

2019

Sea Harvest

OUR HARVEST FROM SEA TO SHORE

NOTICE OF ANNUAL GENERAL MEETING AND FORM OF PROXY

FOR THE YEAR ENDED 31 DECEMBER 2019

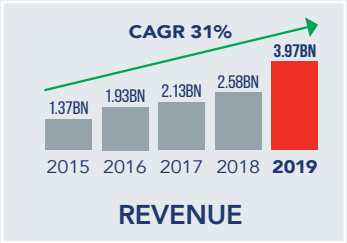
MAPPING OUR HIGHLIGHTS

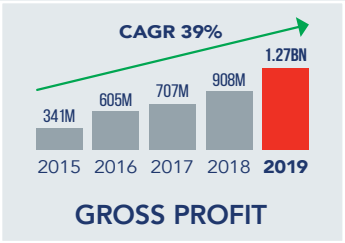
REVENUE
54%
TO R3.97BN
(2018: R2.58BN)

GROSS PROFIT
40%
TO R1.27BN
(2018: R908M)

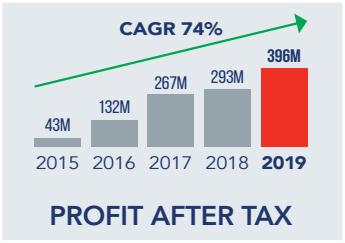
HEADLINE EARNINGS
48%
TO R410M
(2018: R278M)

HEADLINE EARNINGS PER SHARE
33%
TO 149 cents per share
(2018: 112 cents per share)









DELIVERED HEPS GROWTH OF **33%** TO **149 CENTS PER SHARE**, DRIVEN BY THE STRONG PERFORMANCE OF THE SOUTH AFRICAN FISHING OPERATION

ACQUIRED **100% OF THE SHARES OF LADISMITH CHEESE** ON 2 JANUARY 2019

OUR INVESTMENT CASE

LEVEL 1 B-BBEE CONTRIBUTOR 83% BLACK OWNED 1
Improved B-BBEE score of 104.44 (2018: 100.37)

STRONG TRACK RECORD OF FINANCIAL PERFORMANCE 2
Five-year revenue CAGR of 31% and profit after tax CAGR of 74%

Geographically diverse customer base providing a **STRONG RAND HEDGE** 3
with 44% of sales in hard currency within developed markets

ATTRACTIVE INDUSTRY DYNAMICS 4
with global demand for premium, wild-caught, MSC-certified seafood exceeding supply

SOUTH AFRICAN FISHING
- 34 VESSELS
- 6 PROCESSING OPERATIONS

SPECIES: HAKE | HORSE MACKEREL PRAWN | ANCHOVY PILCHARD | TUNA

Sea Harvest — Savour the sea

EMPLOYEES: 3 200

SEA HARVEST AQUACULTURE
- 9 AQUACULTURE OPERATIONS

SPECIES: ABALONE | OYSTERS MUSSELS | TROUT

Viking Aquaculture

EMPLOYEES: 350

CAPE HARVEST FOODS
- 11 FACTORY SHOPS
- 1 PROCESSING OPERATION

PRODUCTS: CHEESE | BUTTER MILK POWDERS

Ladismith Cheese

EMPLOYEES: 500

SEA HARVEST INTERNATIONAL
- 12 VESSELS

LICENCES:
- 10 SHARK BAY PRAWN FISHERY
- 2 SPANISH MACKEREL

SPECIES: PRAWN | SCALLOP | CRAB SPANISH MACKEREL

Sea Harvest AUSTRALIA

EMPLOYEES: 110

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.

OUR VISION

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

OUR 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.

OUR 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 BOARD OF DIRECTORS

Non-executive Chairperson:
FJ Robertson

Independent Non-executive Directors:
BM Rapiya, WA Hanekom, CK Zama, KA Lagler

Non-executive Directors:
MI Khan, T Moodley

Executive Directors:
F Ratheb (*CEO*), JP de Freitas (*CFO*), M Brey (*CIO*)

OUR REPORTING DIRECTION

NOTICE OF ANNUAL GENERAL MEETING 2
Annexure 1 12
SUMMARY OF SHAREHOLDERS' RIGHTS IN RESPECT OF PROXY APPOINTMENTS AS CONTAINED IN SECTION 58 OF THE COMPANIES ACT 17
FORM OF PROXY 19
OUR AUDITED SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS 21
Audited summarised consolidated statement of profit or loss 22
Audited summarised consolidated statement of comprehensive income 23
Audited summarised consolidated statement of financial position 24
Audited summarised consolidated statement of changes in equity 26
Audited summarised consolidated statement of cash flows 27
Notes to the summarised consolidated financial statements 28
Independent auditor's report on summarised financial statements 40
CORPORATE INFORMATION 41



Our Annual Financial Statements

The Sea Harvest Group Limited's Annual Financial Statements (AFS) is a comprehensive report of our financial performance and standing for the year ended 31 December 2019.



Our Integrated Report

The Sea Harvest Group Limited's Integrated Report (IR) is our main report to our stakeholders. It details all the elements that contributed to our value creation story for the year ended 31 December 2019.



Our Notice of Annual General Meeting and Form of Proxy

The Sea Harvest Group Limited's Notice of Annual General Meeting and Form of Proxy comprises information required by the Companies Act, of No 71 2008 to our shareholders.

Please visit **www.seaharvest.co.za** for more information on our reporting suite.

NOTICE OF ANNUAL GENERAL MEETING

Sea Harvest Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 2008/001066/06
JSE 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 Sea Harvest Group Limited's Annual General Meeting of shareholders to be held, via webcast, at 10:00 on Tuesday, 26 May 2020 at the Company's head office at The Boulevard Office Park, 1st Floor, Block C, Searle Street, Woodstock, Cape Town.

Due to the Covid-19 (coronavirus) outbreak, electronic participation at the AGM, rather than physical attendance, may be required. Furthermore, given the guidance from authorities regarding the need for social distancing, members would be encouraged to make use of proxies.

Shareholders wishing to participate electronically in the AGM are required to deliver a written or electronic notice to the Company Secretary at the Company's head office at The Boulevard Office Park, 1st Floor, Block C, Searle Street, Woodstock, Cape Town, 7925 or by email to the Company Secretary on **antheaa@seaharvest.co.za** by no later than 12:00 on Monday, 25 May 2020 that they wish to participate via electronic communication at the AGM ("**Electronic Notice**"). For the notice to be valid, it must contain the details set out in paragraph 6 on **page 11** hereof. Shareholders participating via electronic communication will still need to submit completed proxy forms in order for their votes to be counted. The details for proxy form submission are contained on the proxy form and in paragraph 5 of **page 10** hereof.

By no later than 15:00 on Monday, 25 May 2020, the Company shall, by reply email, notify a shareholder, who has delivered a valid notice as indicated above, of the relevant details through which the shareholder can participate electronically.

To the extent that the meeting will need to be held entirely through electronic media, shareholders may be advised of this by SENS in the week prior to the date of the meeting.

We further include the Sea Harvest Group Limited's audited summarised consolidated financial statements on **pages 22 to 40** hereof.

The Integrated Report and the audited Annual Financial Statements for the year ended 31 December 2019 are available for viewing and downloading on Sea Harvest's website: **www.seaharvest.co.za/investors/integrated-reports/** and **www.seaharvest.co.za/investors/financial-results/**

Yours faithfully



John Paul de Freitas
Acting Company Secretary

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting ("**AGM**") of the shareholders of Sea Harvest Group Limited ("**shareholders**") for the year ended 31 December 2019 will be held at the Company's head office at The Boulevard Office Park, 1st Floor, Block C, Searle Street, Woodstock, Cape Town on Tuesday, 26 May 2020 at 10:00, and shareholders may participate (but not vote) electronically.

The Board of Directors of the Company (the "**Board**" or "**Board of Directors**") has determined that the record date for the receipt of this notice of Annual General Meeting is Friday, 17 April 2020 and the record date for all purposes of determining which shareholders are entitled to participate in and vote at this Annual General Meeting is Friday, 15 May 2020. The last date to trade in the shares of the Company in order to be eligible to participate and vote is Tuesday, 12 May 2020. This notice of Annual General Meeting 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.

1. Purpose

The purpose of the AGM is to:

- present the Annual Financial Statements (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 2019 as contained in the Company's Integrated Report;
- 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, No 71 of 2008 as amended (the "**Companies Act**") and the Company's memorandum of incorporation ("**Memorandum of Incorporation**"), 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, a person wishing to participate in the AGM (including proxies) will be required to provide reasonably satisfactory proof of identification before being entitled to attend, participate and vote at the meeting. Forms of identification include a valid identity document, driver's licence and passport.

