Adjustments for non-cash and other items	**543 512**	525 721
Operating cash flows before changes in working capital	**977 697**	923 569
Increase in inventories	**(196 400)**	(41 104)
Decrease in trade and other receivables	**18 150**	15 010
Increase in trade and other payables	**22 297**	97 132
Cash generated from operations	**821 744**	994 607
Investment income received	**19 006**	21 163
Proceeds from government grant	**3 048**	3 328
Income taxes paid	**(131 347)**	(111 737)
Interest paid	**(75 506)**	(96 645)
Net cash generated from operating activities	**636 945**	810 716
Investing activities		
Acquisition of investment in subsidiaries	**(65 116)**	–
Acquisition of property, plant, equipment and vehicles	**(273 751)**	(286 313)
Proceeds on disposal of property, plant, equipment and vehicles	**2 496**	7 574
Insurance proceeds	**46 450**	25 747
Acquisition of intangible assets	**(1 940)**	(32 210)
Additions to biological assets	**(68 703)**	(65 605)
Amounts advanced to supplier partners	**–**	(8 425)
Amounts advanced to related parties	**–**	(56 270)
Proceeds on loans advanced to related parties	**7 725**	10 891
Proceeds on loans advanced to supplier partners	**1 559**	1 130
Cash movement in other long-term and short-term loans	**(1 142)**	343
Net cash utilised in investing activities	**(352 422)**	(403 138)
Financing activities		
Shares repurchased	**(36 221)**	(15 322)
Proceeds from borrowings	**544 878**	588 026
Repayment of borrowings and lease liabilities	**(220 041)**	(769 836)
Repayment of other financial liabilities	**(24 448)**	(22 752)
Dividends paid	**(133 005)**	(147 115)
Net cash generated/(utilised in) from financing activities	**131 163**	(366 999)
Net increase in cash and cash equivalents	**415 686**	40 579
Cash and cash equivalents at the beginning of the year	**270 441**	229 293
Effects of exchange rates on the balance of cash held in foreign operation	**792**	569
Cash and cash equivalents at the end of the year	**686 919**	270 441

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2021

1. BASIS OF PREPARATION

The summarised consolidated financial statements for the year ended 31 December 2021 are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act 71 of 2008 (Companies Act) of South Africa. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting.

The auditors, Ernst & Young Inc., have issued their unmodified audit opinion on the consolidated financial statements for the year ended 31 December 2021. The audit was conducted in accordance with International Standards on Auditing. These summarised financial statements have been derived from the consolidated financial statements, with which they are consistent in all material respects. Copies of the audit report on the full consolidated financial statements are available for inspection at the Company's registered office or on the Company's website. The audit report does not necessarily cover all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the Company's website or from the registered office of the Company.

The directors take full responsibility for the preparation of this report. The summarised consolidated annual financial statements were prepared under the supervision of the Chief Financial Officer, M Brey CA(SA).

2. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these summarised consolidated 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 2021 R'000	AUDITED YEAR ENDED 31 DECEMBER 2020 R'000
Group revenue for the year can be analysed as follows:		
Revenue recognised at a point in time	**4 590 316**	4 360 967
Revenue recognised over time	**25 147**	14 372
	4 615 463	4 375 339
Revenue from sale of goods comprise of:		
Wild-caught fish[1]	**2 808 530**	2 848 476
Shellfish[2]	**343 255**	308 089
Convenience foods	**246 588**	93 852
Traded[3]	**132 005**	188 774
Dairy	**1 085 085**	936 148
	4 615 463	4 375 339
Revenue is further split by geographic location as follows:		
South Africa	**2 657 470**	2 348 134
Australia	**544 388**	543 009
Europe	**1 143 488**	1 299 838
Other markets	**270 117**	184 358
	4 615 463	4 375 339

[1] *Cape Hake, Horse mackerel and related by-catch*
[2] *Prawns, scallops, crabs and abalone*
[3] *Includes sales of purchased in products*

Revenue from wild-caught fish is disclosed in the South African Fishing and Australian segments. Shellfish revenue is disclosed in the South African Fishing, Australian and Aquaculture segments. Revenue from convenience foods is disclosed in the Cape Harvest Foods and 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.

