# INTEGRATED REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2024



# A 60-YEAR JOURNEY

## A LEGACY OF LIFE, GROWTH AND GLOBAL IMPACT

2024

1964

SEA HARVEST IS ESTABLISHED IN SALDANHA BAY

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## TIMESPAN FOR GOALS

The Board has reiterated its commitment to ensuring the long-term sustainability of the business. However, given the dynamic and ever-changing environment within which the Group operates, it has selected to limit the timespan for its strategic objectives (**see page 80**) to three years. A five-year framework has been retained for the goals in respect of its capitals (**see page 44 to 55**).

| SHORT TERM | MEDIUM TERM | LONG TERM |
|---|---|---|
| TWO YEARS OR LESS | TWO TO FIVE YEARS | MORE THAN FIVE YEARS |

# NAVIGATING OUR REPORT

Visit **www.seaharvestgroup.co.za** to download electronic copies of all our reports.




### Our Integrated Report

Sea Harvest Group Limited's Integrated Report (**IR**) is our main report to our stakeholders; it details our value-creation story for the year ended 31 December 2024 and the factors that contributed to our performance for the year under review.




### Our Annual Financial Statements

Sea Harvest Group Limited's Annual Financial Statements (**AFS**) is a comprehensive report of our financial performance and position for the year ended 31 December 2024.



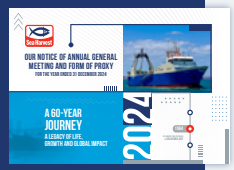

### Our Environmental, Social and Governance Report

Sea Harvest Group Limited's Environmental, Social and Governance (**ESG**) Report provides additional reporting on how the Group drives positive change and the long-term sustainability of our people and the planet.




### Our KING IV™ Application Register

Sea Harvest Group Limited's application of the King IV™ principles ensures that the governance outcomes relating to an ethical culture, effective leadership, good performance and legitimacy are firmly embedded within the Group.




### Our Notice of Annual General Meeting and Form of Proxy

Sea Harvest Group Limited's Notice of Annual General Meeting (**AGM**) and Form of Proxy comprise information required by the Companies Act, No 71 of 2008 of South Africa (Companies Act), the JSE Limited (JSE) Listings Requirements and King IV Report on Corporate Governance™ (King IV™)* to our shareholders.

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## OUR CAPITALS

Refer to **pages 44 to 55**

- NC Natural Capital
- HC Human Capital
- SC Social and Relationship Capital
- MC Manufactured Capital
- IC Intellectual Capital
- FC Financial Capital

## OUR KEY STAKEHOLDERS

Refer to **pages 36 to 43**

- Employees and labour unions
- Industry partners
- Shareholders
- Customers and consumers
- Funders
- Suppliers and service providers
- Government and regulators
- Communities and non-governmental organisations (NGOs)

## OUR MATERIAL MATTERS

Refer to **pages 68 to 79**

- Operating efficiently
- Driving transformation
- Protecting our brands
- Managing relationships
- Optimising financial capital
- Acting responsibly

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Integrating ESG into investments

Sea Harvest's 2024 integrated reporting includes our standalone **ESG** Report that provides a range of ESG information relating to various aspects of Sea Harvest's business relevant to various stakeholders. The **ESG** Report also includes information relating to Sea Harvest's performance in terms of King IV™ as well as details relating to the Group's commitment to supporting the UN SDGs.

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

- No poverty
- Zero hunger
- Good health and well-being
- Quality education
- Gender equality
- Clean water and sanitation
- Affordable and clean energy
- Decent work and economic growth
- Industry, innovation and infrastructure
- Reduced inequalities
- Sustainable cities and communities
- Responsible consumption and production
- Climate action
- Life below water
- Life on land
- Peace, justice and strong institutions
- Partnerships for the goals

Information regarding Sea Harvest Group's response to the 17 UN SDGs is woven throughout our **IR** and **ESG** Report.

Refer to **pages 68 to 79** for information on our material matters, which are the main reference within our business when considering how we can support the UN SDGs.

# 01

# ABOUT OUR REPORT


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**1964**

SEA HARVEST IS ESTABLISHED IN SALDANAH BAY

**2024**

THE GROUP SUCCESSFULLY ACQUIRES 100% OF TERRASAN'S PELAGIC BUSINESS AND A 63.07% STAKE IN ITS ABALONE BUSINESS, AQUNION



# OUR THEME AND RATIONALE




# A 60-YEAR JOURNEY

## A LEGACY OF LIFE, GROWTH AND GLOBAL IMPACT

**A small hamlet, a safe harbour, and a simple goal – to bring the ocean's bounty to the people. That's where our journey began in Saldanha Bay, on the West Coast of South Africa, in 1964. What started as a small fishing business with a few trawlers has grown into a life-changing, life-giving and life-sustaining force in the global seafood, agri-processing, and branded fast-moving consumer good (FMCG) industries.**

### LOOKING BACK: A LEGACY OF IMPACT

From the beginning, Sea Harvest Group has been more than just a business; we've always been a cornerstone of the communities we serve. Our journey is marked by a steadfast commitment to nurturing not only the ocean's resources but also the people and communities that make our success possible. Over the decades, we've cultivated a reputation built on trust, quality and responsibility, forging strong, lasting relationships with our national and international customers and partners.

Our impact goes beyond the products we provide. We empower people through Broad-Based Black Economic Empowerment (B-BBEE) initiatives, job creation, and robust skills development, ensuring that our growth is shared with those who stand with us. We support small and medium-sized business enterprises, fostering a spirit of entrepreneurship and collaboration that strengthens the fabric of our communities.

### OUR COMMITMENT: A LIFE-SUSTAINING VISION

Throughout our history, we've remained true to our values, ensuring that our operations are not just profitable but also sustainable. With a deep respect for the environment, we adhere to quotas strictly and continuously expand our focus on ESG principles. Our efforts ensure that natural resources are responsibly managed, allowing us to sustain operations for generations to come.

### LOOKING AHEAD: A FUTURE ROOTED IN PURPOSE

As we celebrate our 60-year journey, we stand at the threshold of a new era, where our vision extends far beyond our humble beginnings. We are more than a seafood and agri-processing company; we are a global entity with a deep-rooted purpose – to continue supporting and changing lives and sustaining the future.

A future that is built on the foundation of our past, informed by the lessons we've learned, and driven by unwavering commitment to our people, communities and planet. As we look ahead, we are determined to deepen our impact, expand our global footprint, and lead with purpose.

With gratitude to our legacy and optimism for the future, we strive to make the next 60 years as transformative as the last.

# OUR REPORT

## OUR REPORTING SCOPE

Sea Harvest Group Limited's 2024 **IR** and supplementary reports seek to provide material information about the Group as it charts its path to be a leading and responsible diversified global seafood and food business. As per the Integrated Reporting Framework's definition of "integrated reporting", our aim has been to disclose how the Group has created and preserved value with every effort made to limit the erosion of value. The reports cover the Group's operating companies and subsidiaries, including:

Sea Harvest Corporation Proprietary Limited (Sea Harvest Corporation/South African Fishing Group), which pertains to the South African hake fishing operations in Saldanha Bay, Cape Town and Mossel Bay as well as the pilchards, fishmeal and fish oil operations of Sea Harvest Pelagic Proprietary Limited (Sea Harvest Pelagic) in St Helena Bay.

Cape Harvest Food Group Proprietary Limited (Cape Harvest Foods), which pertains to the value-added dairy operations of Ladismith Cheese Company Proprietary Limited (Ladismith) and Mooivallei Suiwel Proprietary Limited (Mooivallei); the convenience foods business, BM Foods Group Proprietary Limited (BMFG); and the Group's factory shops in various cities and towns in South Africa.

Sea Harvest Aquaculture Proprietary Limited (Sea Harvest Aquaculture), which includes the abalone farming operations of Viking Aquaculture Proprietary Limited (Viking Aquaculture); Aqunion Proprietary Limited (Aqunion) and the aquaculture feed operations of Marifeed Proprietary Limited (Marifeed).

Sea Harvest International Proprietary Limited (Sea Harvest International/Sea Harvest Australia), which pertains to the Group's Australian wild-caught fishing, trading and engineering operations.

## OUR REPORT PREPARATION

This report has been prepared in accordance with the following guidelines and frameworks:

- Recognition and measurement requirements of the International Financial Accounting Reporting (IFRS) Accounting Standards;
- IAS 34: *Interim Financial Reporting*, South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides issued by SAICA's Accounting Practices Committee, and Financial pronouncements as issued by the Financial Reporting Standards Council;
- Companies Act;
- King IV™;
- International Integrated Reporting Framework (Integrated Reporting Framework); and
- JSE Listings Requirements.

## OUR REPORTS

A suite of reports has been produced to satisfy our stakeholders' specific information requirements. The following reports are available for download under the "Investors" section of the Sea Harvest Group website **(www.seaharvestgroup.co.za)**:

- 2024 **IR**, including the summarised consolidated financial statements;
- 2024 **ESG** Report;
- Group and Company **AFS** for the year ended 31 December 2024;
- King IV™ Application Register; and
- Notice of **AGM** and Form of Proxy.

A glossary of definitions used throughout the **IR** is set out on **pages 170 to 172**.

## OUR FORWARD-LOOKING INFORMATION

This report contains forward-looking statements that, unless otherwise indicated, reflect the Group's expectations as at 31 December 2024. Actual results may differ materially from the Group's expectations if known and unknown risks or uncertainties affect its business or if estimates or assumptions prove to be inaccurate. We cannot guarantee that any forward-looking statement will materialise. Readers are cautioned not to place undue reliance on any forward-looking statements. Sea Harvest Group Limited does not commit, and disclaims any obligation, to update or revise any forward-looking statement, even if new information becomes available because of future events or for any reason other than as required by the JSE Listings Requirements.

## OUR INFORMATION ASSURANCE

We strive to achieve a high standard of disclosure that promotes accurate, transparent, balanced and complete reporting. Our Board of Directors, its committees and management were involved in finalising the disclosures made in this report and assume responsibility for the information contained herein. Ernst & Young Inc has independently assured the financial statements. Our non-financial information was not independently assured, with the exception of our B-BEEE verification, which was undertaken by Premier Verification.

## FEEDBACK

We value feedback from our stakeholders and would appreciate any correspondence that would allow us to produce reports that improve in quality every year.
Any comments or requests for additional information can be emailed to **Anthea Abraham** at **antheaa@seaharvest.co.za**.

## BOARD APPROVAL

The Board acknowledges its responsibility for ensuring the accuracy of our 2024 Integrated Report and, in its opinion, the report addresses all material issues relevant to the business and presents an integrated view of the Group's performance for the year under review. The Board has indicated its approval of the report.

| FRED ROBERTSON | FELIX RATHEB | MUHAMMAD BREY | ANDRÉ HANEKOM | KARI ANN LAGLER | CAROL KHOLEKA ZAMA | TILOSHANI MOODLEY | MARSHALL RAPIYA | ELIAS LINKS |
|---|---|---|---|---|---|---|---|---|
| *Non-executive Chairperson* | *Chief Executive Officer* | *Chief Financial Officer* | *Independent Non-executive Director* | *Independent Non-executive Director* | *Independent Non-executive Director* | *Non-executive Director* | *Lead Independent Non-executive Director* | *Non-executive Director* |

02

# SEA HARVEST GROUP AT A GLANCE


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**1970s**

INCREASED FOCUS ON INTERNATIONAL MARKETS AND CAPE HAKE IS POSITIONED AS A **PREMIUM SPECIES**



**2022**

SEA HARVEST SECURES **ITS FISHING RIGHTS** IN SOUTH AFRICA

# HIGHLIGHTS FOR 2024

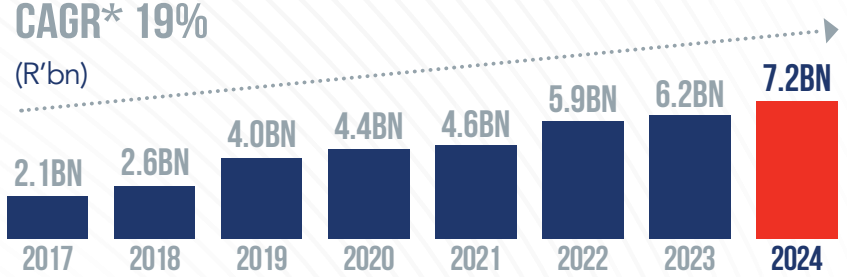
**REVENUE**
**16%**
TO R7.2 BILLION
(2023: R6.2 BILLION)

**OPERATING PROFIT**
**26%**
TO R580 MILLION
(2023: R462 MILLION)

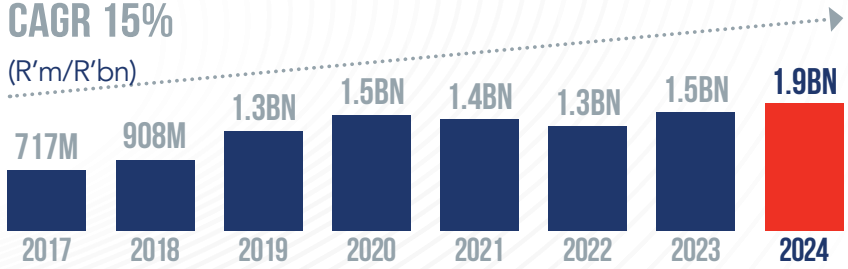
**HEADLINE EARNINGS PER SHARE (HEPS)**
**45%**
TO 55 CENTS PER SHARE
(2023: 100 cents per share)

**DIVIDEND PER SHARE**
**22**
CENTS PER SHARE
(2023: 40 cents per share)

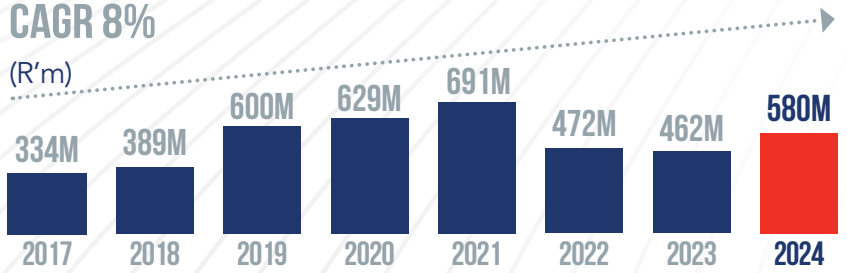
## REVENUE




## GROSS PROFIT




## OPERATING PROFIT




** Compound annual growth rate*

# HIGHLIGHTS FOR 2024 CONTINUED

## SOUTH AFRICAN FISHING GROUP

Sea Harvest – Savour the sea
Saldanha

- 32 VESSELS
- 6
- 5 PROCESSING OPERATIONS
- 2

**SPECIES**

HAKE | HORSE MACKEREL | PRAWN
ANCHOVY | PILCHARD

**EMPLOYEES**

3 950

## SEA HARVEST INTERNATIONAL

Sea Harvest Australia

- 21 VESSELS
- 25 PRAWN LICENCES
- 20 SPANISH MACKEREL LICENCES
- 5 FISH TRAWL LICENCES

**SPECIES**

PRAWN | SCALLOP | CRAB
SPANISH MACKEREL | FISH

**EMPLOYEES**

150

## SEA HARVEST AQUACULTURE

Sea Harvest Aquaculture
AQUNION
Marifeed

- 8 AQUACULTURE OPERATIONS

**SPECIES**

ABALONE

**EMPLOYEES**

730

## SEA HARVEST FOOD GROUP

Cape Harvest Foods
Ladismith Cheese

- 2 PROCESSING OPERATIONS
- 8 FACTORY SHOPS

**CATEGORIES**

CHEESE | BUTTER | POWDERS

**EMPLOYEES**

650

# OUR INVESTMENT CASE

### 1 ATTRACTIVE INDUSTRY DYNAMICS

with global demand for premium, wild-caught, Marine Stewardship Council (MSC) certified seafood exceeding supply, while global aquaculture is a fast growing sector. Global aquaculture supply is now greater than wild-caught fisheries. Fishmeal and fish oil are key ingredients in aquaculture feed

### 2 DIVERSIFIED

exposure to all material wild-caught fisheries in South Africa and Australia

### 3 LEVEL 1 B-BBEE CONTRIBUTOR C.95% BLACK-OWNED

B-BBEE score of **102.37**

### 4 SECURITY OF TENURE

15-year rights in hake and pelagics. Rights into perpetuity in Australia

### 5 STRONG SUSTAINABILITY CREDENTIALS

South African hake and Australian prawn fisheries are MSC certified, Sea Harvest Pelagic is Marin Trust certified, and Marifeed is GLOBALG.A.P. certified.

CERTIFIED SUSTAINABLE SEAFOOD MSC www.msc.org
marin trust
GLOBALG.A.P.

### 6 STRONG RAND HEDGE

Geographically diverse customer base providing a with c.**51%** of sales in hard currency within developed markets

# 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 fishing and food business.

## 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 HISTORY

## 1964

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

SeaHarvest

1965

Sea Harvest

1969



1964



2014

The Sea Harvest Factory in Saldanha Bay

## 1990s

Pescanova divests from Sea Harvest Corporation and ICS increases its stake to 62% and lists Sea Harvest on the JSE. Post-1994, international markets reopen and exports recommence.

Tiger Brands acquires 100% of ICS and delists Sea Harvest from the JSE.

Sea Harvest

1985

## 1960s 1970s

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




TIMELINE CONTINUED ON NEXT PAGE

# OUR HISTORY CONTINUED

## 2000s

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

BRIMSTONE
INVESTMENT CORPORATION LIMITED




2000

Sea Harvest

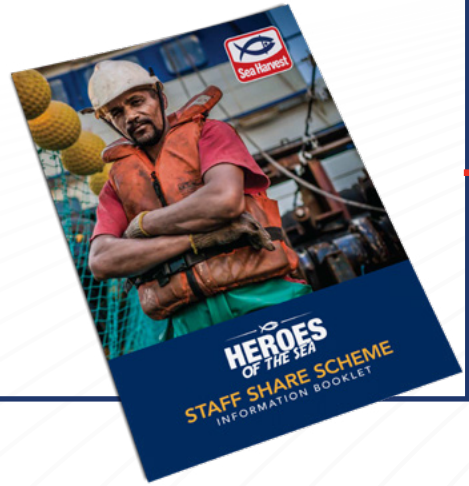
## 2014

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

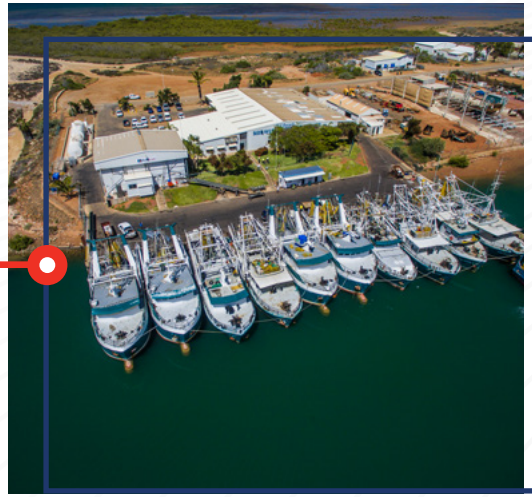
SEA HARVEST 50 YEARS Est. 1964

## 2015

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




## 2016



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

Mareterram

TIMELINE CONTINUED ON NEXT PAGE

# OUR HISTORY CONTINUED

## 2017



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



VIKING FISHING
A DIVISION OF SEA HARVEST CORPORATION

## 2018

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

## 2019

The Group acquires 100% of Ladismith and 100% of Mareterram and renames Mareterram to Sea Harvest Australia and delists it from the ASX.







## 2021

The Group acquires 100% of Mooivallei, thereby increasing its cheese production capacity, and further diversifies in the South African Foods segment through the acquisition of a 53.7% share in the convenience foods business, BM Foods Manufacturers Proprietary Limited (BMFM).




TIMELINE CONTINUED ON NEXT PAGE

# OUR HISTORY CONTINUED

## 2022

The Group acquires 100% of the fishing business and related assets of MG Kailis Holdings Proprietary Limited (MG Kailis) in Australia.




MG KAILIS GROUP



## 2023

The Group increases its shareholding in Viking Aquaculture to 87%.

The Group disposes of 5% of its equity interest in BMFM to the BM Foods executive committee and staff.

## 2024

The Group successfully concludes the purchase of Terrasan Group Limited's (Terrasan) assets, specifically 100% of its pelagic business and 63.07% of its abalone business (Aqunion).








# WHAT SETS US APART

## 1 RESILIENT AND DEFENSIVE NATURE OF THE GROUP

Food and its associated categories remain defensive in nature in an ever-changing and demanding world. Even as global socio-economic challenges mount and political instability rapidly become the norm, access to primary natural resources utilised in food production remains at the forefront.

Sea Harvest Group operates in an environment characterised by an ever-increasing demand for its products, where the Group has been able to achieve a 12% EBIT margin through the cycle. Even in the most difficult fishing year, Sea Harvest Corporation delivered a 13% EBIT margin.

Refer to **pages 54 to 55** for more information on our Financial Capital, **pages 78 to 79** for more information on optimising Financial Capital and **pages 95 to 106** for our CFO's Report.

## 2 INCREASING GLOBAL DEMAND FOR OUR PRODUCTS

### Seafood products from sustainable sources to fill the ever-increasing protein gap

With the ever-increasing global population, demand for food also continues to increase. Further, increased access to information has resulted in increased awareness of living healthier and why foods with sustainable sources are essential. Seafood is a significant and increasing portion of the food sector due to its high nutritional value and increased global demand, where it is a significant source of protein, omega-3 fats, and essential nutrients such as vitamin D and iodine.

According to the UN Food and Agriculture Organisation, aggregate fisheries and aquaculture production has grown considerably over the past seven decades, from 19 million tonnes (live weight equivalent) in 1950 to a record 179 million tonnes in 2018, with an average annual growth rate of 3.3 percent.

Although wild-capture seafood remains a consistent source of supply, the greatest growth potential lies in aquaculture, with farmed seafood products being the way to meet worldwide seafood demand. Sea Harvest is well positioned to capitalise on this potential through its extensive wild-capture seafood business and its increase in scale in abalone farming through the acquisition of Aqunion.

Refer to **pages 85 to 89** for our South African Fishing Group segmental report, **pages 90 to 91** for our Sea Harvest International segmental report and **page 92** for our Sea Harvest Aquaculture segmental report.

### Dairy products

In the current global landscape, there is a surge in the demand for dairy products, propelled by factors such as burgeoning population figures, escalating income levels, and evolving dietary preferences. With a discernible inclination towards protein-rich food choices among consumers, the demand for dairy staples like milk, cheese and yogurt is experiencing a notable uptick.

While the milk segment continues to hold sway over the global dairy market, butter and cheese have emerged as significant players, commanding the second and third largest segments, respectively.

Refer to **pages 93 to 94** for our Cape Harvest Food Group segmental report.

## 3 STRONG RAND HEDGE DUE TO GEOGRAPHICALLY DIVERSE, LONG-STANDING INTERNATIONAL CUSTOMER BASE

Our consistently high-quality products and world-class business standards are reflected in our extensive track record of growing and fostering partnerships with leading international customers. The Group generated 51% of its 2024 revenue from international markets, making it a strong rand hedge.

Refer to **pages 36 to 43** for more information on our key stakeholders.



# WHAT SETS US APART CONTINUED

## 4 INTERNATIONAL REPUTATION FOR COMMITMENT TO SUSTAINABLE BUSINESS PRACTICES

Sea Harvest, as a renowned global producer of sustainable seafood products, has solidified its position as an industry front runner through sustainability certification. Our South African Cape Hake and Australian prawn fisheries are certified by the MSC – internationally recognised as the pinnacle of sustainable wild-caught fishing standards. Our fishmeal and fish oil products enjoy recognition by the Marin Trust, which guarantees high standards of safety and quality in production with sufficient care given to the environment, workforce and local community. Our aquafeed is GLOBALG.A.P. certified – this globally recognised standard promotes good agricultural practices in the production of agricultural products, including crops, livestock and aquaculture. These endorsements not only distinguish Sea Harvest in markets where these products are sold and distributed but also underscore the Company's unwavering dedication to marine and social sustainability. Moreover, the Group's commitment to sustainability encompasses an evolving carbon management strategy aimed at reducing emissions as well as proactive water conservation initiatives to minimise fresh water consumption in its operations.

Refer to **pages 44 to 45** for more information on our Natural Capital and **pages 76 to 77** for more information on acting responsibly.

Refer to our **ESG** Report.

## 5 EXPERIENCED, GROWTH-ORIENTATED MANAGEMENT TEAM AND COMMITTED WORKFORCE

Sea Harvest has a robust and confident executive management team with a depth of experience and unwavering commitment to transforming the Group's operations through innovative solutions. The leadership team, together with its steadfast workforce, remains focused on the pursuit of the Group's vision and the adoption of best practices, even amid challenging macro-economic conditions.

Refer to **pages 18 to 21** for more information on our leadership and **pages 80 to 84** for our strategy.

Refer to **pages 46 to 47** for more information on our Human Capital.

## 6 VERTICALLY INTEGRATED BUSINESSES WITH WELL-LOCATED, WORLD-CLASS FACILITIES IN INDUSTRIES WITH HIGH BARRIERS TO ENTRY

Our business operations encompass the entirety of the value chain, spanning harvesting and sourcing to production, sales and distribution. The business has made substantial investments across every stage of its value chain, solidifying its presence and commitment to excellence throughout the process. Our factories are accredited by key international organisations and regulators, such as the international British Retail Consortium, MSC, Marin Trust and GLOBALG.A.P., and locally by the National Regulator for Compulsory Specifications (NRCS). Furthermore, our facilities enjoy accreditation by key customers, including Nestlé, Nomad Foods and Woolworths (South Africa).

The South African and Australian fishing industries are highly regulated, with fishing rights issued for 15 years in South Africa and in perpetuity in Australia.

Industries such as fishing, aquaculture, value-added dairy, and convenience food demand significant capital investment due to their capital-intensive nature. These sectors rely on costly assets, substantial working capital, economies of scale, and access to markets to maintain competitiveness on a global scale.

Refer to **pages 50 to 51** for more information on our Manufactured Capital and **pages 68 to 69** for more information on operating efficiently.



# WHAT SETS US APART CONTINUED

## 7 DEMONSTRABLE COMMITMENT TO SOCIAL TRANSFORMATION

At Sea Harvest, our commitment to social transformation is unwavering and runs at the core of our business practices. Our efforts in this regard are reflected in our Level 1 B-BBEE contributor status.

The Group is committed to catalysing positive societal transformation by fostering job creation, nurturing skills development, and strategically directing a significant portion of its procurement expenditure to suppliers located in economically disadvantaged and semi-rural areas. This deliberate approach yields far-reaching effects in communities, acting as a key driver for employment growth in these regions.

Refer to **pages 48 to 49** for our Social and Relationship Capital and **pages 120 to 126** for our Social, Ethics and Sustainability Committee Report.

Refer to our **ESG** Report.

## 8 ETHICAL AND EFFECTIVE LEADERSHIP THROUGH GOVERNANCE

Sea Harvest persistently adheres to its five core values, recognising them as the bedrock of our business and as essential for fostering success. The Company's leadership wholeheartedly embraces these values, understanding their pivotal role in shaping a thriving organisation. Central to these principles is our unwavering dedication to cultivating trust through the consistent application of robust corporate governance practices, including transparency and disclosure.

Refer to **pages 108 to 114** for our Governance Report.

Refer to our **ESG** Report.



# OUR LEADERSHIP

For information on our corporate governance, please refer to the Governance Report on **pages 108 to 114**.

## OUR BOARD OF DIRECTORS

For full profiles, please visit **www.seaharvestgroup.co.za/our-management/sea-harvest-group-directors/**



**FRED ROBERTSON**
*Appointed to board: 2009*
70 | Non-executive Chairperson



**FELIX RATHEB**
*Appointed to board: 2009*
52 | Group Chief Executive Officer



**MUHAMMAD BREY**
*Appointed to board: 2016*
46 | Group Chief Executive Officer



**MARSHALL RAPIYA**
*Appointed to board: 2016*
72 | Lead Independent Non-executive Director



**KHOLEKA ZAMA**
*Appointed to board: 2018*
47 | Independent Non-executive Director



**TILOSHANI MOODLEY**
*Appointed to board: 2018*
50 | Non-executive Director



**IQBAL KHAN**
*Appointed to board: 2016 (retired 27 Feb 2025)*
59 | Non-executive Director



**KARI LAGLER**
*Appointed to board: 2018*
55 | Independent Non-executive Director



**ANDRÉ HANEKOM**
*Appointed to board: 2016*
66 | Independent Non-executive Director



**ELIAS LINKS**
*Appointed to board: 2024*
78 | Non-executive Director

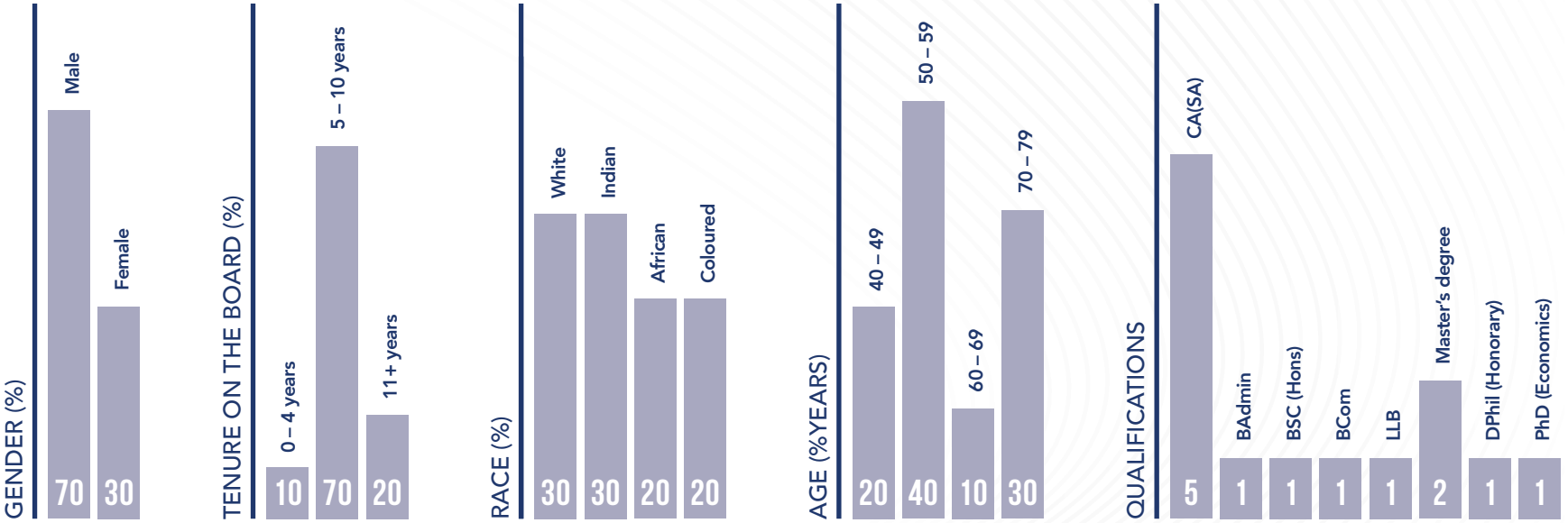
### EXPERIENCE

- Governance
- Fishing
- Manufacturing
- Financial services
- Retail/Fast-moving consumer goods (FMCG)
- Agriculture/ Aquaculture
- Sustainability/ Environmental

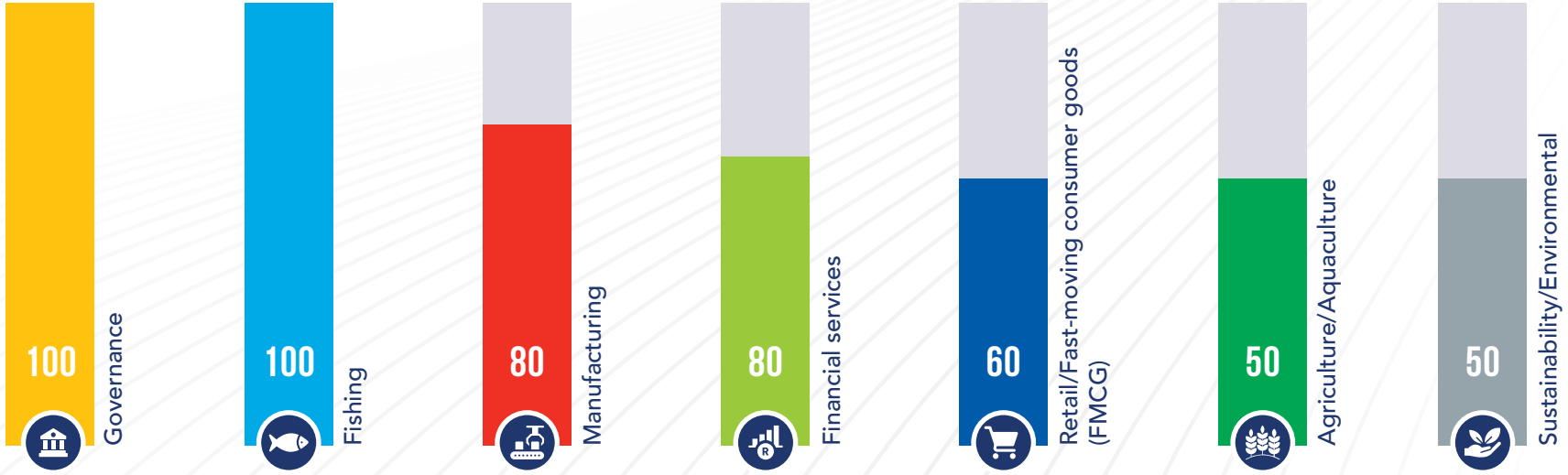
# OUR LEADERSHIP CONTINUED

## BOARD EXPERTISE, DEMOGRAPHICS AND RACIAL DIVERSITY

The Board comprises the appropriate balance of knowledge, experience, skills and diversity to discharge its responsibilities.




## EXPERIENCE (%)



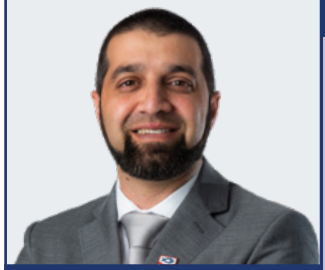
# OUR LEADERSHIP CONTINUED

## OUR EXECUTIVE COMMITTEE

For full profiles, please visit **www.seaharvestgroup.co.za/our-management/sea-harvest-group-executives/**



**FELIX RATHEB**
*Appointed to Exco: 2006*
52 — Group Chief Executive Officer



**MUHAMMAD BREY**
*Appointed to Exco: 2016*
46 — Group Chief Financial Officer



**KONRAD GELDENHUYS**
*Appointed to the Exco: 2013*
55 — Chief Operating Officer: Sea Harvest Corporation



**MADODA KHUMALO**
*Appointed to Exco: 2015*
39 — Strategic Services Director: South African Fishing Group



**INNOCENT DWAYI**
*Appointed to the Exco: 2024*
43 — Group Human Resources (HR) Director



**RENALDO GROENEWALD**
*Appointed to the Exco: 2019*
52 — Managing Director: Ladismith



**LYNN BOSHOFF**
*Appointed to the Exco: 2024*
56 — Managing Director: Sea Harvest Pelagic



**JONTY JANKOVICH**
*Appointed to the Exco: 2024*
56 — Managing Director: Sea Harvest Aquaculture



**COSTAS VAYANOS**
*Appointed to the Exco: 2021*
61 — Managing Director: BM Foods Group



**RICHARD DUNCAN**
*Appointed to the Exco: 2024*
58 — Chief Operating Officer, CFO and Company Secretary: Sea Harvest Australia



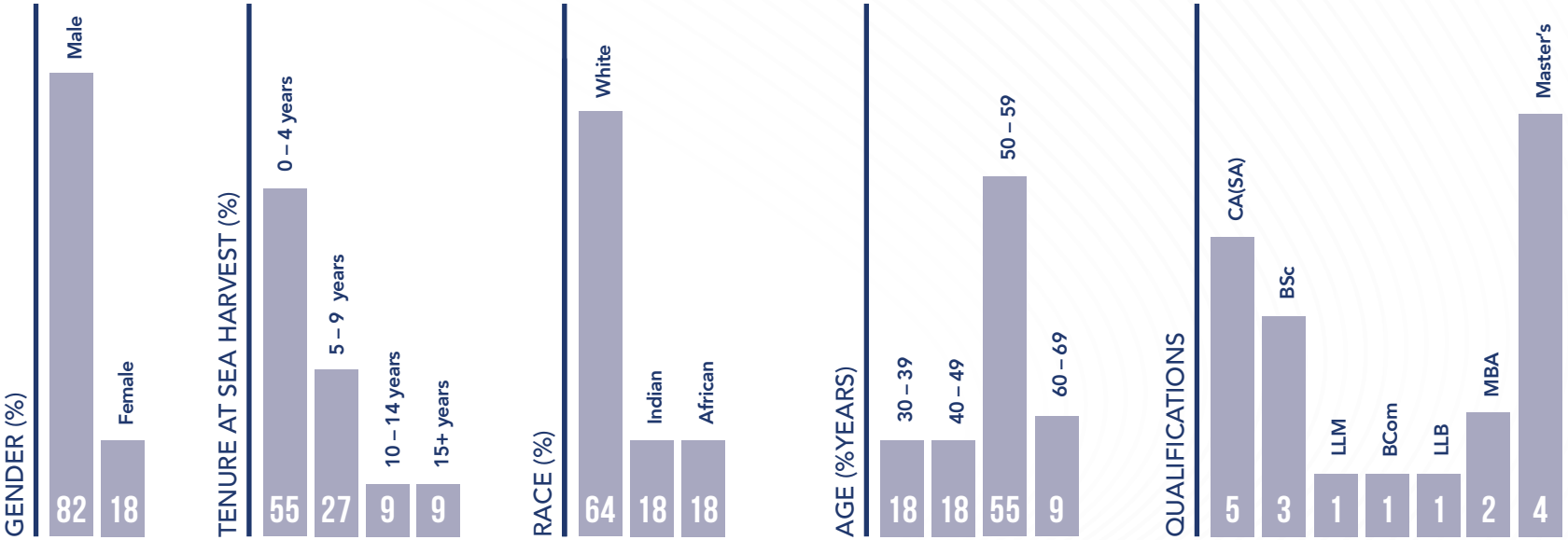
**SIMONE GOUNDEN**
*Appointed to Exco: 2022*
35 — Group Company Secretary, Legal and Compliance

- Fishing
- Manufacturing
- Financial services
- Retail/Fast-moving consumer goods (FMCG)
- Agriculture/ Aquaculture
- Sustainability/ Environmental

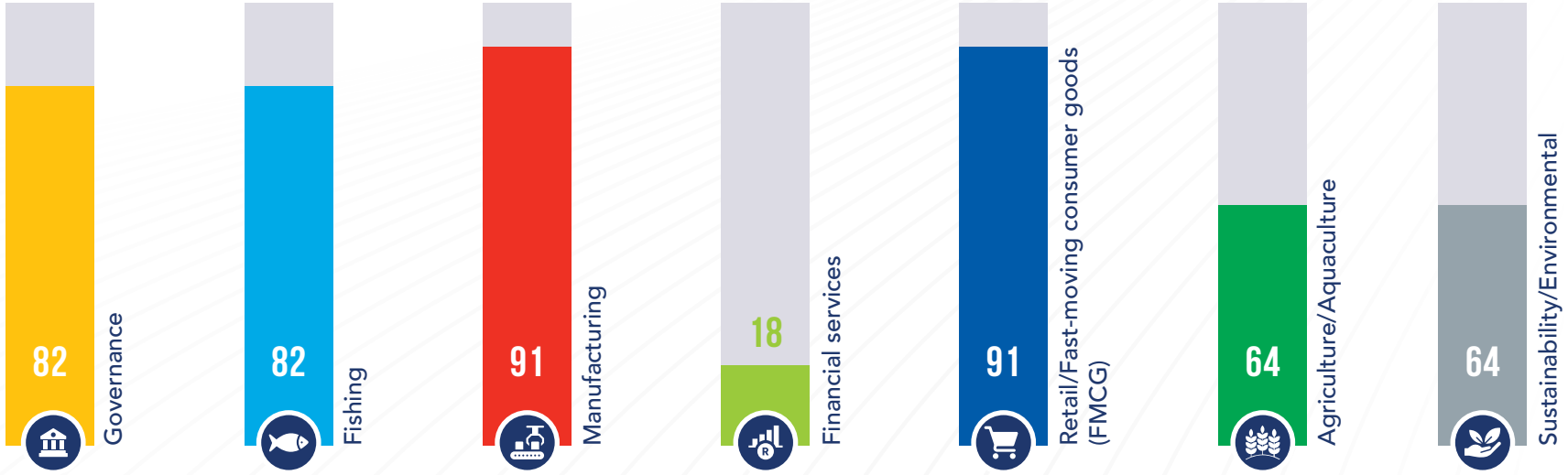
# OUR LEADERSHIP CONTINUED

## COMPOSITION

The Group has a unitary Executive Committee, presently comprising directors and executives from the Group's subsidiaries.