In terms of section 62(3)(e) of the Companies Act, a shareholder who is entitled to participate and vote at the AGM is entitled to appoint a proxy/s, to participate in and vote at the AGM in place of the shareholder, by completing the form of proxy in accordance with the instructions contained therein. A proxy need not be a shareholder in the Company.

Please refer to paragraph 6, **page 11**, for more information on electronic participation.

3. 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. In terms of section 61(8)(a) and regulation 43(5)(c) of the Companies Act, the Company must present the Directors' Report, the Audit and Risk Committee Report and the Social, Ethics and Sustainability Committee Report at the AGM.

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 9 to 15** of the Company's AFS for the year ended 31 December 2019, which can be found on the Company's website. The Social, Ethics and Sustainability Committee Report, the Nomination and Remuneration Committees' Report and the Implementation Report are set out on **pages 82 to 97** of the Company's Integrated Report.

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

- Presentation of the audited AFS
- Presentation of the Audit and Risk Committee Report
- Presentation of the Social, Ethics and Sustainability Committee Report
- Presentation of the Nomination and Remuneration Committees' Report
- Presentation and approval of the Remuneration Policy and Implementation Report

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

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 elections will be conducted by a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, as required under section 68(2) of the Companies Act. Brief curricula vitae of the candidates for election as director are available on the Company's website. The Board has considered the performance of the directors standing for re-election and supports their reappointment. 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 Frederick John Robertson as Non-executive Director

"**RESOLVED THAT** Frederick John Robertson, being eligible and available for re-election in accordance with the Memorandum of Incorporation, 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 Wouter André Hanekom as Non-executive Director

"**RESOLVED THAT** Wouter André Hanekom, being eligible and available for re-election in accordance with the Memorandum of Incorporation, 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 1.3: 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 Memorandum of Incorporation, be and is hereby re-elected as a director of the Company with effect from the passing of this resolution."

Ordinary resolution 2: Adoption of audited Annual Financial Statements

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 2019.

"**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 2019 be accepted and adopted."

Ordinary resolution 3: Reappointment of Deloitte & Touche as external auditor

To approve the reappointment of Deloitte & Touche 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 Michael van Wyk. The Audit and Risk Committee has recommended that the firm and the designated auditor be appointed for the ensuing financial period.

Explanatory note
The effect of passing this resolution will be to reappoint Deloitte & Touche as the Company's external auditor and Michael van Wyk as the individual audit partner until the date of the next AGM.

"**RESOLVED THAT** Deloitte & Touche be and is hereby reappointed as the auditor of the Company and that Michael van Wyk be and is hereby appointed as the designated auditor of the Company for the ensuing financial year."

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.

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 André 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 and effect of ordinary resolution 5 is to authorise the directors of the Company 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 Memorandum of Incorporation 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 14 715 690, being 5% (five percent) of the aggregate number of ordinary shares (294 293 814) 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 sub-division 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 Annual General Meeting or for 15 months from the date of the passing of the ordinary resolution, whichever is the earlier, provided that it shall not extend beyond 15 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 section 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 available on the Company's website.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

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

"**RESOLVED** as a non-binding advisory vote that the Company's Remuneration Policy, contained in the Integrated Report, 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 in the Integrated Report, 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 directors require 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 directors consider 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 Memorandum of Incorporation, 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:

- 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 Memorandum of Incorporation;
- 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 Board of 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 has 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 the 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 months after the date of this notice:
  - the Company and the Group will, in the ordinary course of business, be able to pay its 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 Sea Harvest Integrated Report and AFS, is provided in terms of the JSE Listings Requirements for purposes of this general authority:

- An analysis of major shareholders on **page 120** of the Integrated Report
- The authorised and issued shares of the Company on **page 59** of the AFS

Directors' responsibility statement

The directors, whose names appear on **page 1** 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 2019 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 2020 to 30 June 2021.

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 on the following page are hereby approved for the period from 1 July 2020 to 30 June 2021. The fees quoted are VAT exclusive.



NOTICE OF ANNUAL GENERAL MEETING CONTINUED

NON-EXECUTIVE DIRECTORS' FEES	R (EXCLUDING VAT)
Sea Harvest Group Limited Board of Directors	
Chairperson	636 045
Lead Independent Director	300 557
Members	240 445
Audit and Risk Committee	
Chairperson	156 290
Members	83 145
Nomination and Remuneration Committee's	
Chairperson	120 223
Members	60 112
Social, Ethics and Sustainability Committee	
Chairperson	120 223
Members	60 112
Investment and Hedging Committee	
Chairperson	120 223
Members	Nil

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

Explanatory note

The reason for this special resolution is for the shareholders of the Company to provide general authority for the Company to provide direct or indirect financial assistance to a related or interrelated company or corporation, subject to sub-sections 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 of Directors 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 that*
- *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 directors of the Company 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 Memorandum of Incorporation, and the applicable provisions of the Companies Act, including but not limited to, the Board being 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, 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 of directors of a company may not authorise any financial assistance unless pursuant to a special resolution of the shareholders adopted within the previous 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 special resolution 4 is to grant the Board of Directors 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 Memorandum of Incorporation, 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 of Directors of the Company 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 shares

"**RESOLVED THAT** the purchase by the Company and/or by any wholly owned subsidiary of the Company, of:

(i) 223 173 shares from MIT2 for a consideration of R0.324 per share, and

(ii) 1 153 143 shares from MIT2 for a consideration of R14.01 per share (the 30-day volume weighted average price of Sea Harvest Group shares to 31 March 2020),

pursuant to the existing agreements between the Company and MIT2, be and is hereby approved as a specific repurchase by way of a special resolution as envisaged in the Listings Requirements of the JSE.

The specific repurchase envisaged in this resolution is subject to the provisions of the Memorandum of Incorporation of the Company, the Companies Act, and the JSE Listings Requirements, where applicable. Shares held by MIT2 and its associates will be excluded from voting on this resolution.

*Full details of the specific repurchase and all related information required by the JSE are set out in Annexure 1 (**pages 12 to 16**) to this notice of Annual General Meeting.*

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 Annual General Meeting notice.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

"**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."

4. 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 per cent) of the voting rights cast on such resolutions and for the passing of each ordinary resolution proposed above is more than 50% (fifty per cent) of the voting rights cast on such resolution.

5. General instructions and information

All shareholders are encouraged to attend, speak and vote at the AGM and are entitled to appoint a proxy to attend, participate in and vote at the AGM in the place of the shareholder, or to appoint a proxy or proxies. The proxy duly appointed to act on behalf of a shareholder need not be a shareholder of the Company.

On a show of hands, every shareholder present in person or represented shall have 1 (one) vote only. On a poll, every shareholder present in person, by proxy or represented shall have 1 (one) vote for every share held.

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 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 if you are the owner of dematerialised shares 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 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 should, 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, may 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, for administrative reasons, returning it to the Company Secretary not less than 24 hours before the AGM.

You will also be required to furnish a copy of such form of proxy to the Chairperson of the AGM or his/her nominee before the appointed proxy exercises any of your shareholder rights 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 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.

6. Electronic participation

Shareholders may participate (but not vote) electronically in the AGM, in accordance with the provisions of the Companies Act. Shareholders wishing to participate electronically in the AGM are required to deliver a written notice to the Company Secretary at the Company's head office at The Boulevard Office Park, 1st Floor, Block C, Searle Street, Woodstock, Cape Town, 7925 or by email to the Company Secretary on **antheaa@seaharvest.co.za** by no later than 12:00 on Monday, 25 May 2020 that they wish to participate via electronic communication in the AGM ("**Electronic Notice**").

Webcast facilities will be made available for this purpose and may be accessed at the shareholder's cost. In order for the Electronic Notice to be valid it must contain:

- if the shareholder is an individual, a certified copy of his identity document and/or passport;
- if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication; and
- a valid email address, telephone number and/or facsimile number.

The Company shall use its reasonable endeavours, on or before 15:00 on Monday, 25 May 2020, to notify each shareholder who has delivered a valid Electronic Notice, at its contact address/number, of the relevant details through which the shareholder can participate via electronic communication. Such shareholders, should they wish to have their vote counted at the AGM, must, to the extent applicable:

- complete and submit the form of proxy; or
- contact their CSDP or broker, in both instances, as set out above.