		AUDITED YEAR ENDED 31 DECEMBER 2021 R'000	AUDITED YEAR ENDED 31 DECEMBER 2020 R'000
4.	**HEADLINE EARNINGS PER SHARE**		
4.1	DETERMINATION OF HEADLINE EARNINGS		
	Profit for the period attributable to shareholders of Sea Harvest Group Limited	**469 890**	430 751
	(Profit)/loss on disposal of property, plant, equipment and vehicles	**(970)**	7 574
	Insurance proceeds	**(46 135)**	(25 747)
	Gains on bargain purchase	**(1 578)**	–
	Impairment of assets	**6 153**	–
	Total non-controlling interest and tax effects of adjustments	**11 675**	8 331
	Headline earnings for the year	**439 035**	420 909
4.2	CALCULATION OF WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES		
	Weighted average number of shares on which earnings and headline earning per share is based	**280 352 798**	279 177 043
	Weighted average number of shares on which diluted earnings and diluted headline earnings per share is based	**282 478 541**	289 498 880
	Reconciliation of weighted average number used in the calculation of basic and diluted headline earnings per share:		
	– Basic	**280 352 798**	279 177 043
	– Dilutive instruments	**2 125 743**	10 321 837
	Diluted[1]	**282 478 541**	289 498 880
	Headline earnings per share (cents)		
	– Basic	**157**	151
	– Diluted	**155**	145

[1] *Dilutive instruments relate to forfeitable share plan of 2 125 743 (2020: 6 213 085).*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 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 2021 R'000	AUDITED YEAR ENDED 31 DECEMBER 2020 R'000
Segment revenue		
South African Fishing[1]	**2 664 472**	2 758 205
Australian operations	**553 722**	542 477
Aquaculture[2]	**91 686**	53 334
Cape Harvest Foods[3]	**1 305 583**	1 021 323
Total revenue	**4 615 463**	4 375 339
Segment profit/(loss) from operations		
South African Fishing	**671 583**	570 176
Australian operations	**31 243**	37 525
Aquaculture	**(63 701)**	(72 511)
Cape Harvest Foods[3]	**52 105**	94 070
Operating profit before fair value (losses)/gains, associate (loss)/income, gain on bargain purchase and impairment of assets	**691 230**	629 260
Share of (loss)/profit in associate	**(478)**	790
Gain on bargain purchase	**1 578**	–
Fair value losses	**(16 577)**	(4 608)
Impairment of assets	**(6 153)**	–
Operating profit before net finance cost and taxation	**669 600**	625 442
Investment income	**20 770**	28 994
Interest expense	**(77 859)**	(101 079)
Profit before taxation	**612 511**	553 357
Total assets		
South African Fishing	**3 696 190**	3 048 569
Australian operations	**1 130 391**	1 084 782
Aquaculture	**665 697**	708 189
Cape Harvest Foods[3]	**1 345 906**	952 475
	6 838 184	5 794 015
Total liabilities		
South African Fishing	**2 322 218**	1 878 634
Australian operations	**412 048**	398 741
Aquaculture	**454 917**	455 666
Cape Harvest Foods[3]	**480 277**	266 630
	3 669 460	2 999 671

[1] Revenue excludes inter-segmental revenue of R208.4 million (2020: R218.4 million), which is eliminated on consolidation.

[2] Revenue excludes inter-segmental revenue of R5.5 million (2020: R2.5 million), which is eliminated on consolidation.

[3] BM Foods Group and Mooivallei, which were acquired through business combination, have been included in the Cape Harvests Foods segment since the respective acquisition dates.

6. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES

The following table displays 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 31 December 2021:

	DATE OF VALUATION	TOTAL	PRICES QUOTED IN ACTIVE MARKETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Assets measured at fair value					
Biological assets	31 December 2021	**150 422**	**–**	**–**	**150 422**
Investment at fair value through other comprehensive income	31 December 2021	**29 989**	**–**	**–**	**29 989**
Financial assets	31 December 2021	**83 802**	**–**	**58 866**	**24 936**
Liabilities measured at fair value					
Financial derivatives liabilities	31 December 2021	**118**	**–**	**118**	**–**
Contingent consideration liability	31 December 2021	**130 444**	**–**	**–**	**130 444**

Fair value measurement hierarchy for assets and liabilities as at 31 December 2020:

	DATE OF VALUATION	TOTAL	PRICES QUOTED IN ACTIVE MARKETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Assets measured at fair value					
Biological assets	31 December 2020	160 408	–	–	160 408
Investment at fair value through other comprehensive income	31 December 2020	25 264	–	–	25 264
Financial assets	31 December 2020	52 472	–	27 334	25 138
Liabilities measured at fair value					
Financial derivatives liabilities	31 December 2020	227	–	227	–
Contingent consideration liability	31 December 2020	99 974	–	–	99 974

There were no transfers between Levels 1, 2 and 3 during the current or prior year.