## EXPERIENCE (%)



# OUR VALUE-CREATION BUSINESS MODEL

THE SEA HARVEST GROUP AT A GLANCE

## STRATEGIC PERFORMANCE

Sea Harvest's refined strategy has been established around three pillars. Please refer to **pages 80 to 84**.

## CAPITAL INPUT

### NATURAL CAPITAL (NC)

The natural resources we use that enable the operations of our business

See **pages 44 to 45**

### HUMAN CAPITAL (HC)

The employees who are the major contributors to our success

See **pages 46 to 47**

### SOCIAL AND RELATIONSHIP CAPITAL (SC)

The relationships that support the business in its ambitions

See **pages 48 to 49**

### MANUFACTURED CAPITAL (MC)

The assets that we leverage to craft our product offerings

See **pages 50 to 51**

### INTELLECTUAL CAPITAL (IC)

The skills, experience, innovation and brands that Sea Harvest harnesses to deliver its world-class products

See **pages 52 to 53**

### FINANCIAL CAPITAL (FC)

The funds we allocate to facilitate the execution of our strategic initiatives

See **pages 54 to 55**

GOVERNANCE

## VALUE-ADDING ACTIVITIES

See **pages 85 to 94**

### SOUTH AFRICAN FISHING GROUP

- Efficiently harvests, processes and distributes premium fish products globally

### SEA HARVEST INTERNATIONAL

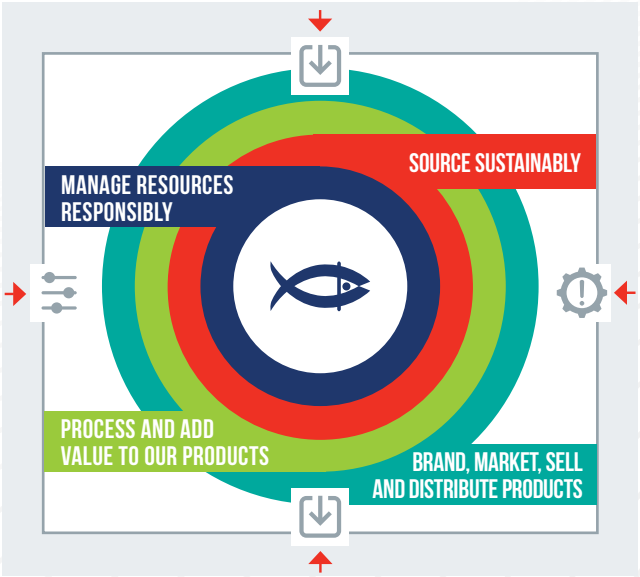
- Harvests, processes and distributes premium prawn and other fish species
- Provides engineering services and maintenance for its vessels and third-party customers

### SEA HARVEST AQUACULTURE

- Farming and marketing of South African abalone

### CAPE HARVEST FOOD GROUP

- Dairy products: Produces a variety of value-added dairy products from milk (such as cheese, butter and powdered milk) and markets these products
- Sea Harvest factory shops
- Convenience foods: Manufactures and distributes chilled, frozen and ambient convenience foods




## NON-NEGOTIABLES

See **pages 68 to 79**

### OUR MATERIAL MATTERS

- Operating efficiently
- Driving transformation
- Protecting our brands
- Managing relationships
- Acting responsibly
- Optimising financial capital

See **pages 56 to 61**

### OUR TOP RISKS

1. Sustainability of resources
2. Market concentration risks
3. Macroeconomic factors
4. Loss of major assets
5. Employee safety
6. Scarcity of critical skills
7. Business interruption
8. Capital structure
9. Retention of fishing rights
10. Quality and food safety standards

## OUTPUTS

**PREMIUM QUALITY SEAFOOD, DAIRY AND CONVENIENCE FOOD PRODUCTS** for our customers who are retailers, foodservice providers, and food producers locally and internationally in **over 30 COUNTRIES AROUND THE GLOBE.**

OPERATING CONTEXT

CAPITALS UNPACKED ON NEXT PAGE

# OUR VALUE-CREATION BUSINESS MODEL CONTINUED

THE SEA HARVEST GROUP AT A GLANCE continued

GOVERNANCE

OPERATING CONTEXT

| CAPITAL INPUT | CAPITAL OUTCOMES | |
|---|---|---|
| **NC NATURAL CAPITAL** See **pages 44 to 45** | • Our South African Cape Hake and Australian Shark Bay and Exmouth prawn fisheries products retained their certification by the MSC<br>• Our pelagic operations maintained their Marin Trust certification<br>• Cape Hake is estimated to lie well above maximum sustainable yield (MSY)<br>• Marifeed is GLOBALG.A.P. certified | • Implemented additional metrics to enhance water management effectiveness and bolstered our workforce to address any issues and facilitate reduction efforts<br>• Installed and commissioned renewable solar PV at our Aqunion and Ladismith sites, thereby diversifying the Group's energy mix and complementing the previously installed wind energy at our largest aquaculture farm, Buffeljags<br>• Carbon emissions (Scope 1): 129 406 $tCO_2e$ (2023: 130 457 $tCO_2e$) |
| **HC HUMAN CAPITAL** See **pages 46 to 47** | • R1.6 billion paid in salaries and wages<br>• African, Coloured and Indian (ACI) employees: 94% (2023: 92%) of South African employees<br>• ACI employees in senior management: 67% (2023: 72%) of South African employees<br>• While we take every possible measure to preserve our Human Capital and strive for zero harm, we unfortunately experienced an | increase in our disabling injury frequency rate (DIFR) in 2024. The DIFR increased from 0.03 in 2023 to 0.21 in 2024 due to the tragic sinking of the *MFV Lepanto*. To address this, we initiated enhanced safety campaigns for our seagoing employees, involving refresher courses and increased vigilance in maintaining their safety awareness<br>• Spent R50 million upskilling employees during 2024 |
| **SC SOCIAL AND RELATIONSHIP CAPITAL** See **pages 48 to 49** | • Retained a Level 1 B-BBEE contributor status and achieved a score of 102.37 (2023: 100.88)<br>• The Sea Harvest Foundation spent R5.03 million on community projects<br>• The Group spent R1.7 billion on procuring goods and services from 440 majority black-owned businesses | • The Group spent R1.5 million supporting students through a bursary scheme with the Cape Peninsula University of Technology (CPUT) and the Fisheries Economic Development Research, Advisory and Training Institute (FEDRATI), which contributes to research and development in the oceans economy<br>• The Group spent R129 million on enterprise and supplier development |
| **MC MANUFACTURED CAPITAL** See **pages 50 to 51** | • Number of days at sea: 9 077 days (2023: 9 733 days) | • Total production output: 72 029 tonnes (2023: 51 256 tonnes)<br>  • Fish and shellfish: 45 986 tonnes (2023: 23 642 tonnes)<br>  • Dairy: 26 043 tonnes (2023: 23 788 tonnes) |
| **IC INTELLECTUAL CAPITAL** See **pages 52 to 53** | • As a Group we continue to enhance our expertise in harvesting, processing and selling seafood and dairy. Our focus on business resilience, strategic investments, and leveraging the best available knowledge in these sectors strengthens our Intellectual Capital<br>• Investment in the Group's brands through direct consumer marketing and participation in various trade shows | • Longstanding relationships with both suppliers and customers ensure mutually beneficial relationships<br>• Development and retention of highly talented and skilled staff<br>• Maintained all the Group's food quality assurance certifications during 2024 |
| **FC FINANCIAL CAPITAL** See **pages 53 to 54** | • Revenue increased by 16% to R7.2 billion (2023: R6.2 billion)<br>• Operating profit increased by 26% to R580 million (2023: R462 million)<br>• HEPS reduced by 45% to 55 cents per share (2023: 100 cents)<br>• Normalised HEPS reduced by 1% to 65 cents per share (2023: 66 cents) | • Return on capital employed (ROCE) remained constant at 10% (2023: 10%)<br>• Net debt to earnings before interest, taxes, depreciation and amortisation (EBITDA) reduced to 2.5 times EBITDA (2023: 2.6 times) |

VALUE CREATION FOR OUR STAKEHOLDERS UNPACKED ON NEXT PAGE

# OUR VALUE-CREATION BUSINESS MODEL CONTINUED

THE SEA HARVEST GROUP AT A GLANCE continued

## VALUE CREATION FOR OUR STAKEHOLDERS

### EMPLOYEES AND LABOUR UNIONS

See page 36

- Jobs created across the Group increased to c.5 480 (2023: c.4 440)
- R1.6 billion (2023: R1.3 billion) paid in salaries and wages (including benefits)
- R50 million (2023: R43 million) spent on providing training and skills development opportunities
- The Group's lost time injury frequency rate (LTIFR) increased to 4.54 (2023: 3.97) and the DIFR increased to 0.21 (2023: 0.03)

### SHAREHOLDERS

See page 37

- Revenue growth of 16% to R7.2 billion (2023: R6.2 billion)
- Consumer Price Index (CPI) plus 3% CAGR increase in pricing in Sea Harvest Corporation since listing (local and export)
- Average 12% earnings before interest and taxes (EBIT) margin since 2017
- HEPS reduced by 44% to 55 cents (2023: 100 cents)
- Net debt to EBITDA improved to 2.5 times (2023: 2.6 times)
- An ordinary dividend of 22 cents per share (2023: 40 cents) was declared
- ROCE remained constant at 10%

### FUNDERS

See page 38

- R276 million in net financing costs (2023: R223 million)
- All material covenant requirements were met throughout the period
- Met the sustainability loan key performance indicators (KPIs) related to a reduction in Scope 1 emissions and water use and to an increase in staff training spend in the Group's South African hake operations

### GOVERNMENT AND REGULATORS

See page 39

- The Group retained a Level 1 on the B-BBEE scorecard with a score of 102.37 (2023: 100.88)
- Paid R1.6 billion in salaries and wages (including benefits) (2023: R1.3 billion)
- Spent R790 million (2023: R504 million) supporting 661 SMMEs (2023: 434)
- Paid more than R469 million (2023: R437 million) in taxes and levies and generated R3.7 billion (2023: R3 billion) in foreign revenue
- Through Business Leadership South Africa (BLSA), the Group's support has directly led to Operation Vulindlela achieving, in part, the development of a third-party rail access policy and improved water-use licensing as well as electricity and energy interventions to increase the national energy generation capacity

### INDUSTRY PARTNERS

See page 40

- Continued to actively support 10 black small, medium and micro enterprises (SMMEs) in the South African fishing sector
- Sea Harvest Australia continued to participate in a share-fishing arrangement with its boat skippers
- Continued to contribute to the growth of the South African dairy sector through Milk SA
- Comments provided on the Aquaculture Bill via the Abalone Farmers Association of Southern Africa (AFASA)

### CUSTOMERS AND CONSUMERS

See page 41

- Sea Harvest maintained its established quality assurance protocols with all its products and reviewed quality protocols and supply chain steps within newly acquired businesses
- The South African Fishing Group's hake operation has a domestic retail market share of 37%
- Brand social media engagement for 2024 (Facebook and Instagram):
  - Sea Harvest Hake: 22.1 million impressions
  - Sea Harvest Pelagic: 1.09 million impressions
  - Ladismith: 5.8 million impressions

### SUPPLIERS AND SERVICE PROVIDERS

See page 42

- The Group's procurement policies resulted in R1.7 billion (2023: R1.6 billion) being spent with majority black-owned suppliers
- Spent R790 million (2023: R504 million) supporting 661 SMMEs (2023: 434)
- R125 million (2023: R114 million) contributed towards supplier development
- R4.4 million (2023: R5.9 million) contributed towards enterprise development

### COMMUNITIES AND NON-GOVERNMENTAL ORGANISATIONS

See page 43

- R5.03 million was utilised to support various community organisations
- Donations made included 7 780kg of fish, which equates to just over 200 000 high protein meals served to residents at homes for the aged, children attending early childhood development centres, and beneficiaries at community soup kitchens
- Over 9 tonnes of waste was diverted from landfill through the continuation of a school recycling programme with more than 15 schools participating
- Youth development projects supported sports clubs and organisations, like the Saldanha Bay Rugby Club and The Homestead: Yizani Drop-in Centre
- Projects supported to promote health and wellness within local communities, such as transport from Saldanha Bay on the Cape West Coast for Cape Town hospital patients and a satellite office for the South African government's Social Development Department in Saldanha Bay
- A strategic partnership between FEDRATI and CPUT – an initiative of the South African Fisheries Development Fund to boost the South African oceans economy – was continued. Through FEDRATI, we allocated R1.5 million towards bursaries for tertiary students

GOVERNANCE

OPERATING CONTEXT

Achieved Increased Decreased

# 03

# NAVIGATING A TURBULENT CONTEXT


Our Chairperson's Report 26
Our operating locations 29
Our operating context 30
Our key stakeholders 36
Our capitals and how we manage them 44
Our risks and mitigations 56


**1980s**

SEA HARVEST ACQUIRES ATLANTIC TRAWLING AND BECOMES ONE OF THE LARGEST, **HAKE FISHING COMPANIES** IN SOUTH AFRICA

**2021**

THE GROUP ACQUIRES 100% OF **MOOIVALLEI**



# OUR CHAIRPERSON'S REPORT



"THE SAFETY AND WELL-BEING OF OUR EMPLOYEES REMAIN A TOP PRIORITY."

## FRED ROBERTSON

*Non-executive Chairperson*

# OUR CHAIRPERSON'S REPORT CONTINUED

It is my privilege to present the 2024 Integrated Report for Sea Harvest Group Limited, a Company that has demonstrated remarkable resilience in the face of adversity. The Group commemorated its 60th anniversary during the period under review – a significant milestone that underscores its enduring strength. However, 2024 proved to be one of the most challenging years in the Group's recent history in the context of the broader South African business landscape.

Tragically, the year was marked by the loss of 11 employees in the sinking of a vessel, the *MFV Lepanto*, during the second quarter. This devastating event had a profound impact on our leadership and workforce. The safety and well-being of our employees remain a top priority, and we have made every effort to support the bereaved families and colleagues of the deceased. The Group has co-operated fully with the relevant authorities in their investigation and will continue to do so as the process unfolds. Our thoughts remain with the families of our fallen fishermen.

Throughout the year, the global geopolitical environment remained uncertain, exacerbated by political instability in various parts of the world. South Africa itself experienced significant political shifts, culminating in the formation of a Government of National Unity (GNU) following the May elections. It is my hope that this mix of political leaders will prioritise national interest, working collaboratively to build a legacy that future generations can be proud of. Climate change further intensified global volatility, adding complexity to the business environment. Sea Harvest's performance in 2024 must be viewed within this broader context.

The Group's results were negatively impacted by historically low hake catch rates, weak market conditions in the abalone sector, and continued softness in global prawn pricing and markets. Elevated interest rates in South Africa compounded these challenges. However, these setbacks were partially mitigated by strong global demand and improved pricing for our hake products as well as the solid performance of our recently acquired pelagic business, West Point Fishing. Additionally, Ladismith delivered robust results, contributing positively to the Group's financial performance.

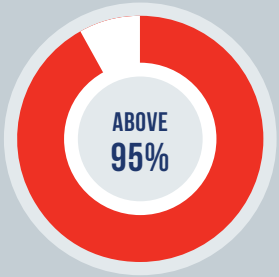
Despite these efforts, the overall results fell short of expectations. Nevertheless, the Group's leadership, supported by its experienced and skilled workforce, has taken decisive steps to enhance performance, and we remain optimistic about an improved outlook for 2025.

Amid these challenges, Sea Harvest remained steadfast in its commitment to its social responsibilities in the communities where it operates through the Sea Harvest Foundation. One of the Foundation's notable achievements was the donation of over 7 tonnes of fish to the elderly in homes of care and children in early childhood development centres, translating to over 200 000 high-protein meals. Additionally, the Group continued its support of the oceans economy through its partnership with FEDRATI and CPUT, fostering research that will benefit multiple sectors of the marine industry.

From a sustainability perspective, Sea Harvest maintained its MSC certification in 2024 and completed a rebased ESG double materiality assessment considering recent acquisitions. A recurring concern among our consumers is the use of plastic in our packaging, necessitated by the nature of our frozen fish products. In response, we initiated a comprehensive packaging audit across all Group products with the aim of integrating more environmentally friendly materials to reduce our ecological footprint.



# OUR CHAIRPERSON'S REPORT CONTINUED




Some of our ESG highlights in 2024 were maintaining our **Level 1 B-BBEE** contributor status and black ownership at **95%**.

A significant milestone during the year was the acquisition of Terrasan's fishing and abalone businesses, marking a strategic expansion into the pelagic and abalone sectors, including the aqua feed sector. This acquisition enhances our aquaculture and wild-capture businesses and aligns with our broader diversification strategy. As a result of this development, we welcomed Professor Elias Links to the Group's Board. Professor Links brings over five decades of experience spanning academia, public service, and the corporate sector. His expertise will be invaluable, and my fellow Board members and I look forward to benefiting from his insights.

In conclusion, while 2024 presented formidable challenges, I extend my sincere appreciation to our CEO, Felix Ratheb, and his staff, whose dedication have been instrumental in navigating these difficulties. I have confidence in our strategic growth plan and remain optimistic about the Group's ability to capitalise on market recoveries and improved fishing conditions. To our shareholders and stakeholders, I express my gratitude for your continued support. While the recent performance may have been disappointing, I remain hopeful that the proactive measures implemented by management will yield positive results and drive the Group towards a stronger future.

**FRED ROBERTSON**
Non-executive Chairperson



# OUR OPERATING LOCATIONS




**GROUP**
Head Office: Cape Town

**KEY**

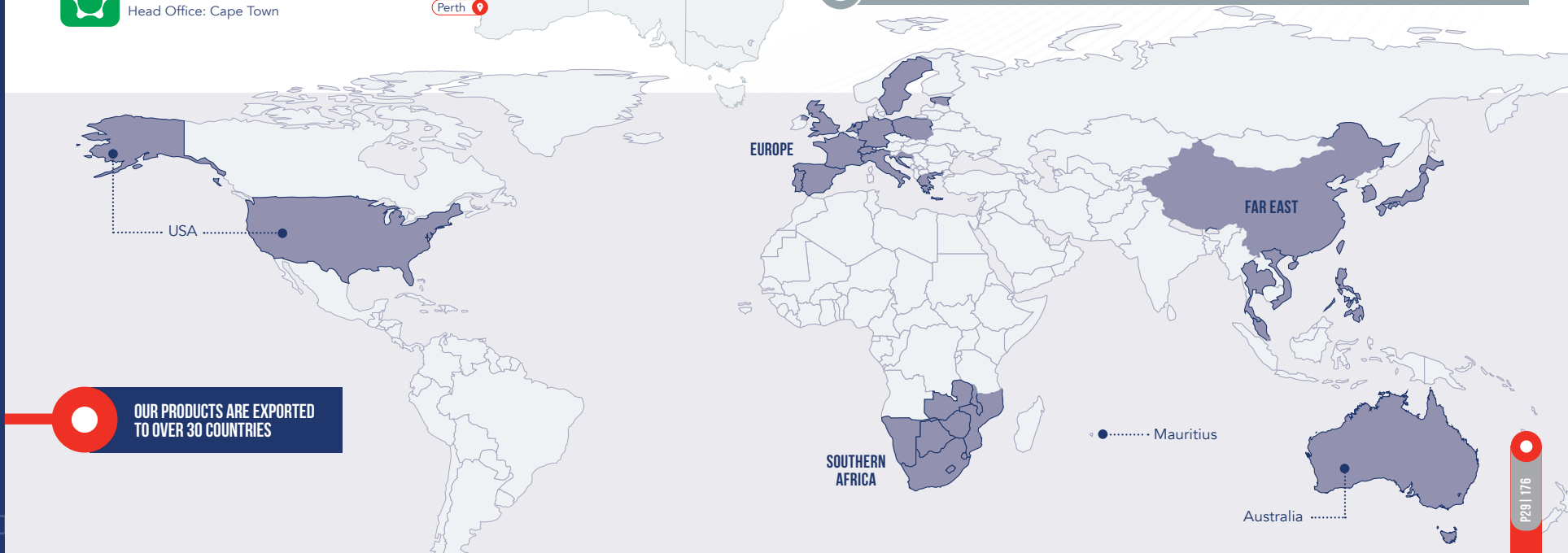
- SOUTH AFRICAN FISHING GROUP
- SEA HARVEST INTERNATIONAL
- SEA HARVEST AQUACULTURE
- CAPE HARVEST FOOD GROUP

- Fishing operations
- Dairy production facilities
- Factory shops
- Offices
- Seafood processing facilities
- Aquaculture operations
- Cold storage and distribution
- Animal Feed Production
- Engineering facility

| | | | | | |
|---|---|---|---|---|---|
| Bonnievale | | | Johannesburg | | |
| Buffeljags | | | Kleinzee | | |
| Cape Town (Factory shops: Paarl, Waterfront) | | | Ladismith | | |
| Carnarvon | | | Mossel Bay | | |
| Broome | | | Perth | | |
| Durban | | | Point Samson | | |
| Exmouth | | | Saldanha (Factory shops: Saldanha, Vredenburg) | | |
| Hermanus and Gansbaai (Whale Rock, Romansbaai, Marifeed and Tuna Marine) | | | St Helena Bay | | |
| | | | Tshwane (Factory shops: Silverton, Rooihuiskraal, Gezina, Xavier) | | |

Refer to **pages 85 to 94** for more information on our segments.

**OUR GLOBAL PRESENCE**
● Regions where our products are sold




**OUR PRODUCTS ARE EXPORTED TO OVER 30 COUNTRIES**

# OUR OPERATING CONTEXT

## OPERATING CONTEXT

The external environment substantially influences our business model and the value we create for our stakeholders. A thorough understanding of this environment assists us in risk mitigation, opportunity capitalisation, and creating maximum value for all stakeholders. Thus, a comprehensive analysis of political, economic, social and environmental factors across our areas of operation was concluded, leading to the identification of key trends that had, and can continue to have, an effect on Sea Harvest operations and value creation in the short, medium and long term.

## 1 RAW MATERIAL AVAILABILITY

The Fisheries Management Directorates of South Africa and Western Australia, supported by their governments, lead fisheries management and research in collaboration with universities and industry stakeholders. Under the jurisdiction of the Department of Forestry, Fisheries and the Environment (DFFE) and the Department of Primary Industries and Regional Development (DPIRD), stakeholders manage fishery resources through scientifically determined total allowable catches (TACs) or effort controls, with continuous monitoring and adjustments to ensure environmental sustainability.

- The latest assessments for Cape Hake indicated a continued steady increase in the spawning biomass of shallow-water hake but a decrease in that of deep-water hake. Spawning biomasses of both species are estimated to lie well above maximum sustainable yield (MSY).
- The most recent assessments for Cape Horse Mackerel indicate that the estimates of current spawning biomass are above MSY.
- Small pelagic fish (sardine and anchovy) exhibit high natural interannual variability. The most recent biomass surveys showed partial sardine recovery, though the population remains below the long-term average and is classified between depleted and optimal. Anchovies are at an optimal status, while West Coast Round Herring are abundant.
- King prawn recruitment has shown improvement; however, a decline has been observed in tiger prawn recruitment. Breeding stock levels for both tiger prawn and king prawn remain above the established thresholds, indicating that both species are close to achieving MSY.
- As a result of the outbreak of foot-and-mouth disease (FMD) in South Africa, milk volumes could not be exported.

**Impact**

- The hake TAC for 2024 increased by 5% to 145 698 tonnes. In 2024, the status of the slightly lower but dominant deep-water hake spawning biomass resulted in reduced catch rates during the year. This, in turn, resulted in total catch volumes reducing by 7%, significantly impacting the 2024 results.
- Cape Horse Mackerel TAC remained the same between 2023 and 2024.
- The sardine TAC increased by 60% to 65 000 tonnes, which is a strong indication that the resource is recovering. Industry catches for the 2024 year equated to 53 817 tonnes, representing 83% of the TAC. Sea Harvest Pelagic caught all its allocated sardine quota.
- The anchovy TAC reduced by 43% to 140 137 tonnes for 2024. This was due to the 2023 mid-year survey, together with the 2024 biomass survey results, indicating a below-average biomass assessment for anchovy. Total industry catches of 97 273 tonnes were reported for 2024, being 69% of the allocated TAC.
- In Australia, prawn catches remain historically low (28% below the 10-year average), despite a 50% reduction in effort since 2023. Prawn catch volumes decreased by 3% to 1 024 tonnes (2023: 1 061 tonnes).
- The Pilbara fishing division (fish trawl) delivered catch volumes of 1 057 tonnes (2023: 1 030 tonnes).
- The Spanish Mackerel season commenced in March 2024 with catch volumes of 82 tonnes (2023: 68 tonnes).
- The general availability of milk in South Africa during 2024 was higher than what was produced in 2023.
- The legacy Sea Harvest Aquaculture farms suffered from poor growth and quality in 2024, offset by Aqunion's sound performance. In total, 665 tonnes of abalone was sold in 2024.
- The lower hake, prawn and abalone volumes in 2024 resulted in lower profitability.

# OUR OPERATING CONTEXT CONTINUED

**Our response**

- In the South African Fishing Group, revenue increased by 36% in 2024, driven by increased selling prices offset by 7% lower catch volumes, the inclusion of the newly acquired West Point Fishing business leading to greater access to small pelagics, and the diversification into other seafood products, such as fishmeal and fish oil.
- Through our leadership roles in the South African Deep-Sea Trawling Industry Association (SADSTIA) and as members of the South African Midwater Trawling Association (SAMTA) and the South African Pelagic Fishing Industry Association (SAPFIA), respectively, Sea Harvest actively promotes the sustainable management of our marine resources.
- Sea Harvest Australia successfully collaborated with the Western Australia Fisheries Department to advocate for a delayed start to the prawn catching season and reduction in effort. This management initiative was put into effect, allowing the prawn resource to mature, thereby enhancing size distribution. Despite these efforts, the desired objectives for resource growth were not met, and catch levels remained insufficient. However, fishing efficiencies were realised through reduced effort in 2024.
- The Group increased milk flow, thereby increasing production and sales volumes.
- Increased fishing capacity in the South African hake operations with the acquisition of two vessels.

## 2 INFLATION AND HIGH INTEREST RATES

A series of interconnected challenges, including rising energy (i.e. fuel) and food prices, fiscal instability following the COVID-19 pandemic, and the ongoing war in Europe, have contributed to consumer insecurity. This, in turn, has driven global inflation between 2022 to 2024, prompting central banks to raise interest rates to curb inflation. However, both inflation and interest rates tempered in 2024.

- During 2024, the average inflation rate in South Africa was 4.4%, down from 6% in 2023 and the lowest since 2020. The 2024 average inflation rate was within the target range of the South African Reserve Bank (SARB) target of 3% to 6%. In response, the SARB continued its cautious approach during 2024 and incrementally reduced interest rates by 25 basis points in September and again in November 2024. Therefore, the repo and prime lending rates were at 7.75% and 11.25%, respectively, at the close of 2024.

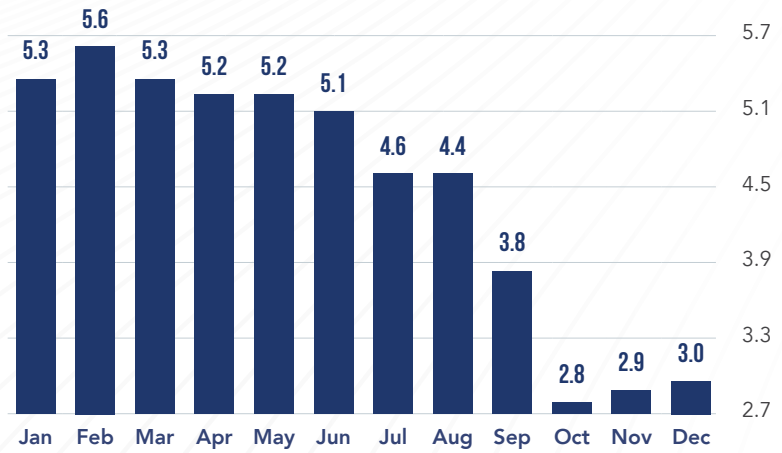
**Impact**

- High fuel prices and input costs, which remained stable from a high base in 2023, increased the Group's operating costs, putting pressure on margins.
- Between 2022 and 2024, the Group's net debt level increased from R2.2 billion to R2.7 billion due to its acquisitive strategy, while an increase in central bank interest rates resulted in the Group's average interest rates increasing by 15% during the same period.
- Net finance costs increased to R276 million (2023: R223 million).

**Our response**

- In response to escalating input costs and declining volumes, the Group concentrated on increasing selling prices, streamlining processes to extend efficiencies, curtailing fixed costs, and managing working capital.
- The Group increased its cash generation during 2024 with free cash flow conversion increasing to 58%.

### SOUTH AFRICAN INFLATION 2024 (%)



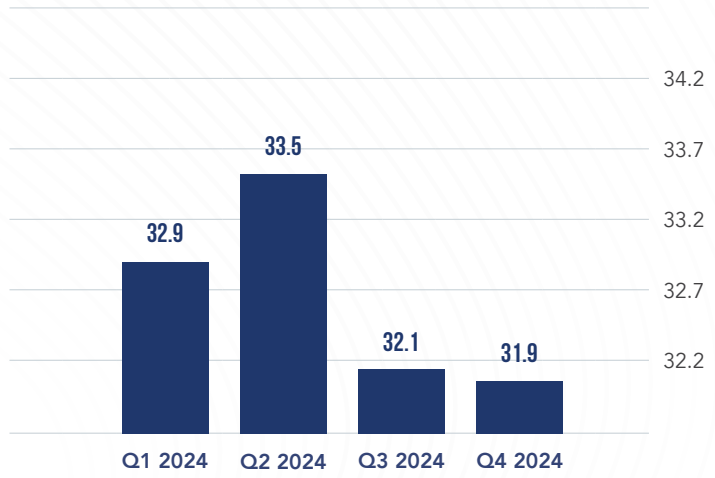
# OUR OPERATING CONTEXT CONTINUED

## 3 CHALLENGING DOMESTIC ECONOMIC ENVIRONMENT

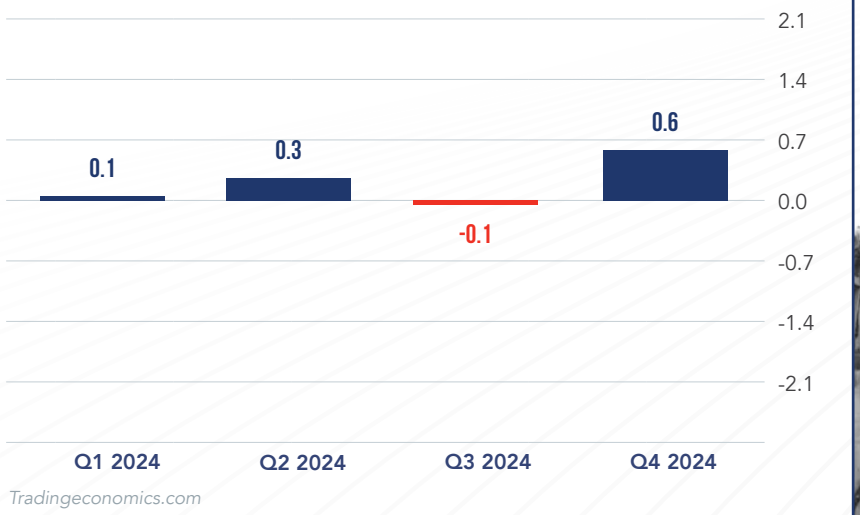
Global growth remained stable but underwhelming during 2024, with notable revisions since April 2024 according to the International Monetary Fund. In emerging markets, disruptions in commodity production, conflicts, civil unrest, and extreme weather events led to downward revisions for the Middle East, Central Asia, and sub-Saharan Africa. Global growth is projected to reach 3.1% over the next five years, a modest performance compared to the pre-pandemic average.

- South Africa's economy grew by 0.6% in 2024, with the finance industry being a key driver of this growth, while agriculture and trade were the main detractors. While Operation Vulindlela (a joint initiative of the Presidency and National Treasury to accelerate the implementation of structural reforms that will support economic recovery) is in effect, its full impact is yet to be realised through stronger gross domestic product (GDP) growth.
- The FNB/BER Consumer Confidence Index declined slightly to -6 in Q4 2024 from -5 in Q3, which had been the highest since 2019. Despite this drop, consumer confidence improved significantly from Q1 2024, fueled by favourable developments, such as the formation of a GNU the end of load shedding, a decline in inflation, two interest rate cuts, and the introduction of the two-pot retirement system.

### SOUTH AFRICAN UNEMPLOYMENT RATE 2024 (%)




### SOUTH AFRICAN GDP GROWTH RATE 2024 (%)






# OUR OPERATING CONTEXT CONTINUED



**Impact**

- The challenging South African economic environment, with low growth and elevated interest (even with rate cuts during 2024) and unemployment rates, was compounded by the above-inflation overhead costs and a reduction in volumes, driving higher production costs and placing pressure on margins.

**Our response**

- Where feasible, we continuously streamlined, evaluated and enhanced our product portfolio, focusing resources on our most successful product lines to sustain margins.
- The sales teams made significant efforts to offset inflationary cost increases, leading to improved pricing across most channels and markets through the diversion of products to export markets.

## 4 SOUTH AFRICAN REGULATORY AND INFRASTRUCTURE CHALLENGES

South Africa faces multiple challenges, including sluggish economic growth due to power outages, deteriorating infrastructure (including roads, rail and ports) – largely caused by inadequate maintenance – institutional obstacles, and high public debt. Despite the formation of a GNU in 2024, structural impediments persist.

This decline has hindered economic growth, while governance issues and a skills shortage in public institutions further exacerbate the situation.

**Impact**

- Due to staffing challenges and a chronic underinvestment in equipment, South African ports faced severe operational constraints in 2024. The recently released Container Port Performance Index ranked four of the country's ports among the worst-performing globally, with Cape Town placed last at 405. These challenges offset the stabilisation of international freight costs, leading to delays and increased expenses in the country's seaborne trade. Service delivery challenges in local municipalities resulted in operational constraints and inefficiencies for businesses.

**Our response**

- To address its energy insecurity, the Group implemented solutions to achieve energy independence and diversify its energy sources, prioritising a transition to renewables. Progress included upgrading wind turbines at a major aquaculture farm and implementing solar PV at Ladismith and Aqunion. The pelagic businesses acquired during 2024 already had some renewable energy sources.
- The Group bolstered and devised strategies through its logistics team to deal with port challenges.
- The Group continued its affiliation with BLSA to foster constructive dialogue among government, civil society and labour, aimed, more recently, at addressing South Africa's economic and social challenges.
- Through BLSA, the Group supported Operation Vulindlela in the development of a third-party rail access policy and improved water-use licensing processes.
- Furthermore, BLSA supported the National Energy Crisis Committee in reducing load shedding by up to 311 days and assisted Transnet in reducing the number of vessels anchored outside the Port of Durban by 45% during 2024.

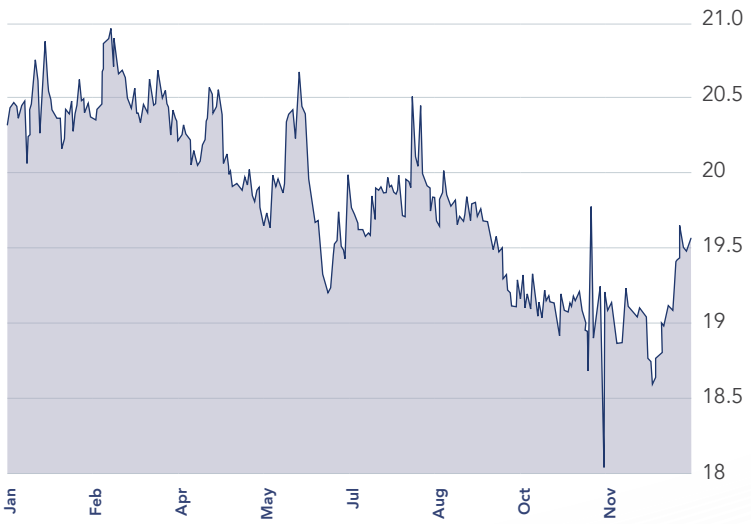
# OUR OPERATING CONTEXT CONTINUED

## 5 CURRENCY

In 2024, for the first time since 2016, the rand ranked among the five best-performing emerging-market currencies. Its relative resilience was supported by increasing investment levels, lower inflation, and ongoing structural reforms.

During 2024, the rand traded at an average of R19.83 against the euro, which serves as the Group's primary export trading currency. However, over the course of the year, the exchange rate fluctuated, reaching its strongest position of R18.04 on 15 November 2024 and its weakest point of R20.94 against the euro on 26 February 2024.

### EUR/ZAR DAY HISTORY




*exchangerates.org.uk*




**Impact**

- In 2024, exports constituted 51% of Sea Harvest's revenue, the same as in 2023. More than half of these export sales were directed to the European Union. Consequently, fluctuations and depreciation in the rand exchange rate directly impacted our reported revenue.
- During 2024, the average movement of the rand, compared to 2023, had a negative 1% impact on the Group's reported export revenue compared to 2023.

**Our response**

- To mitigate the impact of the fluctuating rand on the Group's results, Sea Harvest has an established Hedging Policy, which is reviewed annually and approved by the Investment and Hedging Committee and the Board.
- In accordance with the approved Hedging Policy, Sea Harvest hedges 50% of its export sales as a matter of course and up to 75% with the specific approval of the Investment and Hedging Committee.
- The South African Fishing Group reported hedge gains of R19 million in 2024.

# OUR OPERATING CONTEXT CONTINUED

## 6 CONSUMER DEMAND FOR SUSTAINABLE SEAFOOD

In 2024, the global population reached 8.2 billion, with UN projections indicating an increase to 9.7 billion by 2050. While the world population continues to grow at an annual rate of 0.9%, regional growth rates vary significantly. Rising global demand for seafood, driven by population growth, urbanisation, and evolving dietary preferences, is expected to be met increasingly through aquaculture. Thus, it is crucial to meet this demand with seafood from sustainable sources to bridge the demand gap.

The supply of capture fisheries remains static, and global wild-caught fish supplies are stable with the increase in seafood consumption and demand currently being filled by aquaculture.

**Impact**

- The global demand for wild-caught species, such as Cape Hake, creates a positive dynamic that enables continued firm pricing in the markets in which Sea Harvest operates.
- There is increased demand for natural animal protein feed as aquaculture and livestock demands grow.

**Our response**

- Despite a reduction in hake volumes, due to lower hake catch rates per sea day, resulting in 2% lower sales volumes, the South African Fishing Group was able to achieve a 36% increase in revenue through the acquisition of Terrasan's pelagic business, price increases, and prioritising export markets.
- The Australian segment continued to struggle with weaker catch volumes in Shark Bay and Exmouth, compounded by global market price decreases for prawns due to the slowing Chinese economy and excess stock worldwide.



# OUR KEY STAKEHOLDERS

## INTRODUCTION

Our key stakeholders are individuals and groups who are directly or indirectly affected by our business activities. Managing our relationships with our key stakeholders is regarded as a matter that is material to our business success and, as such, it is prioritised throughout the year. We achieve this by always being mindful of how we respond to their expectations.

## EMPLOYEES AND LABOUR UNIONS

HC SC IC

### WHY THEY MATTER

Our employees' collective skills, knowledge and abilities are critical to the Group's success as they impact on the Group's ability to bring premium food products to market.

### THEIR EXPECTATIONS

- Continued job security
- Fair remuneration and other financial and non-financial benefits
- Opportunities for career and skills development
- Safe and stimulating working environment
- Relevant and timely information about the business

### MATTERS RAISED

- Sea Harvest's commitment to safe working conditions, especially regarding sea-going staff, and support for families and colleagues affected by the sinking of the *MFV Lepanto*
- Awareness raised about Company policies
- Ongoing concerns about the personal impact of the South African government's two-pot retirement system
- Financial support for tertiary education and empowerment projects in communities where staff reside

### HOW WE ENGAGED

- Face-to-face engagement
- Regular communication was published via printed publications, email, text, noticeboards, television screens and intranet
- Newsletters were published to provide regular information about the business to employees
- Management, union official and shop-steward meetings
- Divisional heads addressed operational division/ subsidiary-specific concerns

### HOW WE RESPONDED TO THE MATTERS RAISED

- Sea Harvest Group companies engaged in frequent communication with employees and unions throughout the year to respond to various concerns and questions.
- Management communicated safety issue reminders to staff at an operational level via different platforms and facilitated safety refresher training for those staff in higher risk areas of the Group.
- Sea Harvest was committed to providing timely feedback to address concerns or uncertainties about key business decisions. Regrettably, a few staff at the Viking Fishing division embarked on a three-day industrial action.
- A key drive was to ensure that staff were aware of the learning and development opportunities available in the Group as well as Company policies and regulatory changes that affect them.
- Through the Sea Harvest Foundation, the Company provided study bursaries and funding for organisations involved in community empowerment projects.