7. Cross reference table

The documentation has been incorporated by reference in this notice. Such documentation shall be available for inspection, listed below at no charge and during business hours, at the Company's registered office from the date of this Notice until Tuesday, 26 May 2020. Such documentation can also be accessed on the website as per the links specified below:

DOCUMENT	WEBSITE LINK
Sea Harvest Group Limited Annual Financial Statements 2019	**www.seaharvest.co.za/investors/financial-results/**
Integrated Report 2019	**www.seaharvest.co.za/investors/integrated-reports/**
Brief curricula vitae of the candidates for re-election as directors	**www.seaharvest.co.za/investors/integrated-reports/**
Brief curricula vitae of the candidates for the Audit and Risk Committee	**www.seaharvest.co.za/investors/integrated-reports/**
Directors' Report	**www.seaharvest.co.za/investors/integrated-reports/**
Audit and Risk Committee Report	**www.seaharvest.co.za/investors/governance/**
Social, Ethics and Sustainability Committee Report	**www.seaharvest.co.za/investors/governance/**
Remuneration Policy	**www.seaharvest.co.za/investors/governance/**
Implementation Report	**www.seaharvest.co.za/investors/governance/**

By order of the Board

Sea Harvest Group Limited

Per: John Paul de Freitas
Acting Company Secretary
24 April 2020 *(date of distribution of the AGM notice)*

ANNEXURE 1

1. INTRODUCTION AND RATIONALE

1.1 MIT2 is a trust that was established by the Company during 2014 in order to facilitate the participation by senior executives (including Felix Ratheb and John Paul de Freitas) in the ownership of the Company. At the time of its establishment, MIT2 subscribed for Shares in the Company on an NVF basis pursuant to the Notional Funding Agreements.

1.2 Details of MIT2, its partial liquidity at the listing of Sea Harvest on the JSE, the vesting of subsequent tranches and the settlement of the related NVF relating to each tranche, as well as related agreements, were included in clause 5.4 of Annexure 14 of the pre-listing statement issued by the Company at the time of its listing during 2017.

1.3 The Specific Repurchase is an implementation of the following agreements (the "**Notional Funding Agreements**"):

- The trust deed in respect of MIT2, as amended on or about 16 February 2017 and 22 June 2017
- The subscription agreement entered into between the Company and MIT2, as amended on or about 16 February 2017 and 22 June 2017 (the "**Subscription Agreement**")
- The relationship agreement entered into between the Company and MIT2, as amended on or about 16 February 2017 (the "**Relationship Agreement**")
- The amendment and repurchase agreement entered into between the Company, MIT2 and each of the beneficiaries of MIT2 on or about 16 February 2017, as amended on or about 22 June 2017
- Each letter of agreement entered into between the Company and each beneficiary of MIT2 on or about 22 June 2017 and 20 December 2018

1.4 After the listing of Sea Harvest on the JSE, MIT2 held 3 440 791 Shares in the Company on an NVF basis pursuant to the Notional Funding Agreements, with these Shares, in terms of the Notional Funding Agreements, being subject to vesting in:

- March 2019 (60% of the balance of the Shares held by MIT2, being 2 064 475 Shares, representing 0.70% of the total number of Shares in issue); and
- March 2020 (40% of the balance of the Shares held by MIT2, being 1 376 316 Shares, representing 0.47% of the total number Shares in issue).

1.5 The cash received by MIT2 will be distributed to the beneficiaries of MIT2 in their unitholder proportions, in line with the terms of the Notional Funding Agreements.

1.6 The March 2019 vesting and distribution was effected on 16 April 2019 and the 2020 vesting and distribution is the subject of this annexure.

1.7 The NVF relating to the March 2020 tranche of Shares held by MIT2 matures on 31 March 2020. Such NVF is, in terms of the Notional Funding Agreements, repayable, by the Company (at its option) or its nominee, repurchasing or purchasing from MIT2, for a consideration of R0.324 per Share (being the original subscription price per Share), such number of Shares as have a market value equal to the amount of NVF then notionally owing on the March 2020 tranche of Shares.

1.8 In addition, the Residual Shares forming part of the applicable tranche may, in terms of the Notional Funding Agreements, at the option of the Company, be repurchased or purchased at the market value thereof.

1.9 Accordingly, Shareholders are advised that the Board proposes the Specific Repurchase (which may be effected by the Company and/or by one or more of its wholly owned subsidiaries) in order to effect the settlement of such NVF obligations and to acquire the Residual Shares forming part of the March 2020 tranche. Shareholders are provided with the relevant information relating to the Specific Repurchase in this annexure in order to enable a Shareholder to make an informed decision as to whether or not they should vote in favour of the special resolution set out in the notice of Annual General Meeting, relating to the approval of the Specific Repurchase. As set out above, the Specific Repurchase is a repurchase from MIT2 whose beneficiaries include Felix Ratheb and John Paul de Freitas, who are directors of Sea Harvest and are deemed to be related parties in terms of the JSE Listings Requirements. As a result of the Specific Repurchase price being at or at a discount to the 30-day volume weighted average price up to 31 March 2020, no fairness opinion is required in terms of section 5.69(e) of the JSE Listings Requirements.

2. DEFINED TERMS

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

"Annual General Meeting"	means the Annual General Meeting of Shareholders to be held at 10:00 on Tuesday, 26 May 2020 at The Boulevard Office Park, 1st Floor, Block C, Searle Street, Woodstock, Cape Town;
"Board"	means the Board of Directors of the Company;
"Companies Act"	means the Companies Act, No 71 of 2008, as amended from time to time;
"Company" or "Sea Harvest"	means Sea Harvest Group Limited (registration number: 2008/001066/06) a public company duly incorporated in accordance with the laws of South Africa, the shares of which are listed on the JSE;
"CSDP"	means a 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"	means Shares which have been incorporated into the Strate system, title to which is not represented by physical documents of title;
"Dematerialised Shareholders"	means Shareholders who hold Dematerialised Shares;
"Financial Markets Act"	means the Financial Markets Act, No 19 of 2012, as amended from time to time;
"Group"	means Sea Harvest and its subsidiaries;
"JSE"	means 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 licenced to operate an exchange under the Financial Markets Act;
"JSE Listings Requirements"	mean the Listings Requirements of the JSE;
"Last Practicable Date"	means the last date prior to the finalisation of this notice, being Monday, 20 April 2020;
"Maturity Date"	means 31 March 2020;
"MIT2"	means the trustees for the time being of the Sea Harvest Management Investment Trust No 2;
"Notional Funding Agreements"	has the meaning given thereto in paragraph 1.3 above;
"NVF"	means notionally vendor funded or notional vendor funding, as the context may require;
"Relationship Agreement"	has the meaning given thereto in paragraph 1.3 above;
"Residual Shares"	means the portion of the March 2020 tranche of Shares which remains after the repurchase or purchase of Shares required to settle the NVF;
"Sea Harvest Corporation"	means Sea Harvest Corporation Proprietary Limited (registration number: 2008/024147/07), a private company incorporated and registered in accordance with the laws of South Africa;
"SENS"	means the Stock Exchange News Service operated by the JSE;
"Shareholder"	means the registered holder of a Share from time to time;
"Shares"	means ordinary shares in the issued share capital of the Company;
"Specific Repurchase"	means the repurchase by the Company and/or one or more of its wholly owned subsidiaries of Shares from MIT2 as envisaged in this annexure;
"Strate"	means 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; and
"Subscription Agreement"	has the meaning given thereto in paragraph 1.3 above; and
"Transfer Secretaries"	means Computershare Investor Services Proprietary Limited (registration number: 2004/003647/07), full details of which are set out in the "Corporate Information" section of this document.

ANNEXURE 1 CONTINUED

3. DETAILS OF THE SPECIFIC REPURCHASE

3.1 The amount of NVF outstanding attributable to the Shares vesting in March 2020, as at the Last Practicable Date, is approximately R3 126 659.

3.2 In terms of the Notional Funding Agreements (clause 10.1 of the Subscription Agreement and clause 6.3 of the Relationship Agreement), the Company or its nominee has the right and option to repurchase or purchase from MIT2, within 60 days of the Maturity Date, (i) such number of Shares held by MIT2 which, calculated by applying the 30-day volume weighted average price of a Share as at the Maturity Date (being R14.01 per Share), have an aggregate value equal to the then outstanding NVF, for a consideration of R0.324 per Share, in order to settle the NVF relating to the 2020 tranche, and (ii) the Residual Shares for an aggregate consideration equal to the 30-day volume weighted average price of a Share as at the Maturity Date (being R14.01 per Share) multiplied by the number of Residual Shares. Sea Harvest intends to exercise such right on notice given to MIT2 on or about 20 April 2020, on the basis that the resultant Specific Repurchase will be subject to the approval of Shareholders.