Specific valuation techniques used for the instruments are:

- **Biological assets:** Biological assets are measured at fair value less costs to sell. Biological assets include abalone, mussels, oysters, fish and spats 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 fair value loss of R5.6 million (2020: R2.6 million gain) 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 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, degree of upgrade already carried out on the vessel, and size. A change in unobservable inputs would not have a significant change in the fair value.
- **Financial assets:**
  - Level 3 financial assets represent the call option to acquire shares in Vuna Fishing Company Proprietary Limited (Vuna Fishing Company). The fair value was independently determined by an expert using the Black-Scholes option pricing model. Key unobservable assumptions being the value of Vuna Fishing Company calculated using an average of actual 2021 earnings and 2022 projected earnings multiplied by a price earnings multiple, yield curve of 6.39% (2020: 5.28%), and volatility of 36.02% (2020: 37.16%). A change in unobservable inputs would not have a material change in the fair value. A fair value loss on the revaluation of the share option of R0.4 million (2020: R1.9 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 fair value of the contingent consideration arrangements was estimated 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. As at 31 December 2021, there was an increase of R10.6 million (2020: R9.1 million) recognised in fair value losses in profit or loss as a result of discounting the Viking Fishing earn-out. An additional R19.8 million relating to the acquisition of BM Foods Group was recognised in 2021.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2021

7. BUSINESS COMBINATIONS

7.1 MOOIVALLEI

With effect from 2 August 2021, Sea Harvest has, through its wholly owned subsidiary Ladismith Cheese, acquired 100% of the issued share capital of Mooivallei for a purchase consideration of R9 million and assumed or settled Mooivallei debts to the value of R32 million.

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

The accounting for the acquisition of Mooivallei has been finalised.

	FAIR VALUE AT ACQUISITION DATE R'000
Assets acquired and liabilities assumed	
Property, plant, equipment and vehicles	**41 592**
Right-of-use assets	**678**
Intangible assets	**1 972**
Inventory	**14 426**
Trade and other receivables	**13 651**
Borrowings	**(13 001)**
Deferred tax	**(9 793)**
Lease liabilities	**(714)**
Trade and other payables	**(19 490)**
Bank overdraft	**(19 204)**
Total identifiable assets and liabilities	**10 117**
Total consideration transferred	
Cash	**8 877**
Net cash flow on acquisition of subsidiary	
Consideration paid in cash	**8 877**
Add: bank overdraft assumed	**19 203**
	28 080
Gain on bargain purchase	
Consideration	**8 877**
Less: Fair value of identifiable assets acquired and liabilities assumed	**(10 117)**
	(1 240)

Property, plant, equipment and vehicles with a carrying amount of R35.8 million were revalued to its fair value of R41.6 million at acquisition date. The fair value adjustment of R5.8 million relates to land and buildings. The valuations for land and buildings was performed by an independent valuator.

The intangible asset identified was the RIGGS brand. The fair value was determined by an independent valuator with reference to the best estimate of a market participant's ability to generate economic benefits by using the asset in its highest and best use.

The fair value of trade and other receivables of R13.7 million includes trade receivables with a fair value of R13.5 million, which approximates the gross contractual amount.

The gain on bargain purchase is attributable to Ladismith Cheese securing a lower price for the distressed Mooivallei business.

7. BUSINESS COMBINATIONS (continued)

7.2 BM FOODS GROUP

With effect from 2 September 2021, Sea Harvest has, through its wholly owned subsidiary Cape Harvest Foods, acquired 53.70% of the issued share capital of BM Foods Group.

BM Foods Group manufactures and distributes a range of chilled and frozen food products and convenience foods to the local retail and foodservices markets. Brands include Bettafresh, Mediterranean Delicacies, Tuna Marine, Judy's Preserves and Chelsea Pies.