### VALUE CREATED

- Sustained c.5 480 (2023: c.4 440) jobs across the Group
- R1.6 billion (2023: R1.3 billion) paid in salaries and wages (including benefits)
- R50 million (2023: R43 million) spent on providing training and skills development opportunities and R5.03 million spent by the Sea Harvest Foundation on bursaries and community empowerment projects
- The Group's LTIFR increased to 4.54 (2023: 3.97) and the DIFR increased to 0.21 (2023: 0.03) due to the sinking of the *MFV Lepanto*

Achieved Increased Decreased

# OUR KEY STAKEHOLDERS CONTINUED

## SHAREHOLDERS

SC FC

### WHY THEY MATTER

Our shareholders carry the most risk because of their investment in our business.

### THEIR EXPECTATIONS

- An appropriate return on their investment
- Transparent information about our business and adherence to good corporate governance

### MATTERS RAISED

- The efficacy of the Group's current strategy
- The Group's high debt burden
- The Group's commitment to ESG, specifically its management of natural resources, and optimisation of the marine resources allocated to the business

### HOW WE ENGAGED

- Interim and annual results presentations and operational site visits
- Regular face-to-face engagements
- Information shared electronically, online and in print via the Stock Exchange News Service (SENS), media, IR and ESG Report, and at or ahead of stakeholder events, such as the AGM and financial results presentations

### HOW WE RESPONDED TO THE MATTERS RAISED

- We reviewed our growth strategy and identified specific goals for the next three years to counter strong headwinds.
- Assurance of the demand, resilience and defensive nature of the fishing and aquaculture businesses, despite tough trading conditions.
- We reiterated our commitment to ESG, specifically environmental sustainability, confirming an improved energy mix with an increase in renewable energy, such as the solar PV installation at Ladismith and Aqunion and the refurbishment of wind turbines installed at Sea Harvest Aquaculture at Buffeljags.
- Renewed the Group's Standard Bank of South Africa Ltd (SBSA) sustainability-linked loan, allowing it access to additional capital while ensuring ESG-related improvements.

### VALUE CREATED

- Revenue growth of 16% to R7.2 billion (2023: R6.2 billion)
- CPI plus 3% CAGR growth in pricing in Sea Harvest Corporation since listing (local and export)
- Average 12% EBIT margin since 2017
- HEPS reduced by 44% to 55 cents (2023: 100 cents)
- Net debt to EBITDA improved to 2.5 times (2023: 2.6 times)
- An ordinary dividend of 22 cents per share (2023: 40 cents) was declared
- ROCE remained constant at 10%



# OUR KEY STAKEHOLDERS CONTINUED

## FUNDERS

SC FC

### WHY THEY MATTER

Our funders provide the Financial Capital we need to grow the business.

### THEIR EXPECTATIONS

- Service all debt according to the agreed terms
- Adherence to the agreed sustainability loan KPIs
- The Group should operate within agreed covenants
- Timely communication regarding the performance of the business and risks faced

### MATTERS RAISED

- The Group's management of various factors that affect the long-term sustainability of the business, such as earnings growth and debt reduction

### HOW WE ENGAGED

- Face-to-face meetings with executive directors and Group executives
- Electronic communication, including results presentations via webcast
- Providing access to information relating to the operations of the Group, subject to applicable regulation

### HOW WE RESPONDED TO THE MATTERS RAISED

- We honoured our commitments to agreed loan terms and provided our funders with accurate information on a regular basis.
- We explained the Group's decisions in respect of various factors affecting its long-term sustainability, which were informed by existing challenges and opportunities.

### VALUE CREATED

- R276 million in net financing costs (2023: R223 million)
- All material covenant requirements were met throughout the period
- Met the sustainability loan KPIs related to a reduction in Scope 1 emissions intensity and water use and an increase in staff training spend in the Group's South African hake operations



# OUR KEY STAKEHOLDERS CONTINUED

## GOVERNMENT AND REGULATORS

NC SC

### WHY THEY MATTER

Government and other regulators provide us with the licences, services and infrastructure we need to operate our business.

### THEIR EXPECTATIONS

- Adhere to legislative and regulatory requirements, including environmental and safety legislation
- Support sustainable development objectives, such as job creation, wealth sharing and community involvement
- Accurate and timely information about our business and its operations
- Support the South African government's transformation objectives

### MATTERS RAISED

- Safety of fishing fleet following the sinking of two vessels, the *MFV Lepanto* and *MFV Armana*
- Resource management capacity and surveys related to hake and pelagics
- Inadequate service delivery capacity at the NRCS
- The Group's efforts to protect the health of the marine resource in South Africa and Australia
- The Group's commitment to various programmes, including skills development, to support the South African government's transformation objectives
- Assisting government in dealing with the country's decaying infrastructure and reduction in service delivery

### HOW WE ENGAGED

- Regular face-to-face meetings and electronic correspondence
- Written reports and supporting documentation
- Active participation in various industry bodies, such as SADSTIA, SAPFIA, FISH SA, the Food Loss and Waste Initiative and Responsible Fisheries Alliance
- Participation in corporate industry bodies such as BLSA and National Business Initiative
- Direct engagement with municipalities on service delivery challenges
- Trade shows and participation in the DPIRD's Western Australia Exporter Directory
- Ladismith is a member of the South African Milk Processors' Organisation and Milk SA. These organisations deal with government on behalf of all members of the industry.
  The Company also has quarterly meetings with the local municipality

### HOW WE RESPONDED TO THE MATTERS RAISED

- In respect of the sinking of the two vessels, leadership ensured that the business co-operated with the regulatory authorities (South African Maritime Safety Authority) in their investigations and provided access to all relevant staff. Several face-to-face meetings were held, including with the then Minister of the DFFE. Throughout the process, the approach adopted was one of transparency and co-operation.
- Visits to our main hake operating site in Saldanha were conducted by the Minister of the Department of Public Works and Infrastructure at the time and the Deputy Minister of the DFFE.
- We collaborated with various industry bodies to promote transformation in South Africa and job security in Australia.
- We worked with the DFFE in South Africa and DPRID in Australia to ensure the ongoing sustainability of the marine resources from those jursitictions.
- Through our engagement with BLSA, we assisted government in their plans to address infrastructure, logistics, crime and corruption challenges.
- Sea Harvest Aquaculture worked with the South African government to ensure environmental sustainability by creating an aquaculture development zone, securing research permits, managing ranching rights, and providing comments on the Aquaculture Bill.

### VALUE CREATED

- The Group retained a Level 1 on the B-BBEE scorecard with a score of 102.37 (2023: 100.88)
- Paid R1.6 billion in salaries and wages (including benefits) (2023: R1.3 billion)
- Spent R790 million (2023: R504 million) supporting 661 SMMEs (2023: 434)
- Paid taxes and levies of more than R469 million (2023: R437 million) and generated R3.7 billion (2023: R3 billion) in foreign revenue
- Through BLSA, the Group's support has directly led to Operation Vulindlela achieving, in part, the development of a third-party rail access policy and improved water-use licensing as well as electricity and energy interventions to increase the national energy generation capacity.

Achieved Increased Decreased

# OUR KEY STAKEHOLDERS CONTINUED

## INDUSTRY PARTNERS

NC SC

### WHY THEY MATTER

In many instances, we rely on our partnerships with various industry bodies to meet the expectations of government and other stakeholders.

### THEIR EXPECTATIONS

- Honest and open communication
- Timely execution of agreed actions in line with shared objectives

### MATTERS RAISED

- Long-term sustainability of marine resources
- Identification of opportunities to support marginalised communities through collaborative efforts
- Initiatives to reduce food waste
- Regulation of aquaculture, including food safety and export compliance

### HOW WE ENGAGED

- Face-to-face dialogue
- Membership of different industry bodies
- Participation in industry events and submitting applications for recognition in respect of business best practice

### HOW WE RESPONDED TO THE MATTERS RAISED

- We continued to be an active member of SADSTIA, SAPFIA, FISH SA, Responsible Fisheries Alliance, Global Whitefish Forum, Australian Quarantine and Inspection Service, Western Australian Fishing Industry Council, Chamber of Commerce and Industry Western Australia, Fremantle Chamber of Commerce, and other industry bodies in our wild-capture operations.
- Sea Harvest Aquaculture engaged with government, through the AFASA regarding the regulation of aquaculture in South Africa.
- Although BMFG is not an olive grower, it engaged with stakeholders as a member of the South African Olive Growers Association by virtue of the fact that it is one of the largest procurers of olives in the country.
- Through Ladismith, we continued our engagement with the South African Milk Processors' Organisation on regulations relevant to the dairy industry and, as a member, maintained a relationship with Milk SA.
- Through the Group's membership in the Food Loss and Waste Initiative, it sought to respond to the collective effort to prevent and reduce the loss and waste of food intended for human consumption, including the food insecurity dilemma in South Africa.

### VALUE CREATED

- Continued to actively support 10 black SMMEs in the South African fishing sector
- Sea Harvest Australia continued to participate in a share-fishing arrangement with its boat skippers
- Continued to contribute to the growth of the South African dairy sector through Milk SA
- Comments provided on the Aquaculture Bill via AFASA



# OUR KEY STAKEHOLDERS CONTINUED

## CUSTOMERS AND CONSUMERS

SC IC FC

### WHY THEY MATTER

Our customers and consumers are essential; they are who we produce for and whose expectations we aim to exceed. Our consumers are families, communities and people who care about eating healthy, nutritious and great-tasting food. They care about quality and value, but, most of all, they care about one another and our shared future.

### THEIR EXPECTATIONS

- Premium quality brands
- Competitive pricing
- Adherence to food safety standards
- Sustainable and ethical business practices
- Product traceability

### MATTERS RAISED

- Changes in pricing due to volatility in markets
- Efficient delivery and availability of products
- Access to accurate and timely information about products
- New product launches

### HOW WE ENGAGED

- Electronic communication and digital marketing, including email, virtual meetings, and social media platforms such as Facebook and Instagram
- Regular in-person visits by our international customers to our seafood operations in South Africa
- Participation in international events, including the Global Seafood Expo in Barcelona, the International Fish Oil and Fishmeal Organisation conference in Lisbon, and the World Aquaculture Conference in Copenhagen
- In-person product demonstrations and tastings in store and at Surfing South Africa events for our hake and pelagics products
- Maintenance of the Sea Harvest customer loyalty programme in 2024

### HOW WE RESPONDED TO THE MATTERS RAISED

- The Group relied on the experience of its quality control, marketing and logistics teams to ensure maintenance of quality control standards and timely delivery of products to customers.
- The Group capitalised on the strength of its long-term relationship with customers to manage challenges relating to pricing changes amid uncertain global trading conditions.
- We continued to invest in building the Group's brands through social media and in-store activations.
- We adjusted our aquaculture product range by removing oysters, while continuing to explore new distribution channels and markets for our abalone.

### VALUE CREATED

- Sea Harvest maintained its established quality assurance protocols with all its products and reviewed quality protocols and supply chain steps within newly acquired businesses
- The Sea Harvest Fishing Group's hake operation's domestic retail market share was 37%, the number one seafood brand in South Africa in 2024
- Brand social media engagement for 2024 (Facebook and Instagram):
  - Sea Harvest Hake: 22.1 million impressions
  - Sea Harvest Pelagic: 1.09 million impressions
  - Ladismith: 5.8 million impressions




Achieved Increased Decreased

# OUR KEY STAKEHOLDERS CONTINUED

## SUPPLIERS AND SERVICE PROVIDERS

SC IC FC

### WHY THEY MATTER

We depend on our suppliers and service providers to render quality products and services and operate according to their required industry standards as these impact on our ability to produce premium quality products, safeguard our own reputation, and protect our employees.

### THEIR EXPECTATIONS

- Adherence to ethical and fair business practices
- Timely payments as well as relevant and up-to-date information
- SMMEs and majority black-owned suppliers expect preferential terms and support to grow their business

### MATTERS RAISED

- Ongoing support from the Group to ensure business continuity
- Fair terms amid tough domestic and global trading conditions
- Availability of imported raw materials due to the failure of ports infrastructure nationwide
- In Australia, cold-storage and transport challenges for all companies involved in perishable products as well as the quality of imported resources

### HOW WE ENGAGED

- Telephonic and electronic communication
- Regular, structured face-to-face and/or virtual meetings were held to understand what key factors were affecting the suppliers
- Performance reviews and site audits to ensure compliance with food safety standards and other performance requirements
- Third annual Sea Harvest Foundation Golf Day in Langebaan, South Africa

### HOW WE RESPONDED TO THE MATTERS RAISED

- Sea Harvest maintained its commitment to pay all SMME suppliers within 30 days.
- We engaged with suppliers as the need dictated to negotiate costs and supply availability, while approving multiple suppliers for certain product lines to ensure supply continues.
- Negotiated with suppliers to limit price increases, while increasing stock levels on critical and long lead time items.
- The failure of South Africa's ports infrastructure nationwide placed enormous pressure on BMFM.
- Across the Group, we engaged with suppliers to ensure their compliance with government regulations and supported suppliers to achieve compliance where required.

### VALUE CREATED

- The Group's procurement policies resulted in R1.7 billion (2023: R1.6 billion) being spent with majority black-owned suppliers
- Spent R790 million (2023: R504 million) supporting 661 SMMEs (2023: 434)
- R125 million (2023: R114 million) contributed towards supplier development
- R4.4 million (2023: R5.9 million) contributed towards enterprise development

Achieved Increased Decreased

# OUR KEY STAKEHOLDERS CONTINUED

## COMMUNITIES AND NON-GOVERNMENTAL ORGANISATIONS (NGOS)

FC SC

### WHY THEY MATTER

Sea Harvest relies on the goodwill of the communities in and around which it operates, especially as many of its employees reside in communities surrounding its operational facilities. Our investment in local communities creates shared value and empowerment opportunities.

### THEIR EXPECTATIONS

Local communities and NGOs expect us to contribute towards their economic and social welfare through not only job creation but also socio-economic development initiatives

### MATTERS RAISED

The inability to meet the ever-increasing number of requests received by the Foundation – the number of requests received in 2024 almost doubled compared with 2023

### HOW WE ENGAGED

- During 2024, Sea Harvest conducted site visits and face-to-face meetings with funding applicants and beneficiaries to do needs assessments and measure the impact of funding received by beneficiaries. Due to the high number of requests received, electronic engagement was still the preferred method of engagement
- In 2024, the Sea Harvest Foundation hosted its third Golf Day to provide stakeholders with an opportunity to support its activities and contribute to its mission of making a positive impact in local communities

### HOW WE RESPONDED TO THE MATTERS RAISED

- The Foundation's Board of Directors met quarterly to consider applications for funding.
- Bursaries awarded were based on programme study fields that align with the Group's graduate internship programme.
- Funds raised through the Golf Day were utilised to ensure that the Foundation was able to honour its commitments to various beneficiary organisations.

### VALUE CREATED

- R5.03 million was utilised to support various community organisations
- Donations made included 7 780kg of fish, which equates to just over 200 000 high-protein meals served to residents at homes for the aged, children attending early childhood development centres, and beneficiaries at community soup kitchens
- Over 9 tonnes of waste was diverted from landfill through the continuation of a school recycling programme with more than 15 schools participating
- Youth development projects supported included sports clubs and organisations like the Saldanha Bay Rugby Club and The Homestead: Yizani Drop-in centre
- Projects supported to promote health and wellness within local communities, such as transport from Saldanha Bay on the Cape West Coast for Cape Town hospital patients and a satellite office for the South African government's Social Development Department in Saldanha Bay, which reported the highest foot traffic at its offices in the region
- Continued our strategic partnership with FEDRATI and CPUT to boost the South African oceans economy. Through FEDRATI, we allocated R1.5 million to bursaries for tertiary students

Achieved Increased Decreased

# OUR CAPITALS AND HOW WE MANAGE THEM

NC

## NATURAL CAPITAL

### INPUT

- **Wild-capture fish:** 79 825 tonnes (2023: 59 599 tonnes)
  - Hake, Horse Mackerel, small pelagics (anchovy and sardine), prawns, Spanish Mackerel and various demersal fish trawl species
- **Farmed fish:** 885 tonnes (2023: 294 tonnes)
  - Abalone
- **Procured fish:** 509 tonnes (2023: 406 tonnes)
  - Angel, hake, sardine, prawn, squid, and various other wild-caught species
- **Milk consumption:** 144 million litres (2023: 133 million litres)
- **Water consumption:** 979 million litres (2023: 482 million litres)
- **Natural feed used in our aquaculture operations:** 1 875 tonnes (2023: 1 013 tonnes)
- **Fuel consumption:** 45 551m³ (2023: 46 336m³)
- **Electricity consumption:** 84 799MWh (2023: 60 842MWh)
- **Total land used for aquaculture:** 486 hectares (2023: 437 hectares)

### ACTIVITIES TO ENHANCE OUTCOMES

- Despite our best efforts to minimise our environmental impact and enhance stewardship, fishing inevitably depletes Natural Capital.
- With that in mind, the Group strives to ensure that all its operations align with best practice to reduce and mitigate our impact on the environment by
  - actively encouraging a scientific and data-driven approach to sustainably manage fish resources and subscribing to the MSC, Marin Trust and GLOBALG.A.P. standards for our key wild-capture species and aquafeed; and
  - managing our wild-capture target marine resources to achieve MSY and/or MEY and undertaking an extensive by-catch management programme to reduce and manage our incidental catch, while reducing our impact on the seafloor by avoiding sensitive and vulnerable ecosystems.
- Our water conservation efforts aim to reduce usage and educate stakeholders and communities on water sustainability.
- Our farmed abalone operations present a viable alternative to mitigate the depletion of endangered abalone species through the substitution of wild harvesting practices.
- Our animal feed operations help aquaculture farms reduce their reliance on natural food sources like grass and other seafood, minimising environmental impact.
- Introduced energy efficiency measures across all sites, alongside renewable wind and solar energy at our dairy, aquaculture and pelagic locations.
- Continued standardising sustainability environmental management and data collection processes and systems.

### RELATED MATERIAL MATTERS

**The following material matters affect our ability to grow our Natural Capital**

- At all the Group's operational sites, we strive to utilise resources efficiently to reduce our burden on the environment
- By positioning our brands as leaders in sustainability, we strengthen our commitment to protecting and preserving our Natural Capital
- Managing relationships with key stakeholders, such as government, the MSC, Marin Trust and GLOBALG.A.P. together with other environmental organisations and partners, allows us to honour our commitment to protecting and preserving our Natural Capital
- The Group's commitment to limiting its impact and preserving the natural ecosystem helps ensure the long-term sustainability of our natural resources and our business
- Strengthening data collection and management systems will allow for improved measurement, management of resources, and, ultimately, business performance

# OUR CAPITALS AND HOW WE MANAGE THEM CONTINUED

NC

## NATURAL CAPITAL

### IMPACTS ON AND TRADE-OFFS BETWEEN CAPITALS

| | POSITIVE IMPACT | NEGATIVE IMPACT |
|---|---|---|
| • We utilise our Intellectual Capital to seek eco-friendly solutions, initially challenging our Financial Capital but promising positive returns through sustainable resource management | NC HC SC IC FC | FC |
| • Reducing TACs and catch effort will initially lower landings, affecting revenue and earnings. Yet, in the long run, it will improve resource biomass health, driving efficiency gains and better margins | NC FC | FC |

### OUTCOMES

- Our South African Cape Hake and Australian Shark Bay and Exmouth prawn fisheries products retained their MSC certification
- Cape Hake is estimated to lie well above MSY.
- Our aquafeed is GLOBALG.A.P. certified.
- Our pelagic operations maintained their Marin Trust certification.
- Implemented additional metrics to enhance water management effectiveness and bolstered our workforce to address any issues and facilitate reduction efforts.
- Installed and commissioned renewable solar PV at our Ladismith, Aqunion and Sea Harvest Pelagic sites, thereby diversifying the Group's energy mix and complementing the previously installed wind energy at Buffeljags, our largest aquaculture farm.
- Carbon emissions (Scope 1): 129 406 $tCO_2e$ (2023: 130 457 $tCO_2e$)
- Reduced Scope 1 carbon emissions intensity in the South African Fishing Group's hake operations by 10%.

### GOALS

- Align systems across all sites, specifically newly acquired sites, for improved measurement and management of all natural resources and waste — S
- Group-wide approach to reducing energy and water use while establishing energy and water security — S

- Engage with our stakeholders to ensure a collaborative approach to environmental management and conservation — S
- Complete a new climate risk assessment and analysis across the Group — M
- Continue to support industry initiatives to work with regulators to ensure the effective management of resources — L
- Reduce our reliance and use of freon gas in our operations
- Maintain MSC certification for the Cape Hake, Shark Bay and Exmouth prawn fisheries, Marin Trust certification for our pelagic operations, and GLOBALG.A.P. for our aquafeed operations

S Short term M Medium term L Long term

# OUR CAPITALS AND HOW WE MANAGE THEM CONTINUED

HC

## HUMAN CAPITAL

### INPUT

**Human Capital:**

- The Group employed c.5 480 permanent and temporary employees, as at 31 December 2024

**Human Capital investment:**

- During 2024, 134 learnerships, 35 apprenticeships, seven cadetships, seven graduate placements, and four accredited skills programmes (bursaries, study assistance and management development) were in place
- The Group spent R50 million on training and skills development
- Additional employee benefits included medical aid, retirement benefits, death and disability benefits, long-service awards, bursaries and study assistance funding

### ACTIVITIES TO ENHANCE OUTCOMES

- The Group's investment in apprenticeships, cadetships, learnerships, and leadership and management development met the skills development objectives as set out in our employment equity plan.
- Revamped the graduate management programme to establish a consistent pipeline of skilled staff and ultimately address critical and senior management positions. This programme will complement the mentorship and skills development programme currently in place.
- Various employee wellness programmes were sustained and enhanced to support staff in managing health and wellness challenges, including early intervention of substance abuse, health screening, family days, fitness classes, and participation in health awareness activities.
- Increased the skills levels and workplace experience of unemployed youth in the communities in which we operate, while developing and improving the skills levels of our staff.
- Aligned all the Group's HR policies between subsidiaries, including the recently acquired businesses.

### RELATED MATERIAL MATTERS

**The following material matters affect our ability to grow our Human Capital**

The Group continuously reviews its Human Capital policies, processes and procedures to achieve agreed upon targets and outputs in the most efficient manner

Our stringent focus on employment equity targets through structured and determined practices and policies relating to inclusion, diversity and equality has allowed us to maintain a Level 1 B-BBEE status

Sea Harvest adopts and practices responsible and fair labour practices, which not only assures our employees, unions and various industry bodies of our values but also assists in protecting our brand

The relationship with our unions is a crucial part of maintaining sound employee relations, and our partnership with key government stakeholders helps us to maintain compliance and best practice in workplace safety for employees

We act responsibly by adopting fair labour practices and ensuring that workplace health and safety standards are maintained and improved upon

# OUR CAPITALS AND HOW WE MANAGE THEM CONTINUED

HC

## HUMAN CAPITAL

### IMPACTS ON AND TRADE-OFFS BETWEEN CAPITALS

| | POSITIVE IMPACT | NEGATIVE IMPACT |
|---|---|---|
| • Challenge to source scarce skills and experience to fill key critical and senior management positions, particularly in remote locations | HC IC | FC |
| • Further investment in leadership development and mentoring programmes to assist with succession planning and availability of scarce skills | HC IC FC | FC |
| • Maintaining retention strategies in respect of young previously disadvantaged talent seeking growth and development | HC IC | FC |

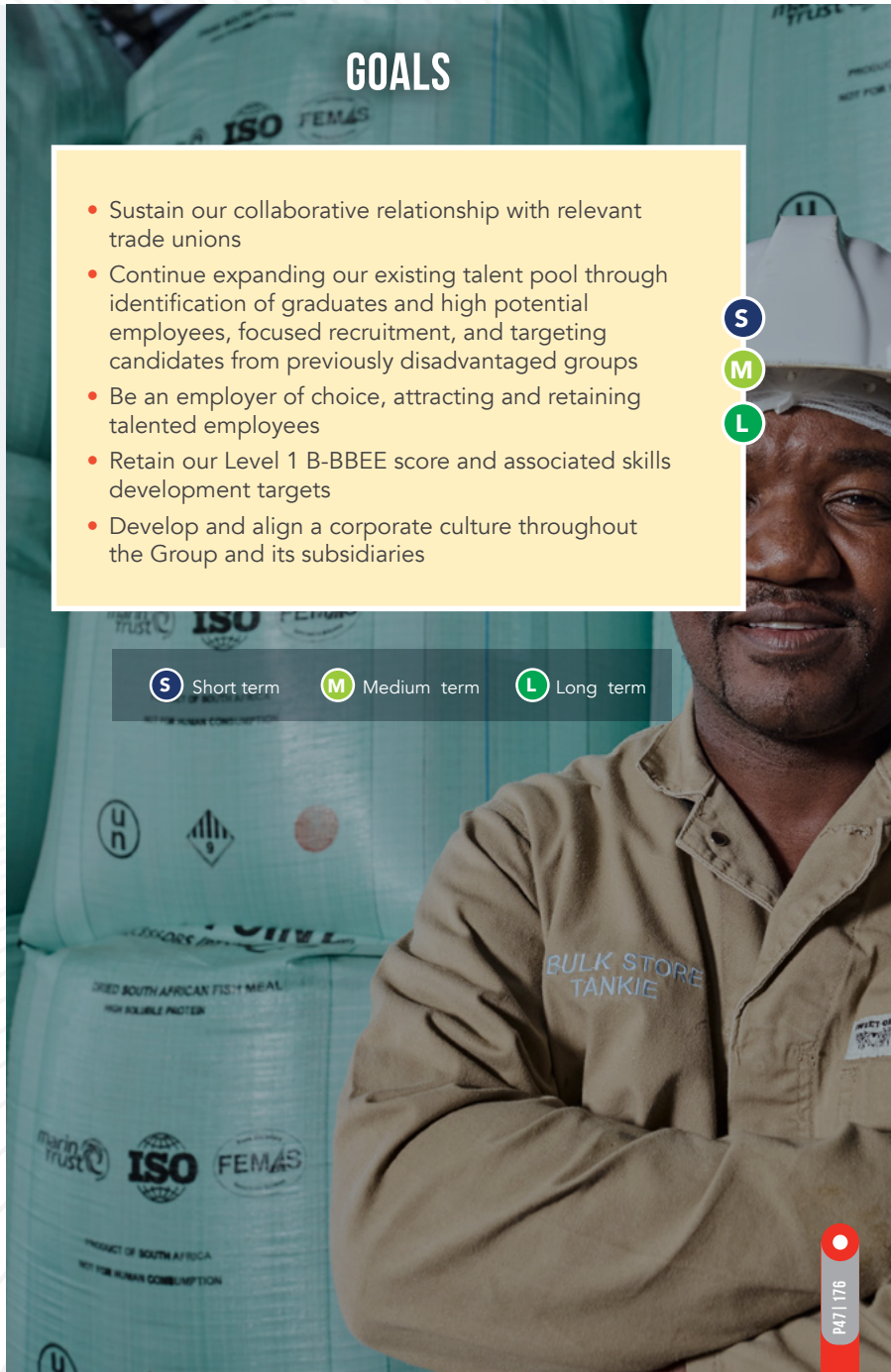
### OUTCOMES

- R1.6 billion paid in salaries and wages
- ACI employees: 94% (2023: 92%) of South African employees
- ACI employees in senior management: 67% (2023: 72%) of South African employees
- While we take every possible measure to preserve our Human Capital and strive for zero harm, we, unfortunately, experienced an increase in our DIFR in 2024. The DIFR increased from 0.03 in 2023 to 0.21 in 2024 due to the tragic sinking of the *MFV Lepanto*. To address this, we initiated enhanced safety campaigns for those seagoing employees, involving refresher courses and increased vigilance in maintaining their safety awareness
- Spent R50 million upskilling employees during 2024, with over 95% spent on previously disadvantaged individuals

### GOALS

- Sustain our collaborative relationship with relevant trade unions
- Continue expanding our existing talent pool through identification of graduates and high potential employees, focused recruitment, and targeting candidates from previously disadvantaged groups
- Be an employer of choice, attracting and retaining talented employees
- Retain our Level 1 B-BBEE score and associated skills development targets
- Develop and align a corporate culture throughout the Group and its subsidiaries

S Short term M Medium term L Long term



# OUR CAPITALS AND HOW WE MANAGE THEM CONTINUED

SC

## SOCIAL AND RELATIONSHIP CAPITAL

### INPUT

- In 2024, R5.03 million (2023: R3.3 million) was invested in corporate social investment (CSI) projects through the Sea Harvest Foundation.
- Continued to support bursaries for students in research and engineering in conjunction with CPUT through FEDRATI
- Spent R790 million supporting 661 SMMEs
- The Group's procurement policies resulted in R1.7 billion (2023: R1.6 billion) being spent with majority black-owned suppliers
- Provided continued support to 10 black SMMEs who catch and process in the fishing sector

### ACTIVITIES TO ENHANCE OUTCOMES

- A dedicated administrator is responsible for liaising with funding applicants and beneficiaries and providing the Sea Harvest Foundation Board with adequate information to enable it to make decisions in response to funding applications in a manner that will ensure meaningful impact within the communities served (for more information refer to the **ESG** Report).
- Active engagement with non-profit organisations and governmental organisations to establish the needs and solutions for social challenges in the communities where we operate.
- Our robust ESG framework enables strategic decision-making and stronger engagement with stakeholders.

### RELATED MATERIAL MATTERS

**The following material matters affect our ability to grow our Social and Relationship Capital**

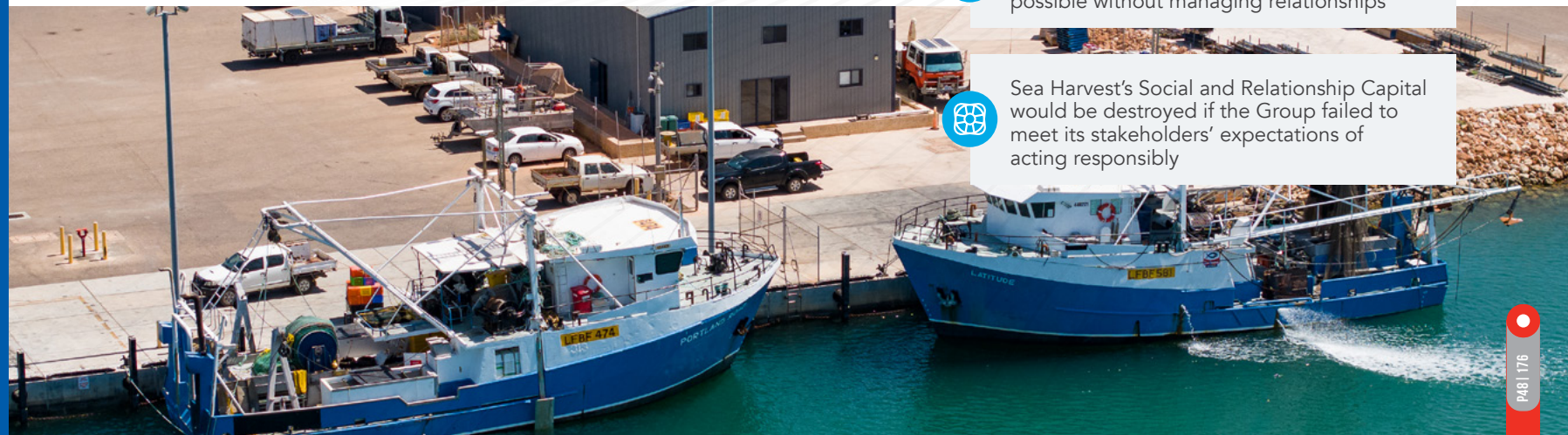
Managing relationships with key internal and external stakeholders enables Sea Harvest to ensure that its operations run smoothly and efficiently

Building strong relationships with the communities and societies in which we operate enables the business to unlock potential, integrate communities, and promote sustainable economic transformation

Investing in relationships with, *inter alia*, employees, communities, customers and consumers, and suppliers and service providers contributes to growing the value of Sea Harvest's corporate and product brands

Protecting and growing the Group's Social and Relationship Capital would not be possible without managing relationships

Sea Harvest's Social and Relationship Capital would be destroyed if the Group failed to meet its stakeholders' expectations of acting responsibly



# OUR CAPITALS AND HOW WE MANAGE THEM CONTINUED

SC

## SOCIAL AND RELATIONSHIP CAPITAL

### IMPACTS ON AND TRADE-OFFS BETWEEN CAPITALS

| | POSITIVE IMPACT | NEGATIVE IMPACT |
|---|---|---|
| • The highly regulated environment in which Sea Harvest operates means that the business is dependent on meeting the reasonable expectations of its stakeholders, including those of the South African and Australian governments, local communities, employees, and customers. Investing in communities impacts on our financial resources | SC FC | FC |

### OUTCOMES

- Retained a Level 1 B-BBEE contributor status and achieved a score of 102.37 (2023: 100.88)
- The Sea Harvest Foundation spent R5.03 million on community projects
- The Group spent R1.7 billion on procuring goods and services from 440 majority black-owned businesses
- The Group spent R1.5 million supporting students through a bursary scheme with CPUT and FEDRATI, which contributes to research and development in the oceans economy
- The Group spent R129 million on enterprise and supplier development

### GOALS

- We are committed to growing our Social and Relationship Capital, to always respond to the reasonable expectations of stakeholders, and to engage with them in a timely and meaningful manner and create opportunities for the previously disadvantaged S M L



# OUR CAPITALS AND HOW WE MANAGE THEM CONTINUED

MC

## MANUFACTURED CAPITAL

### INPUT

- Number of vessels: 59 (2023: 57)
- Number of land-based fish processing facilities: 7 (2023: 6)
- Number of dairy processing operations: 2 (2023: 2)
- Number of aquaculture facilities: 8 (2023: 3)
- Property, plant and equipment: R3.1 billion (2023: R2.5 billion)
- One wind and six solar projects currently implemented in the Group

### ACTIVITIES TO ENHANCE OUTCOMES

- We invest in high-quality assets to ensure our businesses meet ever-evolving market demands.
- Spent R373 million on maintenance capital expenditure (2023: R270 million) and R208 million on expansion capital expenditure (2023: R202 million) in 2024.
- Constant monitoring and review of our asset care programme to optimise the effectiveness and efficiency of our vessels as well as our fish, dairy and convenience foods processing facilities and aquaculture farms.

### RELATED MATERIAL MATTERS

**The following material matters affect our ability to grow our Manufactured Capital**

To operate efficiently, we must invest in and maintain sophisticated and technologically advanced Manufactured Capital

By driving transformation through staff learning and development programmes, we ensure proper handling and management of our Manufactured Capital

To produce premium products that cement our brands, we need to invest in sophisticated and technologically advanced Manufactured Capital

By adhering to health and safety regulations in utilising our assets, we ensure the safety of our staff and contractors on site

Utilising natural resources sustainably protects our environment

Economical and effective maintenance and safe operation of our assets ensure business continuity and maintain asset values



# OUR CAPITALS AND HOW WE MANAGE THEM CONTINUED

MC

## MANUFACTURED CAPITAL

### IMPACTS ON AND TRADE-OFFS BETWEEN CAPITALS

| | POSITIVE IMPACT | NEGATIVE IMPACT |
|---|---|---|
| • Investment in Manufactured Capital depletes the Group's Financial Capital in the short term. This investment should have a positive impact on Financial Capital over the medium to long term through additional capacity, improved reliability and efficiencies | MC FC | FC |
| • Investing in technology upgrades in factories improves production efficiencies that could result in job losses | IC FC | NC HC SC |
| • Reducing spend on preventative asset maintenance for short-term financial gain at the expense of poorer efficiency and reliability in the longer term | FC | MC FC |

### OUTCOMES

- Number of days at sea: 9 077 days (2023: 9 733 days)
- Production output: 72 029 tonnes
  - Fish and shellfish: 45 986 tonnes (2023: 23 642 tonnes)
  - Dairy: 26 043 tonnes (2023: 23 788 tonnes)

### GOALS

- Constant improvement in quality
- Optimise our fleet and factory reliability and utilisation
- Production facilities that operate at design capacity

S

- Improve processing yields

S M

- Develop alternative power generation capability to reduce dependency on the national electricity grid and reduce the Group's carbon emissions
- Develop alternative water generation/recycling capacity to reduce dependency on municipal services

S M L

S Short term M Medium term L Long term

# OUR CAPITALS AND HOW WE MANAGE THEM CONTINUED

IC

## INTELLECTUAL CAPITAL

### INPUT

- Extensive specialist know-how with respect to the catching and processing of fish; farming of shellfish; processing of cheese, butter and milk powders; manufacturing of chilled and frozen convenience foods; and the marketing of our range of products locally and internationally
- Continued enhancing our world-class digitalisation process and leveraging business intelligence and dynamics
- Continued to invest in new product development to ensure that we meet our customers' changing demands and explore new markets
- Maintained and upgraded rigorous systems for food safety and quality management
- Utilised market intelligence information to alter the sales and marketing strategies during 2024

### ACTIVITIES TO ENHANCE OUTCOMES

- The Group recruits, develops and retains highly qualified and experienced people and has a comprehensive succession plan in place in respect of critical skills.
- A graduate programme to be developed and grown within the business to ensure mutually beneficial relationships.
- Funding of skills development initiatives and programmes, including our management leadership development programmes, mentorships, apprenticeships, cadet programmes, and skills-specific learnerships.
- Acquired the 120-year-old *Saldanha* brand, which is the second-largest pilchard brand in South Africa, and the *Diamond* brand in Hong Kong
- Investment in the Group's brands through direct consumer marketing and participation in various trade shows.