3.3 In terms of the Specific Repurchase, the Company and/or one or more of its wholly owned subsidiaries will purchase from MIT2, 223 173 Shares at a price of R0.324 per Share and 1 153 143 Shares at a price of R14.01 per Share.

3.4 The Shares repurchased in terms of the Specific Repurchase represent approximately 0.47% of all the issued Shares.

3.5 Subsequent to the Specific Repurchase, the Shares repurchased pursuant to the Specific Repurchase will be held as treasury shares, to the extent that they have been purchased by one or more of the Company's wholly owned subsidiaries.

3.6 In terms of the JSE Listings Requirements, MIT2 and all of the beneficiaries of MIT2 will be excluded from voting their Shares on the special resolution required to authorise the Specific Repurchase.

4. SOURCE OF FUNDS

The amount payable in terms of the Specific Repurchase will be funded from existing cash resources.

5. IMPACT OF THE SPECIFIC REPURCHASE ON FINANCIAL INFORMATION

The impact on the cash and cash equivalents of the Group at 31 December 2019 is:

R'000	31 DECEMBER 2019	REPURCHASE	AFTER
Cash and cash equivalents	**237 882**	(16 228)	221 654

The cash received by MIT2 will be distributed to the beneficiaries of MIT2 in their unitholder proportions, in line with the terms of the Notional Funding Agreements.

6. SHARE CAPITAL OF SEA HARVEST

The share capital before and after the Specific Repurchase is as follows:

	BEFORE	AFTER
Authorised shares (no par value)	10 000 000 000	10 000 000 000
Issued and fully paid	294 293 814	294 293 814
Held as treasury shares	17 069 159	17 069 159
Net shares in issue	277 224 655	277 224 655

Note: The MIT2 shares are currently treated as treasury shares for accounting purposes and therefore remain treasury shares before and after the Specific Repurchase to the extent that they have been purchased by one or more of the Company's wholly owned subsidiaries.

	R'000
Issued and fully paid	1 879 536
Held as treasury shares	(69 030)
Total stated capital	**1 810 506**

Note: For the purpose of this table it is assumed that the Specific Repurchase will be undertaken by one or more of the Company's wholly owned subsidiaries.

7. MAJOR SHAREHOLDERS OF SEA HARVEST

Shareholders interested in 5% or more of the Shares of Sea Harvest as at 31 December 2019 are set out below:

	NUMBER OF SHARES	% OF ISSUED CAPITAL
Brimstone Investment Corporation Limited (through Newshelf 1411 Proprietary Limited and Newshelf 1169 Proprietary Limited)	159 468 904	54.19
Government Employees Pension Fund	26 325 000	8.95
36One Asset Management Proprietary Limited	18 450 164	6.27

8. MATERIAL CHANGES

There have been no material changes in the financial or trading position of Sea Harvest and its subsidiaries between 31 December 2019 and the date of this notice.

9. DIRECTORS' INTERESTS IN SHARES

The direct and indirect beneficial interests of the directors and their associates' holdings in the share capital of Sea Harvest at 31 December 2019, and any changes thereto, are set out below:

	DIRECT BENEFICIAL	INDIRECT BENEFICIAL	TOTAL	CHANGE IN SHAREHOLDING POST 31 DECEMBER 2019
M Brey	1 299 098		1 299 098	Issued with 315 139 Shares on 9 March 2020 in terms of the Forfeitable Share Plan
JP de Freitas	1 301 915		1 301 915	Issued with 315 139 Shares on 9 March 2020 in terms of the Forfeitable Share Plan
WA Hanekom		730 009	730 009	
MI Khan	8 000		8 000	
T Moodley		8 000	8 000	
BM Rapiya	40 000		40 000	
F Ratheb	2 160 863		2 160 863	Issued with 612 308 Shares on 9 March 2020 in terms of the Forfeitable Share Plan
F Robertson	5 600	233 326	238 926	Purchase of 1 000 Shares on 19 March 2020
Total	**4 815 476**	**971 335**	**5 786 811**	

The directors' interests before and after the Specific Repurchase will not change as the MIT2 Shares are currently treated as treasury shares and are therefore not included in the holdings above. On the Maturity Date, the Shares vest and are then bought back in terms of the Specific Repurchase, and will go back into treasury if they have been purchased by one or more of the Company's wholly owned subsidiaries.

The cash received by MIT2 as a result of the Specific Repurchase will be distributed to the beneficiaries of MIT2 in their unitholder proportions, in line with the terms of the Notional Funding Agreements.

ANNEXURE 1 CONTINUED

10. WORKING CAPITAL STATEMENT

The Specific Repurchase is subject to the provisions of the Memorandum of Incorporation of Sea Harvest, the Companies Act and the JSE Listings Requirements, where applicable. The directors of Sea Harvest are of the opinion that, after considering the effect of the Specific Repurchase:

10.1 the Company and the Group are in a position to repay their debts in the ordinary course of business for a period of 12 months after the date of approval of the notice of Annual General Meeting;

10.2 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 notice of Annual General Meeting;

10.3 the share capital and reserves of the Company and the Group are adequate for a period of 12 months from the date of approval of the notice of Annual General Meeting; and

10.4 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 notice of Annual General Meeting.

In addition, a resolution by the Board has been adopted, stating that the Board has authorised the Specific Repurchase, that the Company 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 Company and the Group.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company:

11.1 collectively and individually, accept full responsibility for the accuracy of the information given;

11.2 certify that:

11.2.1 to the best of their knowledge and belief, there are no other facts that have been omitted which would make any statement false or misleading;

11.2.2 they have made all reasonable enquiries to ascertain such facts; and

11.2.3 the notice of Annual General Meeting contains all information required by law and the JSE Listings Requirements.

12. EXPENSES RELATING TO THE SPECIFIC REPURCHASE

The expenses relating to the Specific Repurchase are estimated at approximately R83 364 (excluding VAT) and comprise:

DESCRIPTION	R
JSE documentation	23 364
Legal advisor – CDH	40 000
Sponsor fee – The Standard Bank of South Africa Limited	20 000
Total	**83 364**

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection by Shareholders at the registered office of Sea Harvest from Friday, 24 April 2020 up to and including the date of the Annual General Meeting, during normal business hours:

13.1 This notice of Annual General Meeting;

13.2 The Notional Funding Agreements consisting of:

- the trust deed in respect of MIT2, as amended on or about 16 February 2017 and 22 June 2017;
- the Subscription Agreement entered into between the Company and MIT2, as amended on or about 16 February 2017 and 22 June 2017;
- the Relationship Agreement entered into between the Company and MIT2, as amended on or about 16 February 2017;
- the amendment and repurchase agreement entered into between the Company, MIT2 and each of the beneficiaries of MIT2 on or about 16 February 2017, as amended on or about 22 June 2017; and
- each letter of agreement entered into between the Company and each beneficiary of MIT2 on or about 22 June 2017 and 20 December 2018;

13.3 historical Annual Financial Statements of Sea Harvest for the years ended 31 December 2019, 2018 and 2017; and

13.4 the Memorandum of Incorporation of Sea Harvest and its subsidiaries.

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 proxy form 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 proxy form.
- This proxy form must be delivered to the Company (at the venue of the AGM), or (by the time specified in this proxy form) to the transfer secretaries of the Company in South Africa, namely Computershare Investor Services Proprietary Limited, 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 proxy form.
- 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 proxy form.
- 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 proxy form 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 Annual General Meeting", 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 Monday, 25 May 2020) but may be furnished to the Chairperson of the AGM or his nominee at the time and venue of the AGM (or any postponement or adjournment thereof) before your proxy exercises any of your shareholder rights at such AGM.

SUMMARY OF SHAREHOLDERS' RIGHTS IN RESPECT OF PROXY APPOINTMENTS AS CONTAINED IN SECTION 58 OF THE COMPANIES ACT CONTINUED

4. The completion and lodging of this proxy form 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 proxy form.

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. Any alteration or correction made to this proxy form must be initialled by the signatory/ies but will only be validly made if such alteration or correction is accepted by the Chairperson of the AGM.

8. 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.

9. 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.

10. 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.

11. If required, additional forms of proxy are available from the Company's transfer secretaries or the registered office of the Company.

12. 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 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).