The acquisition is a diversification into a new food sector in the South African food industry, providing synergies with the Group's dairy and fishing businesses and providing access to a platform business with good management and growth opportunities.

The Group has elected to measure the non-controlling interest in BM Foods Group at its proportionate percentage of the recognised amounts of the acquiree's identifiable net assets.

The accounting for the acquisition of BM Foods Group has been finalised.

	FAIR VALUE AT ACQUISITION DATE R'000
Assets acquired and liabilities assumed	
Property, plant, equipment and vehicles	**122 454**
Right-of-use assets	**2 565**
Investment property	**3 700**
Intangible assets	**25 609**
Investment in associate	**2 557**
Inventory	**55 152**
Trade and other receivables	**35 953**
Cash and cash equivalents	**2 164**
Borrowings	**(71 551)**
Deferred tax	**(25 941)**
Lease liabilities	**(2 565)**
Trade and other payables	**(35 997)**
Short-term provisions	**(2 767)**
Tax liability	**(755)**
Total identifiable assets and liabilities	**110 578**
Total consideration transferred	
Cash	**39 200**
Contingent consideration	**19 842**
	59 042
Net cash flow on acquisition of subsidiary	
Consideration paid in cash	**39 200**
Less: Cash and cash equivalents acquired	**(2 164)**
	37 036
Gain on bargain purchase	
Consideration	**59 042**
Less: Fair value of identifiable assets acquired and liabilities assumed	**(110 578)**
Non-controlling interest	**51 198**
	(338)

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2021

7.2 BM FOODS GROUP (continued)

Property, plant, equipment and vehicles with a carrying amount of R99.4 million were revalued to its fair value of R122.5 million at acquisition date. The fair value adjustment of R23.1 million relates to land and buildings. The valuations for land and buildings were performed by independent valuators.

The intangible assets identified were the Mediterranean Delicacies, Judy's Preserves, Tuna Marine and Bettafresh brands. The fair value was determined by an independent valuator with reference to the best estimate of a market participant's ability to generate economic benefits by using the asset in its highest and best use.

The fair value of trade and other receivables of R35.9 million includes trade receivables with a fair value of R33.1 million, which approximates the gross contractual amount.

The contingent consideration was estimated by an independent valuator and is based on BM Foods Group achieving earn-out targets for the 12-month period ending 28 February 2022 and the 31 December 2022 financial year, respectively, discounted at the prime lending rate at acquisition date. The contingent consideration is regarded as a Level 3 financial instrument for fair value measurement purposes.

7.3 IMPACT OF THE ACQUISITIONS ON THE RESULTS OF THE GROUP

	R'000
Amounts included in the Group's results relating to Mooivallei and BM Foods Group since the date of acquisition:	
Revenue	**235 261**
Profit for the year	**26 618**
Results of the Group if Mooivallei and BM Foods Group had been consolidated from 1 January 2021:	
Revenue	**4 945 719**
Profit for the year	**422 578**

The directors consider these amounts to represent an approximate measure of the performance of the combined Group on an annualised basis.

In determining the profit of the Group had Mooivallei and BM Foods Group been acquired on 1 January 2021, the directors have taken into consideration the following:

- Additional finance costs that would have been incurred had the transaction taken place on 1 January 2021;
- The depreciation of property, plant, equipment and vehicles and amortisation of intangibles acquired was calculated on the basis of the fair values arising in the accounting for the business combination, rather than the carrying amounts recognised in the pre-acquisition financial statements; and
- Incremental operating costs that would have been incurred by the Group had the transaction taken place on 1 January 2021.

Acquisition-related costs
Acquisition-related costs of R3.5 million were recognised in profit or loss for the 2021 year.

		AUDITED YEAR ENDED 31 DECEMBER 2021 R'000	AUDITED YEAR ENDED 31 DECEMBER 2020 R'000
8.	**RELATED PARTY TRANSACTIONS**		
	This disclosure relates to material related party balances and transactions.		
8.1	RELATED PARTY LOANS		
	Loans to related parties – non-current		
	Vuna Fishing Company Proprietary Limited (joint venture of Brimstone Investment Corporation Limited)	**27 420**	27 420
	Vuna Fishing Group Proprietary Limited (subsidiary of Brimstone Investment Corporation Limited)	**45 068**	45 068
	SeaVuna Fishing Company Proprietary Limited[1]	**49 230**	56 956
	Total	**121 718**	129 444
8.2	RELATED PARTY TRANSACTIONS		
	Sales to related parties		
	SeaVuna Fishing Company Proprietary Limited[1]	**21 471**	33 408
	Recoveries and other income from related parties		
	SeaVuna Fishing Company Proprietary Limited[1]	**5 240**	14 999
	Purchases from related parties		
	SeaVuna Fishing Company Proprietary Limited[1]	**240 230**	221 374