### RELATED MATERIAL MATTERS

**The following material matters affect our ability to grow our Intellectual Capital**

- The industry knowledge of our management team allows for the best operational decision-making considering all known variables
- Skills recruitment, development and retention are in line with our employment equity strategy to drive transformation within the Group
- Through benchmarking, new product development and packaging reviews, we invest to protect and grow our household brands
- We actively manage our relationships with customers and suppliers to ensure that we are viewed as a preferred partner
- The industry and regulatory knowledge of our experienced management team ensures we act responsibly by considering all stakeholders



# OUR CAPITALS AND HOW WE MANAGE THEM CONTINUED



## IMPACTS ON AND TRADE-OFFS BETWEEN CAPITALS

| | POSITIVE IMPACT | NEGATIVE IMPACT |
|---|---|---|
| • Investment in new product development and research and development to ensure we can meet customer demands and pursue growth through new markets | IC FC | FC |
| • Skills development, training, learnerships and other programmes require significant investment | HC SC IC FC | FC |
| • Members of our senior and top management serve on external industry bodies to the benefit of stakeholder relationships at a financial cost | SC | FC |

## OUTCOMES

- As a Group we continue to enhance our expertise in harvesting, processing and selling seafood and dairy. Our focus on business resilience, strategic investments, and leveraging the best available knowledge in these sectors strengthens our Intellectual Capital
- Longstanding relationships with suppliers and customers ensure mutually beneficial relationships
- Development and retention of highly talented and skilled staff
- Maintained all the Group's food quality assurance certifications during 2024

## GOALS

- Initiate, develop and launch new products, including continued renewal of products and brand development — S M
- Maintain a brand leadership position and a strong reputation as a credible supplier across the global markets in which we trade — S M L
- Identify and address skills shortages through skills development initiatives, supplemented by targeted recruitment activities — S M

S Short term M Medium term L Long term



# OUR CAPITALS AND HOW WE MANAGE THEM CONTINUED

FC

## FINANCIAL CAPITAL

### INPUT

- Equity funding: R4 billion of stated capital and reserves, with 359 million shares in issue
- Cash and debt funding: R3.0 billion long-term and short-term borrowings (excluding shareholder loans), cash of R290 million, and net debt of R2.7 billion
- Internally generated capital: R1.2 billion internally generated cash from operations

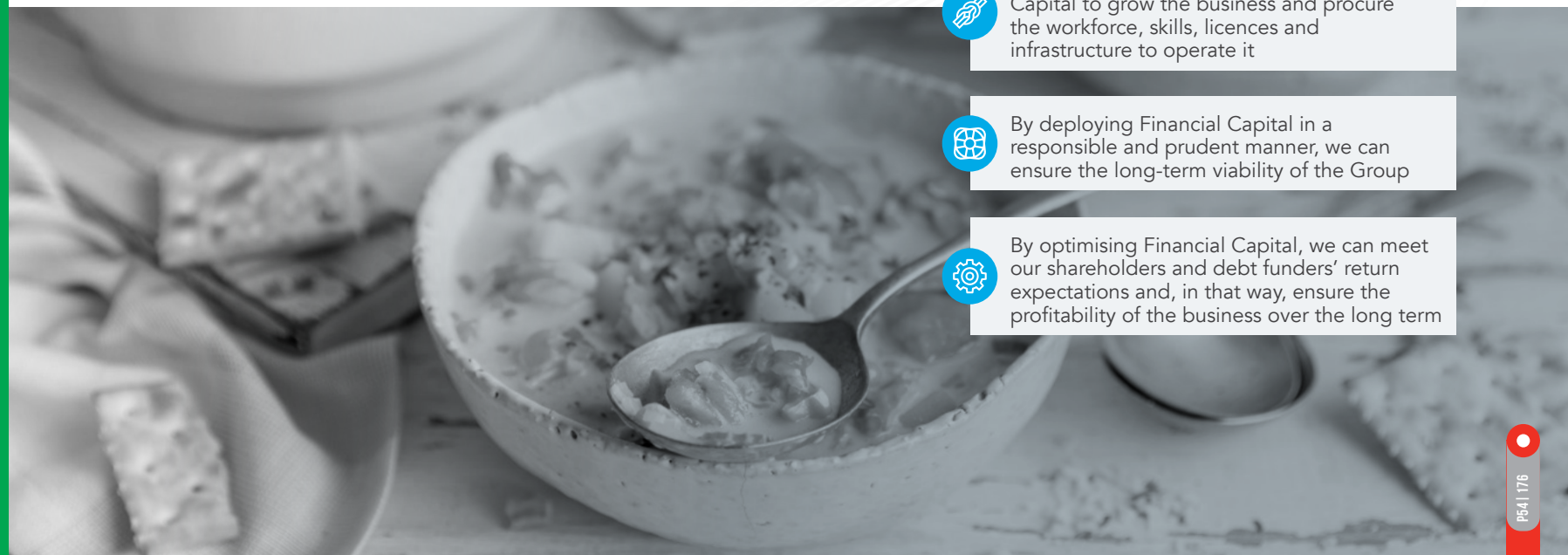
### ACTIVITIES TO ENHANCE OUTCOMES

- The Group continued to utilise externally sourced and internally generated Financial Capital to execute our organic growth targets.
- Spent R373 million on maintenance capital expenditure (2023: R270 million) and R208 million on expansion capital expenditure (2023: R202 million) in 2024.
- Expansion capital expenditure in 2024 was dedicated to acquiring and upgrading fishing trawlers; increasing capacity at the Mooivallei cheese facility; and the roller dryer powder plant, solar PV plant, and cheese slicer line at Ladismith.

### RELATED MATERIAL MATTERS

**The following material matters affect our ability to grow our Financial Capital**

- By improving efficiencies, we can reduce input costs and improve margins and profitability
- By supporting majority black-owned businesses, supplier development, enterprise development, employment equity, and the skills development of historically disadvantaged employees, we can ensure the long-term growth and development of the Group
- Profitability and adequate returns on capital to protect our brand
- Our stakeholders provide the Financial Capital to grow the business and procure the workforce, skills, licences and infrastructure to operate it
- By deploying Financial Capital in a responsible and prudent manner, we can ensure the long-term viability of the Group
- By optimising Financial Capital, we can meet our shareholders and debt funders' return expectations and, in that way, ensure the profitability of the business over the long term



# OUR CAPITALS AND HOW WE MANAGE THEM CONTINUED

FC

## FINANCIAL CAPITAL

### IMPACTS ON AND TRADE-OFFS BETWEEN CAPITALS

| | POSITIVE IMPACT | NEGATIVE IMPACT |
|---|---|---|
| • Investment in Manufactured Capital will deplete Financial Capital in the short term | MC | FC |
| • Retaining a Level 1 B-BBEE rating requires significant investment, which depletes Financial Capital but enhances Natural Capital, Human Capital, and Social and Relationship Capital | NC HC SC | FC |
| • Paying a dividend meets the expectations of our shareholders, positively impacting Social and Relationship Capital, but depletes Financial Capital available for investments | SC | FC |

### OUTCOMES

- Revenue increased by 16% to R7.2 billion (2023: R6.2 billion)
- Operating profit increased by 26% to R580 million (2023: R462 million)
- HEPS reduced by 45% to 55 cents per share (2023: 100 cents)
- Normalised HEPS reduced by 1% to 65 cents per share (2023: 66 cents)
- ROCE remained constant at 10% (2023: 10%)
- Net debt to EBITDA reduced to 2.5 times EBITDA (2023: 2.6 times)

### GOALS

- Recover above-inflation increases through efficiency improvements, cost reductions and price increases
- Deleverage, reducing net bank borrowings by 50% over the next three years
- Achieve a return on invested capital (ROIC) equal to at least the Group's weighted average cost of capital (WACC)
- Achieve a 15% Group EBIT margin through the cycle

S M

- Manage capital expenditure and working capital
- Invest in organic projects that deliver an appropriate margin above the Group's WACC
- Reduce costs across the Group

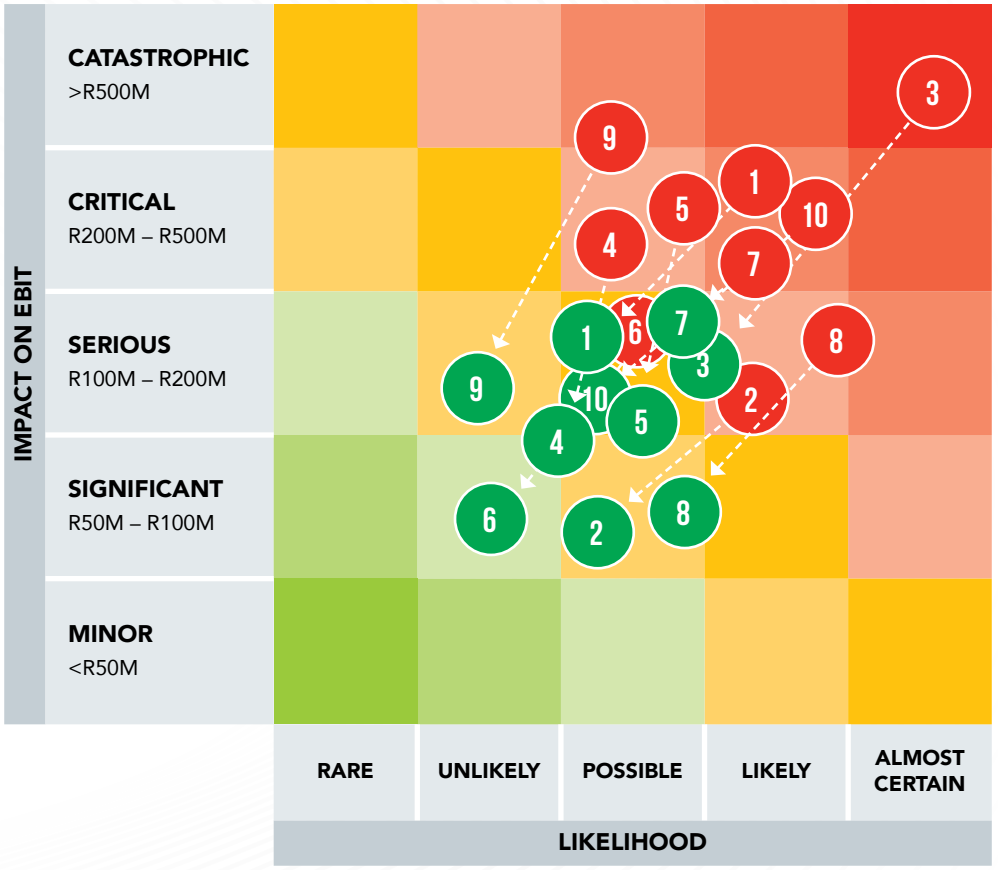
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# OUR RISKS AND MITIGATIONS

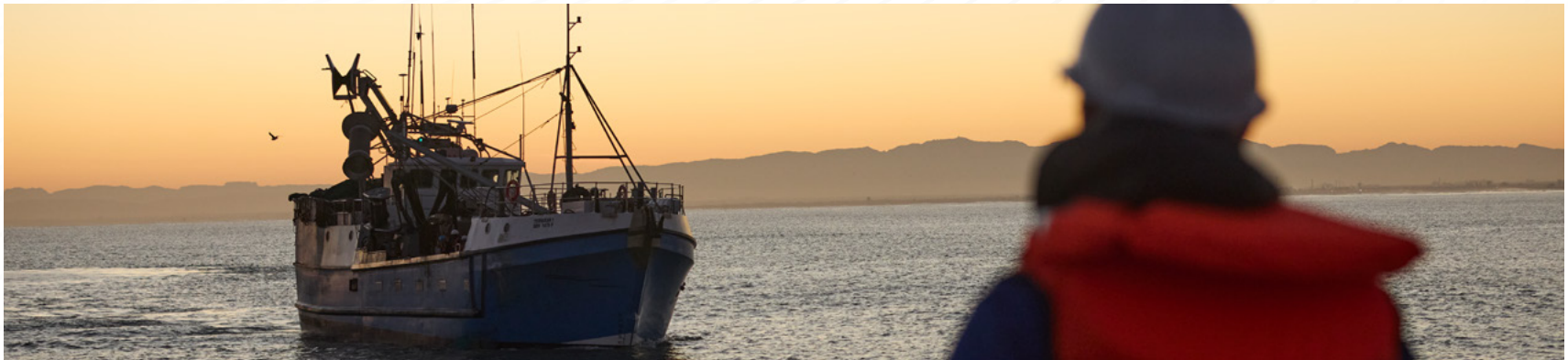
## OUR TOP RISKS

1. SUSTAINABILITY OF RESOURCES
2. MARKET CONCENTRATION RISKS
3. MACROECONOMIC FACTORS
4. LOSS OF MAJOR ASSETS
5. EMPLOYEE SAFETY
6. SCARCITY OF CRITICAL SKILLS
7. BUSINESS INTERRUPTION
8. CAPITAL STRUCTURE
9. RETENTION OF FISHING RIGHTS
10. QUALITY AND FOOD SAFETY STANDARDS




● Indicates the inherent risk rating, i.e. rating **before** consideration of control strategies

● Indicates residual risk rating, i.e. rating **after** consideration of control strategies



# OUR RISKS AND MITIGATIONS CONTINUED

Threat levels in relation to the heat map on page 56

Impact on value creation

## 1 RISK: SUSTAINABILITY OF RESOURCES

NC FC

### Risk considerations and descriptions

- Poor health of hake and prawn (Shark Bay and Exmouth) biomasses could reduce catch rates, catch volumes and size mixes to unsustainable levels of profitability
- Poor management of resource by government by not following scientific advice could impact resource viability and marketability of catch
- Climate change could impact environment; ultimately affecting health of biomass, closure of fisheries, and raw material supply
- Climate change could affect milk supply and availability
- Climate change could result in increased red tide events

### Control and mitigation

- Active participation in industry standard-setting organisations to champion sustainability, including Chair of SADSTIA, Executive Committee member of SADSTIA, alliance partner to Responsible Fisheries Alliance, industry participant in fisheries managed by the DPIRD, and member of the Western Australian Fishing Industrial Council, Milk SA, AFASA and SAPFIA
- Active engagement with regulators, including the DPIRD and DFFE
- Continued support of an ecosystem approach to fisheries management underpinned by robust scientific research
- Industry support to ensure that continued stock assessments occur
- Support for government and industry to ensure effectiveness of research (DFFE/DPIRD)
- Championing MSC accreditation of the South African Cape Hake and Shark Bay and Exmouth prawn fisheries
- Diversification of fisheries: South Africa (hake and pelagics) and Australia (prawn)
- Appropriateness of fishing gear used

## 2 RISK: MARKET CONCENTRATION RISK

NC MC FC

### Risk considerations and descriptions

- Within Sea Harvest Aquaculture, abalone sales are heavily dependent on the Far East markets, which were negatively impacted by the 2019 geopolitical unrest, COVID-19, and, subsequently, the economic slowdown in China and Hong Kong
- Presence of other wild-caught prawn, imported and farmed Australian prawns in markets could result in decreased demand for wild-caught Shark Bay and Exmouth products

### Control and mitigation

- Leverage Aqunion's world-class production standards and access to markets
- Development of new abalone product formats other than "live", including canned, frozen and dried
- Pursuit of growth and larger sizes of abalone
- Appointment of key positions within Aquaculture to optimise production and sales
- Quality improvements through the utilisation of Aqunion's abalone production methodology and production processes
- Developing relationships with retailers and foodservice industry around the provenance of wild-caught Australian prawn
- Developing export market for wild-caught Australian prawns
- Acquisition of Aqunion allows additional market access and diversification

# OUR RISKS AND MITIGATIONS CONTINUED

Threat levels in relation to the heat map on page 56 — Impact on value creation

## 3 RISK: MACROECONOMIC FACTORS

FC

### Risk considerations and descriptions

- **Inflation:** Cost push – above-inflation cost increases, resulting in increased costs, e.g. wages, utilities, input costs/raw material, and packaging materials
- **Interest rates:** Higher interest rates worldwide to manage inflation – tariffs will drive inflation and interest rate increases
- **Fuel:** Increased fuel costs, resulting in increased cost of sales, selling and distribution costs, and the resultant effect on all cost categories
- **Global economic factors:** Inflation, interest rates, GDP growth rates in markets in which the Group trades, foreign governments' monetary policies, etc. impact consumer confidence and the demand for our products
- **Currency:** Changes to political landscape and international sentiment towards South Africa resulting in rand strength and lower revenue from export sales
- **Hedges:** Lower fuel prices and the weaker rand causes hedges to move into an out-of-the-money position, resulting in hedge losses
- **Funding:** Impact of international conditions on South African economy negatively affecting profitability and adherence to covenant requirements

### Control and mitigation

- The Group applies sound foreign currency and fuel hedging practices in line with approved policies and SARB criteria
- Regular monitoring of currency position, international oil prices, and interest rates to optimise hedge placement
- Pricing/market mix action to mitigate impact of above-inflation cost increases and rand volatility
- Cost reduction and efficiency plans to compensate for lost revenue and increased costs to protect bottom-line earnings
- Delivery of efficiency benefits from investments in fleet, factories and markets
- Focused cost reduction targets
- Integration synergies
- Ability to redirect products to different markets to limit exposure to negative currency position
- Focus on cash generation and debt reduction
- Regular reporting of covenants to banks (Standard Bank and Commonwealth Bank of Australia)

## 4 RISK: LOSS OF MAJOR ASSETS

MC FC

### Risk considerations and descriptions

- Loss of major assets due to vessel sinking or fire in a production facility
- Loss of biological assets due to disease or events such as red tide
- Natural disasters, including drought, flooding, fires, etc., preventing access to facilities and safeguarding of assets and products

### Control and mitigation

- Fit-for-purpose maintenance strategies, business continuity plans, and disaster recovery plans are in place
- Engineering skills
- Training
- Fire defence, including fire teams and training with suitable fire-fighting equipment
- Comprehensive safety-at-sea programmes
- The acquisition of Viking Fishing, Mooivallei and MG Kailis allows for multiple operational sites in the event of a continuity incident
- Multiple aquaculture sites to manage biological risk or disease
- Comprehensive asset replacement and business interruption insurance in place

# OUR RISKS AND MITIGATIONS CONTINUED

— Threat levels in relation to the heat map on page 56

- - Impact on value creation

## 5 RISK: EMPLOYEE SAFETY

HC SC MC FC

### Risk considerations and descriptions

- Failing to adhere to safety requirements through improper working conditions or deliberate circumvention of safety performance standards – inclusive of shore-based and sea-going environments
- Inconsistent application of safety rules and hazard identification, including non-compliance with critical controls
- Exposure to major safety-related issues, such as material handling, moving machinery, working at sea, etc.

### Control and mitigation

- Conducted refresher training for staff working in high-risk areas of our business, ensuring that they stay up to date with the latest safety standards. Additionally, Sea Harvest is trialling new safety procedures at sea, with the support of the regulator, to enhance safety in this environment. If successful, these procedures could be adopted across the broader sector. Our Company and Safety Committees also continue to emphasise the critical importance of workplace safety and its role in protecting our employees
- Compliance with the Occupational Health and Safety Act, No 85 of 1993, and the Compensation for Occupational Injuries and Diseases Amendment Act, No 10 of 2022
- Compliance evaluations
- Occupational Health and Safety Committees appointed and performance of regular risk assessments in all operating environments
- Safety manuals continuously updated to incorporate latest requirements
- Robust safety communication strategy
- Physical and staff-related insurance in place
- Independent audits by insurers, internal auditors and government

## 6 RISK: SCARCITY OF CRITICAL SKILLS

HC SC MC FC

### Risk considerations and descriptions

- The ability of the Group to sustain operations without interruption could be affected by lack of available/loss of critical skills (e.g. skippers and chief engineers) and specialist skills within the dairy and aquaculture operations
- Key positions in other specialist operations rely on key individuals

### Control and mitigation

- Succession planning in place for key positions
- In-house training, learning and development opportunities
- Leverage of depth of skills across Group subsidiaries
- Retention strategies for key management, including short-term incentives (STIs) and long-term incentives (LTIs)
- Acquisition strategy provides access to increased pool of industry-respected resources and may provide growth and development opportunities for such staff (which will aid retention)



# OUR RISKS AND MITIGATIONS CONTINUED

Threat levels in relation to the heat map on page 56 — Impact on value creation

## 7 RISK: BUSINESS INTERRUPTION

NC HC SC FC

### Risk considerations and descriptions

- Prolonged (>1 month) disruption of business operations due to a lack of services, e.g. water, electricity and logistics (Transnet)
- Industrial action resulting in extended periods of lost production (>1 month)
- Business disruption because of cyber attack
- Natural disasters, e.g. fires, floods and disease outbreaks (such as FMD) may affect business operations
- The uncertainty of the severity (stages) and frequency of load shedding and water interruptions negatively impacting production planning for South African operations
- Potential blackouts
- Supply of milk being negatively affected as milk farmers are unable to produce sufficient good quality milk
- In the event of load shedding and no alternative electricity supply, the water flow to abalone farms might be compromised
- Excessive costs incurred in the procurement of diesel for generators
- Negative impact on plant and machinery and increased maintenance costs due to disruptive electricity supply

### Control and mitigation

- Aqunion and West Point acquisitions allow for specie and geographic diversification
- Water and electricity backup facilities
- FMD mitigated by having multiple facilities at Bonnievale and Ladismith
- Fire-fighting teams in place through occupational health and safety requirements
- Group IT increasing its coverage of underlying subsidiaries
- Diesel storage increased to ensure sites can deal with longer stages of load shedding
- Implementation of a solar solution at Ladismith, West Point, Aqunion and Marifeed
- Continuous evaluation of alternative energy sources, e.g. solar and battery solutions, wind turbines, etc.
- Generator optimisation
- Electricity audits and reviews
- Business continuity plans

## 8 RISK: CAPITAL STRUCTURE

FC

### Risk considerations and descriptions

- Challenging operating conditions within Sea Harvest Corporation as well as the Australian and abalone segments place pressure on cash flows
- The Group has R2.7 billion in net external debt

### Control and mitigation

- Regular monitoring of financial performance and cash flows, including proactive monitoring of anticipated cash flows, debt levels and covenants
- Funders (banks) support
- Shareholder support
- Management proactively monitors capital and operating expenditure
- Focus on performance margins, working capital management, capital expenditure, and cash generation
- Deleverage, including selling non-core assets

# OUR RISKS AND MITIGATIONS CONTINUED

— Threat levels in relation to the heat map on page 56

-- Impact on value creation

## 9 RISK: RETENTION OF FISHING RIGHTS

NC HC SC MC FC

**Risk considerations and descriptions**

- Loss of long-term fishing rights if the Group's black shareholding falls below the level it was when rights were issued or when change of control occurs

**Control and mitigation**

- Continued focus on maintaining permit and licensing conditions
- The Terrasan transactions introduced further B-BBEE ownership
- The Group's B-BBEE scorecard includes newly acquired subsidiaries from 2025
- Monitoring and evaluation of the Policy for the Transfer of Commercial Fishing Rights and Aquaculture Bill
- Active participation in industry organisations – Chairperson of SADSTIA, Deputy Chairperson of Fish SA, and SAPFIA Executive Committee member
- Retention of Level 1 B-BBEE scorecard and B-BBEE ownership credentials greater than 90%
- Engagement with government stakeholders through a rigorous stakeholder management process to illustrate the commercial and socio-economic value created in the commercial fishing sectors in which Sea Harvest is involved
- Successfully managed the appeals process with favourable outcomes in respect of long-term fishing rights
- Share register is carefully and regularly monitored
- Maximum beneficiation in South Africa, thereby maximising jobs
- Globally competitive and profitable business model, adding value across the supply chain through vertical integration and thereby paying taxes and levies of over R400 million relevant to the South African Fishing Group operation
- Strategically located in semi-urban and rural towns as a significant socio-economic contributory, employing more than 30% of the town of Saldanha Bay
- South African Fishing Group operations supported 608 predominantly black-owned SMMEs across the value chain, with a procurement spend of R631 million

## 10 RISK: QUALITY AND FOOD SAFETY STANDARDS

SC MC FC

**Risk considerations and descriptions**

- Failure in food safety standards may result in product recall thus negatively affecting the Group's brand, reputation, earnings per share (EPS), and share price
- Negative social media campaigns
- Poor quality products resulting in lower demand and inability to charge premium pricing

**Control and mitigation**

- Strict compliance with the highest food safety standards, which are regulated and audited by various local and international regulatory bodies
- Specialised in-house quality assurance teams in place
- Comprehensive public liability insurance
- Constant social media intelligence monitoring and engagement with specialist public relations service providers
- Crisis Communication Framework developed

# 04

# OUR WAY FORWARD


Our CEO's Report 63
Our material matters 68
Our strategy 80
Our operational performance within the business segments 85
Our CFO's Report 95


**1990s**

TIGER BRANDS ACQUIRES 100% OF ICS

**2019**

THE GROUP ACQUIRES 100% OF LADISMITH



# OUR CEO'S REPORT



"DESPITE RECENT CHALLENGES, MY MANAGEMENT TEAM AND I REMAIN CONFIDENT IN THE GROUP'S LONG-TERM PROSPECTS. WE BELIEVE THAT AS WE EMERGE FROM THE BOTTOM OF THE BUSINESS CYCLE, OUR STRATEGIC INITIATIVES POSITION US FOR SUSTAINABLE GROWTH AND CONTINUED FINANCIAL SUCCESS."

**FELIX RATHEB**

*Group Chief Executive Officer*

# OUR CEO'S REPORT CONTINUED

**Over the past seven years since our listing in 2017, our primary objective has been to build a diversified seafood and food group. Evaluating our investment case from the time of listing and assessing our performance against this benchmark necessitates a determination of its continued relevance.**

As a core principle in our investment case to investors, we have consistently emphasised the favourable industry dynamics within our sector, which support premium pricing. This pricing strength has reinforced the market power of Cape Hake, a highly sought-after product characterised by demand exceeding supply. Consequently, since our listing, our hake business has experienced a compound annual growth rate (CAGR) in pricing at a rate of CPI plus 3% across both local and export markets. Supporting this pricing premium, according to Nielsen, we currently hold the leading position in the South African market in both volume and value in the frozen fish category, reinforcing our position as the number one seafood brand in the country.

While we seek to capitalise on the opportunities within the deep-sea fishing sector, we fully recognise that operational excellence remains critical to our success. We operate in an industry characterised by high barriers to entry, where our world-class production facilities enable us to maximise earning potential. While natural factors, such as catch rates, play a role, it is essential that we retain access to fish. This has been ensured through the recent allocation of our long-term fishing rights for the next decade, alongside significant investments in vessels and factories in recent years. These strategic measures provide the business the stability and assets necessary to navigate future challenges and enhance earnings.



2019

OUR PRIMARY OBJECTIVE HAS BEEN TO BUILD A **DIVERSIFIED SEAFOOD AND FOOD GROUP**

## FURTHERMORE,

over the past few years, we have successfully positioned ourselves as a rand-hedge, generating export earnings (>50% of revenue is exported), while supplying products to over 30 countries worldwide. Our diversified customer base ensures that no single customer contributes more than 10% of our revenue. In addition, with 100% beneficiation occurring in South Africa, we maintain strong pricing influence across most of the markets in which we operate.

# OUR CEO'S REPORT CONTINUED

## OUR STRATEGY SINCE LISTING

While our business has experienced fluctuations, largely due to external factors, there have been periods during which our financial performance demonstrated resilience. Notably, until 2021, we delivered an impressive track record, with HEPS growing by 45% at a CAGR of 10%. However, over the past three years, performance has declined, and we examine the underlying reasons in greater detail below.

It is important to acknowledge that at the time of our listing, we were a relatively small Company operating from South Africa's West Coast, with the ambition of building a substantial and diversified group. Our strategy at the time of listing was twofold: first, to secure volumes and drive revenue growth while enhancing margins and, second, to grow our business through acquisitions.

Over the past seven years, we have pursued this vision through the acquisition of nine companies, undertaking extensive integration efforts. While most of these acquisitions have yielded positive outcomes, some have presented challenges. Nonetheless, we have successfully expanded our earnings potential and entered markets and sectors unexplored before 2017.

Security of tenure in the fishing industry remains the most critical factor in ensuring sustainable access to volumes. As mentioned, this objective has been successfully achieved through our secured fishing rights for the next decade and beyond. Equally important is the commitment to environmental sustainability, which underpins our ability to maintain consistent volumes over the medium to long term. Our MSC certification, regarded as the gold standard for sustainable wild-capture fisheries, plays a central role in both our sustainability efforts and our ability to access key international markets, particularly in Europe where eco-label certification is a prerequisite. The benefits of sustainable fishing practices are evident as demonstrated by the improving Cape Hake biomass.



# OUR CEO'S REPORT CONTINUED

This improvement is reflected in the increase in the hake TAC, which has risen by 8% since listing. The Cape Hake resource remains well above the MSY, ensuring relative supply stability and enabling continued price improvements.

At the time of listing, we committed to achieving a 15% EBIT margin through the cycle. Since then, we have averaged 12% despite operating in a challenging business environment. Our margin enhancements have been driven by strategic investments in efficiency improvements within our core fishing business. In addition, we acquired four freezer trawlers at an investment of approximately R500 million, targeting export-focused production. To complement these investments at sea, we have undertaken significant capital expenditure in our factories (R300 million). As a result, from an operational perspective, we achieved our organic growth ambitions, but we also remain well-positioned for future growth opportunities.

In 2017, acquisitive growth was established as the second foundational pillar of our strategy and was executed in a rational and methodical manner, guided by a clear and well-defined investment criterion. At the inception of this strategy, we identified an opportunity to expand our Cape Hake operations through the acquisition of a large-scale local fishing business. The acquisition of Viking Fishing, then the third-largest hake company in South Africa, transformed our Cape Hake business and positioned us as the largest hake company globally. This acquisition enhanced our scale, operating leverage and margins, while improving our resilience to market fluctuations.

While our efforts have been focused on enhancing scale within our South African Fishing Group operations, diversification has also been a key component of our acquisition strategy. In recognition of the inherent cyclical nature of hake catch rates, we pursued species diversification as a means of mitigating these specie fluctuations.

This led to the acquisition of Terrasan's small pelagic business, West Point Fishing, a leading player in the South African market. West Point Fishing is the second-largest brand in small pelagics (*Saldanha* brand) and the second-largest exporter of fishmeal and fish oil in the country.

Furthering our diversification efforts, we explored aquaculture, acknowledging the growing global reliance on farmed seafood. Over the past two decades, wild-capture volumes have remained stable, while aquaculture has driven industry growth. After evaluating various species – including salmon, oysters, mussels and abalone – we determined that abalone presented the strongest global competitive position, particularly in China, a market not previously represented in our portfolio. By merging the legacy Viking Aquaculture business with the recently acquired Aqunion business, we established the largest abalone business in the southern hemisphere, accounting for approximately 40% of South Africa's total abalone production.

In expanding our seafood operations internationally, we evaluated multiple jurisdictions based on security of tenure and investment feasibility. Australia emerged as the most viable option due to its perpetual fishing rights and strong resource management. To establish significant scale, we acquired and integrated three separate businesses, culminating in the creation of Australia's third-largest vertically integrated sustainable fishing company.

Beyond seafood, we identified dairy as an attractive adjacent category, sharing key characteristics to wild-capture seafood, such as constrained supply and growing demand for protein-based products. Our strategic objective was to acquire a "best-in-class" South African value-added dairy business, which led to our investment in Ladismith and the subsequent acquisition of Mooivallei to create a dairy business of scale.



# OUR CEO'S REPORT CONTINUED

## LOOKING AHEAD

We recognise the need to reassess our strategy in response to industry headwinds over the past three years. These challenges have been driven by three primary factors:

1. **Lower hake catch rates (down 25% since 2021)** coupled with rising fuel prices (79% higher than 2021), which contributed significantly to underperformance in our South African hake business
2. **Reduced prawn catch (28% below 10-year average)** and declining prawn prices (global prawn prices reduced by 23% since 2022), due to environmental and economic factors, respectively
3. **Weakened abalone prices** in response to economic conditions in China

Considering these developments, we have redefined our three-year strategy leading up to 2027. Our overall aim is to consolidate and optimise our Group and generate the required returns for what we have built.

**Our revised approach prioritises three key areas**

1. **Optimise the Group's cash generative businesses**

   Our South African hake and small pelagic businesses remain our core Group drivers. By improving operational efficiency, managing costs, and capitalising on increasing demand, we aim to strengthen these segments as highly profitable cash generative units.

2. **Address the Group's capital structure**

   Over the next three years, we are committed to reducing our debt by 50%, driven by enhanced free cash flow (through performance and by managing working capital, capital expenditure and dividends) and the strategic disposal of non-core assets.

3. **Reposition the Group's growth businesses for upturn**

   Our abalone and Australian fishing businesses require cost restructuring to enhance profitability under current market conditions. While both industries face temporary downturns, their long-term market fundamentals remain strong. We are, therefore, positioning these businesses for recovery by implementing cost reductions and operational efficiency measures.



**FELIX RATHEB**
Group Chief Executive Officer

**WE AIM TO RETURN TO A 15% EBIT MARGIN THROUGH THE CYCLE, ACHIEVE A ROIC EQUAL TO AT LEAST OUR WACC AND HEPS GREATER THAN R1.50, AND REDUCE NET DEBT BY 50%.**



# OUR MATERIAL MATTERS

Affected capitals — Associated risks

## INTRODUCTION

At Sea Harvest, our material matters guide our journey towards realising our vision and fulfilling our purpose. These guiding principles steer our actions and decisions at every point across the organisation. Matters we deem material are those that influence our ability to create value for all our stakeholders.

## OPERATING EFFICIENTLY

### WHY IT MATTERS

Sea Harvest operates in an industry where economies of scale are essential and competitiveness is defined by vertical integration. Operational efficiency is crucial for maintaining sustainable operating margins and safeguarding the business's long-term viability.

SUPPORTED UN SDGs



### CHALLENGES

- In the Group's hake fishing operations, catch rates reached historic lows, declining by 25% since 2021 due to reduced catchability requiring increased effort. This led to higher catching costs and a significant drop in raw material volumes.
- The loss of two trawlers during the year reduced fishing capacity in the hake operations.
- Fishmeal and fish oil prices softened in 2024 due to a rebound in supply from Peru, the primary global source, following a strong El Niño.
- A tough South African consumer environment impacted the South African businesses in 2024.
- Prawn catch rates were 28% below the 10-year average in Australia. Again, this led to a significant drop in raw material volumes.
- High global prawn inventories, driven by a slower economic recovery in China, led to softer prawn prices. This downward trend persisted in 2024 with prices declining by 23% since 2022.
- Weak economic conditions in China and Hong Kong also resulted in reduced demand for abalone, leading to lower prices. This decline was exacerbated by increased supply from competitors, putting additional pressure on pricing.

### OPPORTUNITIES

- Secured four trawlers to bolster the hake fleet and increase fishing capacity.
- Invested c.R282 million in refitting and maintaining the fishing fleet in 2024.
- Increased the pelagic factory throughput by 30% through capital investments and consistent operational excellence. This, combined with increased local pelagic catches, drove volume efficiencies.
- Sea Harvest Australia worked closely with regulators to safeguard the continued sustainability of fishing in Shark Bay to ensure the growth of the biomasses.
- Good vessel reliability and availability resulted in minimal lost fishing nights in Australia.
- The dairy business benefited from increased milk volumes and the resultant leveraging effects.
- The integration of the legacy Viking Aquaculture farms and Aqunion commenced amid significant opportunity to elevate the performance metrics of the Viking Aquaculture farms to match Aqunion's standards.



Refer to pages 56 to 61 for the risks mentioned

# OUR MATERIAL MATTERS CONTINUED

Affected capitals — Associated risks

## OPERATING EFFICIENTLY CONTINUED

### GOALS

- Continue to focus on cost reduction efforts across the Group
- Integrate the additional capacity in the hake business to take advantage of the increased TAC and mitigate the lower catch rates
- Increase and modernise the pelagic fleet with two new fishing vessels
- Increase throughput in the pelagic factory to a consistent 60/65 tonnes per hour
- Sell underperforming assets in Sea Harvest International
- Fast-track the integration of Viking Aquaculture and Aqunion, thereby benefiting from Aqunion's quality initiatives
- Mothball underperforming abalone farms
- Leverage additional capacity at Ladismith

S

- Achieve EBIT margins of 15% and ROIC at least equal to WACC through the cycle

S M L

S Short term M Medium term L Long term

### OUR RESPONSE

- Increased prices by 9% in the hake business, benefiting from strong demand and a shortage in whitefish due to global geopolitical factors.
- Increased local anchovy and pilchard volumes (caught and procured) drove increased sales volumes, while the factories benefited from volume efficiencies.
- Reduced fishing effort in the Shark Bay prawn fishery, thereby positively impacting fishing efficiencies.
- Operating profit (after fair value gains) in Aquaculture improved to R15 million in 2024 (2023: R9 million loss), benefiting from the acquisition of Aqunion. Aqunion, a best-in-class performer, delivered R50 million in EBIT for the full year despite challenging conditions.
- The dairy segment benefited from volume efficiencies and strong cost control.
- Completed the installation of a solar PV solution, roller dryer plant, and sliced cheese line at Ladismith. This will increase energy security, earnings and product diversification, respectively.

Refer to pages 36 to 55 for further information.



# OUR MATERIAL MATTERS CONTINUED

Affected capitals — Associated risks

## DRIVING TRANSFORMATION

### WHY IT MATTERS

Transformation is crucial for the Group's long-term viability in South Africa. Sea Harvest's strategy focuses on the structures necessary to become a diversified fishing and food business that is globally competitive, with a representative shareholder base.

SUPPORTED UN SDGs



NC SC MC IC FC 6 9

### CHALLENGES

- Driving transformation is essential for the business, especially considering the public ownership of Sea Harvest. This presents the challenge of constant management and elevation of the standard in all pillars encompassing transformation.
- Driving workplace transformation and achieving employment equity amid the country's current skills shortage.

### OPPORTUNITIES

- Drive transformation through the recently promulgated sector-specific employment equity targets from the Department of Employment and Labour.
- Our skills development programmes offer unemployed youth and staff the opportunity to gain skills and workplace experience towards a trade or profession and upward mobility and/or gainful employment where required.
- We support black SMMEs by securing their services across the value chain.
- Supporting the oceans economy through the funding of research bursaries geared to harness opportunity in this space.
- Engage with potential partners in the fishing industry.
- To continuously invest in local communities through food security, social and health cohesion programmes, which includes the recently acquired businesses.



Refer to pages 56 to 61 for the risks mentioned

# OUR MATERIAL MATTERS CONTINUED

Affected capitals — Associated risks

## DRIVING TRANSFORMATION CONTINUED

### GOALS

- Retain Level 1 B-BBEE contributor status
- Maintain black shareholding above 80%
- Entrench employment equity in the Group's recruitment, learning and development, and talent management processes as platforms to promote transformation
- Adhere to the requirements of the updated Employment Equity Act, No 55 of 1998, by developing five-year plans in line with the newly promulgated sector-specific targets

S

- Focus on securing specialised skills that are required throughout the Group and its subsidiaries, and which are not readily available in previously disadvantaged communities, through development and retention programmes
- Continue building Sea Harvest's reputation as a key contributor to empowering the communities in which we operate by providing financial and social development support to vulnerable households, early childhood development centres, homes for the aged, and other care-giving institutions
- Develop SMMEs by supporting new and established local majority black-owned businesses
- Continue to contribute to supplier and enterprise development, particularly in the South African fishing industry

S
M
L

S Short term M Medium term L Long term

### OUR RESPONSE

- Through a focused effort to drive transformation, Sea Harvest Group is one of the most transformed companies in the South African fishing sector – c.95% black ownership and Level 1 B-BBEE contributor status, with an improved score of 102.37.
- Over 90% of all South African employees are ACI.
- During the year, the Group spent R790 million procuring goods and services from 661 SMMEs.
- We established a new and enhanced graduate and management trainee programme. Our ambition is to develop leaders who understand our entire business by exposing them to our different operations to fast-track their development and career growth trajectory. This trainee programme will operate parallel to the extensive skills development programme we have in place. We will continue upskilling individuals in our organisation, predominantly those from previously disadvantaged backgrounds.
- The Group spent R50 million on various skills development initiatives.
- Sea Harvest Foundation spent R5.03 million on community-based projects, including sport and community development, education, healthcare, and early childhood development.
- During 2024, we continued to actively support 10 black SMMEs in the South African fishing sector.
- Contributed R129 million towards enterprise and supplier development.

Refer to pages 36 to 55 for further information



NC SC MC IC FC 6 9

# OUR MATERIAL MATTERS CONTINUED

Affected capitals — Associated risks

## PROTECTING OUR BRANDS

### WHY IT MATTERS

It is crucial to emphasise the strong link between Sea Harvest Group's brands and our corporate identity, characterised by authenticity, trustworthiness and value. These qualities are what consumers seek when interacting with us and our products.

SUPPORTED UN SDGs

NC HC SC MC IC FC
1 2 3 4 5 7 8 9 10

### CHALLENGES

- Striking a balance between distributing a fixed fish supply in the local market to bolster the Sea Harvest brand and the export markets where returns are higher.
- Supporting our pelagic brand to ensure consistent supply.
- As we pursue the UN SDGs, our primary goal is to encourage sustainable consumption and production practices. This poses a challenge for the Group as we aim to reconcile increasing customer demands with the imperative to uphold sustainable production methods that align with our business aspirations, benefit communities, and protect the planet.
- Aligning acquisitions with existing customer and consumer brand expectations.

### OPPORTUNITIES

- We market our products by highlighting our roots in historic fishing towns and emphasising the health benefits and environmental sustainability of wild-caught fish. This commitment enhances the well-being of our customers and the planet while aligning with the UN SDGs, particularly those focused on good health, well-being, and marine conservation.
- We continue to diversify the offerings in our factory shops to include products produced by our subsidiaries.
- Utilise the learnings from the past five years with regards to our branded retail equity.
- Increase volume in the *Saldanha* brand and increase our market share by supporting our brand as well as leverage Aqunion's abalone quality and *Diamond* brand.