FORM OF PROXY

Sea Harvest Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 2008/001066/06
JSE 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 held at The Boulevard Office Park, 1st Floor, Block C, Searle Street, Woodstock, Cape Town on Tuesday, 26 May 2020 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.

Shareholders may participate (but not vote) electronically. 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.

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:

- may only delegate his/her authority to act on my/our behalf at the AGM to a director of the Company;
- 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 Monday, 25 May 2020, being 24 hours before the AGM to be held at 10:00 on Tuesday, 26 May 2020; 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 that follow the resolutions.

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, not later than 24 hours before the AGM.

FORM OF PROXY CONTINUED

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,

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 Frederick John Robertson as Non-executive Director			
2.	**Ordinary resolution 1.2:** Re-election of Wouter André Hanekom as Non-executive Director			
3.	**Ordinary resolution 1.3:** Re-election of Mohamed Iqbal Khan as Non-executive Director			
4.	**Ordinary resolution 2:** Adoption of audited Annual Financial Statements			
5.	**Ordinary resolution 3:** Reappointment of Deloitte & Touche as external auditor and reappointment of Michael van Wyk 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 shares			
18.	**Ordinary resolution 6:** Authorisation of directors and Company Secretary			

Signed at _____ on this _____ day of _____ 2020

Signature _____ Assisted by signature* _____

Name of signatory _____ Name of assistant _____

Capacity _____

(Authority of signatory to be attached if applicable)

** Where applicable.*



OUR AUDITED SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2019

	NOTES	AUDITED YEAR ENDED 31 DECEMBER 2019 R'000	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000
Revenue	4	**3 966 452**	2 583 341
Cost of sales		**(2 695 637)**	(1 675 097)
Gross profit		**1 270 815**	908 244
Other operating income		**73 544**	72 240
Selling and distribution expenses		**(158 484)**	(123 897)
Marketing expenses		**(13 214)**	(13 248)
Other operating expenses		**(573 081)**	(454 720)
Operating profit before fair value gains and associate income		**599 580**	388 619
Share of (loss)/profit in associate		**(112)**	647
Gain on bargain purchase	3	**891**	–
Fair value gains		**34 339**	48 743
Operating profit before net finance cost and taxation		**634 698**	438 009
Investment income		**21 413**	46 125
Interest expense		**(121 919)**	(90 130)
Profit before taxation		**534 192**	394 004
Taxation		**(138 679)**	(100 871)
Profit after taxation		**395 513**	293 133
Profit after taxation attributable to:			
Shareholders of Sea Harvest Group Limited		**412 478**	281 209
Non-controlling interests		**(16 965)**	11 924
		395 513	293 133
Earnings per share (cents)			
- Basic		**149.3**	112.8
- Diluted		**143.3**	108.6

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

	AUDITED YEAR ENDED 31 DECEMBER 2019 R'000	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000
Profit after taxation	**395 513**	293 133
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Movement on cash flow hedging reserve	**137 641**	(23 956)
Cost of hedging reserve	**(59 199)**	(27 194)
Reserves recycled to other operating income	**19 608**	20 614
Exchange differences on foreign operations	**(14 045)**	22 275
Items that may not be reclassified subsequently to profit or loss:		
Net measurement gain on defined benefit plan	**3 645**	2 149
Other comprehensive income/(loss), net of tax	**87 650**	(6 112)
Total comprehensive income for the year	**483 163**	287 021
Total comprehensive income attributable to:		
Shareholders of Sea Harvest Group Limited	**498 319**	271 525
Non-controlling interests	**(15 156)**	15 496
	483 163	287 021

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	NOTES	AUDITED YEAR ENDED 31 DECEMBER 2019 R'000	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000
ASSETS			
Property, plant, equipment and vehicles[1]		**1 881 734**	1 604 800
Right-of-use assets	2	**136 695**	–
Biological assets		**61 448**	107 646
Intangible assets[2]		**639 795**	616 163
Goodwill[3]		**849 615**	621 549
Investment in associate		**5 204**	5 316
Investment at fair value through other comprehensive income	7	**25 264**	25 264
Financial assets	7	**23 218**	25 912
Loans to related parties	9	**81 799**	72 489
Loans to supplier partners		**78 464**	72 182
Long-term loan receivable		**3 606**	–
Deferred tax assets		**611**	333
Non-current assets		**3 787 453**	3 151 654
Inventories[4]		**582 162**	396 471
Biological assets		**77 891**	–
Trade and other receivables[4]		**696 020**	507 500
Short-term loan receivable		**1 609**	–
Financial assets	7	**124 947**	994
Tax assets		**8 289**	9 986
Cash and bank balances		**237 882**	781 679
Current assets		**1 728 800**	1 696 630
Total assets		**5 516 253**	4 848 284

[1] Movement in property, plant, equipment and vehicles during the year includes:
*– acquisition through business combination of R189 million. Refer to **note 3.1**;*
– vessel refits of R89 million; and
– capital work in progress relating to the powder plant in Ladismith Cheese of R29 million.
*[2] Intangible assets includes R46 million relating to a current year business combination. Refer to **note 3.1.***
*[3] Goodwill includes R231 million relating to a current year business combination, reduced by R3 million as a result of translation of the foreign operation. Refer to **note 3.1.***
*[4] Inventories and trade and other receivables increased as a result of a current year business combination. Refer to **note 3.1.***

	NOTES	AUDITED YEAR ENDED 31 DECEMBER 2019 R'000	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000
EQUITY AND LIABILITIES			
Stated capital[5]		**1 810 506**	1 538 762
Other reserves		**(36 953)**	(102 008)
Retained earnings		**663 721**	377 911
Attributable to shareholders of Sea Harvest Group Limited		**2 437 274**	1 814 665
Non-controlling interests[6]		**76 500**	254 662
Capital and reserves		**2 513 774**	2 069 327
Long-term borrowings		**1 268 291**	1 517 683
Employee-related liabilities		**22 510**	25 229
Share-based payment liability		**27 509**	27 626
Deferred grant income		**32 236**	20 026
Contingent consideration	8	**90 862**	121 910
Financial liabilities	7	**20 522**	41 806
Lease liabilities		**146 230**	–
Deferred taxation		**478 545**	374 551
Non-current liabilities		**2 086 705**	2 128 831
Short-term borrowings		**285 685**	174 955
Trade and other payables[7]		**546 052**	410 211
Lease liabilities		**13 670**	–
Share-based payment liability		**15 909**	–
Deferred grant income		**3 317**	2 317
Financial liabilities	7	**21 248**	36 726
Short-term provisions		**21 088**	25 121
Taxation		**216**	796
Bank overdrafts		**8 589**	–
Current liabilities		**915 774**	650 126
Total equity and liabilities		**5 516 253**	4 848 284

[5] *Movement in stated capital includes the issue of 21 428 571 shares to Brimstone Investment Corporation Limited as part of the vendor consideration placement for the Ladismith Cheese acquisition. The total value of the subscription was R300 million.*

[6] *The reduction in non-controlling interests relates to the acquisition of a further 43.7% in Sea Harvest Australia for a cash consideration of R169 million.*

[7] *Trade and other payables increased as a result of a current year business combination. Refer to* ***note 3.1.***

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	AUDITED YEAR ENDED 31 DECEMBER 2019 R'000	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000
Balance at the beginning of the year	**2 069 327**	1 565 979
Attributable to:		
Shareholders of Sea Harvest Group Limited	**1 814 665**	1 397 666
Non-controlling interests	**254 662**	168 313
IFRS 16 adjustment	**(11 997)**	–
Attributable to:		
Shareholders of Sea Harvest Group Limited	**(10 417)**	–
Non-controlling interests	**(1 580)**	–
Restated balance at the beginning of the year	**2 057 330**	1 565 979
Attributable to:		
Shareholders of Sea Harvest Group Limited[1]	**1 804 248**	1 397 666
Non-controlling interests[1]	**253 082**	168 313
Total comprehensive income for the year attributable to shareholders of Sea Harvest Group Limited	**498 319**	271 525
Profit after taxation	**412 478**	281 209
Movements in other items of comprehensive income, net of tax	**85 841**	(9 684)
Movements attributable to shareholders of Sea Harvest Group Limited		
Shares issued	**300 000**	279 531
Shares repurchased[2]	**(28 255)**	(38 526)
Shares awarded in terms of the forfeitable share plan	**–**	2 882
Recognition of forfeitable share plan reserve	**–**	(32 413)
Dividends paid	**(116 251)**	(77 565)
Share-based payments	**(17 810)**	11 565
Further acquisition of investment in subsidiary	**(2 978)**	–
Movement attributable to non-controlling interests	**(176 581)**	86 349
Balance at the end of the year	**2 513 774**	2 069 327