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

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

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2021

9. STATED CAPITAL (NUMBER)

	AUDITED YEAR ENDED 31 DECEMBER 2021	AUDITED YEAR ENDED 31 DECEMBER 2020
In issue (number)		
Ordinary shares	**298 866 214**	294 293 814
Held as treasury shares	**(18 899 604)**	(14 600 889)
	279 966 610	279 692 925

The movement in the number of shares during the year 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
Issue of shares (Group's forfeitable share plan)	4 572 400	4 572 400	–
Shares repurchased	–	2 432 929	(2 432 929)
Shares vested	–	(2 706 614)	2 706 614
Closing balance	298 866 214	18 899 604	279 966 610

10. CONTINGENT LIABILITIES AND COMMITMENTS

The Group has no contingent liabilities at the end of the year (2020: Nil)

	AUDITED YEAR ENDED 31 DECEMBER 2021 R'000	AUDITED YEAR ENDED 31 DECEMBER 2020 R'000
Capital commitments		
Budgeted capital expenditure is as follows:		
– Contracted	**21 189**	32 023
– Not contracted	**197 914**	205 812

11. COVID-19 PANDEMIC ASSESSMENT AND GOING CONCERN

COVID-19 PANDEMIC ASSESSMENT

- 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 concern 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 and the curtailment of air freight and associated high freight costs from South Africa. With the segment still under pressure, the board of Viking Aquaculture resolved to limit the losses in the Aquaculture segment by closing the mussel and trout businesses. These closures resulted in R6.2 million in impairment losses in the Aquaculture segment for the year ended 31 December 2021.
- With the Aquaculture segment incurring operating losses for the year ended 31 December 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 US dollar during the year, revised forecast exchange rates. The discount rate was also increased to 15.29% compared to the discount rate of 15.03% as at 31 December 2020. The assessment of goodwill resulted in reduced headroom since 31 December 2020. 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, considering the impact of COVID-19 and taking into account cash flow analysis, operational analysis and available funding facilities. The cash flow analysis considered factors impacting the ability of the Group to generate or preserve cash. Such factors included 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 2021 financial year. 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 have been prepared on a going concern basis.
- Fortunately, the July 2021 unrest in KwaZulu-Natal and Gauteng had minimal impact on the Group's operations.

12. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 11 January 2022, the Group announced that it had, through its wholly-owned foreign subsidiaries, Sea Harvest Proprietary Limited and Sea Harvest Marine Proprietary Limited, entered into a business purchase agreement to acquire the Western Australia-based fishing and related businesses of MG Kailis and its subsidiaries for a purchase consideration of AUD70 million (R783 million) subject to the fulfilment or waiver (as the case may be) of various conditions precedent by no later than 31 March 2022 or such later date as may be agreed.

During the budget speech held on 23 February 2022, the Minister of Finance announced a decrease in the corporate tax rate from 28% to 27% with effect from 1 April 2022. If the legislation had been effective as at year end, this would have resulted in an estimated decrease of the deferred tax liability at 31 December 2021 of R18.1 million.

The directors recommended a gross and final cash dividend on 28 February 2022 amounting to 56 cents per share (2020: 45 cents), in respect of the year ended 31 December 2021.

The Department of Forestry, Fisheries and Environment (DFFE) recently concluded the allocation of commercial fishing rights in nine sectors. Sea Harvest applied for quota in four commercial sectors and achieved one of the highest scores during the process. Sea Harvest was successful in renewing its rights; 10-years for KZN Crustacean Trawl and 15-years for Hake Deep-Sea Trawl, Small Pelagics: Anchovy and Small Pelagics: Sardines. The results are not final as yet, as applicants reserve the right to appeal their allocation. Sea Harvest does not project any significant changes will be made to the allocations after the appeals process. The new fishing season commenced in all four sectors on 1 March 2022.


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