Refer to pages 56 to 61 for the risks mentioned

# OUR MATERIAL MATTERS CONTINUED

Affected capitals — Associated risks

## PROTECTING OUR BRANDS CONTINUED

### GOALS

- Continue to focus on online and in-person consumer engagement and advertising within our marketing mix
- Improve stakeholder engagement on our value offerings
- Give our global customers a better idea of our sustainable approach to our quality-driven value offering

S

- Align customer and consumer brand expectations with respect to new acquisitions
- Establish a Group-wide approach to ESG
- Ensure the highest standard of quality in our products

M

- As we increase our global footprint, we intend to participate in more trade shows, particularly in aquaculture, while continuing to engage in general seafood and fishmeal/fish oil trade shows

S M

- Continue delivering on our customers' expectations

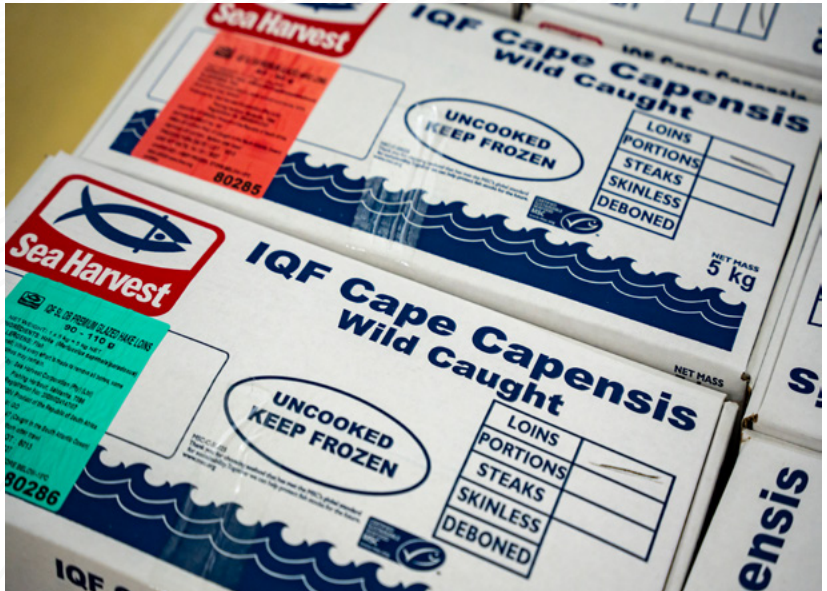
S M L

S Short term M Medium term L Long term

### OUR RESPONSE

- Protecting our brands is an ongoing journey, which is why we continued to invest in our brand equity in frozen fish and pelagics, especially in the domestic retail market in 2024. In hake, we continued our strategic partnerships with other well-known local brands to strengthen and enhance our own brand value. We implemented comprehensive digital marketing campaigns to highlight the benefits of our brands to customers. Furthermore, we undertook direct consumer engagement through retail in-store product demonstrations and our long-standing sponsorship of Surfing South Africa, with in-person demonstrations at surfing events through our mobile food truck.
- Purchased *Diamond* brand in Hong Kong to strengthen our position in the abalone market and the *Saldanha* brand in pilchards to diversify our wild-capture offering.

Refer to pages 36 to 55 for further information



# OUR MATERIAL MATTERS CONTINUED

Affected capitals — Associated risks

## MANAGING RELATIONSHIPS

### WHY IT MATTERS

Sea Harvest emphasises the significance of its relationships with stakeholders to achieve success. As a responsible corporate citizen, the Company acknowledges the importance of nurturing mutually beneficial relationships with stakeholders to ensure a viable and sustainable future.

SUPPORTED UN SDGs

### CHALLENGES

- Ensuring that the Group understands and effectively manages its dynamic and expanded stakeholder base due to the accelerated growth of the business over the past seven years.
- The tragic sinking of the *MFV Lepanto* during 2024.

### OPPORTUNITIES

- Reassess and identify our stakeholders and assess our impact on them and their impact on our business.
- Communicate frequently using in-person, digital and other platforms.
- Understand the expectations of our stakeholders.
- Measure stakeholder perceptions to analyse and improve the Group's reputation.
- Harness the strengths, skills and expertise of our people to meet the varied expectations of the Group's many stakeholders.




Refer to pages 56 to 61 for the risks mentioned

# OUR MATERIAL MATTERS CONTINUED

Affected capitals — Associated risks

## MANAGING RELATIONSHIPS CONTINUED

### GOALS

- Develop a new stakeholder management framework to ensure that all stakeholders are apprised of the Group's plans and objectives
- Frequently assess the efficacy of our stakeholder interactions to maintain and improve our relationships

S M

- Actively engage with our key stakeholders to build and maintain long-term, constructive and transparent relationships

S M L

S Short term M Medium term L Long term

### OUR RESPONSE

- The Group invested a significant amount of time to ensure that its stakeholders remained informed on matters that affected them. Different functional areas in the business are responsible for managing the relationships with different groups of stakeholders, but achieving positive results requires an integrated approach between functional teams and external business partners.
- Engaged with and supported the family members of the deceased staff members from the *MFV Lepanto*, while co-operating with the regulatory authorities and other stakeholders in relation to the vessel sinking.
- In 2024, we issued multiple publications at our various operating sites and increased face-to-face engagement between staff and management.
- In 2024, we sustained our social media footprint on Facebook, Instagram, and the Sea Harvest YouTube channel and continued to engage with other brands that complement the Sea Harvest brand through multiple *ad hoc* marketing campaigns.

Refer to pages 36 to 55 for further information



# OUR MATERIAL MATTERS CONTINUED

Affected capitals — Associated risks

## ACTING RESPONSIBLY

### WHY IT MATTERS

At the core of our business is the availability of natural resources. It is vital that we assume the role of responsible stewards for these resources, essential to both our operations and communities, to secure a sustainable future for our business and planet. However, our responsibility does not end there. As a responsible corporate citizen, we are obligated to maintain ethical standards, treat our employees and stakeholders with respect and care, and uphold transparent and accountable corporate governance practices.

SUPPORTED UN SDGs



### CHALLENGES

- As a Company primarily engaged in wild-caught and farmed fishing operations, we recognise that there are inherent impacts associated with our activities, including incidental by-catch of non-targeted species as well as potential impacts on the coastal areas and marine ecosystem.
- The impact of climate change on marine resources and weather patterns affecting fishing conditions and dairy livestock.
- Incorporating ESG practices in response to heightened regulation and sustainability.
- Ever-increasing socio-economic challenges in South Africa affecting our employees and local communities.

### OPPORTUNITIES

- The Group is committed to building a global business that operates at the highest levels of sustainability and complies with all necessary standards.
- We have made significant strides in understanding the requirements of the local communities where we operate. Through the dedicated investment of time and resources, we aim to customise our support and pinpoint projects that can make the most meaningful impact in these communities.
- Undertake climate risk assessments to ensure the long-term sustainability of the business.
- Become a beacon for social change in our communities and an advocate for environmental stewardship.
- Ensure that our corporate governance remains fit-for-purpose.
- Refine our health and safety procedures to ensure they remain best in class and fit for purpose in a changing world.



Refer to pages 56 to 61 for the risks mentioned

# OUR MATERIAL MATTERS CONTINUED

Affected capitals — Associated risks

## ACTING RESPONSIBLY CONTINUED

### GOALS

- All spawning biomass of species we harvest to reach and be maintained at MSY in South Africa or MEY Australia (S, M)
- Maintain our third-party wild-capture eco-label certification in hake and prawns (S, M)

- Embed ESG business practices and targets in all the Group's subsidiaries (S)
- Keep our stakeholders informed of our responsible actions regarding resource use and management (S, M)
- Align monitoring and tracking systems across all facilities and subsidiaries to better manage health and safety, environmental risks and impacts, and efficient resource utilisation (S, M, L)

S Short term M Medium term L Long term




### OUR RESPONSE

- During 2024, the Group completed its new ESG materiality assessment. This process has allowed us to identify and prioritise the ESG issues that matter most to our stakeholders and our business.
- The Group ensured that all its business practices were responsibly managed and adopted sustainability efforts that aid in the protection of the environment and jobs.
- Continued to implement management practices focused on by-catch reduction, the maintenance of marine benthic habitats, and the collection of information that will aid in future management strategies at sea.
- Supported and implemented regulator management initiatives in Australia, such as effort reduction, spatial closures and gear modifications, to protect target species.
- Accelerated our Group energy transition with three of our four divisions now having renewable energy (solar and wind) in their energy mix.
- Continued to explore innovative solutions to minimise freshwater use in our operations through stringent management interventions, increased resources, water recycling, and focused data management.
- Reduced our waste to landfill by expanding our comprehensive recycling strategy to additional operational sites.
- Through the Sea Harvest Foundation, we supported community initiatives geared towards addressing socio-economic challenges within communities where we operate.
- Implemented a suite of governance practices, geared towards strengthening the Group's ethical practices and upholding its values.

Refer to pages 36 to 55 for further information

NC HC SC MC IC FC 1 4 5 6 8 9 10

# OUR MATERIAL MATTERS

Affected capitals — Associated risks

## OPTIMISING FINANCIAL CAPITAL

### WHY IT MATTERS

The Group recognises that Financial Capital is a limited resource that must be used efficiently to benefit shareholders and stakeholders. When evaluating opportunities, we prioritise those that meet our required cost of capital hurdle rates to ensure sustainable profitability and meet shareholder return expectations, while supporting job creation.

SUPPORTED UN SDGs

### CHALLENGES

- Low raw material volumes in Sea Harvest Corporation (hake) and Sea Harvest International negatively impacting returns on capital deployed in these segments.
- Capital allocation decisions are often based on projected performance that may not materialise, resulting in the expected returns not being achieved.
- Deflated prawn and abalone prices have negatively impacted margins and ROCE.
- Balancing paying a dividend, internally funding future growth projects, and repaying debt.

### OPPORTUNITIES

- As the core of the Group, strong product demand in hake and pelagics complemented by improved raw material availability will drive margin enhancement and improve the returns on capital deployed.
- Effective capital management enables investments in internal projects to drive operating efficiencies.
- Margin enhancement and EPS growth enable growth in total shareholder return, supporting access to further equity capital.
- Improved financial performance provides the opportunity to deleverage, thereby availing cash to fund future growth investments and projects.
- A higher dividend ratio if the Group generates excess cash.
- Well-stocked abalone farms and recovering prawn stocks will enable the business to harness the opportunities when the pricing in those sectors rebound.



Refer to pages 56 to 61 for the risks mentioned

# OUR MATERIAL MATTERS CONTINUED

Affected capitals — Associated risks

## OPTIMISING FINANCIAL CAPITAL CONTINUED

### GOALS

- Recover above-inflation increases on key items, such as insurance and utilities, through efficiency improvements, cost containment and price increases (S, M)
- Deleverage, reducing debt by 50% over the next three years (S, M)
- Achieve a ROIC equal to at least the Group WACC (S, M)
- Achieve a 15% Group EBIT profit margin through the cycle (S, M)

- Invest in organic projects that deliver an appropriate margin above the Group's WACC (S, M, L)
- Reduce costs across the Group (S, M, L)
- Manage capital expenditure and working capital (S, M, L)

### OUR RESPONSE

- The Group met all debt obligations and material covenants during the year.
- The net debt to EBITDA ratio reduced from 2.6 times to 2.5 times.
- Dividend cover of 2.5 times maintained within the dividend policy range of between 2.5 to 3 times.
- ROCE was maintained at 10%.
- Net working capital as a percentage of revenue improved to 19% (2023: 20%).
- Free cash flow conversion improved from 45% to 58% in 2024.

Refer to pages 36 to 55 for further information



# OUR STRATEGY

## INTRODUCTION

Since listing in 2017, we have consistently executed our strategy, bringing the Group closer to its vision of becoming a leading black-owned, responsible, and diversified player in the fishing and food industry. Our approach has focused on driving growth organically and acquisitively, underpinned by strong brands, world class assets, global market access, experienced management, and a proven track record in transformation.

Having successfully delivered on this strategy, we are now well positioned to refine our direction and shape our reworked strategy for the next three years. The Group's short- to medium-term focus is to consolidate and optimise the Group.

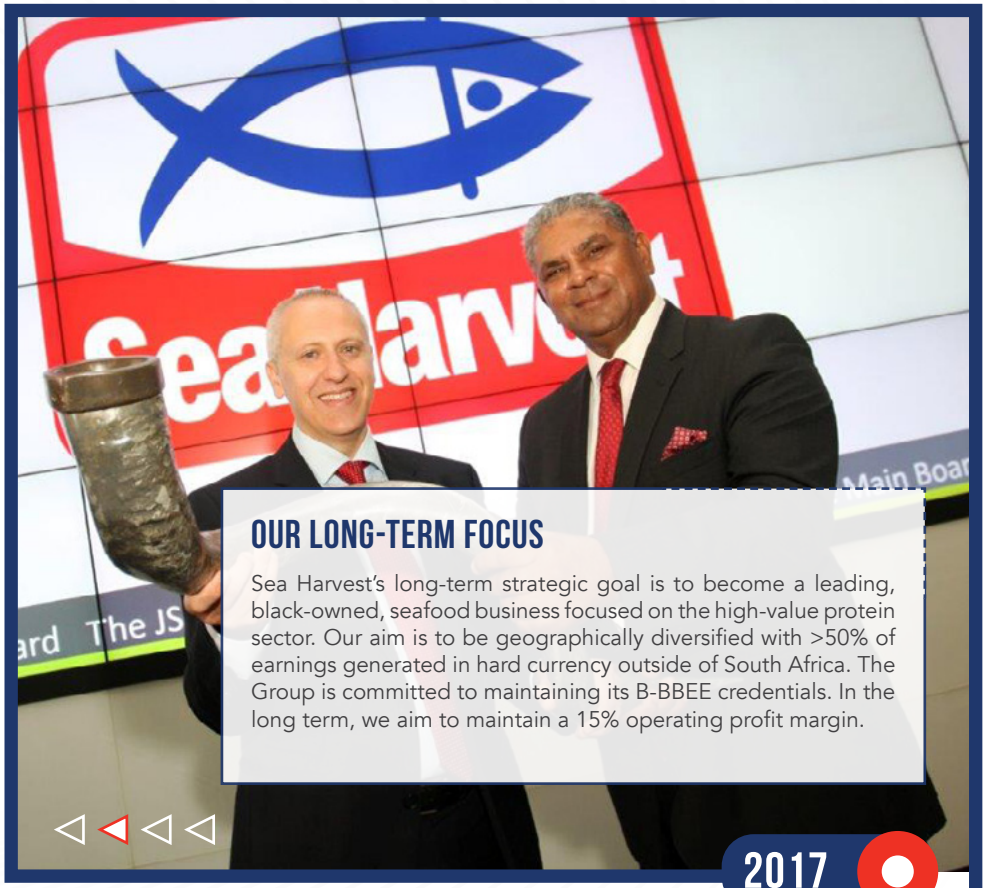
## OVERVIEW

Sea Harvest's strategy has been established around six pillars, split between organic and acquisitive growth.

Organic growth focuses on volume growth and margin enhancement, while acquisitive growth targets South African seafood, aquaculture, international seafood, and the broader South African food market.

The strategy has now matured, and the business has pivoted to refining its short- to medium-term focus over the next three years. This direction is articulated in the following three focus areas:

1. Optimise the Group's cash generative businesses (South African Fishing Group)
2. Address the Group's capital structure
3. Position the Group's growth businesses for upturn (Sea Harvest International and Sea Harvest Aquaculture)



## OUR LONG-TERM FOCUS

Sea Harvest's long-term strategic goal is to become a leading, black-owned, seafood business focused on the high-value protein sector. Our aim is to be geographically diversified with >50% of earnings generated in hard currency outside of South Africa. The Group is committed to maintaining its B-BBEE credentials. In the long term, we aim to maintain a 15% operating profit margin.

2017

SEA HARVEST HOLDINGS
LISTS ON THE JSE AS
SEA HARVEST
GROUP LIMITED

## OUR STRATEGIC GOALS

1. ENHANCE THE MARGINS WITHIN OPERATIONS TO ACHIEVE A TARGETED 15% GROUP OPERATING PROFIT MARGIN THROUGH THE CYCLE
2. ACHIEVE HEPS OF >R1.50 IN THREE YEARS
3. OPTIMISE THE BALANCE SHEET: REDUCE THE GROUP'S NET DEBT BY 50% OVER THE NEXT THREE YEARS
4. GENERATE ROIC EQUAL TO AT LEAST WACC

# OUR STRATEGY CONTINUED

FOCUS AREA

## OPTIMISE THE CASH GENERATIVE BUSINESSES SA FISHING BUSINESSES

### OBJECTIVES

- **Fleet efficiencies**
  Maximise the availability of fillet factory vessels at sea and, with the available capabilities, pursue higher-margin export products while maintaining optimal service levels with local customers
- **Processing efficiences**
  Continuous improvement within our production facilities to drive margin enhancement
- **Diversify markets**
  Develop new small pelagic markets beyond the currently established market by increasing exports and establishing new markets
- **Pricing**
  Recover above-inflation increases in the market (CPI +3%)
- **Capacity expansion**
  Invest in additional capacity in Sea Harvest Pelagic facilities to increase production throughput
- **Fleet modernisation**
  Replace and modernise the current hake and small pelagic fishing fleets




## OUR KPIs

01 Recover above-inflation increases in the market

02 Increase the percentage of sales derived from export hake products while maintaining optimal service levels with local customers

03 Increase factory production throughput in Sea Harvest Pelagic by 30%

04 Streamline the businesses in the South African Fishing Group

05 Reduce the average age of the hake and small pelagic fleets

# OUR STRATEGY CONTINUED

FOCUS AREA

## ADDRESS THE GROUP'S CAPITAL STRCUTURE

### OBJECTIVES

- **Sale of non-core assets**
- **Maximise free cash flow**
  Manage capital expenditure: Over the past eight years, the Group has made significant capital investments to scale the businesses and drive efficiencies. With major expenditures now complete, the focus will shift to managing maintenance capital expenditure
- **Optimise working capital levels,** considering seasonal cyclicality, to ensure product availability
- **Cost reductions**
  Determined cost savings across the Group
- **Manage dividends**




## OUR KPIs

01 Reduce debt levels by focusing on cash generation from performance and/or asset disposals

# OUR STRATEGY CONTINUED

FOCUS AREA

## POSITION THE GROUP'S GROWTH BUSINESSES FOR UPTURN (AQUACULTURE AND AUSTRALIA)

### OBJECTIVES

- **Cost reductions**
  Manage and reduce costs in the current environment
- **Rationalise Aquaculture operations**
  Review and mothball underperforming assets
- **Integrate Aquaculture operations**
  Expedite the integration of Viking Aquaculture and Aqunion to increase efficiencies
- **Sell underperforming assets**
  Dispose of underperforming wild-capture fishing assets in Sea Harvest International
- **Diversify markets**
  Diversify markets beyond Hong Kong (abalone) and Australia (prawns), thereby reducing reliance on those markets.
- **Route to market**
  Optimise the route to market to position the abalone business for the China market turnaround




## OUR KPIs

01 Shark Bay prawn catches to return to long-term averages

02 Determined cost reduction efforts

03 Market diversification in prawn and abalone sectors

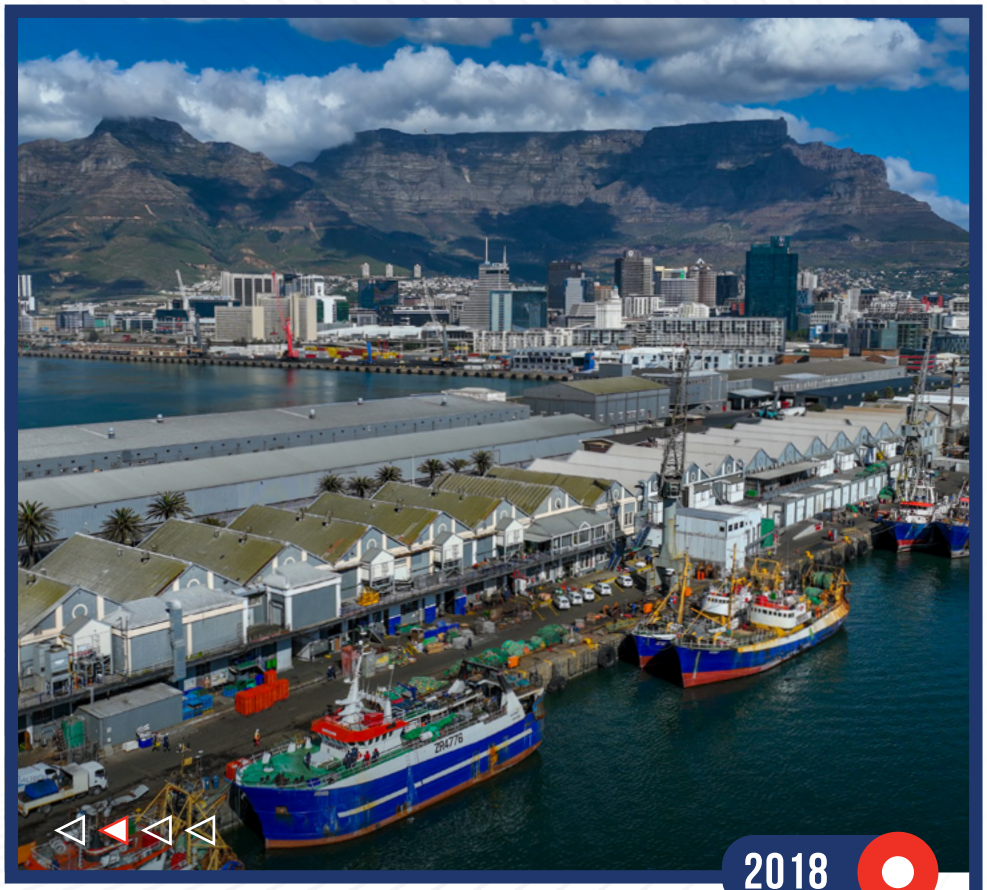
04 Maximise growth rates within the legacy Sea Harvest Aquaculture farms

05 Optimise processing efficiencies between the Sea Harvest Aquaculture farms

# OUR STRATEGY CONTINUED

## OUR INVESTMENT CASE

1. **STRONG DEMAND DYNAMICS**
   where global demand for premium, sustainable seafood surpasses available supply, resulting in increased pricing globally
2. **DIVERSIFIED**
   seafood offering across various species, covering both wild-caught and farmed seafood
3. **HIGH BARRIERS TO ENTRY**
   capital requirement, fishing rights, empowerment and intellectual property
4. **SIGNIFICANT HARD CURRENCY**
   revenues from multiple international markets, coupled with a rand cost base
5. **RECOGNISED CONSUMER BRANDS**
   and a blue-chip business-to-business customer base covering major sales channels
6. **THROUGH-THE-CYCLE**
   record of cash generation



**2018**

SEA HARVEST LEADS A BLACK ECONOMIC EMPOWERMENTS CONSORTIUM THAT ACQUIRES
**100% OF VIKING FISHING**

# OUR OPERATIONAL PERFORMANCE WITHIN THE BUSINESS SEGMENTS

## SOUTH AFRICAN FISHING GROUP

The South African Fishing Group includes the operations of Sea Harvest Corporation, the legacy hake business, and Sea Harvest Pelagic, which was acquired in May 2024.

Sea Harvest Pelagic is a vertically integrated pelagic fishing business based in St Helena Bay on the West Coast of South Africa engaged in the catching, processing and sale of pelagic fish. Founded in 1905 and employing c.700 people, the business operates six fishing vessels that catch sardines and anchovy (under its 15-year fishing rights renewed in the 2020 Fishing Rights Allocation Process). From this catch (and those of third parties and imported raw materials), it produces fish oil and fishmeal (both largely for export) and canned fish (largely for the South African market and sold under the 120-year-old Saldanha brand).

The hake business operates 32 vessels in total. Operating from the Saldanha Bay harbour, the Group operates 12 hake deep-sea vessels, comprising eight fresh fish vessels that feed the land-based fresh fish processing factory and four factory freezer vessels whose products are mainly targeted at the export markets. Operating from the Cape Town harbour, the Group has 15 vessels focused on deep-sea hake and Horse Mackerel. Five vessels operate out of Mossel Bay, catching hake and pilchards.

The Group operates six fish processing factories in South Africa. Our flagship fresh fish processing factory in Saldanha Bay is predominantly focused on processing hake, including skin-on and skinless fillets, loins, steaks and portions for both the international and local markets. The Group's added-value factory is also located in Saldanha Bay, producing a wide range of coated, battered, crumbed and sauced hake products for both the local and international markets. The Selecta Sea Products factory is situated in Cape Town and focuses on grading and processing hake and other by-catch species into a range of products, including fillets and individually wrapped portions. The factory in Mossel Bay processes hake and pilchards. The pelagic business operates two processing factories in St Helena Bay, producing fish oil, fishmeal and canned fish. The Group's Durban fishing operations were sold in July 2024.

### OPERATING PERFORMANCE

Sea Harvest Corporation continued to be affected by challenging fishing conditions with catch rates at historical lows (down 25% since 2021), leaving the Group significantly behind in catching its quota and resulting in 7% lower total catch volumes. This was offset by strong demand in all markets and channels resulting in significantly improved pricing.

Sea Harvest Pelagic performed well, benefiting from good local industrial fish and pilchard catch volumes and resultant efficiencies, contributing revenue of R970 million and operating profit of R183 million (19% margin) to segment performance since acquisition.

### FINANCIAL PERFORMANCE

**REVENUE**
**36%**
**TO R4.13 BILLION**
(2023: R3.03 BILLION)

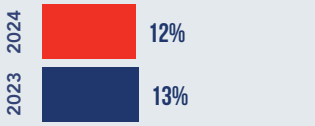
**GROSS PROFIT**
**34%**
**TO R1.25 BILLION**
(2023: R934 MILLION)

**OPERATING PROFIT**
**22%**
**TO R478 MILLION**
(2023: R391 MILLION)

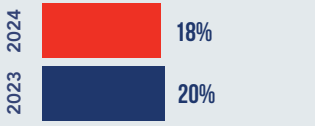
**GROSS PROFIT MARGIN (%)**




**OPERATING PROFIT MARGIN (%)**



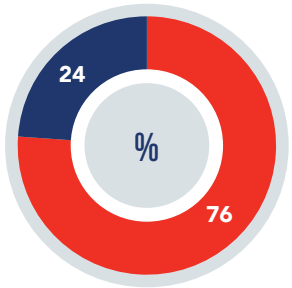

**EBITDA MARGIN (%)**




Segment revenue increased by 36% to R4.13 billion (2023: R3.03 billion), benefiting from firm price increases in Sea Harvest Corporation and the inclusion of Sea Harvest Pelagic since acquisition. The segment increased gross profit by 34% to R1.25 billion (2023: R934 million) with the gross profit margin at 30% (2023: 31%). Operating profit increased by 22% to R478 million (2023: R391 million) at an operating profit margin of 12% (2023: 13%), while the EBITDA margin was 18% (2023: 20%).

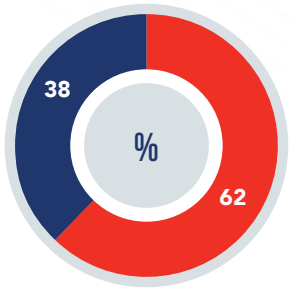
# OUR OPERATIONAL PERFORMANCE WITHIN THE BUSINESS SEGMENTS CONTINUED

REVENUE




Hake
Pelagic

OPERATING PROFIT




- Sea Harvest Corporation (hake) contributed 76% to segment revenue and 62% of operating profit – affected by the deleveraging effects of the lower volumes.
- Sea Harvest Pelagic contributed 24% to segment revenue and 38% of operating profit, benefiting from the additional local volumes.
- As a result of the inclusion of fishmeal and fish oil, the segment's export mix has increased to 54% (2023: 53%), with 80% (2023: 79%) of export sales to Europe.

## EXPORTS

**41%**

**TO R2.38 BILLION**
(2023: R1.68 BILLION)

| % OF REVENUE | |
|---|---|
| **2024** | **2023** |
| 54% | 53% |

## FOODSERVICE

**27%**

**TO R1.16 BILLION**
(2023: R912 MILLION)

| % OF REVENUE | |
|---|---|
| **2024** | **2023** |
| 26% | 28% |

## DOMESTIC RETAIL

**47%**

**TO R610 MILLION**
(2023: R415 MILLION)

| % OF REVENUE | |
|---|---|
| **2024** | **2023** |
| 14% | 13% |

## WHOLESALE

**29%**

**TO R245 MILLION**
(2023: R190 MILLION)

| % OF REVENUE | |
|---|---|
| **2024** | **2023** |
| 6% | 6% |

**Revenue includes intersegmental revenue of R267 million (2023: R171 million)**

- Export revenue increased by 41% to R2.38 billion (2023: R1.68 billion), with higher volumes and firm demand driving improved pricing in all markets and the inclusion of Sea Harvest Pelagic contributing R498 million to export revenue. The export mix increased to 54% (2023: 53%) of total revenue, with Europe remaining Sea Harvest's largest export market.
- Local foodservice revenue increased by 27% to R1.16 billion (2023: R912 million), driven by price increases and a higher-value product mix partially offset by lower sales volumes. The inclusion of Sea Harvest Pelagic contributed R262 million to foodservice revenue. The foodservice channel mix decreased to 26% (2023: 28%) of total revenue.
- Local revenue through the retail channel increased by 47% to R610 million (2023: R415 million), driven by higher sales volumes and price increases, with Sea Harvest Pelagic contributing R152 million to retail revenue. The retail channel mix increased to 14% (2023: 13%) of total revenue.
- Local wholesale revenue of R245 million (2023: R190 million, up 29%), was driven by price increases offset by lower sales volumes. Sea Harvest Pelagic contributed R58 million to wholesale revenue. The wholesale channel mix remained constant at 6% (2023: 6%) of total revenue.

# OUR OPERATIONAL PERFORMANCE WITHIN THE BUSINESS SEGMENTS CONTINUED

## SEA HARVEST CORPORATION (HAKE)

**REVENUE**
**7%**
**TO R3.4 BILLION**
(2023: R3.2 BILLION)

**GROSS PROFIT**
**3%**
**TO R941 MILLION**
(2023: R917 MILLION)

**OPERATING PROFIT**
**13%**
**TO R329 MILLION**
(2023: R377 MILLION)

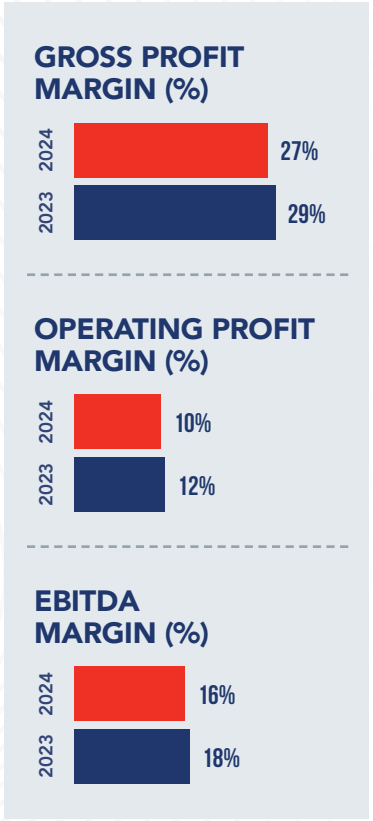
Despite the 7% lower total catch volumes, revenue increased by 7% to R3.4 billion (2023: R3.2 billion), benefiting from strong demand in all markets and channels and significantly improved pricing.

The low catch rates and the deleveraging effect of the lower volumes resulted in the gross profit increasing by 3% to R941 million (2023: R917 million), with the gross profit margin diluting to 27% (2023: 29%).

Operating expenses increased by 12% to R704 million (2023: R629 million) largely as a result of inflationary increases, above-inflation cost increases in utilities and insurance, and other once-off costs.

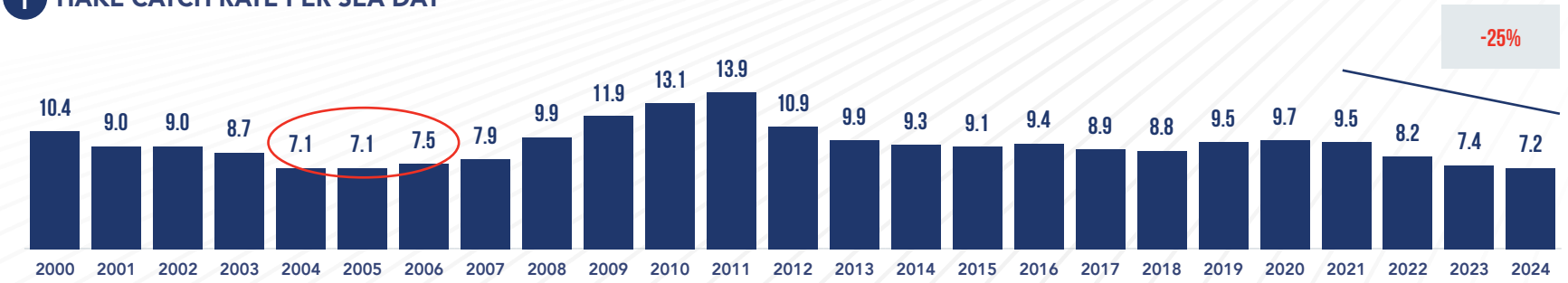
The business recorded foreign exchange and fuel hedge gains of R13 million (2023: R1 million), with foreign exchange hedges R16 million higher and fuel hedges R4 million lower than in 2023.

As a result, operating profit decreased by 13% to R329 million (2023: R377 million), with the operating profit margin at 10% (2023: 12%). The EBITDA margin reduced from 18% in 2023 to 16% in 2024.




### Performance over the last three years has been impacted by the following factors

### 1 HAKE CATCH RATE PER SEA DAY




The hake catch rate per sea day was at a historical low in 2024, similar to the catch rates of 2004/2005 and 25% lower than in 2021. This resulted in lower catch volumes and a significant portion of the hake quota remaining uncaught, impacting sales volumes and resulting in trawling cost per kilogram increasing by 70% since 2021.

# OUR OPERATIONAL PERFORMANCE WITHIN THE BUSINESS SEGMENTS CONTINUED

## 2 FUEL PRICE PER LITRE

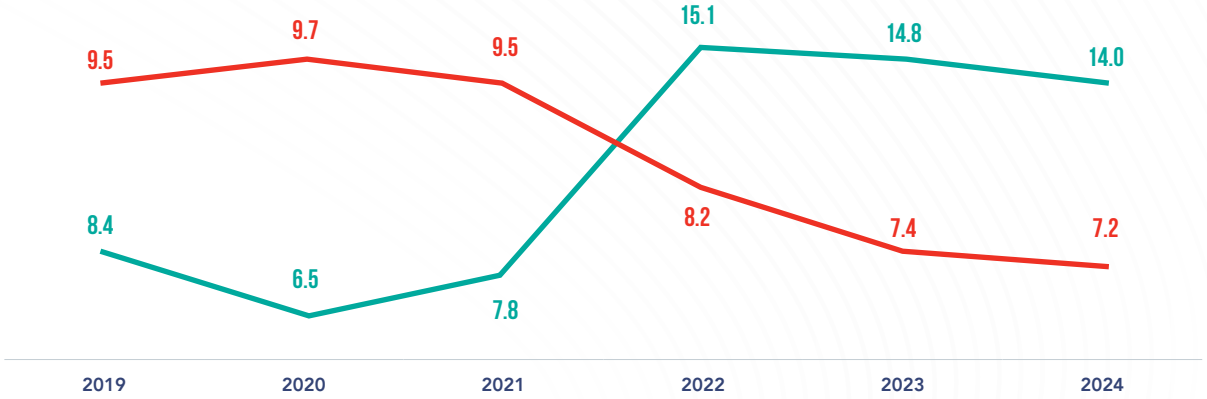
**2021 TO 2024**

**Hake catch rate per sea day**

25%

**Fuel price per litre**

79%




The fuel price per litre has increased by 79% to R14.00 per litre compared to R7.80 per litre in 2021.

## SEA HARVEST PELAGIC

**REVENUE**
**4%**
**TO R1.40 BILLION**
(2023: R1.34 BILLION)

**GROSS PROFIT**
**10%**
**TO R408 MILLION**
(2023: R371 MILLION)

**OPERATING PROFIT**
**13%**
**TO R264 MILLION**
(2023: R235 MILLION)

Full year 2023 and 2024 for comparative purposes

**GROSS PROFIT MARGIN (%)**




**OPERATING PROFIT MARGIN (%)**




**EBITDA MARGIN (%)**




The pelagic business increased revenue by 4% to R1.4 billion (2023: R1.34 billion), largely as a result of higher fish oil and fishmeal sales volumes at lower pricing as prices normalise from the highs in 2023.

# OUR OPERATIONAL PERFORMANCE WITHIN THE BUSINESS SEGMENTS CONTINUED

| 2024 VS 2023 | SALES PRICE | REVENUE |
|---|---|---|
| Canned | +6% | -5% |
| Fishmeal | -18% | +11% |
| Fish oil | -3% | +26% |

- Canned revenue decreased by 5%, with lower sales volumes partially offset by improved pricing.
- Fishmeal revenue increased by 11%, with significantly higher sales volumes partially offset by lower pricing.
- Fish oil revenue increased by 26%, with higher sales volumes partially offset by lower pricing.

Cost of sales increased by 2% to R992 million (2023: R970 million), largely due to the leveraging effect of the increased volumes, resulting in gross profit increasing by 10% to R408 million (2023: R371 million) with the gross profit margin at 29% (2023: 28%).

Operating expenses were well contained and increased by 6% to R144 million (2023: R136 million) as a result of inflationary increases and increases in selling and distribution expenses due to the increase in revenue.

As a result, operating profit increased by 13% to R264 million (2023: R235 million), with the operating profit margin at 19% (2023: 18%). The EBITDA margin improved to 20% (2023: 19%).




## OUTLOOK

To capitalise on the 5% increase in the 2025 TAC, to counter the effect on capacity of the lower catch rates, to compensate for the lost catching capacity due to the sinking of two vessels in 2024, and to renew the fleet, a total of four trawlers will be welcomed to the Sea Harvest Corporation fleet over the course of 2024 and 2025. Management will maintain a relentless focus on price increases and improving operational efficiencies alongside determined cost containment measures to maximise the benefits from firm demand and pricing when fishing conditions improve, with the first two months of 2025 showing positive signs of catch rate recovery.

Within Sea Harvest Pelagic, softer global fishmeal and fish oil pricing may be offset by the increased availability of local industrial fish and pilchards, with an increased initial TAC announced in 2025. The business is focused on increasing fishmeal factory capacity, thereby increasing sales volumes and efficiencies.

# OUR OPERATIONAL PERFORMANCE WITHIN THE BUSINESS SEGMENTS CONTINUED

## SEA HARVEST INTERNATIONAL

Sea Harvest International is a vertically integrated fishing business headquartered in Fremantle, Western Australia. It provides premium quality and sustainable produce to Australian and international consumers. The segment includes Sea Harvest Australia and MG Kailis, which was acquired in 2022.

The combined Australian business comprises a fisheries and trading division supported by the acquired engineering division from MG Kailis. The fisheries division operates in the Shark Bay, Exmouth, Pilbara and Kimberley regions of Western Australia. Both Shark Bay and Exmouth are MSC certified. With a long and proud history of operating within the Shark Bay Prawn Managed Fishery for over 50 years, the Shark Bay Fisheries division (formerly Nor-West Seafoods) is the single largest owner-operator in the fishery, holding 10 of the 18 prawn licences in Shark Bay. The Exmouth Prawn Managed Fishery is located 400km north of Shark Bay in the Exmouth Gulf region, holding all 15 prawn licences. Western king prawns, brown tiger prawns, and endeavour prawns are the major target species, with the respective fisheries also catching scallop, blue swimmer crab, squid and cuttlefish. Pilbara Fish Trawl targets various fish species in the Pilbara region of Western Australia.

The Group owns 20 Western Australia Spanish Mackerel licences and three vessels, giving it access to 56% of the Western Australian Spanish Mackerel Fishery and adding another premium species to its basket.

The fisheries fleet is set up to process, package and snap-freeze their catch at sea, ensuring a high-quality, consistent and sustainable seafood product.

The engineering division operates out of Freemantle Harbour in Perth and provides engineering services to the fishing business and other third-party clients.

The combined business operates 21 vessels, holding 25 prawn, 20 Spanish Mackerel, and five fish trawl licences.

The trading division is the sales and marketing arm of the business and manages the sales of the fisheries' products, together with other premium, sustainably caught seafood that it sources from its worldwide network of key suppliers. The division also acts as an exclusive agent for other premium food brands, including Sea Harvest, whose products complement Sea Harvest Australia's seafood offering. The trading division has a sales presence in Perth, Brisbane, Sydney, Adelaide and Melbourne.

### OPERATING PERFORMANCE

The Australian business was impacted by continuing low prawn pricing and low prawn catch volumes. Prawn prices reduced on a global basis as a result of higher inventories, driven by tightening economic conditions and the slow opening of the Chinese market. This resulted in average prawn pricing for 2024 being 23% lower than in 2022.

Both the Shark Bay and Exmouth prawn fisheries displayed good species and size mix; however, total prawn catch volumes were still 28% below the 10-year average. Positively, the DPIRD in Australia implemented a 33% headrope reduction in 2023 and a further reduction to 50% in 2024 to address the stock sustainability issues in the Shark Bay fishery. However, heatwaves continue to pose a threat to resource recovery. A strong resource showing resulted in increased scallop and crab quota being allocated to operators in the Shark Bay fishery, with good catch volumes of these species achieved by the fleet.

Prawn catch volumes in Shark Bay were 371 tonnes (2023: 422 tonnes) for the 2023 fishing season, 12% lower than in 2023.

The Exmouth fishing division achieved prawn catch volumes of 653 tonnes (2023: 639 tonnes), 2% higher than in 2023.