[1] *Opening retained earnings and non-controlling interests were adjusted for the impact of the adoption of IFRS 16: Leases by R10.4 million and R1.6 million respectively. Refer to* ***note 2.***

[2] *2 030 414 shares were repurchased for the purposes of forfeitable share plan allocation in 2020.*

AUDITED SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	AUDITED YEAR ENDED 31 DECEMBER 2019 R'000	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000
Operating activities		
Profit after taxation	**395 513**	293 133
Adjustments for non-cash and other items	**443 706**	246 026
Operating cash flows before changes in working capital	**839 219**	539 159
Increase in inventories	**(6 544)**	(14 555)
Increase in trade and other receivables	**(112 049)**	(60 201)
Increase in trade and other payables	**47 555**	86 502
Cash generated from operations	**768 181**	550 905
Investment income received	**14 617**	46 125
Proceeds from government grant	**17 181**	–
Income taxes paid	**(119 509)**	(36 569)
Interest paid	**(120 055)**	(83 963)
Net cash generated from operating activities	**560 415**	476 498
Investing activities		
Acquisition of investment in subsidiary/business	**(558 139)**	(181 339)
Proceeds on disposal of property, plant, equipment and vehicles	**22 098**	75 543
Acquisition of property, plant, equipment and vehicles	**(264 629)**	(319 275)
Acquisition of intangible assets	**(30)**	(38 925)
Additions to biological assets	**(69 007)**	(37 149)
Cash movement in other long-term and short loans	**8 299**	–
Net cash utilised in investing activities	**(861 408)**	(501 145)
Financing activities		
Shares issued	**300 000**	–
Shares repurchased	**(50 962)**	(38 526)
Proceeds from borrowings	**347 497**	1 271 051
Repayment of borrowings	**(540 294)**	(641 514)
Repayment of financial liabilities	**(21 401)**	(21 266)
Dividends paid	**(117 154)**	(78 506)
Amounts advanced to supplier partners	**(6 032)**	(68 000)
Proceeds on loans advanced to supplier partners	**5 686**	–
Further investment in subsidiary	**(168 890)**	–
Net cash (utilised in)/generated from financing activities	**(251 550)**	423 239
Net (decrease)/increase in cash and cash equivalents	**(552 543)**	398 592
Cash and cash equivalents at the beginning of the year	**781 679**	383 047
Effects of exchange rates on the balance of cash held in foreign operation	**157**	40
Cash and cash equivalents at the end of the year	**229 293**	781 679

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2019

1. BASIS OF PREPARATION

The summarised consolidated financial statements for the year ended 31 December 2019 are prepared in accordance with the requirements of the Companies Act of South Africa. The summarised consolidated financial statements are 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 Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting.

The summarised consolidated financial statements for the year ended 31 December 2019 has been audited by Deloitte & Touche, who expressed an unmodified audit opinion thereon.

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, JP de Freitas CA(SA).

A copy of the full consolidated financial statements and the audit report thereon are available for inspection at the company's registered office and the company's website. The audit report does not cover all the information contained in this integrated report. 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.

2. ACCOUNTING POLICIES AND CHANGES TO ACCOUNTING POLICIES

The accounting policies and methods of computation applied in the preparation of these summarised consolidated financial statements are in terms of IFRS and are consistent with those applied in the financial statements for the year ended 31 December 2018, except for the adoption of IFRS 16: Leases on 1 January 2019.

IFRS 16 supersedes IAS 17: Leases, IFRIC 4: Determining whether an Arrangement contains a Lease, SIC-15: Operating Leases – Incentives and SIC-27: Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application being 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings, with no restatement of comparatives. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases, which had previously been classified as "operating leases" under the principles of IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2019. The Group's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 9.13%.

	R'000
2.1 ADJUSTMENTS RECOGNISED ON ADOPTION OF IFRS 16	
Operating lease commitments as at 31 December 2018	227 712
Operating lease commitments disclosed as at 31 December 2018 discounted using the Group's incremental borrowing rate at the date of initial application	137 059
Added through business combination	1 607
Less: Short-term leases recognised on a straight-line basis as expenses and leases of low-value assets	(1 583)
Lease liability recognised as at 1 January 2019	137 083
Of which are:	
Non-current liabilities	124 079
Current lease liabilities	13 004

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

	31 DECEMBER 2019 R'000	1 JANUARY 2019 R'000

2. ACCOUNTING POLICIES AND CHANGES TO ACCOUNTING POLICIES (continued)

The recognised right-of-use assets relate to the following types of assets:		
Buildings	136 695	118 375
Total right-of-use assets	136 695	118 375

The movement for 1 January 2019 to 31 December 2019 is due to new leases entered into during the period.

The effect of the adoption of IFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

Assets	
Right-of-use assets – Buildings	118 375
Total assets	118 375
Liabilities	
Lease liabilities	137 083
Deferred tax liabilities	2 575
Other payables	(9 286)
Total liabilities	130 372
Total adjustment on equity:	
Retained earnings	(10 417)
Non-controlling interests	(1 580)
Total equity	(11 997)

– Right-of-use assets of R118.3 million were recognised and presented separately in the statement of financial position.
– Lease liabilities of R137 million were recognised.
– Other payables (lease accrual) of R9.3 million related to previous operating leases were derecognised.
– Deferred tax liabilities increased by R2.6 million because of the deferred tax impact of the derecognition of the lease accrual.
– The net effect of these adjustments had been adjusted to retained earnings (R10.4 million) and non-controlling interests (R1.6 million).

2.2 IMPACT ON SEGMENT DISCLOSURES AND EARNINGS PER SHARE

Earnings Before Interest Tax Depreciation Amortisation (EBITDA) for the year ended 31 December 2019, segment assets and segment liabilities as at 31 December 2019 increased as a result of the change in the accounting policy. The following segments were affected by the change in policy:

	EBITDA R'000	SEGMENT ASSETS R'000	SEGMENT LIABILITIES R'000
South African Fishing	17 146	106 584	125 405
Australian operations	2 671	4 682	5 219
Aquaculture	2 297	15 308	18 343
Cape Harvest Foods	3 616	10 121	10 933
	25 730	**136 695**	**159 900**

Earnings per share decreased by 1.7 cents per share for the year ended 31 December 2019 as a result of the adoption of IFRS 16.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2019

2. ACCOUNTING POLICIES AND CHANGES TO ACCOUNTING POLICIES (continued)

2.3 PRACTICAL EXPEDIENTS AND EXEMPTIONS APPLIED

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- Used a single discount rate to discount a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term leases exemptions to leases with a lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

2.4 SUMMARY OF NEW ACCOUNTING POLICIES

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of some buildings and vehicles (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies to the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e. below R100 000). Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

3. BUSINESS COMBINATION AND OTHER ACQUISITION

3.1 LADISMITH CHEESE

With effect from 2 January 2019, Sea Harvest has, through its wholly owned subsidiary Cape Harvest Food Group Proprietary Limited, acquired 100% of the issued share capital of Ladismith Cheese Company Proprietary Limited (Ladismith Cheese).

Ladismith Cheese was established in 1999 and is a value-adding dairy processing company based in Ladismith in the Western Cape. Ladismith Cheese's primary business is the production, distribution, marketing and sale of cheese, butter and milk powders to the South African retail, wholesale, foodservice and food ingredients markets.

The acquisition is a further step in the execution of the Group's stated investment strategy of growing through acquisitions in complementary sectors of the South African food and agricultural industry, which exhibits strong fundamentals and growth, and where the Group is able to leverage its core competencies and strengths.

The Group has a 100% interest in Ladismith Cheese through this acquisition, with its results from 2 January 2019 being fully consolidated by the Group.

The accounting for the acquisition of Ladismith Cheese has been finalised.

	PROVISIONAL FAIR VALUE AT ACQUISITION DATE PREVIOUSLY REPORTED R'000	MEASURE PERIOD ADJUSTMENTS R'000	RESTATED CLOSING BALANCE R'000
Assets acquired and liabilities assumed			
Property, plant and equipment	188 794	–	188 794
Intangible assets	–	45 813	45 813
Loan receivable	13 514	–	13 514
Inventory	185 965	–	185 965
Trade and other receivables	89 502	–	89 502
Tax receivable	2 396	–	2 396
Cash and bank balances	14 407	–	14 407
Long-term interest-bearing borrowings	(15 218)	–	(15 218)
Short-term interest-bearing borrowings	(32 451)	–	(32 451)
Trade and other payables	(101 071)	–	(101 071)
Deferred tax liabilities	(35 983)	(13 695)	(49 678)
Total identifiable assets and liabilities	309 855	32 118	341 973
Total consideration transferred			
Cash	572 554	–	572 554
Net cash flow on acquisition of subsidiary			
Consideration paid in cash	572 554	–	572 554
Less: Cash and cash equivalent balances acquired	(14 407)	–	(14 407)
	558 147	–	558 147
Goodwill on acquisition			
Consideration	572 554	–	572 554
Less: Fair value of identifiable assets acquired and liabilities assumed	(309 855)	(32 118)	(341 973)
	262 699	(32 118)	230 581

Property, plant and equipment with a carrying amount of R151 million was revalued to its fair value of R189 million at acquisition date. The fair value adjustment of R38 million relates to land and buildings. The valuations for land and buildings were performed by an independent valuation expert.

The intangible asset identified was the Ladismith Cheese brand. The fair value was determined by an external independent valuer with reference to the best estimate of 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 is R89 million and includes trade receivables with a fair value of R88 million, which approximates the gross contractual amount.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2019

3. BUSINESS COMBINATION AND OTHER ACQUISITION (continued)

Goodwill is attributable to a control premium as well as the benefit of expected synergies and revenue growth. In addition, subsumed into goodwill are the assembled workforce with specialised knowledge and non-contractual customer relationships which do not qualify for separate recognition.

Goodwill is not expected to be deductible for tax purposes.

IMPACT OF THE ACQUISITION ON THE RESULTS OF THE GROUP

	R'000
Amounts included in the Group's results relating to Ladismith Cheese since the date of acquisition:	
Revenue	904 677
Profit for the year	66 524

Acquisition-related costs

Acquisition costs of R0.3 million were recognised in profit or loss for the year.

3.2 CHANGE IN OWNERSHIP INTEREST IN SEA HARVEST AUSTRALIA

In May 2019, the Group acquired the share capital held by non-controlling shareholders of its subsidiary Sea Harvest Australia Limited for a cash consideration of R169 million. Following the acquisition, the Group holds a 100% effective interest in Sea Harvest Australia.

3.3 BLUECAP GENERAL TRADING

In July 2019, the Group acquired 100% of the shares in Bluecap General Trading Proprietary Limited (Bluecap), a company operating in marine aquaculture in South Africa and holds water leases which benefit Viking Aquaculture. The transaction was accounted for as a business combination with an effective date of July 2019. The exiting owners wanted to dispose of a non-core asset to an industry player. Viking Aquaculture needed to secure a non-transferrable lease and therefore purchased the company for R1. At the time of the purchase, the fair value of assets and liabilities exceeded the purchase price. The accounting for Bluecap acquisition has been finalised and the purchase price allocation is as follows:

	FAIR VALUE AT ACQUISITION DATE R'000
Assets acquired and liabilities assumed	
Property, plant and equipment	891
Right-of-use asset	445
Cash and bank balances	8
Trade and other payables	(8)
Lease liability	(445)
Total identifiable assets and liabilities	891
Total consideration transferred	
Cash	–
Net cash flow on acquisition of subsidiary	
Consideration paid in cash	–
Less: Cash and cash equivalent balances acquired	(8)
	(8)
Gain on bargain purchase	
Consideration	–
Less: Fair value of identifiable assets acquired and liabilities assumed	(891)
	(891)

	AUDITED YEAR ENDED 31 DECEMBER 2019 R'000	RESTATED* YEAR ENDED 31 DECEMBER 2018 R'000
4. REVENUE		
Group revenue for the year can be analysed as follows:		
Revenue recognised at a point in time	**3 938 116**	2 583 341
Revenue recognised over time[1]	**28 336**	–
	3 966 452	2 583 341
Revenue from sale of goods comprise:		
Wild-caught fish[2]	**2 510 694**	2 032 170
Shellfish[3]	**267 297**	268 162
Vegetables and meals	**94 499**	108 343
Traded	**190 171**	174 666
Dairy	**903 791**	–
	3 966 452	2 583 341
Revenue is further split by geographic location as follows:		
South Africa	**2 209 799**	1 079 820
Australia	**447 178**	471 997
Europe	**1 113 675**	909 331
Other markets	**195 800**	122 193
	3 966 452	2 583 341

** Revenue by product and geographic location split has been changed from how it was reported previously in conformity with the basis that is reported to the CEO, who is the chief operating decision-maker.*

[1] As a result of the Ladismith Cheese Company acquisition, the Group now has a new revenue stream arising from the performance of services which relates to co-manufacturing and packaging contracts.
[2] Cape hake, horse mackerel and related bycatch.
[3] Prawn, scallop, crab and abalone.

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. Vegetables and meals is disclosed in the Cape Harvest Foods and Australian segments, with dairy revenue disclosed in the Cape Harvest Foods segment.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2019

		AUDITED YEAR ENDED 31 DECEMBER 2019 R'000	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000
5.	**HEADLINE EARNINGS PER SHARE**		
5.1	DETERMINATION OF HEADLINE EARNINGS		
	Profit after taxation attributable to shareholders of Sea Harvest Group Limited	**412 478**	281 209
	Profit on disposal of property, plant, equipment and vehicles	**(4 675)**	(4 596)
	Gain on bargain purchase	**(891)**	–
	Total tax effects of adjustments	**3 505**	1 286
	Headline earnings for the year	**410 417**	277 899
5.2	CALCULATION OF WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES		
	Weighted average number of shares on which earnings and headline earnings per share is based	**276 365 749**	249 202 106
	Weighted average number of shares on which diluted earnings and diluted headline earnings per share is based	**287 774 594**	258 988 718
	Reconciliation of weighted average number of shares between basic and diluted earnings per share and headline earnings and dilute headline earnings per share:		
	Basic	**276 365 749**	249 202 106
	Dilutive instruments	**11 408 845**	9 786 612
	Diluted	**287 774 594**	258 988 718
	Headline earnings per share (cents)		
	– Basic	**148.5**	111.5
	– Diluted	**142.6**	107.3

6. SEGMENTAL RESULTS

As a result of the business combination, a new reportable segment, Cape Harvest Foods, was formed. The Group's reportable segments under IFRS 8: Operating Segments are the South African Fishing, Australian operations, Aquaculture and Cape Harvest Foods segments.

	AUDITED YEAR ENDED 31 DECEMBER 2019 R'000	RESTATED* YEAR ENDED 31 DECEMBER 2018 R'000
Segment revenue		
South African Fishing[1]	**2 470 044**	2 005 357
Australian operations	**437 752**	442 837
Aquaculture[2]	**68 920**	54 532
Cape Harvest Foods	**989 736**	80 615
Total revenue	**3 966 452**	2 583 341
Segment profit/(loss) from operations		
South African Fishing	**526 589**	362 240
Australian operations	**6 652**	16 318
Aquaculture	**(29 818)**	2 893
Cape Harvest Foods	**96 157**	7 168
Operating profit before associate and joint venture income	**599 580**	388 619
Fair value (losses)/gains	**34 339**	48 743
Gain on bargain purchase	**891**	–
Share of (loss)/profit in associate	**(112)**	647
Investment income	**21 413**	46 125
Interest expense	**(121 919)**	(90 130)
Profit before taxation	**534 192**	394 004
Total assets		
South African Fishing	**3 093 199**	3 313 093
Australian operations	**886 253**	873 809
Aquaculture	**696 867**	636 422
Cape Harvest Foods	**839 934**	24 960
	5 516 253	4 848 284
Total liabilities		
South African Fishing	**1 961 289**	1 944 894
Australian operations	**389 157**	376 482
Aquaculture	**450 260**	443 625
Cape Harvest Foods	**201 773**	13 956
	3 002 479	2 778 957

[1] Revenue excludes inter-segmental revenue of R176 million (2018: R98 million) which is eliminated on consolidation.
[2] Revenue excludes inter-segmental revenue of R8 million (2018: R2 million) which is eliminated on consolidation.