Scallop catch volumes for 2024 of 193 tonnes (2023: 99 tonnes) were 94 tonnes or 95% ahead of 2023.

Spanish Mackerel catch volumes for 2024 of 82 tonnes (2023: 68 tonnes) were 13 tonnes or 20% higher than in 2023.

The Pilbara fishing division achieved catch volumes of 1 057 tonnes (2023: 1 030 tonnes), 3% higher than in 2023.

### FINANCIAL PERFORMANCE

**REVENUE**
**13%**
**TO R997 MILLION**
(2023: R1.14 BILLION)

**GROSS PROFIT**
**13%**
**TO R246 MILLION**
(2023: R281 MILLION

**OPERATING PROFIT**
**99%**
**TO R0.2 MILLION**
(2023: R15 MILLION)

**EBITDA**
**14%**
**TO R54 MILLION**
(2023: R63 MILLION)

Revenue for the year decreased by 13% to R997 million (2023: R1.14 billion), with high global prawn inventories continuing to drive lower prawn pricing (down 23% since 2022).

Gross profit decreased by 13% to R246 million (2023: R281 million), with the gross profit margin maintained at 25%

As a result of clearing low-margin prior-season stock, the continued pressure on prawn pricing, and lower traded product sales, the segment broke even at operating profit in 2024 (2023: R15 million profit).

# OUR OPERATIONAL PERFORMANCE WITHIN THE BUSINESS SEGMENTS CONTINUED

## EXPORTS

**3%**

**TO R67 MILLION**
(2023: R69 MILLION)

| % OF REVENUE | |
|---|---|
| **2024** | **2023** |
| 7% | 6% |

## FOODSERVICE

**14%**

**TO R873 MILLION**
(2023: R1.01 BILLION)

| % OF REVENUE | |
|---|---|
| **2024** | **2023** |
| 88% | 89% |

## RETAIL

**5%**

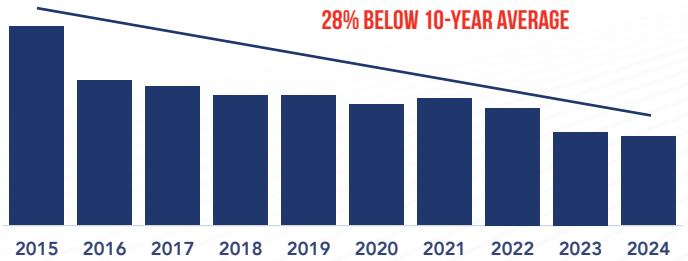
**TO R57 MILLION**
(2023: R60 MILLION)

| % OF REVENUE | |
|---|---|
| **2024** | **2023** |
| 6% | 5% |

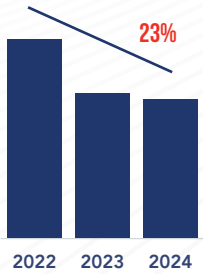
Export revenue decreased by 3% to R67 million (2023: R69 million), impacted by lower average pricing, and contributed 7% (2023: 6%) of segment revenue. Foodservice revenue decreased by 14% to R873 million (2023: R1.01 billion), with traded product sales volumes normalising from the highs experienced in 2023, contributing 88% (2023: 89%) of segment revenue. Retail revenue decreased by 5% to R57 million (2023: R60 million), with the channel making up 6% (2023: 5%) of segment revenue.

### Performance has been impacted by the following factors

#### 10-YEAR PRAWN CATCH VOLUMES (TONNES)




#### AVERAGE PRAWN PRICING (AUD)




The 2024 prawn catch volumes were 28% below the 10-year average, resulting in lower catch and sales volumes and the resultant deleveraging effects.

The average prawn price reduced by 23% from 2022 due to a weak Chinese economy and high global prawn inventories.

### OUTLOOK

Sea Harvest International is expected to improve financial performance driven by improved catch volumes in Shark Bay and Exmouth as prawn stocks recover. This may be complemented by further increases in the scallop and crab quotas, market and channel diversification, and determined cost containment measures.

# OUR OPERATIONAL PERFORMANCE WITHIN THE BUSINESS SEGMENTS CONTINUED

## SEA HARVEST AQUACULTURE

Sea Harvest Aquaculture has an 87% shareholding in Viking Aquaculture, and, effective 14 May 2024, 63.07% in Aqunion, the newly acquired vertically integrated abalone group.

Founded in 1994, Aqunion (comprising Aqunion Proprietary Limited, Marifeed Proprietary Limited, and Diamond Coast Abalone Proprietary Limited) is one of South Africa's leading vertically integrated abalone businesses, selling approximately 560 tonnes of abalone per annum. Abalone is produced at two farms located in Hermanus and Gansbaai, while Aqunion's processing facility – also located in Hermanus – produces dried and canned abalone, which, along with live abalone, is sold across the Far East.

Through its 51% shareholding in Marifeed, Aqunion has security of its own feed supply.

Employing c.500 people, Aqunion has a mature and stable abalone biomass spread across its facilities, complemented by a strong and diversified customer base

Viking Aquaculture operates two abalone facilities: Buffeljags Abalone Farm outside Hermanus in the Western Cape and Diamond Coast Aquaculture in Kleinzee in the Northern Cape. The ability to farm abalone over multiple, geographically dispersed locations reduces the biosecurity risk exposure of the Group.

### OPERATING PERFORMANCE

Weak Chinese and Hong Kong economies and increased competition have impacted demand for abalone, resulting in weaker pricing.

The Group sold 665 tonnes of abalone (2023: 252 tonnes) n the year to 31 December 2024 benefiting from the inclusion of Aqunion since acquisition.

Biological stock volumes at 31 December 2024 increased to 1 238 tonnes (2023: 506 tonnes) and biological stock value increased to R512 million (2023: R190 million) due to the acquisition of Aqunion.

### FINANCIAL PERFORMANCE

**REVENUE**
**138%**
**TO R324 MILLION**
(2023: R136 MILLION)

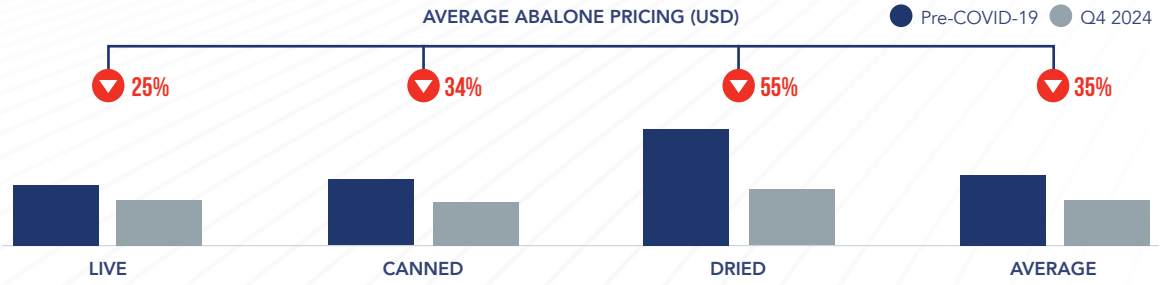
**GROSS PROFIT**
**197%**
**R148 MILLION**
(2023: R50 MILLION)

**EBIT**
**82%**
**TO R15 MILLION**
(2023: R84 MILLION)

Benefiting from the inclusion of Aqunion, revenue in the segment increased to R324 million (2023: R136 million, up 138%). However, the segment was challenged by weak market conditions in the Far East and increased competition, thereby impacting sales volumes, mix and pricing (which is down 35% since pre-COVID-19).

After accounting for R4 million (2023: R14.5 million) of fair value adjustments to biological assets and related stock, the segment delivered EBIT of R15 million (2023: R84 million, including the R93 million gain on purchased loans), impacted by the current market conditions.

### Performance has been impacted by the following factors




### OUTLOOK

Within Aquaculture, determined cost containment measures complemented by the integration project and resultant step change benefits to Viking Aquaculture will assist in mitigating the impact of the slowing Far East economies and intense competition.

# OUR OPERATIONAL PERFORMANCE WITHIN THE BUSINESS SEGMENTS CONTINUED

## CAPE HARVEST FOOD GROUP

The Cape Harvest Foods segment encompasses Sea Harvest's factory shops, Ladismith (including Mooivallei), and BM Foods.

Ladismith's primary business is the production, distribution, marketing and sale of cheese, butter and milk powders in both retail and bulk formats, serving the South African retail, foodservice and food producer markets. Ladismith has a factory based in Ladismith in the Western Cape, where its fleet of tankers collects milk from a dedicated group of farmers located in the south of the country. This milk is processed into gouda, cheddar, mozzarella and edam cheese as well as various types of butters and spreads. The Company also has depots in Cape Town and Johannesburg.

Ladismith acquired 100% of Mooivallei on 2 August 2021. With a factory in Bonnievale in the Western Cape, Mooivallei is a producer and supplier of valued-added dairy products, with its main products of cheese and butter sold into the retail and non-retail channels in South Africa. The Mooivallei acquisition complements Ladismith through additional cheese production capacity, raw material supply, industry skills, and a strong asset base. The upgrade to the Mooivallei factory was completed in 2023.

BMFG manufactures and distributes a range of chilled and prepared products. Categories include convenience foods and dairy products, marketed and sold to local retail and foodservice markets, with brands including Mediterranean Delicacies and Bettafresh. BMFG also holds a 20% shareholding in Alliance Foods, a broad-based ambient foodservice importer and distributor.

With effect from 1 July 2023, Cape Harvest Food Group, which owned 51% of BMFM, disposed of 5% of its equity interest in BMFM to the BM Foods executive committee and staff trust to drive succession and retention at BMFM. The transaction resulted in the Group deconsolidating BMFM, with BMFM accounted for as an equity-accounted associate from 1 July 2023.

From a factory shop perspective, the Group operates eight factory shops, selling Sea Harvest Fishing, Ladismith and BMFG products.

### FINANCIAL PERFORMANCE

Segment revenue for the year decreased by 9% to R1.73 billion (2023: R1.9 billion), largely as a result of the deconsolidation of BMFM from the second half of 2023. On a like-for-like basis, revenue increased by 4% to R1.73 billion (2023: R1.65 billion), with good milk flow growth driving higher sales volumes partially offset by lower average powder pricing.

| REVENUE | GROSS PROFIT | OPERATING PROFIT |
|---|---|---|
| 9% ▼ | 4% ▼ | 12% ▲ |
| TO R1.73 BILLION | TO R235 MILLION | TO R92 MILLION |
| (2023: R1.90 BILLION) | (2023: R245 MILLION) | (2023: R81 MILLION) |

The Eastern Cape saw an outbreak of FMD in May 2024. The outbreak appears to be well contained in the disease management area, with the last vaccination of producers performed in September 2024.

Despite the dairy segment in South Africa being oversupplied largely as a result of FMD and soft international powder pricing, the segment delivered operating profit of R92 million (2023: R81 million), 12% ahead of 2023 at an operating profit margin of 5% (2023: 4%), benefiting from the higher volumes and good cost control.



# OUR OPERATIONAL PERFORMANCE WITHIN THE BUSINESS SEGMENTS CONTINUED

## RETAIL

**0%**

**TO 459 MILLION**
(2023: R459 MILLION)

| % OF REVENUE | |
|---|---|
| **2024** | **2023** |
| 27% | 28% |

## FOODSERVICE

**4%**

**TO R595 MILLION**
(2023: R571 MILLION)

| % OF REVENUE | |
|---|---|
| **2024** | **2023** |
| 34% | 34% |

## WHOLESALE

**28%**

**TO R118 MILLION**
(2023: R92 MILLION)

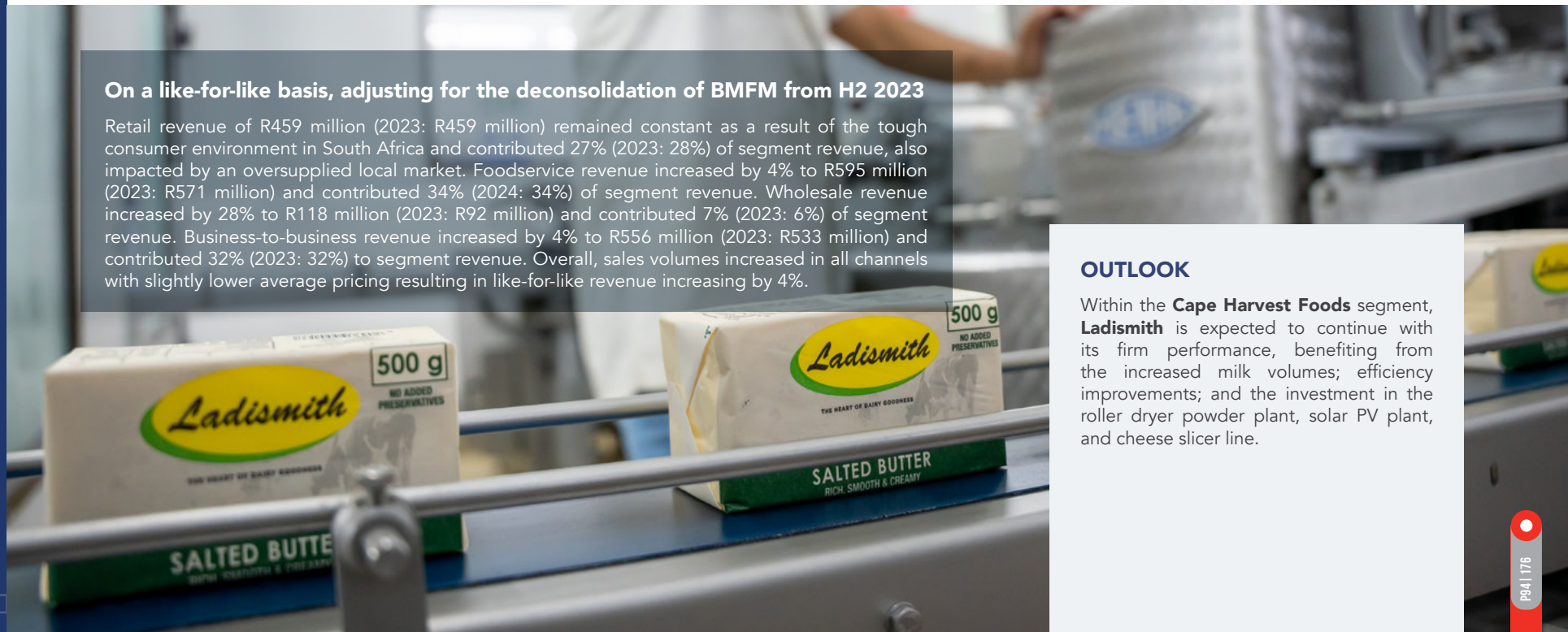
| % OF REVENUE | |
|---|---|
| **2024** | **2023** |
| 7% | 6% |

## BUSINESS TO BUSINESS

**4%**

**TO R556 MILLION**
(2023: R533 MILLION)

| % OF REVENUE | |
|---|---|
| **2024** | **2023** |
| 32% | 32% |




**On a like-for-like basis, adjusting for the deconsolidation of BMFM from H2 2023**

Retail revenue of R459 million (2023: R459 million) remained constant as a result of the tough consumer environment in South Africa and contributed 27% (2023: 28%) of segment revenue, also impacted by an oversupplied local market. Foodservice revenue increased by 4% to R595 million (2023: R571 million) and contributed 34% (2024: 34%) of segment revenue. Wholesale revenue increased by 28% to R118 million (2023: R92 million) and contributed 7% (2023: 6%) of segment revenue. Business-to-business revenue increased by 4% to R556 million (2023: R533 million) and contributed 32% (2023: 32%) to segment revenue. Overall, sales volumes increased in all channels with slightly lower average pricing resulting in like-for-like revenue increasing by 4%.

## OUTLOOK

Within the **Cape Harvest Foods** segment, **Ladismith** is expected to continue with its firm performance, benefiting from the increased milk volumes; efficiency improvements; and the investment in the roller dryer powder plant, solar PV plant, and cheese slicer line.

# OUR CFO'S REPORT

"THE SEA HARVEST GROUP EXPERIENCED ITS MOST CHALLENGING YEAR SINCE LISTING IN 2017, IMPACTED BY HAKE CATCH RATES AT HISTORICAL LOWS, WEAK MARKET CONDITIONS IN ABALONE, CONTINUED SOFT GLOBAL PRAWN PRICING, AND HIGH INTEREST RATES. THIS WAS OFFSET BY STRONG DEMAND AND IMPROVED PRICING IN HAKE, A SOLID PERFORMANCE FROM THE NEWLY ACQUIRED SEA HARVEST PELAGIC BUSINESS, AND A FIRM RESULT FROM LADISMITH DESPITE CHALLENGES FROM FOOT-AND-MOUTH DISEASE."



**MUHAMMAD BREY**
*Group Chief Financial Officer*

# OUR CFO'S REPORT CONTINUED

## OVERVIEW

The Group's performance benefited from strong demand and improved pricing in hake, a solid performance from the newly acquired Sea Harvest Pelagic business, and a firm result from Ladismith despite challenges from FMD. Performance, however, was impacted by hake catch rates at historical lows, weak market conditions in abalone, continued soft global prawn pricing, and high interest rates.

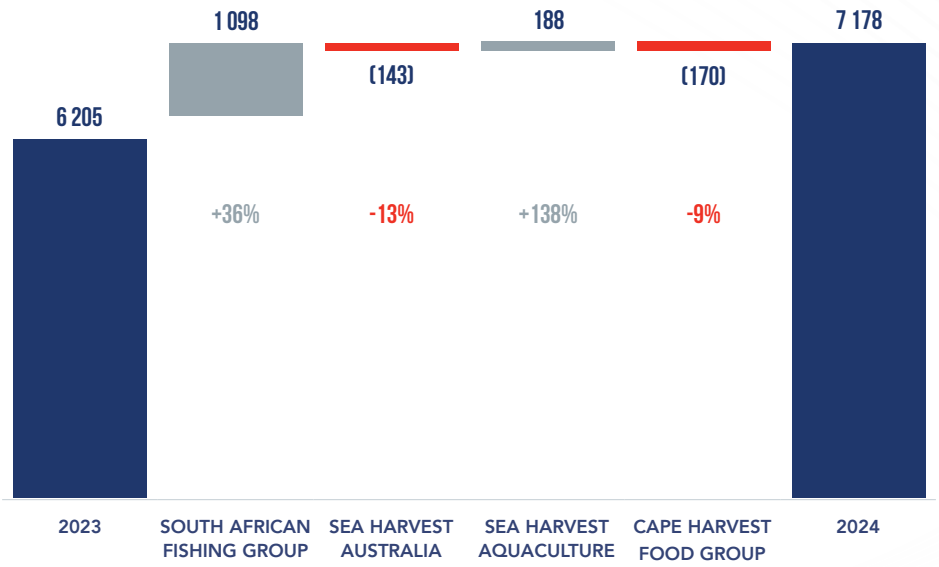
As a result, the Group delivered operating profit of R580 million (2023: R462 million, up 26%) at an operating profit margin of 8% (2023: 7%) and HEPS of 55 cents (2023: 100 cents, down 45%). The Group's results for the year ending 31 December 2023 included a once-off gain on purchased loans of R93 million, which contributed 34 cents to HEPS

| YEAR TO DATE | | 2024 R'M | 2023 R'M |
|---|---|---|---|
| Revenue | 16% | **7 178** | 6 205 |
| Cost of sales | 13% | **(5 296)** | (4 694) |
| **Gross profit** | **25%** | **1 881** | 1 510 |
| *Gross profit margin* | | ***26%*** | *24%* |
| Other income | -9% | **121** | 133 |
| Net operating expenses | 20% | **(1 421)** | (1 181) |
| **Operating profit** | **26%** | **580** | 462 |
| *Operating profit margin* | | ***8%*** | *7%* |
| Fair value, associates and other gains | -75% | **29** | 114 |
| **Profit before finance costs and tax (EBIT)** | 6% | **609** | 577 |
| *EBIT margin* | | ***8%*** | *9%* |
| Net finance costs | 24% | **(276)** | (223) |
| Taxation | 22% | **(103)** | (85) |
| **Profit after tax** | -15% | **230** | 269 |
| Non-controlling interest | | **3** | (13) |
| Profit attributable to Sea Harvest shareholders | -20% | **227** | 282 |
| **EBITDA** | **9%** | **956** | 878 |
| *EBITDA margin* | | ***13%*** | *14%* |

# OUR CFO'S REPORT CONTINUED

## REVENUE

The Group increased revenue by 16% to R7.18 billion (2023: R6.20 billion), benefiting from the inclusion of Sea Harvest Pelagic and Aqunion. Excluding the results of BMFM (which was deconsolidated from 1 July 2023) and the acquisitions in the current year, Group revenue was flat, with the lower overall volumes offset by firm price increases.




- The **South African Fishing Group** includes the results of Sea Harvest Corporation, the legacy hake business, and Sea Harvest Pelagic, the newly acquired, vertically integrated, wild-caught pelagic fishing business. Segment revenue increased by 36% to R4.13 billion (2023: R3.03 billion), benefiting from strong demand in all markets and channels, firm price increases in Sea Harvest Corporation, and the inclusion of Sea Harvest Pelagic since acquisition. This was offset by 7% lower total catch volumes in Sea Harvest Corporation.
- Revenue from **Sea Harvest Australia** decreased by 13% to R997 million (2023: R1.14 billion), with high global prawn inventories continuing to drive lower prawn pricing.
- **Sea Harvest Aquaculture** includes the results of Viking Aquaculture – the legacy abalone business and Aqunion – the newly acquired, vertically integrated, abalone group. Benefiting from the inclusion of Aqunion, revenue in the segment increased to R324 million (2023: R136 million, up 138%). However, the segment was challenged by weak market conditions in the Far East and increased competition, which impacted sales volumes, mix and pricing.
- Revenue from the **Cape Harvest Food Group** decreased by 9% to R1.73 billion (2023: R1.9 billion) largely as a result of the deconsolidation of BMFM from the second half of 2023. On a like-for-like basis, revenue increased by 4% with good milk flow growth driving higher sales volumes partially offset by lower average powder pricing.

- Group **cost of sale**s increased by 13%, driven by inflationary cost increases, the deleveraging effect of lower catch volumes, and the inclusion of Aqunion and Sea Harvest Pelagic resulting in the Group delivering **gross profit** of R1.88 billion (2023: R1.51 billion, up 25%), with the gross profit margin expanding to 26% (2023: 24%).
- **Other operating income** of R121 million (2023: R133 million) included R28 million in net foreign exchange and fuel hedge gains (2023: R1 million loss) and R40 million (2023: R65 million) of insurance income.
- **Selling and distribution expenses, marketing expenses, and other operating expenses** increased by 20% to R1.42 billion (2023: R1.18 billion) largely as a result of inflationary increases, the inclusion of Sea Harvest Pelagic and Aqunion expenses, acquisition-related costs of R23 million, and above-inflation increases in insurances and utilities.

# OUR CFO'S REPORT CONTINUED

| | REVENUE | | | | OPERATING PROFIT | | | | OPERATING PROFIT MARGIN | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Contribution to revenue % | % change | 2024 R'm | 2023 R'm | Contribution to operating profit % | % change | 2024 R'm | 2023 R'm | 2024 % | 2023 % |
| South African Fishing Group | 58% | 36% | **4 128** | 3 030 | 82% | 22% | **478** | 391 | **12%** | 13% |
| Sea Harvest Aquaculture | 4% | 138% | **324** | 136 | 2% | n/a | **11** | (24) | **3%** | n/a |
| Cape Harvest Food Group | 24% | -9% | **1 729** | 1 899 | 16% | 12% | **92** | 81 | **5%** | 4% |
| Sea Harvest Australia | 14% | -13% | **997** | 1 140 | 0% | -100% | **0** | 15 | **0%** | 1% |
| Group | | 16% | **7 178** | 6 205 | | 26% | **580** | 462 | **8%** | 7% |

The Group delivered **operating profit** of R580 million (2023: R462 million, up 26%), with the South African Fishing Group continuing as the bedrock of the Group and contributing 58% to Group revenue and 82% to Group operating profit. The Sea Harvest Aquaculture segment turned profitable and delivered R11 million in operating profit (2023: R24 million operating loss) while the Cape Harvest Food Group increased operating profit by 12% to R92 million at an improved 5% operating margin (2024: 4%).

**Fair value losses** of R7 million (2023: R17 million gains) included the R11 million effects of discounting related to the contingent consideration offset by R4 million gains on the fair value adjustment to biological assets and related stock.

The Group recognised a **gain on bargain purchase** of R28 million relating to the Sea Harvest Pelagic acquisition.

Group **EBIT** increased 6% to R609 million (2023: R577 million, including the R93 million gain on purchased loans), with the Group EBIT margin at 8% (2023: 9%).

**Net finance costs**, which include investment income and interest expense, increased by 24% to R276 million (2023: R223 million) as a result of higher levels of debt (including the acquisition debt) during the year.

**Profit after tax attributable to shareholders of Sea Harvest** for the year decreased by 20% to R227 million (2023: R282 million), and **headline earnings** decreased by 37% to R174 million (2023: R275 million).

Basic **EPS** decreased by 29% to 72 cents (2023: 102 cents) and basic **HEPS** decreased by 45% to 55 cents (2023: 100 cents). The Group's results for the year ended 31 December 2023 included a once-off gain on purchased loans of R93 million, which contributed 34 cents to EPS and HEPS

**EBITDA** for the 2024 year was R956 million (2023: R878 million), 9% higher than in 2023, with the EBITDA margin at 13% (2023: 14%).

# OUR CFO'S REPORT CONTINUED

## HEPS AND DIVIDEND PER SHARE (DPS)

| RECONCILIATION OF HEADLINE EARNINGS (R'000) | 2024 | 2023 |
|---|---|---|
| Profit for the period attributable to shareholders of the parent | **226 960** | 282 139 |
| Adjustment for capital items post-tax | **(53 094)** | (7 013) |
| **Headline earnings** | **173 866** | 275 126 |
| **WANOS ('000)** | **313 472** | 275 923 |
| **HEPS (cents)** | **55** | 100 |

After adjusting for the post-tax effects of insurance proceeds, loss on disposal of property, plant, equipment and vehicles, gain on bargain purchase, and profit on disposal of associate, headline earnings of the Group decreased by 37% to R174 million (2023: R275 million). The weighted average number of outstanding shares (WANOS) in issue increased by 14% to 313 million shares, largely as a result of the acquisition effected during the year. This resulted in HEPS for the year decreasing by 45% to 55 cents per share (2023: 100 cents per share).

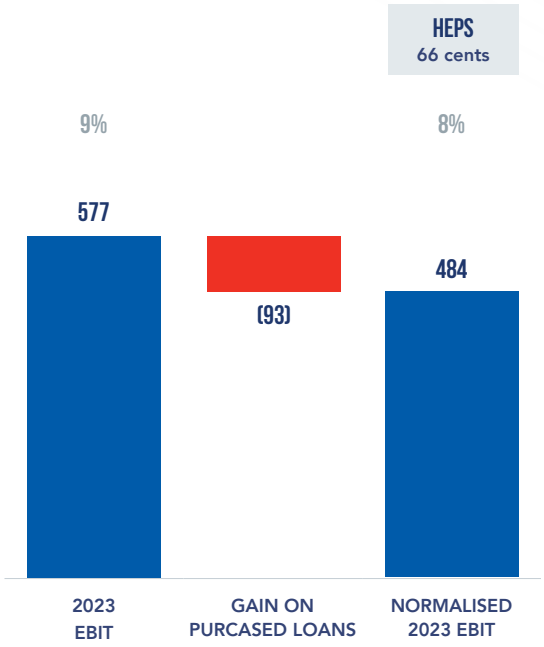
| | | |
|---|---|---|
| Dividends declared (R'000) | **77 409** | 119 546 |
| Number of ordinary shares in issue ('000) | **358 866** | 298 866 |
| **Ordinary dividend per share (cents)** | **22** | 40 |

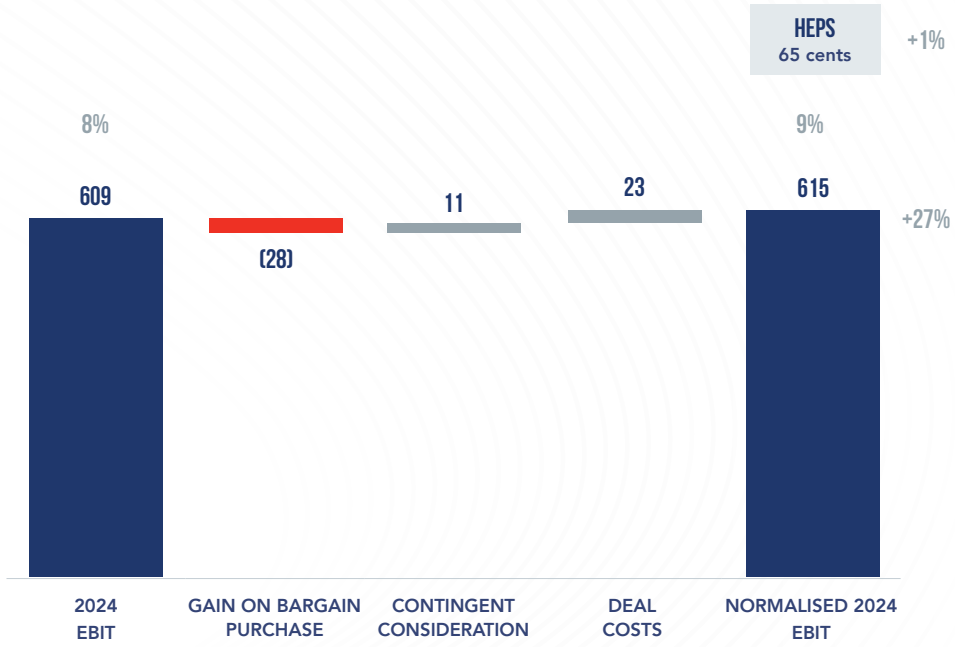
In line with the 2.5 to 3.0 times dividend cover policy, a full and final ordinary dividend of 22 cents per share (2023: 40 cents per share) was declared with respect to the year ended 31 December 2024.



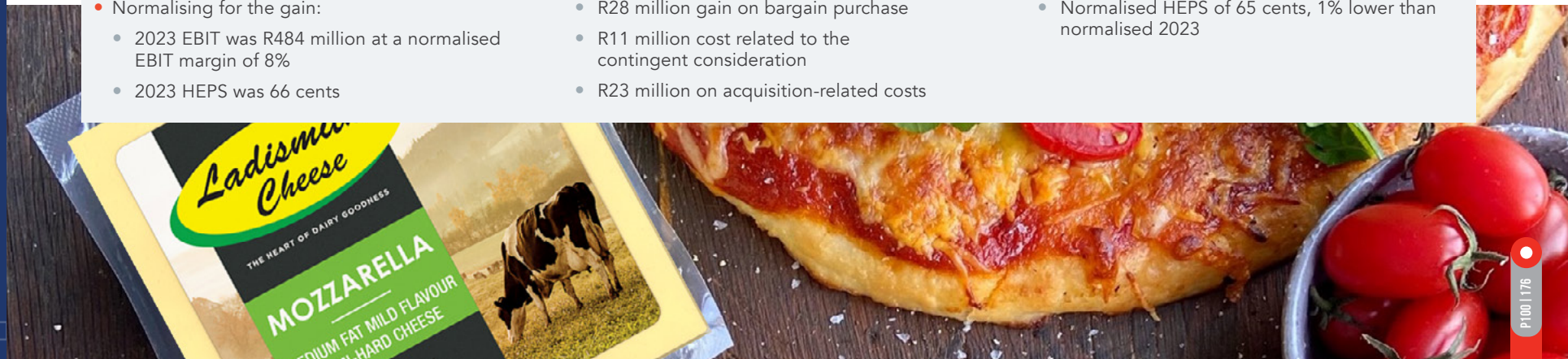
# OUR CFO'S REPORT CONTINUED

## SEA HARVEST GROUP NORMALISED EBIT AND HEPS




- Sea Harvest Group delivered EBIT of R577 million for 2023 at an EBIT margin of 9%
- Included in 2023 EBIT was the once-off gain on purchased loans of R93 million
- Normalising for the gain:
  - 2023 EBIT was R484 million at a normalised EBIT margin of 8%
  - 2023 HEPS was 66 cents
- Sea Harvest Group delivered EBIT of R609 million for 2024, at an EBIT margin of 8%
- Normalising 2024 for the following once-off gains and expenses:
  - R28 million gain on bargain purchase
  - R11 million cost related to the contingent consideration
  - R23 million on acquisition-related costs
- Resulting in:
  - Normalised EBIT of R615 million for 2024, 27% higher than normalised 2023, at a normalised EBIT margin of 9%
  - Normalised HEPS of 65 cents, 1% lower than normalised 2023



# OUR CFO'S REPORT CONTINUED

## FINANCIAL POSITION

The Sea Harvest Group balance sheet at 31 December 2024 was impacted by the business combination effected during the year.

| ASSETS (R'M) | 2024 | 2023 |
|---|---|---|
| Property, plant and equipment | **3 056** | 2 447 |
| Right-of-use assets | **293** | 196 |
| Biological assets | **180** | 71 |
| Investment properties | **75** | 79 |
| Intangible assets | **1 598** | 1 480 |
| Goodwill | **1 102** | 1 037 |
| Investment in associates | **34** | 37 |
| Other non-current assets | **329** | 313 |
| Current assets | **3 180** | 2 365 |
| | **9 847** | 8 025 |

**Property, plant and equipment** increased by R608 million to R3.056 billion:

- R581 million (2023: R472 million) was expended on capital expenditure of which
  - R373 million (2023: R270 million) was spent on replacement capital expenditure; and
  - R208 million (2023: R202 million) on expansion capital expenditure. (refer to capital expenditure section on page 103).
- R195 million related to the acquisition of Aqunion and R203 million related to the acquisition of Sea Harvest Pelagic.
- R26 million loss on exchange rate difference on translation of Sea Harvest Australia's property, plant and equipment.
- The depreciation charge was R299 million (2023: R261 million) in 2024.

**Right-of-use assets** increased by R97 million to R293 million related to the solar installations at Aqunion.

**Biological assets** increased by R109 million to R180 million, of which R260 million related to the acquisition of Aqunion, R159 million to costs capitalised during the year, offset by R213 million reallocated to current assets and R136 million in harvests during the year.

**Intangible assets** increased by R117 million to R1.598 billion, comprising

- R57 million related to the acquisition of the Aqunion brand;
- R140 million related to the acquisition of Sea Harvest Pelagic (fishing licenses R102 million and Saldanha brand R38 million);
- R14 million related to the acquisition of the intangible in Hong Kong *(Diamond* brand); and
- partially offset by R83 million losses on exchange rate difference on translation of Sea Harvest Australia's intangible assets and R10 million amortisation charge.

**Goodwill** increased by R66 million to R1.102 billion, comprising R83 million related to the acquisition of Aqunion offset by R17 million exchange rate difference on translation of Sea Harvest Australia's goodwill.

**Current assets** increased by R815 million to R3.180 billion:

- **Inventory** increased by a net R314 million of which
  - R88 million related to the acquisition of Aqunion and R311 million to the acquisition of Sea Harvest Pelagic;
  - higher levels of inventory in Ladismith and Sea Harvest Australia; and
  - partially offset by lower levels of inventory in Sea Harvest Pelagic (since acquisition) and Sea Harvest Corporation.
- **Trade and other receivables** increased by a net R143 million of which
  - R35 million related to the acquisition of Aqunion and R162 million to the acquisition of Sea Harvest Pelagic and the balance to;
  - the timing of sales and receipts compared to December 2023; and
  - increased outstanding diesel rebates in Sea Harvest Corporation.
- **Biological assets** increased by R213 million related to the acquisition of Aqunion and the reallocation from non-current assets.
- **Other financial assets** increased by R80 million due to the cash flow hedges at the end of 2024 being in the money compared to 31 December 2023.

**Cash** increased by R55 million (refer to the cash flow section on page 104).

# OUR CFO'S REPORT CONTINUED

| EQUITY AND LIABILITIES (R'M) | 2024 | 2023 |
|---|---|---|
| Stated capital | **2 176** | 1 689 |
| Reserves | **1 795** | 1 666 |
| Non-controlling interests | **(10)** | 23 |
| Non-current liabilities | **4 198** | 3 394 |
| Current liabilities | **1 688** | 1 253 |
| | **9 847** | 8 025 |



**Stated capital** increased by R486 million mainly due to the 60 million shares issued as part of the purchase consideration on the acquisition of Aqunion and Sea Harvest Pelagic.

**Reserves** increased by R129 million to R1.795 billion:

- **Retained earnings** increased by R118 million as a result of after-dividend earnings.
- **The foreign currency translation reserve** decreased by R75 million, driven by the strengthening of the rand to the Australian dollar.

**Hedge reserves** increased by R101 million due to the open cash flow hedges being in the money compared to 31 December 2023.

**Non-controlling interests** decreased by R33 million largely as a result of the minorities proportionate share of the net liabilities on Aqunion at acquisition.

**Non-current liabilities** increased by R805 million to R4.198 billion:

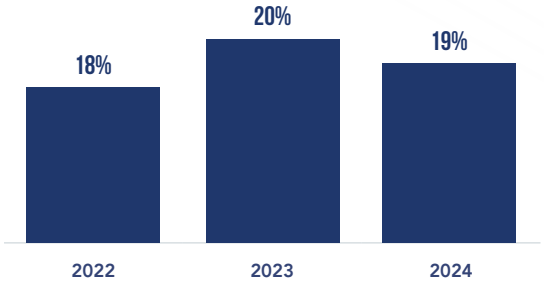
- **Long-term borrowings** increased by R497 million as a result of
  - a drawdown of R381 million to fund part of the purchase consideration of the current year business combination;
  - R230 million related to the Aqunion minority shareholder loans assumed as part of the business combination;
  - R40 million losses relating to the effect on the translation of Sea Harvest Australia;
  - R148 million reclassified to short-term loans; and
  - the balance related to drawdowns to fund working capital and capital expenditure.
- **Deferred tax liability** increased by R218 million of which R55 million related to the acquisition of Sea Harvest Pelagic, R110 million to the Aqunion acquisition, and the balance to increases in temporary differences.
- **Lease liabilities** increased by R92 million related to the solar installations at Aqunion.

**Current liabilities** increased by R435 million to R1.688 billion:

- **Short-term loans** increased by R138 million mainly due to the new working capital facility in Sea Harvest Corporation and the increase in Australia's trade finance facility.
- **Contingent consideration** increased by R149 million related to the acquisition of Aqunion and Sea Harvest Pelagic.
- **Bank overdraft** decreased by R10 million (refer to the cash section on page 104).
- **Trade and other payables** increased by R185 million, of which
  - R23 million related to the acquisition of Aqunion and R184 million to the acquisition of Sea Harvest Pelagic; and
  - partially offset by lower levels of payables due to the timing of expenditure and payments to trade creditors compared to 31 December 2023.
- **Other financial liabilities** decreased by R60 million due to the cash flow hedges at the end of December 2024 being in the money compared to 31 December 2023.
- **Lease liabilities** increased by R10 million due to the solar installations at Aqunion.
- **Provisions** increased by R26 million due to bonus provisions.