**As a result of the business combination, Cape Harvest Foods Proprietary Limited which was previously reported under the South African Fishing segment is now being reported in a newly formed segment called Cape Harvest Foods.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2019

	AUDITED YEAR ENDED 31 DECEMBER 2019 R'000	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000
7. OTHER FINANCIAL ASSETS AND LIABILITIES		
Financial derivative assets	**148 165**	26 906
Non-current portion of financial assets[1]	**23 218**	25 912
Current portion of financial assets[2]	**124 947**	994
Other financial asset		
Investment at fair value through other comprehensive income[3]	**25 264**	25 264
Financial derivative liabilities	**160**	14 460
Current portion of financial liabilities[2]	**160**	14 460
Other financial liability		
Fishing licence liability[4]	**41 610**	64 072
Non-current portion of financial liability	**20 522**	41 806
Current portion of financial liability	**21 088**	22 266

[1] CALL OPTION DERIVATIVE

Included in non-current financial assets is a call option to acquire 100% of the shareholding in Vuna Fishing Company Proprietary Limited from Vuna Fishing Group Proprietary Limited. The fair value was independently determined by an expert using the Black-Scholes option pricing model. The call option financial asset has been classified as a non-current asset at 31 December 2019 due to the expected exercising date thereof exceeding 12 months from the reporting date. The call option disclosed in financial assets is regarded as a level 3 financial instrument for fair value measurement purposes. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The movement in the call option derivative is as follows:

Opening balance	**25 912**	24 825
Fair value movement	**(2 694)**	1 087
Closing balance	**23 218**	25 912

Assumption sensitivity analysis

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

	AUDITED YEAR ENDED 31 DECEMBER 2019 R'000	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000
7. OTHER FINANCIAL ASSETS AND LIABILITIES (continued)		
Vuna Fishing Company valuation		
+ 5%	**2 063**	1 980
- 5%	**(2 029)**	(1 956)
Yield Curve 7.325% (2018: 8.059%)		
+ 5%	**1 351**	1 324
- 5%	**(1 240)**	(1 285)
Volatility 27.363% (2018: 34.378%)		
+ 1%	**1 227**	1 060
- 1%	**(1 249)**	(1 087)

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

[2] FINANCIAL DERIVATIVE ASSETS AND LIABILITIES

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

[3] INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

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

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

Assumption sensitivity analysis

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

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

[4] FISHING LICENCE LIABILITY

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

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 31 December 2019

8. CONTINGENT CONSIDERATION

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

The movement in the contingent consideration is as follows:

	AUDITED YEAR ENDED 31 DECEMBER 2019 R'000	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000
Opening balance	**121 910**	–
Acquisition of subsidiary/business	**–**	157 510
Fair value movement[1]	**(31 048)**	(35 600)
Closing balance[2]	**90 862**	121 910

[1] The fair value adjustment includes a gain of R44 million as a result of Viking Aquaculture not achieving the 2019 minimum target.
[2] The balance relates to Viking Fishing meeting the 2018 and 2019 earn-out targets.

9. RELATED PARTY TRANSACTIONS

This disclosure relates to material related party balances and transactions.

9.1	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**	45 069
	SeaVuna Fishing Company Proprietary Limited[1]	**9 311**	–
	Total	**81 799**	72 489
	Loans to related parties – current		
	Specialised Aquatic Feeds Proprietary Limited (associate of Viking Aquaculture Proprietary Limited)	**4 000**	4 000
	Total	**4 000**	4 000
9.2	RELATED PARTY TRANSACTIONS		
	Sales to related parties		
	SeaVuna Fishing Company Proprietary Limited[1]	**43 933**	43 421
	Recoveries and other income from related parties		
	SeaVuna Fishing Company Proprietary Limited[1]	**17 878**	46 561
	Purchases from related parties		
	SeaVuna Fishing Company Proprietary Limited[1]	**214 182**	193 157

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

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

10. STATED CAPITAL (NUMBER)

	AUDITED YEAR ENDED 31 DECEMBER 2019	AUDITED YEAR ENDED 31 DECEMBER 2018
In issue (number)		
Ordinary shares	**294 293 814**	272 865 243
Held as treasury shares	**(17 069 159)**	(15 685 629)
	277 224 655	257 179 614

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

	TOTAL SHARES IN ISSUE	LESS TREASURY SHARES	TOTAL NET SHARES IN ISSUE
Opening balance	**272 865 243**	**15 685 629**	**257 179 614**
Shares issued	**21 428 571**	**–**	**21 428 571**
Shares repurchased	**–**	**2 030 414**	**(2 030 414)**
Shares vested	**–**	**(646 884)**	**646 884**
Closing balance	**294 293 814**	**17 069 159**	**277 224 655**

11. CONTINGENT LIABILITIES AND COMMITMENTS

The Group has no contingent liabilities at the end of the year (2018: nil).

	AUDITED YEAR ENDED 31 DECEMBER 2019 R'000	AUDITED YEAR ENDED 31 DECEMBER 2018 R'000
Capital commitments		
Budgeted capital expenditure is as follows:		
– contracted	**13 580**	19 632
– not contracted	**275 035**	115 142

12. EVENTS SUBSEQUENT TO REPORTING DATE AND GOING CONCERN

EVENTS SUBSEQUENT TO REPORTING DATE

- On 2 January 2020, the Group has, through its wholly owned subsidiary Sea Harvest Corporation Proprietary Limited (Sea Harvest), entered into an agreement to purchase a consideration claim of R56 million payable by SeaVuna Fishing Company Proprietary Limited, a wholly owned subsidiary of Vuna Fishing Company Proprietary Limited, which is a joint venture of Brimstone Investment Corporation Limited, to Viking Fishing Holding Proprietary Limited.
- The Board of Directors recommended a gross and final cash dividend on 2 March 2020 amounting to 50 cents per share (2018: 40 cents), comprising an ordinary dividend of 45 cents and a special dividend of 5 cents per share, in respect of the year ended 31 December 2019.
- Subsequent to 31 December 2019, the Group has assessed the impact of Covid-19 on the annual financial statements and considered the potential impairment indicators for its various businesses as well as the assumptions used in testing goodwill for impairment. As at the date of approving these annual financial statements, management have assessed that there is no material impact on the annual financial statements for the year ended 31 December 2019.

  As an essential food manufacturer, the Group is exempt from lockdown and is allowed to continue to operate, provided that there are no supply chain disruptions (such as shortages of fuel, packaging and other key supplies) and no disruption to labour.

  Management will continue to assess the financial impact of Covid-19 while placing the health and safety of our employees first.
- After the balance sheet date, there has been a significant fluctuation in the foreign currencies that the Group trades in. Under IFRS these are non-adjusting events in respect of the year end 31 December 2019. The impact of the devaluation of the SA Rand against the US Dollar and Euro is continuously being evaluated. At this point in time there are insufficient data points to understand the long-term impacts of Covid-19 on future profitability and the consequent carrying value of assets. For foreign sales the Group continues to apply it hedging strategy where fair value movements on the hedging instruments are deferred in equity until such time as the hedged transaction is recognised. The full extent and timing of the impact of these events is not yet known and will only be determined at the point at which the hedged transaction is recognised. We are not able to estimate the expected financial effect of the exchange rate devaluation at this point in time.

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

GOING CONCERN

The directors believe that the Group and Company have adequate financial resources to continue in operation for the foreseeable future, including special consideration of the potential risks associated with Covid-19. Accordingly the annual financial statements have been prepared on a going concern basis.

INDEPENDENT AUDITOR'S REPORT ON SUMMARISED FINANCIAL STATEMENTS

To the shareholders of Sea Harvest Group Limited

OPINION

The summarised consolidated financial statements of Sea Harvest Group Limited, which comprise the summarised consolidated statement of financial position as at 31 December 2019, the summarised consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Sea Harvest Group Limited for the year ended 31 December 2019.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Sea Harvest Group Limited, in accordance with the basis of preparation set out in **note 1** to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Sea Harvest Group Limited and the auditor's report thereon. The summarised financial statements and the audited consolidated financial statements do not reflect the effect of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 31 March 2019. That report also includes:

- The communication of other key audit matters as reported in the auditor's report of the audited financial statements.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the basis of preparation set out in **note 1** to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summarised consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Deloitte & Touche

Deloitte & Touche
Registered Auditor

Per: Michael van Wyk
Partner
24 April 2020

Unit 11, Ground Floor, 97 Dorp Street, Stellenbosch, 7600

CORPORATE INFORMATION

Sea Harvest Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 2008/001066/06
JSE Code: SHG
ISIN: ZAE000240198

("Sea Harvest" or "the Company" or "the Group")

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

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

**Non-executive Director*
*** Lead Independent Non-executive Director*

Company Secretary:
N Aston (Resigned 31 October 2019)
JP de Freitas (Acting 1 November 2019)

Transfer Secretary:
Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Sponsor:
The Standard Bank of South Africa Limited

Auditors:
Deloitte & Touche



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