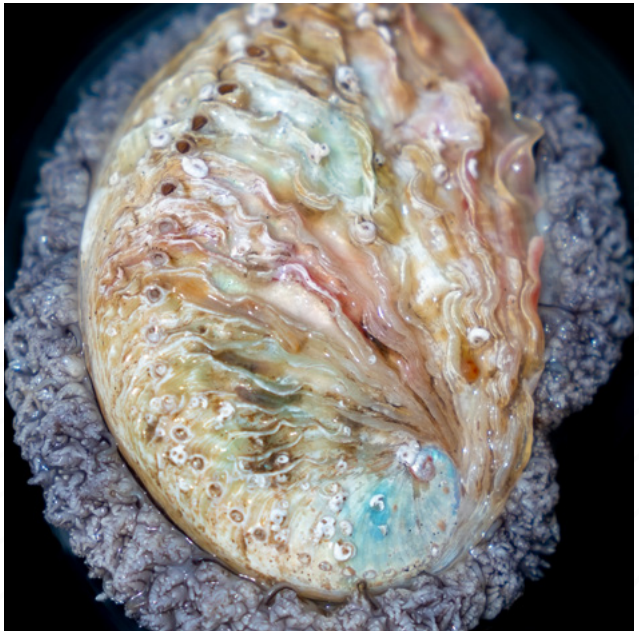
# OUR CFO'S REPORT CONTINUED

## SEA HARVEST GROUP NET WORKING CAPITAL AS A PERCENTAGE OF REVENUE

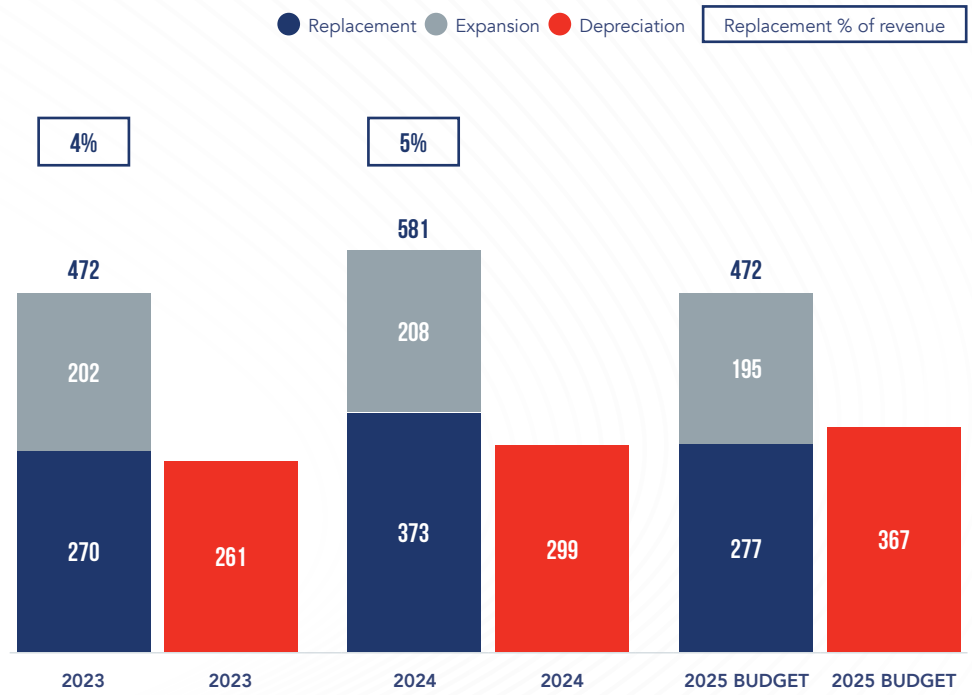



*Revenue annualised for a full year of Aquinon and Sea Harvest Pelagic*

The Group ended 31 December 2024 with net working capital of R1.468 billion (2023: R1.196 billion), R272 million higher than 31 December 2023, largely as a result of the acquisition of Aqunion and Sea Harvest Pelagic. With close focus, net working capital as a percentage of revenue decreased from 20% at 31 December 2023 to 19% at 31 December 2024.



## SEA HARVEST GROUP CAPITAL EXPENDITURE AND DEPRECIATION

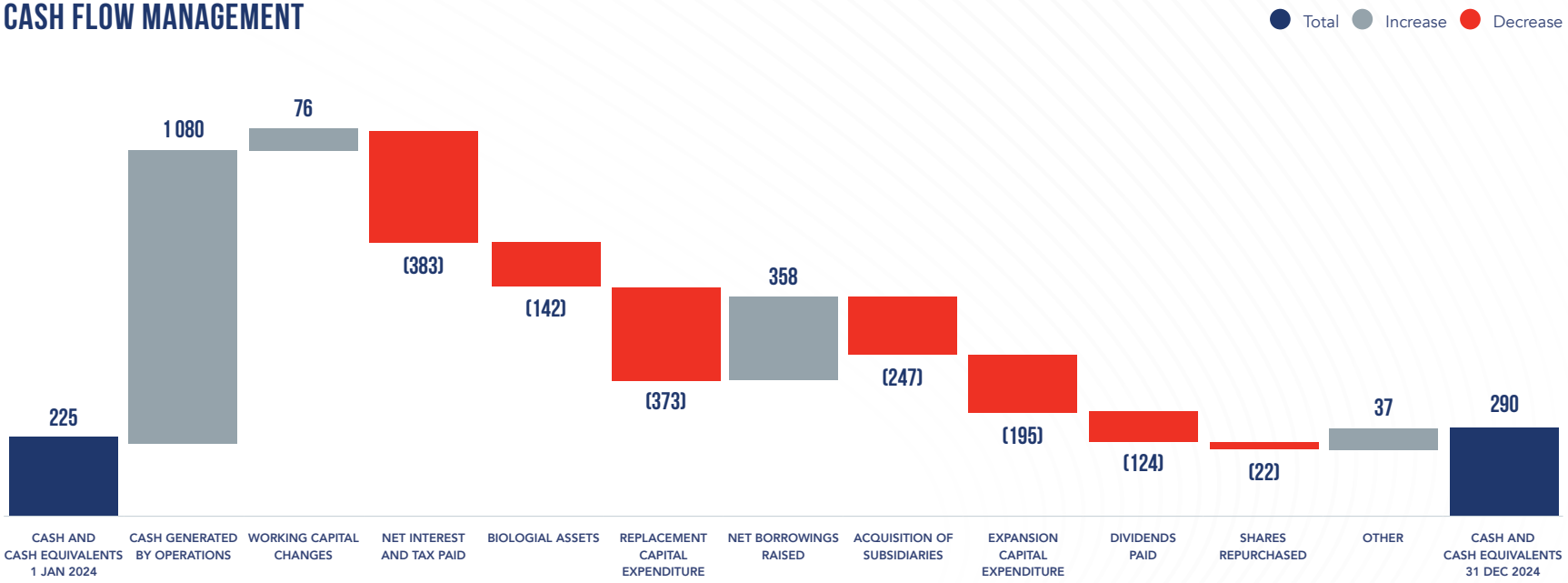



The Group spent R581 million (2023: R472 million) on capital expenditure for the year ending 31 December 2024, comprising:

- Replacement capital expenditure of R373 million (2023: R270 million), equating to 5% (2023: 4%) of revenue:
  - The elevated levels of capital expenditure relate to significant spend on maintaining and refitting vessels during the year and the inclusion of Aqunion and Sea Harvest Pelagic.
- Expansion capital expenditure of R208 million (2023: R202 million, including R133 million on the Harvest Cap Nord), including
  - R41 million on the purchase and conversion of trawlers;
  - R71 million on the purchase of the Santo Do Mar, a new freezer trawler; and
  - R58 million on various projects at Ladismith, including the solar PV plant, the cheese slicing line, increased capacity at Mooivallei, and the roller dryer powder plant.
- Depreciation for the year on property, plant, equipment and vehicles was R299 million

# OUR CFO'S REPORT CONTINUED

## CASH FLOW MANAGEMENT




The Group generated cash from operations of R1.156 billion (2023: R682 million) during the year after releasing R76 million in working capital (2023: investing R176 million).

After settling net interest of R278 million (2023: R200 million) and taxes of R105 million (2023: R35 million), the Group generated cash of R774 million (2023: R450 million) from operating activities during the year.

The Group utilised R919 million (2023: R524 million) in investing activities during the year, including

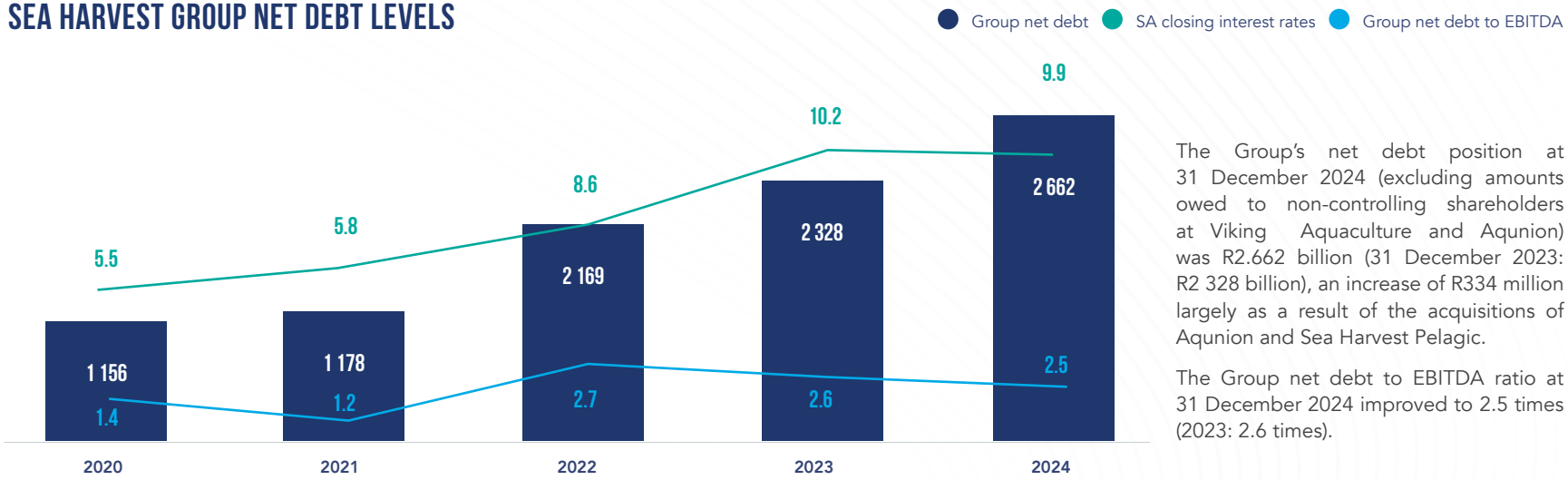
- R568 million (2023: R463 million) invested in additions to property, plant, equipment and vehicles (refer to capital expenditure section on **page 103**);
- R142 million (2023: R77 million) in the growth of biological assets; and
- a net R247 million on the acquisition of Aqunion and Sea Harvest Pelagic.

The Group generated R212 million (2023: R76 million) of cash from financing activities after paying a dividend of R124 million (2023: R111 million), repurchasing shares to the value of R22 million (2023: R34 million), and drawing down a net R358 million (2023: R221 million) of borrowings during the year.

The Group opened the year with cash of R225 million (2023: R219 million), generated R67 million (2023: R2 million) of cash during the year, and ended the year with R290 million (2023: R225 million) of cash on hand.

# OUR CFO'S REPORT CONTINUED

## SEA HARVEST GROUP NET DEBT LEVELS

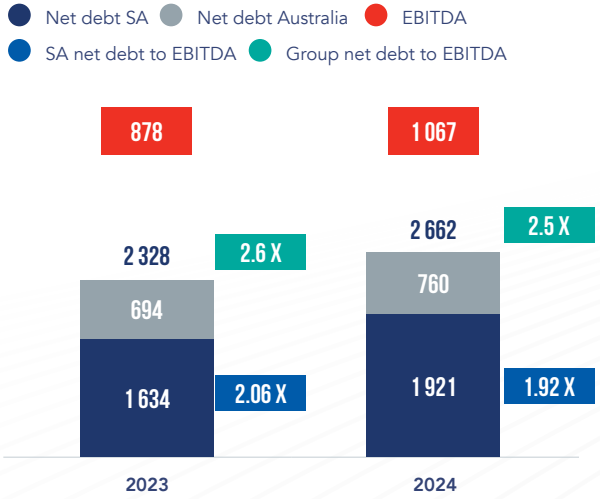



*EBITDA annualised for a full year of Aqunion and Sea Harvest Pelagic. Net debt excludes shareholder loans.*

The Group's net debt position at 31 December 2024 (excluding amounts owed to non-controlling shareholders at Viking Aquaculture and Aqunion) was R2.662 billion (31 December 2023: R2 328 billion), an increase of R334 million largely as a result of the acquisitions of Aqunion and Sea Harvest Pelagic.

The Group net debt to EBITDA ratio at 31 December 2024 improved to 2.5 times (2023: 2.6 times).

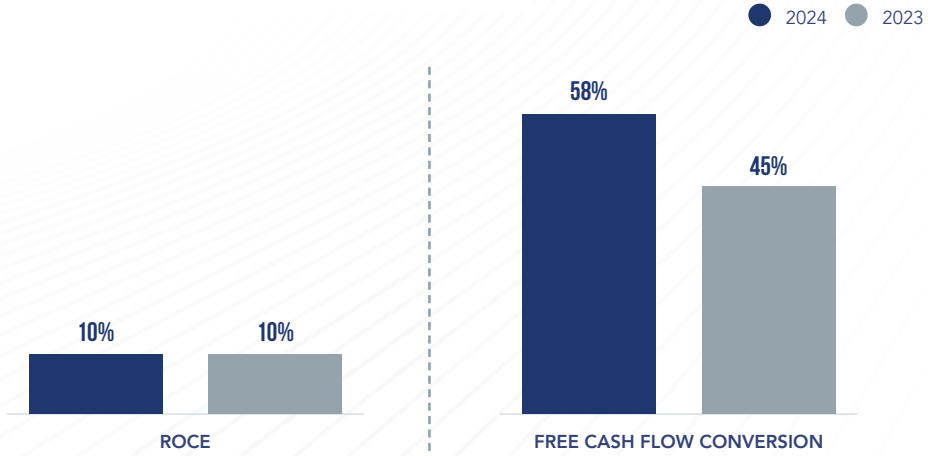
## SEA HARVEST GROUP NET DEBT ANALYSIS




*EBITDA annualised for a full year of Aqunion and Sea Harvest Pelagic*
*Net debt excludes shareholder loans*

The South African operations ended the year with net debt of R1 921 billion (2023: R1 634 billion) at a net debt to EBITDA ratio of 1.92 times (2023: 2.06 times).

## SEA HARVEST GROUP KEY FINANCIAL RATIOS




*ROCE: Annualised for the full-year effect of Aqunion and Sea Harvest Pelagic. FCFC: (EBITDA +/- changes in NWC - BAU capex - tax paid)/EBITDA*

- Annualising for the effects of the acquisitions, ROCE remained constant at 10% (2023: 10%), driven by the challenging performance over the last three years.
- The free cash flow conversion ratio improved from 45% in 2023 to 58% in 2024 despite elevated replacement capital expenditure in 2024 and elevated levels of inventory in Australia and Cape Harvest Foods.

# OUR CFO'S REPORT CONTINUED

## SEA HARVEST GROUP CAPITAL ALLOCATION

The Group enters a consolidation phase focusing on non-core asset disposals, efficiencies, cost containment, cash generation and debt reduction.

### CONSOLIDATE

Consolidate acquisitions over the last few years

Pursue efficiency projects and organic growth opportunities that deliver targeted returns, driving long-term value creation

### DEBT

Reduce debt by 50% over three years through

- non-core asset disposals;
- maximised free cash flow generation; and
- determined cost reductions

### DIVIDENDS

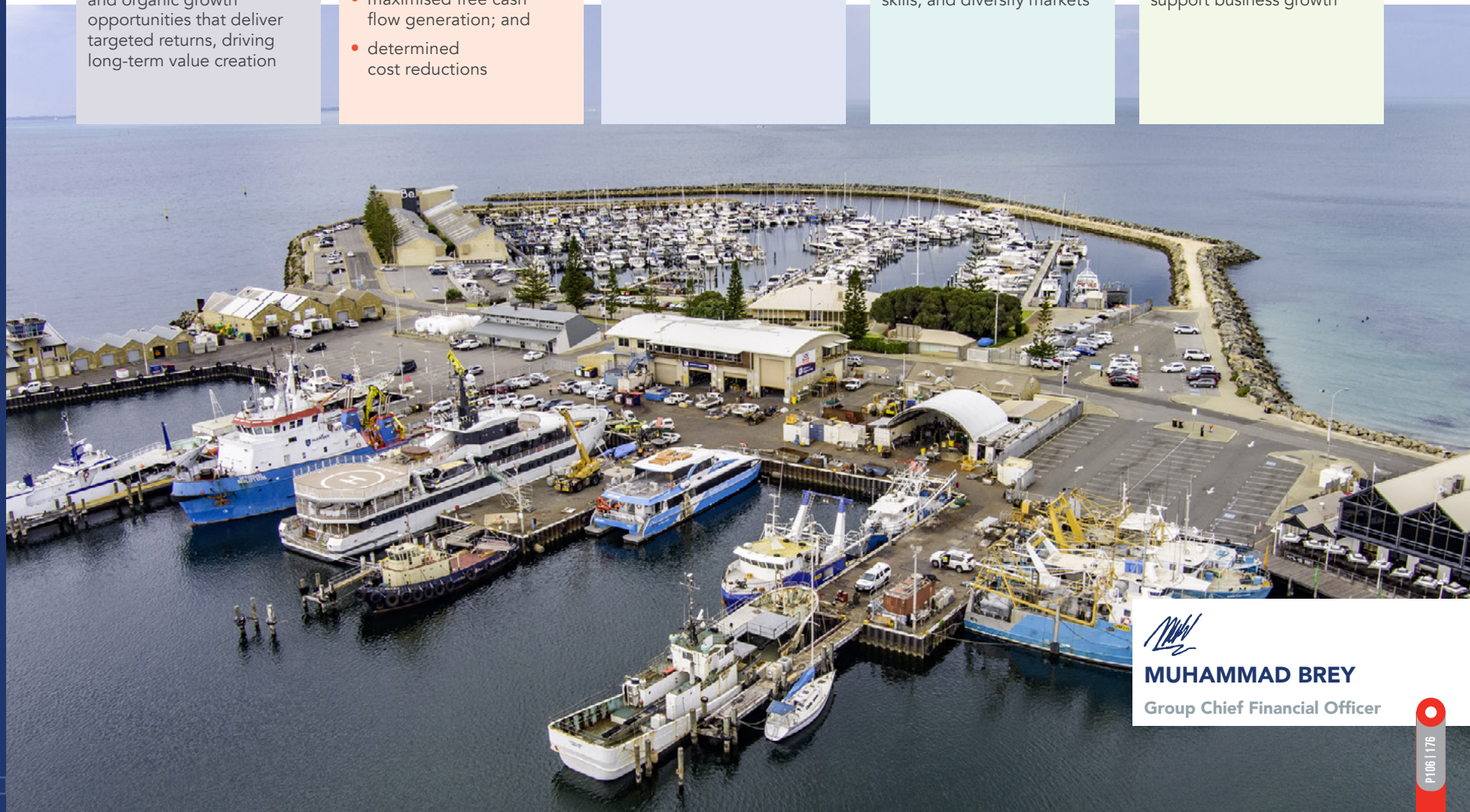
Balance shareholder returns with debt reduction

### REINVEST

Upgrade and modernise fleets, increase throughput and efficiencies in factories, recruit and retain critical skills, and diversify markets

### WORKING CAPITAL

Maintain optimal working capital levels, considering seasonal cyclicality, to ensure product availability and support business growth



**MUHAMMAD BREY**
Group Chief Financial Officer



# 05 CREATING AND SUSTAINING VALUE THROUGH EFFECTIVE GOVERNANCE


Our Governance Report 108
Our Audit and Risk Committee Report 115
Our Social, Ethics and Sustainability Committee Report 120
Our Nomination and Remuneration Committees Report 127


**2014**

BRIMSTONE INVESTMENT CORPORATION LIMITED INCREASES **ITS OWNERSHIP** IN SEA HARVEST TO 21%.

**2018**

SEA HARVEST LEADS A **BEE CONSORTIUM** THAT ACQUIRES 100% OF VIKING FISHING

VIKING FISHING
A DIVISION OF SEA HARVEST CORPORATION

# OUR GOVERNANCE REPORT

## INTRODUCTION

Sea Harvest is committed to the highest level of corporate governance, integrity and ethics. We aspire to surpass stakeholders' expectations by demonstrating exemplary corporate responsibility, adhering to ESG principles, and upholding the highest standards of good governance practices. During the 2024 financial year, the Board evaluated its strategic and operational performance and fulfilled its duties in accordance with the Companies Act, JSE Listings Requirements, and principles set out in King IV™. What follows, in support of our value-creation process, is a detailed account of our governance structures as at 31 December 2024.

## OUR BOARD OF DIRECTORS



**FRED ROBERTSON**
*Non-executive Chairperson*



**FELIX RATHEB**
*Group Chief Executive Officer*



**MUHAMMAD BREY**
*Group Chief Financial Officer*



**MARSHALL RAPIYA**
*Lead Independent Non-executive Director*



**KHOLEKA ZAMA**
*Independent Non-executive Director*



**TILOSHANI MOODLEY**
*Non-executive Director*



**IQBAL KHAN**
*Non-executive Director (retired 27 Feb 2025)*



**KARI LAGLER**
*Independent Non-executive Director*



**ANDRÉ HANEKOM**
*Independent Non-executive Director*



**ELIAS LINKS**
*Non-executive Director*

## OUR CORPORATE GOVERNANCE

We are committed to good governance underpinned by the pillars of responsibility, fairness, transparency and accountability to all stakeholders. It remains essential for our strategic and governance practices to be aligned and relevant to ensure we maintain our legacy of responsible corporate governance and ethical business practices.

Our approach to governance extends beyond compliance with legal prescripts, practices and principles. We leverage governance to improve performance by

- fostering a culture of continuous good governance practices to add organisational value;
- identifying opportunities in governance requirements for enhanced accountability, improved decision-making, better risk mitigation, and more comprehensive disclosures at all levels;
- guiding decision-making, reinforcing material disclosures, and refining risk processes; and
- periodically reviewing these elements and benchmarking the Group's initiatives against recommended best practice.

Refer to our **ESG** Report for more information.

# OUR GOVERNANCE REPORT CONTINUED

## OUR COMMITTEES

| | AR | SES | N | R | IH | EXEC |
|---|---|---|---|---|---|---|
| | AUDIT AND RISK | SOCIAL, ETHICS AND SUSTAINABILITY | NOMINATION | RENUMERATION | INVESTMENT AND HEDGING | EXECUTIVE COMMITTEE |
| Chairperson | KA Lagler | FJ Robertson | WA Hanekom | WA Hanekom | WA Hanekom | |
| Member | BM Rapiya<br>WA Hanekom<br>CK Zama | BM Rapiya<br>CK Zama<br>MI Khan<br>*(retired 27 Feb 2025)*<br>T Moodley<br>M Brey | BM Rapiya<br>MI Khan<br>*(retired 27 Feb 2025)* | BM Rapiya<br>MI Khan<br>*(retired 27 Feb 2025)* | MI Khan<br>*(retired 27 Feb 2025)* | F Ratheb<br>M Brey<br>SS Gounden<br>M Khumalo<br>I Dwayi<br>R Groenewald<br>J Jankovich<br>C Vayanos<br>K Geldenhuys<br>L Boshoff<br>R Duncan |
| Invitee | FJ Robertson<br>MI Khan<br>*(retired 27 Feb 2025)*<br>T Moodley<br>F Ratheb<br>M Brey<br>E Links<br>Internal audit<br>External audit | F Ratheb<br>T Brown<br>M Khumalo<br>I Dwayi | FJ Robertson<br>F Ratheb | FJ Robertson<br>F Ratheb | FJ Robertson<br>F Ratheb<br>M Brey | |

Chairperson Member Invitee

## OUR GOVERNANCE CHECKS AND BALANCES

As a Company listed on the JSE, Sea Harvest is subject to, and the Board is satisfied that the Group has implemented, controls to provide reasonable assurance of compliance with all relevant laws of establishment, including the JSE Listings Requirements, the Companies Act, King IV™ and the Sea Harvest Group Memorandum of Incorporation. In line with King IV™, the Board believes that it has executed its responsibilities in an ethical manner and has reported the outcomes of its direction in accordance with King IV™ and the Integrated Reporting Framework. The Board's application of King IV™ can be viewed in the King IV™ Application Register on **pages 58 to 67** of the **ESG** Report.

## OUR IMPROVED PERFORMANCE

Corporate governance throughout the Group enables

1. diverse opinions at Board level to improve decision-making;
2. comprehensive management reporting to the Board;
3. clear management accountability;
4. risk controls embedded in day-to-day processes and decision-making;
5. improved integrated reporting of all business aspects;
6. appropriately prioritised engagement with various stakeholders;
6. enhanced ethical standards and compliance; and
8. sustainable growth through responsible practices

# OUR GOVERNANCE REPORT CONTINUED

The Board believes that the adopted governance disciplines are appropriate, in all material respects, to ensure adherence to the principles embodied in King IV™.

The Board, through its oversight responsibilities, remains committed to ensuring the achievement of the Group's vision, mission and strategy. The Board sets the tone for the Group's values, including principles of ethical practices. In fulfilling its obligation as embodied in the fourth principle of King IV™, the Board held four Board meetings during the 2024 financial year. The table below records the attendance of directors at Board meetings for the year:

| | 28 FEB 2024 | 30 MAY 2024 | 21 AUG 2024 | 20 NOV 2024 |
|---|---|---|---|---|
| FJ Robertson (Chairperson) | ✓ | ✓ | ✓ | ✓ |
| F Ratheb | ✓ | ✓ | ✓ | ✓ |
| M Brey | ✓ | ✓ | ✓ | ✓ |
| BM Rapiya | ✓ | ✓ | ✓ | ✓ |
| WA Hanekom | ✓ | ✓ | ✓ | ✓ |
| CK Zama | ✓ | ✓ | ✓ | ✓ |
| KA Lagler | ✓ | ✓ | ✓ | ✓ |
| MI Khan *(retired 27 Feb 2025)* | ✓ | ✓ | ✓ | ✓ |
| T Moodley | ✓ | ✓ | ✓ | ✓ |
| E Links | n/a | n/a | ✓ | ✓ |

**100% Board meeting attendance**

**In its value-creation activities for the reporting period, the Board performed the following functions and duties, consistent with its mandate**

- Evaluated and deliberated over the Group strategy prior to approval
- At each meeting, evaluated the progress in relation to the timeframes contained in the approved strategy
- Reviewed and considered strategic risks, including those relevant to the operating and geographic environments relevant to the Group
- Approved the budget for the reporting period as well as the medium- and long-term targets
- Evaluated and approved material acquisitions, disposals, investments, capital expenditure and the Hedging Policy
- Received and considered feedback of its established subcommittees on matters affecting the Group's strategy
- Reviewed the solvency, liquidity and going concern status in the process of approving dividends
- Evaluated and approved the **IR**, **ESG** Report, **AFS** and results announcements
- Considered and ensured the implementation of the recommendations of King IV™
- Approved the Remuneration Policy as well as the short-term and LTI schemes
- Evaluated the outcomes of the assessment of its and its subcommittees' performances and determined appropriate improvement mechanisms in line with the recommendations of King IV™

A summary of the activities undertaken by each Board subcommittee is presented on the following page. Details of their Terms of Reference can be found on the Group's website **https://seaharvestgroup.co.za/investors/governance/**

## ESTABLISHED BOARD SUBCOMMITTEES

To enable the Board to properly discharge its responsibilities and duties, certain responsibilities have been delegated to Board subcommittees. All Board subcommittees are chaired by a non-executive or independent non-executive director. The subcommittees' Terms of Reference are reviewed annually to ensure that the subcommittees' duties and responsibilities are aligned with the requirements of corporate governance and that they keep abreast of new requirements that may arise from time to time.

Directors and executives are specifically appointed to subcommittees based on their qualifications, knowledge and experience. This allows for the proper discharge of the Board's responsibilities and for the implementation of the approved strategy for evaluation and discussion. Executives are available to non-executives, where necessary, to provide further insights into the Group's value-creation process.



# OUR GOVERNANCE REPORT CONTINUED

## AR AUDIT AND RISK COMMITTEE

The Audit and Risk Committee meets three times a year and performs its Board-assigned duties and responsibilities in line with the approved Terms of Reference, which is reviewed annually. These Terms of Reference are aligned with the prescripts of the Companies Act, JSE Listings Requirements, and King IV™ governance principles and can be found on the Company's website: **https://seaharvestgroup.co.za/investors/governance/**

A detailed work plan sets out the timeframes for the full discharge of its duties including, but not limited to, oversight of the Group's system of internal control and risk management, materiality analyses and assessments, as well as the effectiveness of the internal financial controls. This, in turn, assists the Board in monitoring the integrity and fairness of the Group's publicly reported financial results.

### Responsibilities and activities

The Audit and Risk Committee also has oversight responsibility of the Group's external auditors and various assurance functions that affect the Group's control environments. The Committee received feedback on the various reports from the established governance structures, namely the respective subsidiary Finance and Risk Committees, internal audit, external audit, the Fraud Prevention Committee, and the IT Steering Committee.

The Committee also evaluated the financial reports presented to it and subsequently to the Board. These included the **AFS**, mid-year results, the **IR** and the **ESG** Report. The detailed report of the Audit and Risk Committee is included in this report – refer to **pages 115 to 119**.

| MEETINGS AND ATTENDANCE OF THE AUDIT AND RISK COMMITTEE | 27 FEB 2024 | 21 AUG 2024 | 19 NOV 2024 |
|---|---|---|---|
| KA Lagler (Chairperson) | ✓ | ✓ | ✓ |
| BM Rapiya | ✓ | ✓ | ✓ |
| WA Hanekom | ✓ | ✓ | ✓ |
| CK Zama | ✓ | ✓ | ✓ |
| FJ Robertson (invitee) | ✓ | ✓ | ✓ |
| MI Khan (invitee) *(retired 27 Feb 2025)* | ✓ | ✓ | ✓ |
| F Ratheb (invitee) | ✓ | ✓ | ✓ |
| M Brey (invitee) | ✓ | ✓ | ✓ |
| T Moodley (invitee) | ✓ | ✓ | ⊗ |
| E Links (invitee) | n/a | ✓ | ✓ |

## SES SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE

The Social, Ethics and Sustainability Committee assists the Board in all matters relating to organisational ethics, responsible corporate citizenship, health and safety, sustainable development, and stakeholder relationships. The Committee operates in accordance with the requirements of the Companies Act, JSE Listings Requirements, and King IV™. The Committee operated in accordance with its approved Terms of Reference, which was reviewed during the reporting period. A copy of the Committee's Terms of Reference can be found on the Company's website: **https://seaharvestgroup.co.za/investors/governance/**

### Responsibilities and activities

- Established Board-level governance mechanisms for ESG and sustainable development practices
- Monitored CSI activities for the period under review
- Reviewed and monitored performance with respect to the B-BBEE codes
- Reviewed the Group's labour relations developments, including the applicable HR policies
- Reviewed employment equity and succession plans of the Group
- Considered the relevant laws and regulations applicable to the Group's operations
- Evaluated the operations of the Group in terms of sustainability and environmental considerations and governance principles
- Considered water and electricity solutions in light of water shedding and load shedding
- Monitored the performance of the Sea Harvest Foundation and the Fisheries Fund against agreed mandates
- Evaluated matters relating to the Group's health and safety initiatives
- The detailed report of the Social, Ethics and Sustainability Committee is included in the **ESG** Report and in this report – refer to **pages 120 to 126**.

| | 27 FEB 2024 | 28 MAY 2024 | 5 AUG 2024 | 19 NOV 2024 |
|---|---|---|---|---|
| FJ Robertson (Chairperson) | ✓ | ✓ | ✓ | ✓ |
| BM Rapiya | ✓ | ✓ | ✓ | ✓ |
| CK Zama | ✓ | ✓ | ✓ | ✓ |
| M Brey | ✓ | ✓ | ✓ | ✓ |
| T Moodley | ✓ | ✓ | ✓ | ✓ |
| MI Khan *(retired 27 Feb 2025)* | ✓ | ✓ | ✓ | ✓ |
| F Ratheb (invitee) | ✓ | ✓ | ✓ | ✓ |
| M Khumalo (invitee) | ✓ | ✓ | ✓ | ✓ |
| T Brown (invitee) | ✓ | ✓ | ✓ | ✓ |
| I Dwayi (invitee) | n/a | ✓ | ✓ | ✓ |

Dr FJ Robertson has been evaluated by the Board as suitable to chair the committee given his extensive exposure to and involvement in numerous socio-economic initiatives.

# OUR GOVERNANCE REPORT CONTINUED

## N R THE NOMINATION AND REMUNERATION COMMITTEES

The CEO, executive directors and Group executives' remuneration structures are included in the ambit of the Remuneration Committee's responsibilities. All remuneration, share awards, and benefits in kind are evaluated and approved by the Committee. The Committee is focused primarily on principle 14 of King IV™ and thus adheres to the principle of fair remuneration. The Committee operated in accordance with its approved Terms of Reference, which remained unchanged for the period under review. A copy of the Committee's Terms of Reference can be found on the Company's website: **https://seaharvestgroup.co.za/investors/governance/**

**For the reporting period, the Remuneration Committee functions included**

- determining the key performance targets and remuneration structures for the CEO, CFO and executives;
- evaluating the levels of achievement of the forfeitable share plan (FSP), LTI and STI; and
- evaluating and making recommendations relating to the staffing of key functional areas within the business.

The Nomination Committee is responsible for the structure and composition of the Board, considerate of its current position and future requirements. The detailed report of the Nomination and Remuneration Committees is included in this report – refer to **pages 127 to 144**.

| MEETINGS AND ATTENDANCE OF THE NOMINATION AND REMUNERATION COMMITTEES | 24 JAN 2024 | 5 NOV 2024 |
|---|---|---|
| WA Hanekom (Chairperson) | ✓ | ✓ |
| BM Rapiya | ✓ | ✓ |
| MI Khan *(retired 27 Feb 2025)* | ✓ | ✓ |
| FJ Robertson (invitee) | ✓ | ✓ |
| F Ratheb (invitee) | ✓ | ✓ |

## IH INVESTMENT AND HEDGING COMMITTEE

The Investment and Hedging Committee is a Board-appointed Committee established during the 2017 financial year.

The Committee operates in terms of an approved Terms of Reference, which is reviewed annually and is available on the Company's website at **https://seaharvestgroup.co.za/investors/governance/.** The committee is responsible for evaluating the business-enhancing capital expenditure, hedging and investment strategies of the Group, including acquisitions and disposals.

| MEETINGS AND ATTENDANCE OF THE INVESTMENT AND HEDGING COMMITTEE | 18 NOV 2024 |
|---|---|
| WA Hanekom (Chairperson) | ✓ |
| MI Khan *(retired 27 Feb 2025)* | ✓ |
| FJ Robertson (invitee) | ✓ |
| F Ratheb (invitee) | ✓ |
| M Brey (invitee) | ✓ |



# OUR GOVERNANCE REPORT CONTINUED

## GOVERNANCE DISCIPLINES

### Share-dealing Policy

The Group has an approved Share-dealing Policy, which restricts directors, prescribed officers, staff and their associates from dealing in Group shares within the periods and conditions prescribed by the JSE Listings Requirements, Companies Act, Financial Markets Act, No 19 of 2012, and Financial Sector Regulation Act, No 9 of 2017.

The policy stipulates the conditions under which share trading clearance must be obtained for various designations within the Group. The policy was reviewed in 2024 and changes were made to incorporate the amendments prescribed in the revised JSE Listings Requirements.

All information relating to the securities trading of directors and prescribed officers and their associates is published via the SENS of the JSE and can be viewed at **https://seaharvestgroup.co.za/investors/governance/**

For more information about our stakeholder engagements throughout the year, refer to **pages 36 to 43** of this report.

### Interest in contracts

All directors act in the best interest of the Group and their fiduciary responsibilities are understood. Strict compliance with the provisions of sections 75 and 76 of the Companies Act is enforced at all times through the declaration of interests in any contracts submitted to the Company Secretary and directorship in any enterprises with which the Group may potentially interact. Such declarations are evaluated on a regular basis by the compliance and assurance providers within the Group.

Approved codes of conduct and ethics applicable to all directors and employees govern behaviour relating to, among others, potential conflicts of interest and the conditions under which gifts may be accepted. The Group's electronic Declaration of Interest tool automates the process of declaring interests and conflicts and maintaining a gift registry to ensure transparency and good governance within the Group.

### Stakeholder engagement

Relationships with key stakeholders, including customers, suppliers, government, society and investors, are recognised as pivotal to the Group's ability to ensure mutually beneficial, sustained value creation. The manner in which key information about the Group's strategies, future activities and progress in relation thereto is communicated is contained in an approved policy.

### Code of Conduct

The approved Code of Conduct is the fundamental policy relating to the manner in which employees, directors and business partners interact with each other. The policy stipulates the duty of care principle, which is to be applied consistently while maintaining the highest standards of honesty and integrity.

All directors, employees and suppliers are informed of the Code of Conduct either at induction or during the contract negotiation stage. The relevance of this policy is overseen by the Social, Ethics and Sustainability Committee, and any significant instances of non-adherence are monitored by the Audit and Risk Committee.

### Board and subcommittee evaluations

Formal evaluations are conducted annually on the Board and each of the Board subcommittees to assess their effectiveness. The evaluation overall reflects an effective level of governance, and reports conclude that the subcommittees' effectiveness has improved and that they generally function well and meet the objectives of their respective charters.

### Fraud, theft and corruption prevention mechanisms

The Group has zero tolerance for fraud, theft and corruption. The Group's approved Fraud Prevention Policy addresses all legislative and operational requirements including, *inter alia*, whistle-blower protection. The policy was reviewed and updated in 2024.

The Fraud Prevention Committee reports to the Audit and Risk Committee on all matters reported on the anonymous tip-off hotline as well as on the sanctions applied and outcomes of investigations conducted by either the internal audit function or appointed investigators, as the case may be.

Fraud, theft and corruption prevention remains a crucial aspect of the operations of the Group with various activities in place to prevent such activities from occurring. These mechanisms include an established network of staff trained to assist fellow staff members in matters to be reported, on-site security at all major centres of operations as well as communication of prevention and reporting processes in induction programmes and communication channels in operation. During the year, no material incidents of fraud, theft or corruption were detected.

### Combined assurance and internal controls

During the year, the Group continued its efforts to implement a combined assurance model to maximise the assurance gained from management as well as internal and external assurance providers in relation to the material risks facing the Group.

The Audit and Risk Committee considered the risks identified through the risk management process, and assurance was provided to mitigate these risks and to prevent duplication of assurance work by these providers.

# OUR GOVERNANCE REPORT CONTINUED

### Group subsidiary Finance and Risk Committees

The subsidiary Finance and Risk Committees take overarching responsibility for governance-related matters in each material subsidiary, and their activities mirror those of the Group Audit and Risk Committee and are reported to the Audit and Risk Committee. The subsidiary Finance and Risk Committees held three meetings during the year.

The executive directors and directors of key subsidiaries are responsible for ensuring that a robust internal control environment exists to ensure that

- Group assets are adequately safeguarded and used only for the purposes of value creation;
- accurate accounting records are regularly maintained; and
- all financial and operational information used in the business is reliable and accurate.

### IT Steering Committee

Embracing the principles of King IV™ and being cognisant that IT is crucial to operations, the Group has an established IT Steering Committee, which reports to the Executive Committee and the Audit and Risk Committee. The IT Steering Committee, chaired by the CFO, operates in terms of an approved Terms of Reference and comprises executives, the head of IT, the head of internal audit, and representation from subsidiary companies and outsourced service providers.

The Audit and Risk Committee evaluates the effectiveness of the IT structure of the Group, including network security and threats related to cyber crime. Regular assessments of the appropriateness of the Group's IT structures are performed internally by management and externally by assurance providers.

### Internal audit

The in-house internal audit function provides independent, objective assurance and consulting services to the Group, designed to add value and improve operations. The internal audit function assists the Group in accomplishing its objectives by adopting a systematic, disciplined approach to evaluate and improve the effectiveness of risk managemen; internal control; and operational, governance and compliance activities.

The internal audit function follows a risk-based approach and reports functionally to the Audit and Risk Committee chairperson and administratively to the CFO. The internal audit function operates in terms of an approved Terms of Reference, which is reviewed on an annual basis for relevance to the Group's strategies, operations and legislative environment.

### Company Secretary

The Board is satisfied that Company Secretary Ms Gounden's qualifications and experience are adequate to enable her to properly perform the duties of Company Secretary. Ms Gounden has performed the following functions in this capacity:

- Provided the directors with information and guidance about their responsibilities and how this should be properly discharged in the best interests of the Group
- Made the Board aware of developments in legislation that affect the business
- Assisted the Board with its annual evaluation of the Board and its subcommittees
- Provided guidance to the Board on the duties of directors and matters relating to ethics and good corporate governance
- Acted as the primary focal point in relation to directors' and employees' share trading, JSE requirements, and notification of closed periods

In accordance with good governance practice relating to company secretaries as recommended by King IV™, the Group Company Secretary is not a director of the Company and is deemed by the Board to be suitably independent. In addition, the Board is satisfied that an arm's length relationship exists between it and the Group Company Secretary.



# OUR AUDIT AND RISK COMMITTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The Audit and Risk Committee (the Committee) is governed by formal terms of reference which have been reviewed and approved by the Board. The functions of the Committee are consistent with:

- the Companies Act;
- the King IV Report on Corporate Governance™ (King IV™) for South Africa; and
- the JSE Listings Requirements.

## ROLES AND RESPONSIBILITIES

The terms of reference include the Committee's statutory duties as described in the Companies Act, King IV™, the JSE Listings Requirements, and the additional responsibilities assigned to it by the Board. In addition to its statutory duties prescribed by the Companies Act, the Committee is required to provide independent oversight of the system of internal control and risk management and the effectiveness of the internal financial controls to assist the Board in monitoring the integrity of the Group's interim and annual financial statements and other performance-related external reports. The Committee further oversees the effectiveness and independence of the Group's external and internal assurance providers and services that contribute to the integrity of the Group's financial and integrated reporting.

The Committee assists the Board by advising and making submissions on financial reporting and providing oversight of the risk management process and internal financial controls, external and internal audit functions, and other responsibilities assigned to it by the Board.

## COMPOSITION AND MEETINGS OF THE COMMITTEE

The members of the Committee remained unchanged for the 2024 financial year. The members of the Committee, as indicated below, are knowledgeable about the affairs of the Group and all have extensive expertise and experience in finance, accounting, commerce and industry, and legal and risk management practices. The members of the Committee are appointed annually at the annual general meeting (AGM). The composition of the Committee for the 2024 financial year and attendance at meetings were as follows:

| MEMBERS | QUALIFICATIONS | STATUS | ATTENDANCE |
|---|---|---|---|
| KA Lagler (Committee Chairperson)<br>Appointed 2018 | CA(SA)<br>BCom Hons (Tax) | Independent<br>Non-executive | Attended 3<br>of 3 meetings |
| WA Hanekom<br>Appointed 2016 | CA(SA) | Independent<br>Non-executive | Attended 3<br>of 3 meetings |
| BM Rapiya<br>Appointed 2016 | BAdmin | Independent<br>Non-executive | Attended 3<br>of 3 meetings |
| KC Zama<br>Appointed 2018 | CA(SA) | Independent<br>Non-executive | Attended 3<br>of 3 meetings |

The Group Chairman, CEO, CFO, Mr MI Khan (Non-executive Director), Mr GG Fortuin (Non-executive Director), Ms T Moodley (Non-executive Director), Professor E Links (Non-executive Director), senior executives, internal auditors and external auditors attend the meeting of the Committee by invitation.

The agenda of each meeting is derived from the adopted work plan of the Committee, which is based on the formal terms of reference, ensuring that the Committee discharges its responsibilities in a structured manner.

The external and internal auditors attend Committee meetings and have unrestricted access to the Committee and its chairperson and have the opportunity to address the Committee and its chairperson without management being present, which helps ensure open discussion.



# OUR AUDIT AND RISK COMMITTEE REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

## KEY FUNCTIONS OF THE COMMITTEE

The Committee performed the following duties during the year ended 31 December 2024:

- Reviewed the interim and annual financial statements of Sea Harvest Group Limited and recommended them to the Board for approval
- Reviewed the solvency and liquidity, working capital, and going concern position
- Reviewed impairment assessment calculations and considerations
- Reviewed and recommended the annual dividend proposal to the Board for approval
- Reviewed the management representation letter in connection with the audit of the consolidated and separate financial statements of the Group and Company
- Considered the independence and effectiveness of the external auditors and received and considered the external auditors reports
- Considered and nominated for approval at the AGM the external auditors and the designated audit partner for the financial year under review
- Determined the fees paid to the external auditors and auditor's terms of engagement
- Reviewed the expertise and experience of the Group's CFO and finance function
- Satisfied itself with the adequacy of the Group's internal controls, including internal controls over financial reporting
- Reviewed work plans, discussions and reports of the respective subsidiary companies' Finance and Risk Committees
- Reviewed the strategic risk register and mitigation plans put in place by management as well as outputs from subsidiaries' risk profiles
- Reviewed the fraud and defalcation reports including confirmation from management in respect of the anonymous fraud tip-off hotline
- Reviewed insurance renewal terms
- Conducted a self-assessment evaluation in accordance with the terms of reference
- Reviewed the Insider Trading Policy, Non-audit Services Policy, Fraud Prevention Policy inclusive of the Whistle-blowing Policy, having considered the extent of the fraud awareness training provided at each operational subsidiary, and the Group's manual as required by the Promotion of Access to Information Act, No 2 of 2000
- Determined the nature and extent of non-audit services and the pre-approval of such services as the Committee deemed appropriate in accordance with the approved Non-audit Services Policy
- Reviewed and approved the internal audit charter and annual internal audit plan
- Considered the effectiveness and independence of the head of internal audit and the internal audit function and received and considered the internal auditors reports
- Received and considered the JSE Proactive Monitoring Reports and satisfied itself with the responses provided to the Committee by management
- Confirmed that there were no concerns or complaints raised in relation to financial reporting matters and internal controls
- Provided oversight over information technology (IT) governance and IT risk management
- Assessed the Group's application of the King IV™ principles as set out in the King IV™ Application Register and Report on Corporate Governance
- Received reports detailing the tax status of each entity within the Group and compliance with tax laws and regulations
- Reviewed the Group's framework for determining materiality applied to ensure that significant areas of risk, complexity and judgement are included in the evaluation of internal financial reporting controls
- Considered the Group structure and the nature and size of the components forming part thereof to ensure that management has established appropriate procedures to ensure that all relevant components have submitted audited or reviewed financial reporting packages, prepared in accordance with IFRS Accounting Standards, which have been included in the consolidated financial statements of Sea Harvest, as required by paragraph 3.84(g)(ii) of the JSE Listings Requirements

# OUR AUDIT AND RISK COMMITTEE REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

## FINANCE FUNCTION

The preparation of financial reports, including the annual financial statements, were completed under the supervision of Mr M Brey (CA)SA, the Group's CFO. As required by paragraph 3.84(g) of the JSE Listings Requirements, as well as the recommended practices of the King IV™ Code, the Committee reviewed and satisfied itself that the expertise and experience of Mr Brey is appropriate to meet his responsibilities in that position. The Committee further reviewed and was satisfied that the expertise and resources within the finance function were appropriate.

## SUBSIDIARY FINANCE AND RISK COMMITTEE MEETINGS

For the Australian and Aquaculture components of the Group, respective subsidiary Finance and Risk Committees are in place that meet three times a year; coinciding with the meetings of the Committee. The Aquaculture Finance and Risk Committee meetings are chaired by the Group CFO and Sea Harvest Australia has an independent, non-executive chairperson. Group Audit and Risk Committee members, as well as the external auditors, internal auditors, and representation from Group Finance and Compliance, are invited to attend each subsidiary Finance and Risk Committee meeting.

As is relevant, the functions of these subsidiary Finance and Risk Committees are mirrored to that of the Group Audit and Risk Committee and, as such, allows for the necessary oversight and governance to be exercised through these Committees; including, risk management, internal audit, compliance, financial reporting governance, tax compliance and information technology management.

The finance, risk, audit and governance requirements of the Cape Harvest Foods component were reincorporated into the Committee during 2024.

## RISK MANAGEMENT AND COMBINED ASSURANCE

The Committee continues to exercise oversight of strategic risks that could materially impact the ability of the Group to deliver its objectives and the related mitigation plans and considers these appropriate through the adopted combined assurance approach. Assurance is obtained from several assurance providers in a co-ordinated manner to avoid duplication of effort.

For the 2024 financial year, the Committee considered the risk assessments and mitigation plans presented by management and evaluated and approved the plans of the internal audit function, the external auditors, the outcomes of the audit work performed. The Committee is satisfied that the combined assurance approach is appropriate and provides sufficient assurance over the Group's risk universe.

## IT GOVERNANCE

The Committee has oversight responsibility for IT governance and IT risk management, which is rigorously managed through the established IT Steering Committee.

IT governance and IT risk management are managed through various charters, plans, policies, procedures and practices. The Committee reviewed management's continued work in relation to, especially, the effectiveness of the technology and information environment, disaster recovery, cyber security and outsourced service providers.

The Committee is satisfied that the report of the IT Steering Committee adequately addresses IT governance and risk management requirements, including the appropriateness of IT strategy and policy, systems and network architecture, applications, disaster recovery and security management.

## EXTERNAL AUDITORS

The Committee has satisfied itself, through the evaluation of submissions made, that the external auditors of the Group and its subsidiaries are independent as defined by the Companies Act and therefore are able to express an independent opinion on the Group and Company annual financial statements. The Committee, in consultation with management, agreed to the audit fee for the 2024 financial year and evaluated the extent for non-audit work in accordance with the established policy in this regard. The policy of non-audit services establishes that non-audit work performed by the external auditor beyond an agreed rand quantum is approved by the Committee chairperson and tabled at Committee meetings at set intervals. The fees paid to the external auditors for non-audit services in 2024 related to taxation work and agreed upon procedures in respect of royalty certificates issued to the MSC. The non-audit fees in respect of 2024 amounted to 7.1% of the audit fees.

At each meeting of the Committee, the external auditor is provided the opportunity to engage with the Committee without management's presence.

Mr P du Plessis was the designated audit partner for the year ended 31 December 2024. Mr P du Plessis has confirmed to the Committee that Ernst & Young Inc. have complied with the independence requirements in terms of the Independent Regulatory Board for Auditors and the South African Institute of Chartered Accountants standards.

The Committee evaluated the information required in its assessment of the suitability for appointment of the audit firm and the designated audit partner as required by paragraph 3.84(g)(iii) of the JSE Listings Requirements.

# OUR AUDIT AND RISK COMMITTEE REPORT CONTINUED

### Key audit matters relating to the 2024 audit

The report of the independent auditors for the year ended 31 December 2024 contained the following key audit matters:

- Sea Harvest Pelagic and Aqunion provisional purchase price allocation
- Impairment assessment of Sea Harvest Australia goodwill allocated to the Fishing cash generating unit

The Committee addressed the key audit matters as follows:

- The Committee assessed procedures followed by management in accounting for acquisitions governed by IFRS 3: *Business Combinations*, which requires judgement in the identification and valuation of assets acquired and liabilities assumed. The Committee is satisfied with the outcomes of the purchase price allocation performed by management and assessed by the auditors, including the assessment of the independent valuation performed for intangible assets recognised.
- The Committee considered the rigour of impairment testing performed by management and agreed with the conclusions reached by both management and the external auditor that no impairment is required.

## INTERNAL AUDITORS

The Group's in-house internal audit function operates in accordance with the terms of reference that the Committee reviewed and approved during the reporting period. The Committee has considered the independence and effectiveness of the in-house internal audit function and considered these appropriate.

The Committee regularly evaluated the progress made in relation to the internal audit coverage plan for 2024 and is satisfied that significant matters reported to it and management by the internal audit function are appropriately remediated.

The head of internal audit has the opportunity to meet with the Committee at each meeting without management being present. On a regular basis, the chairperson of the Committee also meets with the head of internal audit and provides feedback to the Committee as appropriate.

The Committee is satisfied, through the declarations made by the internal auditors, that the assurances provided to the Committee align with the Code of Ethics of the Institute of Internal Auditors.

## ACCOUNTING PRACTICES AND INTERNAL FINANCIAL CONTROLS

The Group has designed internal financial controls and systems to provide reasonable assurances as to the integrity and reliability of the interim and annual financial information as well as to safeguard and maintain the assets of the Group.

The Committee has reviewed the written assessment performed by internal audit on the design, implementation and effectiveness of the Group's internal financial controls. Based on the results of this review, information provided by management, and in conjunction with the independent assurance providers, the Committee believes the internal financial controls are suitable and effective and provide a sound basis for the preparation of reliable financial information.

## ANNUAL FINANCIAL STATEMENTS

The Committee reviewed the annual financial statements for the year ended 31 December 2024 and is satisfied that it complies with IFRS Accounting Standards. Accordingly, the Committee recommended the annual financial statements to the Board for approval, which the Board subsequently approved.

## GOING CONCERN, SOLVENCY AND LIQUIDITY

The Committee reviewed the going concern status of the Group and the Company, which took into account cash flow analysis, operational analysis, and available funding facilities. The cash flow analysis considered material factors impacting the ability of the Group to generate or preserve cash. The Committee recommended to the Board that the going concern basis of accounting is considered appropriate, and that the Group and the Company are considered solvent and liquid to be able to distribute its proposed dividend to shareholders.



# OUR AUDIT AND RISK COMMITTEE REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

## JSE REPORTING REQUIREMENTS

The Committee evaluated the submissions made to it by the Company Secretary and management and is satisfied that the Group has met the JSE Listings Requirements and the requirements of the King IV™ Code. The King IV™ Application Register can be found on the Group's website **www.seaharvestgroup.co.za.**

## JSE PROACTIVE MONITORING REPORT

The Committee has received and considered the findings in the JSE's reports for compliance with IFRS Accounting Standards:

- Report on Proactive Monitoring of Financial Statements in 2024 (issued 7 November 2024)
- Financial instruments: Disclosures:
  - The IFRS 7 items on pages 11 to 18 of the Report on Proactive Monitoring of Financial Statements in 2023 (issued 3 November 2023)
  - Section 8: Liquidity risk (pages 21 to 24) from the Proactive Monitoring Limited Scope Thematic Review: Cash flow information and disclosures of liquidity and going concern (issued 6 October 2022)
- Specific sections from the Combined Findings of the JSE Proactive Monitoring of Financial Statements Report (issued 31 October 2024):
  - Disclosure of judgements and estimates (page 20)
  - Interim financial reporting (page 53)
  - Statement of cash flows (page 28)
  - Revenue from contracts with customers (page 42)
  - Fair value measurement disclosures (page 87)
- Fair value disclosure sections from the Investment Property: Common Findings Report (issued 3 November 2020)

The Committee has ensured that, where applicable, the contents of these reports have been appropriately actioned in the preparation of the consolidated and separate annual financial statements for the year ended 31 December 2024.

## JSE REPORTING REQUIREMENTS 3.84(K)

The Committee considered the approach adopted by management to ensure that the CEO and CFO responsibility statement sign-off on the annual financial statements and internal financial reporting controls in terms of JSE Listings Requirement 3.84(k) is appropriately supported.

The Committee, in satisfying itself in this regard, has evaluated

- the consistency of the processes adopted in respect of risk assessment and scoping, including the determination of materiality applied to ensure that significant areas of risk, complexity and judgement are included for the evaluation of internal financial reporting controls; and
- at each reporting period, the assessment of controls following a combined assurance approach, including management declarations and internal audit findings, following their assessment of the operating effectiveness of internal financial reporting controls.

The Committee is satisfied that this aforementioned process was applied to all material subsidiaries. The Committee will continue to monitor progress in the implementation of amended and supplementary controls over financial reporting and formal remediation plans developed to address control deficiencies identified in operating effectiveness and design.

The Committee discussed and documented the basis for its conclusion, which includes discussions with internal audit, external audit and management.

The Committee believes that the Group's internal financial reporting controls can be relied upon as a reasonable basis for the preparation of the annual financial statements.



31 March 2025

**KARI LAGLER**
**CA(SA)**
*Chairperson of the Audit and Risk Committees*

## CONCLUSION

I wish to extend my thanks to my fellow Committee members for the work undertaken during this reporting period. On behalf of the Committee, I wish also to thank the invitee non-executive and executive directors, management, and assurance providers for their contributions to the Committee this year.

# OUR SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE REPORT

**We achieve our mandate by ensuring bold and ethical leadership. In this report, we describe how we discharged our duties during the 2024 financial year.**

Sea Harvest Group's Social, Ethics and Sustainability Committee (the Committee) is tasked with monitoring the business' performance as a responsible corporate citizen and to perform its statutory functions in terms of the Companies Act, King IV™ and the JSE Listings Requirements, the Committee's Terms of Reference, internal policies, and any other applicable legislation. The Board subcommittee fulfils an independent role while remaining accountable to the Board.

## OUR MANDATE

The Committee is mandated to ensure that the Group maintains its commitment to:

- overseeing the interplay between the environment and ecosystems of the planet, particularly the impact of the Group on the natural world, and reducing it where possible;
- considering how the business interacts with its social stakeholders, both within and outside the Group; and
- guaranteeing transparent and ethical conduct by the Group and its leaders regarding regulations and oversight to ensure that the business continues to act in the best interest of stakeholders.

## MEMBERSHIP AND COMPOSITION OF THE COMMITTEE



4|4

**F ROBERTSON**
*Non-executive Chairperson*



4|4

**BM RAPIYA**
*Lead Independent Non-executive Director*



4|4

**CK ZAMA**
*Independent Non-executive Director*



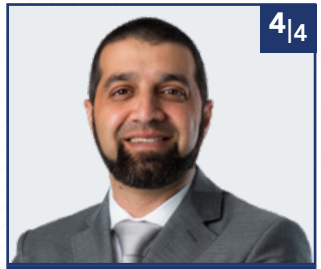
3|4

**MI KHAN**
*Non-executive Director (retired 27 Feb 2025)*



4|4

**T MOODLEY**
*Non-executive Director*



4|4

**M BREY**
*Group Chief Financial Officer*

## COMMITTEE INVITEES



4|4

**F RATHEB**
*Group Chief Executive Officer*



4|4

**M KHUMALO**
*Strategic Services Director: South African Fishing Group*



3|4

**T BROWN**
*Operations Executive: South African Fishing Group*



3|3

**I DWAYI**
*Group HR Director*

● Chairperson
Meetings attended

# OUR SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE REPORT CONTINUED

## THE YEAR UNDER REVIEW

In 2024, the Committee's efforts were focused on upholding its commitment to the three key aspects (environment, social and governance) of its mandate. The Group aims to adapt to a constantly evolving world by developing, adapting and solidifying ESG practices that not only safeguard the environment but also contribute to building a better and just society through integrity and positive contributions. Furthermore, the Group revised its sustainability-linked loan with SBSA, thereby allowing it to extend its focus to wider ESG targets within hake operations.

## OUR 2024 TARGETS

1. Undertake a new ESG double materiality assessment aligned with the UN SDGs
2. Maintain a Level 1 B-BBEE rating
3. In terms of safety, reduce the Group's DIFR and LTIFR
4. Continue investing in the communities in which we operate
5. Reduce Scope 1 carbon intensity and increase training spend by 2%, respectively, and reduce overall water usage by 4% in the South African Fishing Group hake operations from 2023

## ESG DOUBLE MATERIALITY ASSESSMENT

Over the past seven years, the Group has undergone significant transformation. It has evolved from a business focused solely on harvesting a single fish species to one that engages in the capture of different species in multiple sectors. Additionally, the Group has expanded beyond fisheries and seafood into complementary protein sectors, including dairy and convenience foods. Its operations have also grown across multiple jurisdictions and communities.

Given these changes, it is evident that the Group's identity has evolved, necessitating a reassessment and renewal of its ESG double materiality. Through this journey and changes, the Group remains committed to minimising its environmental impact, fostering gainful employment, and contributing to societal well-being by addressing socio-economic challenges in South African communities. Furthermore, it remains dedicated to upholding integrity and the highest standards of corporate governance.

The Group undertook ESG double materiality workshops to identify and define its top ESG material matters. The process aimed to identify significant ESG matters that affect the Group across its entire operations. The process involved a three-step approach:

1. **Desktop review:** Analysed the material issues within Sea Harvest's sectors to establish high-level ESG material issues.
2. **ESG materiality workshops:** Conducted a series of sessions facilitated by *Unifi* to identify, analyse and evaluate key ESG material issues. The sessions included, *inter alia*, a sector analysis and ESG material matter identification, including definitions and rankings.
3. **Roadmap development:** Created a sustainability roadmap based on the identified ESG matters, outlining strategies, measures and activities that should be considered.

| RANKING | ESG MATERIAL MATTERS | MATERIAL SUMMARY |
|---|---|---|
| 1 | **Service delivery challenges** | Government service delivery challenges create significant operational impediments and threaten business efficiency |
| 2 | **Health and safety** | Ensuring workforce, workplace and asset safety is critical to protect employees and prevent operational disruptions |
| 3 | **Group economic performance and value-add** | Sustained economic performance and value-add are key to long-term profitability and community impact |
| 4 | **Group leadership and culture** | A high-performance culture and strong labour relations are essential to integrate new businesses and drive success |
| 5 | **Scarcity and mobility of Human Capital** | Addressing Human Capital scarcity is crucial to sustain growth and ensure a competitive edge |
| 6 | **Climate change impacts** | Climate change disrupts resource availability and operations, requiring adaptive strategies for sustainability |

For more information on our ESG material matters refer to the 2024 **ESG** Report.

# OUR SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE REPORT CONTINUED

## WORKPLACE SAFETY

**SAFETY:** In 2024, the Group faced two devastating health and safety incidents with the sinking of two vessels.

In May, the *MFV Lepanto* tragically sank, resulting in the loss of 11 crew members. Nine survivors were rescued from a life raft by one of the Group's other vessels, thankfully without physical injuries. We immediately provided support and counselling to the survivors, ensuring their well-being in the aftermath of this traumatic event. We also extended our deepest care and assistance to the families of the 11 employees who are presumed dead, offering them ongoing support during their time of bereavement. In addition, the Group co-operated fully with regulators as part of the investigation into the sinking, which has now been referred to a Marine Court of Enquiry by the Department of Transport. Our thoughts remain with the families of our deceased colleagues.

In October, the *MFV Armana* sank due to a fire on board. Fortunately, all 20 crew members were rescued without injury. The survivors received counselling, and while some took time off to recover, all have since made the decision to return to work.

These tragedies have deeply impacted us, reinforcing our unwavering commitment to the safety and well-being of our people. We remain dedicated to supporting our employees and their families while continuously improving our safety measures to prevent such incidents in the future. These events afforded us the opportunity to provide our employees who work in high-risk areas of our business with multiple refresher training workshops (at all levels) to ensure they remain equipped to manage potential hazardous situations. These included, *inter alia*:

- unplanned emergency drills on board vessels;
- marine firefighting familiarisation; and
- survival equipment and techniques familiarisation.

These practical and theoretical interventions were a refresher initiative as all employees had previously undertaken the training in order to qualify to go to sea. In addition to these interventions, the Group is trialing additional practical safety interventions with the endorsement from the regulator. Should these interventions be successful, there is an opportunity for them to be promulgated to the rest of the sea-going sector through the regulator.

As a Group, 2024 gave us the opportunity to reinforce our commitment to health and safety by continuously communicating its importance to all employees. Emphasising adherence to safety initiatives and best practices across the Group remains a top priority to ensure a culture of accountability and well-being in the workplace.

During 2024, the Group saw an increase in its DIFR from 0.03 in 2023 to 0.21 for the year. Furthermore, its LTIFR increased from 3.97 in 2023 to 4.54 in 2024 due to the sinking of the *MFV Lepanto*.



# OUR SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE REPORT CONTINUED

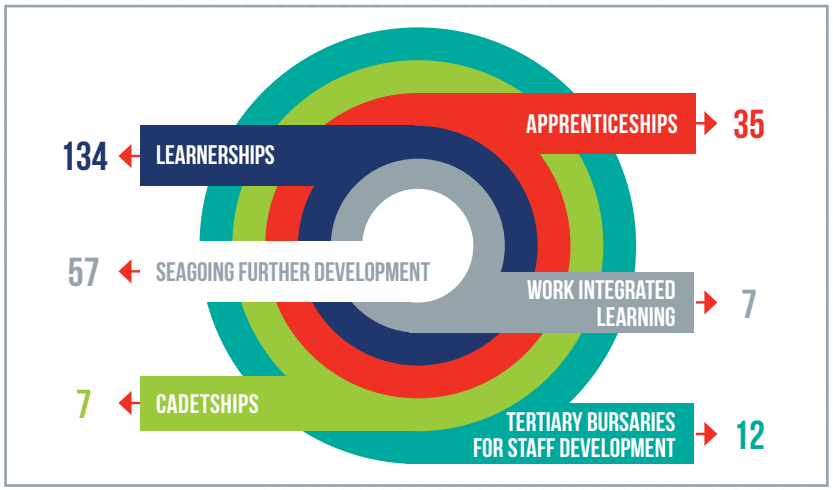
## WORKPLACE DIVERSITY AND SKILLS DEVELOPMENT

As a business, it is essential that we foster workplace diversity in alignment with both the country's broader economic needs and our internal employment equity plans. In 2024, we engaged with the Department of Labour and Employment to gain a comprehensive understanding of the proposed sector-specific employment equity targets. This engagement was crucial to ensure that our proposed targets not only align with national objectives but that they are feasible within the current skills landscape of our Company and the wider South African economy.

Given the scarcity of critical skills in South Africa and the competitive landscape in attracting and retaining such expertise, the Group remains committed to strategically securing and sustaining key talent. This commitment is further strengthened by our focus on developing a robust talent pipeline across all management levels, with a particular emphasis on retaining high-potential employees.

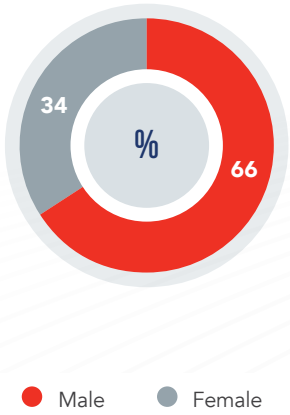
To support these objectives, we redeveloped and restructured our group graduate programme in 2024. The revised programme is designed to attract diverse talent across multiple disciplines and provides a structured two-year development plan. This initiative ensures that graduates undergo comprehensive training, equipping them with the necessary skills and experience to become well-rounded, highly capable professionals in our organisation

### DEVELOPMENTAL PROGRAMMES*




** Number of employees enrolled during 2024. Excludes other forms of ad hoc skills development interventions undertaken by employees*

### WORKPLACE DIVERSITY






These initiatives are managed through the implementation of an enhanced Human Resources Information System, designed to streamline HR processes, facilitate informed decision-making, and support the achievement of strategic targets.

Additionally, as part of the ongoing reconfiguration of HR processes within the Group (following years of expansion through the integration of new companies), 2024 presented an opportunity to align Company policies and lay the foundation for a unified organisational culture. This alignment marks the initial phase of fostering a cohesive Group culture – one that will support the business's long-term growth and sustainability.

For further information about the implementation and results of our HR policies, refer to our Human Capital on **pages 46 to 47** of this report.

# OUR SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE REPORT CONTINUED

## OUR SOCIO-ECONOMIC DEVELOPMENT (SED)

The Sea Harvest Foundation (the Foundation) remains a vital platform through which we extend our positive impact on the communities we serve. In 2024, we remained dedicated to fostering inclusive economic participation, strengthening education, and promoting sports and youth development. A key highlight of the year was our bursary programme through FEDRATI (an initiative between the Fisheries Fund and CPUT), which supported 35 tertiary students in their academic journeys in fields related to the Group or the wider oceans economy. We were also pleased to welcome the newly acquired companies into the Foundation, ensuring that their CSI initiatives align with the Group's broader vision for community upliftment.

Reaffirming our commitment to social well-being, the Foundation continued its strong partnership with the Department of Social Development's satellite office in Saldanha Bay. This collaboration has been instrumental in providing critical support to address pressing societal challenges, including substance abuse, child neglect, and other social issues affecting South African communities. We are especially pleased that this partnership was extended for an additional three years, ensuring continued assistance where it is most needed.

In our ongoing efforts to combat hunger and enhance food security, the Foundation's fish donation programme saw remarkable growth and impact in 2024. Partnering with Harbour of Wellness for People with Disabilities, Huis van Heerde, Lily Haven, Eleanor Murray Residence, and the Paternoster Project, we provided essential nutrition to beneficiaries across organisations within our operational areas.

Additionally, our third annual Golf Day provided an opportunity to engage stakeholders; share updates on our initiatives; and showcase the real, tangible impact of our work. The event not only strengthened our network but also raised crucial funds to support our ongoing community efforts.

At the heart of our work is the unwavering dedication of the Foundation's Board, which remains focused on collaboration and integration – both within the Group and with external partners. By working together and leveraging collective resources, we are confident that we can create an even greater impact, ensuring that our communities continue to thrive.

Our **ESG** Report provides more detailed insights into the projects supported by the Sea Harvest Foundation.

Refer to our Social and Relationship Capital on **pages 48 to 49** and the stakeholder section for industry partners on **page 40** of this report.

## OUR CHALLENGES

- Two major health and safety incidents in the year with the sinking of the *MFV Lepanto* and *MFV Armana* and the resultant death of 11 employees.
- The suboptimal performance of the Group's desalination plant in Saldanha Bay. Operational challenges experienced during the year resulted in the plant requiring major maintenance and the development of a new repair and maintenance programme. Due to these challenges, the Group utilised more fresh water at its largest site during 2024. The desalination plant has since resumed full operational capabilities.
- The acquisitive expansion of the Group over the past six years has caused our organisation to encounter ongoing challenges in standardising sustainability and social initiatives across subsidiaries and sites. While notable progress has been made, there is still work to be done in consolidating the overall ESG portfolio within the business.

For more information on our ESG journey, refer to the **ESG** Report.

## OUR SUPPLIER AND ENTERPRISE DEVELOPMENT

Through its procurement policies, Sea Harvest fosters economic growth and supports local enterprises. Each year, the Group spends over R1 billion on procuring goods and services from majority black-owned businesses, while approximately R790 million is directed toward SMMEs, primarily in the rural communities where we operate.

Many small businesses have experienced significant growth because of their ongoing partnerships with Sea Harvest. In addition, we actively support businesses within the fishing industry, assisting them in strengthening their operations and contributing to the sector's overall sustainability and success. Refer to our Social and Relationship Capital on **pages 48 to 49** and the stakeholder section for industry partners on **page 40** of this report.

# OUR SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE REPORT CONTINUED

## SUSTAINABILITY AND ENVIRONMENTAL MANAGEMENT

The Group is committed to ensuring that its operations are both profitable and sustainable, recognising the critical importance of responsible resource management, particularly as our products depend on nature. To achieve this, we actively pursue initiatives focused on marine and freshwater conservation, effective waste management, and the transition to clean energy. In the fishing sector, sustainability is guided by scientific principles that govern responsible harvesting. This approach ensures marine resources can replenish, securing the long-term viability of our operations. By upholding these standards, Sea Harvest reinforces its dedication to responsible business practices, preserving natural resources for future generations.

Throughout 2024, the Group remained focused on ensuring that all subsidiary operational sites, cold storage facilities, distribution centres, offices, and other key entities complied with regulatory requirements. Additionally, we conducted a thorough assessment of our adherence to responsible business practices as outlined by the Committee. We also continued efforts to strengthen internal environmental controls and enhance data management systems across the organisation.

**SUSTAINABLE FISHING:** The Group's most significant environmental impact occurs at sea, making it essential to manage fisheries responsibly and minimise disruptions to marine habitats. Ensuring the health of fish populations and ecosystems is a top priority, which is why all our marine operations follow a rigorous biological management framework.

Our Cape Hake operations, Shark Bay Prawn Managed Fishery, and the Exmouth Gulf Prawn Managed Fishery have all achieved MSC certification – a globally recognised benchmark for sustainability in wild-capture fishing. This certification is awarded through an independent third-party assessment based on the MSC's three core sustainability principles.

In our pelagic operations, Marin Trust certification ensures that our marine ingredients, particularly anchovy, are produced to the highest standards of safety and quality while prioritising environmental responsibility.

For more information on the status of the Group's target species, refer to the **ESG** Report.

**WATER MANAGEMENT:** Throughout 2024, we continued to enhance our water management procedures. By expanding water meter coverage across all sites, including the installation of new metering at one of our aquaculture facilities, we have achieved greater measurement accuracy and improved troubleshooting capabilities.

This increased data collection provides the Group with a refined understanding of water consumption patterns across its operations, enabling real-time analysis and more informed decision-making. To further optimise freshwater usage, we have allocated additional resources to extend our water management protocols to more sites within the Group. These resources support a swift response to fluctuations in freshwater consumption and promote an integrated management approach across all business units to identify and implement effective solutions.

Additionally, as part of our ongoing efforts to improve efficiency, we continue to utilise seawater for cleaning and other non-potable applications, while implementing low-flow devices across factory water sources to further reduce consumption.

**WASTE MANAGEMENT:** We are always seeking opportunities to donate, repurpose or sell waste from our operations to reduce our waste to landfill. In 2023, the Group launched recycling initiatives at our facilities in Cape Town and Mossel Bay, marking the beginning of our recycling journey. The progress at these sites during 2024 has already yielded positive results, increasing the Group's recycled waste percentage from 74% in 2023 to 88% in 2024. This improvement reflects our ongoing efforts and increased investment in waste management processes.

One of our key challenges is finding a sustainable solution for the disposal of our old fishing nets. Recycling services for these nets are not readily available in South Africa, requiring us to engage with potential service providers from the ground up. While we trialled various recycling techniques with multiple providers in 2024, none have proven viable for consistent, large-scale implementation. However, we remain optimistic in finding a solution, and in that regard, we have partnered with industry stakeholders on a new trial project to explore sustainable disposal methods during 2025.

Additionally, in 2024, we expanded our schools recycling project beyond Saldanha Bay to include St Helena Bay. This initiative is part of our broader sustainability goals to actively engage stakeholders in environmental efforts. By supporting selected schools in establishing recycling facilities and educating students on waste management, we are fostering a culture of environmental responsibility. Through collaboration with the Saldanha Bay Municipality, participating schools have also been able to generate additional income from their recycling efforts, further reinforcing the benefits of sustainable practices.

# OUR SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE REPORT CONTINUED

**ENERGY:** Building on our commitment to energy conservation, the past two years have marked significant progress in our renewable energy initiatives. As previously highlighted, we actively explore alternative energy sources, starting with the installation of wind turbines at our largest aquaculture facility. While grid electricity remains essential at this site, our transition to wind energy at Buffeljags has significantly reduced reliance on conventional power.

**Expanding this progress, the Group now operates six solar installations across its operations, with a combined capacity of 3 058kWp. This ensures that the Group has a stable energy supply while increasing the share of renewable energy in its overall mix.**

1. Ladismith **1 627kWp**
2. Whale Rock **654kWp**
3. West Point **250kWp**
4. Romansbaai **240kWp**
5. Aqunion Processing Facility **172kWp**
6. Marifeed **115kWp**

Beyond integrating renewable energy into our mix, we remain committed to improving energy efficiency in our traditionally powered operations. At the newly acquired Romansbaai abalone farm, an innovative seawater dam system helps manage electricity consumption by filling during low-tariff periods and supplying water when energy costs are high. This approach optimises operational efficiency, lowers costs, and reduces grid dependency. The farm also features sub-meters in high-energy areas for better consumption management.

**Across the Group, additional energy efficiency measures include**

- installing LED lighting to lower energy consumption;
- transitioning to energy-efficient equipment and ensuring it operates only when necessary;
- replacing traditional refrigeration techniques with thermosiphon oil cooling systems for enhanced efficiency; and
- implementing load management strategies to optimise power usage.

These efforts collectively reinforce our dedication to sustainability, ensuring that we continue to reduce our environmental footprint while enhancing operational efficiency.

For more information on our energy usage and emissions, refer to the **ESG** Report.

## OUR PERFORMANCE IN RELATION TO OUR TARGETS IN 2024

- Engaged in meaningful ESG matters with the inclusion of the newly developed ESG material matters, including improved disclosure for all our stakeholders with our fourth standalone **ESG** Report
- Achieved a Level 1 B-BBEE rating
- Spent R50 million on skills development and R129 million on enterprise and supplier development
- The Group's DIFR increased to 0.21, while its LTIFR increased to 4.54 due to the sinking of the *MFV Lepanto*
- Continued investing in the communities in which we operate through student bursary programmes, food donations, community projects, and support for youth education initiatives at high schools and tertiary institutions
- Achieved all of the SBSA sustainability loan targets set for the reduction of Scope 1 carbon intensity and increasing training spend by 2%, respectively, and the reduction of overall water use by 4% in the Group's South African Fishing Group hake operations relative to 2023

## OUR OUTLOOK

- Engage the Group's subsidiaries on ESG matters; the impacts, risks and opportunities they present; and ways in which we can enhance our response to the UN SDGs
- Analyse vessels that utilise freon and the expenditure required to convert to non-freon gases
- Reduce the Group's waste to landfilll and reduce food loss and waste by 50% by 2030
- Our long-term targets include eliminating unnecessary and problematic packaging and increasing the reuse, collection and recycling of all waste



**FRED ROBERTSON**
**DPhil (h.c.)**
*Chairperson of the Social, Ethics and Sustainability Committee*

# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT

## THIS REPORT COMPRISES THREE PARTS

1. **THE NOMINATION AND REMUNERATION COMMITTEES' CHAIRPERSON'S REPORT**

The Nomination and Remuneration Committees' (the Committee) Chairperson's Report provides an overview of performance and remuneration in the 2024 financial year along with details of the governance arrangements in place with respect to nomination and remuneration. The Group has a single committee that deals with both nomination and remuneration matters and the Committee therefore prepares a single report combining both.

2. **FORWARD-LOOKING REMUNERATION POLICY**

The remuneration philosophy, policy and framework to be tabled at the AGM for a non-binding advisory vote by the Group's shareholders.

3. **IMPLEMENTATION REPORT**

The implementation of the Remuneration Policy in the 2024 financial year, which is to be tabled at the AGM for a separate non-binding advisory vote by the Group's shareholders.

## MEMBERSHIP AND COMPOSITION OF THE COMMITTEE

Chairperson — Invitee



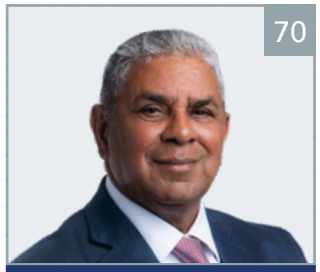

**WA HANEKOM**
*Independent Non-executive Director*
*Appointed to board: 2016*
2/2 MEETINGS ATTENDED



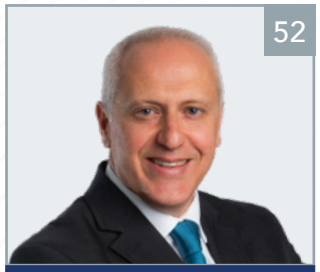

**BM RAPIYA**
*Lead Independent Non-executive Director*
*Appointed to board: 2016*
2/2 MEETINGS ATTENDED




**MI KHAN**
*Non-executive Director*
*Appointed to board: 2016 (retired 27 Feb 2025)*
2/2 MEETINGS ATTENDED




**F ROBERTSON**
*Non-executive Chairperson*
*Appointed to board: 2009*
2/2 MEETINGS ATTENDED




**F RATHEB**
*Group Chief Executive Officer*
*Appointed to board: 2009*
2/2 MEETINGS ATTENDED

# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

## 1 THE NOMINATION AND REMUNERATION COMMITTEES' REPORT

### BACKGROUND

Sea Harvest, as a responsible corporate citizen, remains committed to ethical leadership and responsible corporate governance practices thus creating sustainable growth in shareholder value through consistent improvement in earnings, clear growth and expansion of capital, and engaging with its shareholders and stakeholders.

This report describes the material matters dealt with by the Committee and summarises the Group's approach to fair, responsible and transparent remuneration. The report sets out how the Committee has discharged its duties in terms of statutory requirements as well as additional duties assigned to it by the Board in respect of the financial year ended 31 December 2024. This report also provides an overview of the Group's approach to nomination matters and the remuneration philosophy, policy and framework, with a particular emphasis on executive directors, non-executive directors and management.

### OVERVIEW OF PERFORMANCE AND REMUNERATION

The Sea Harvest Group experienced its most challenging year since listing in 2017, impacted by hake catch rates at historical lows, weak market conditions in abalone, continued soft global prawn pricing, and high interest rates. This was offset by strong demand and improved pricing in hake, a solid performance from the newly acquired Sea Harvest Pelagic business, and a firm result from Ladismith despite challenges from FMD, resulting in the Group delivering **EBIT** of R609 million (2023: R577 million, up 6%) and **HEPS** of 55 cents (2023: 100 cents, which included a once-off gain on purchased loans of R93 million that contributed 34 cents to HEPS).

The **South African Fishing Group** includes Sea Harvest Corporation, the legacy hake business, and Sea Harvest Pelagic, the newly acquired pelagic fishing business:

- Celebrating its 60th year in existence, **Sea Harvest Corporation** continued to be affected by challenging fishing conditions with catch rates at historical lows (down 25% since 2021) leaving the Group significantly behind in catching its quota and resulting in 7% lower total catch volumes. Benefiting from strong demand in all markets and channels and significantly improved pricing, revenue increased by 7% to R3.425 billion (2023: R3.201 billion). The deleveraging effect of the low catch rates and volumes resulted in operating profit of R329 million (2023: R377 million) at an operating profit margin of 10% (2023: 12%). The segment secured four hake trawlers to replace lost capacity and renew the fleet.
- **Sea Harvest Pelagic**, now 120 years old, performed well, benefiting from good local industrial fish and pilchard catch volumes and resultant efficiencies, delivering revenue of R970 million and operating profit of R183 million (19% operating margin) since acquisition.

**Sea Harvest Aquaculture** includes Viking Aquaculture and Aqunion, the newly acquired abalone group. Benefiting from the inclusion of Aqunion since acquisition, revenue in the segment increased to R324 million (2023: R136 million, up 138%). However, the segment was challenged by weak market conditions in the Far East and increased competition impacting sales volumes, mix and pricing (which is down 35% since pre-COVID-19). After accounting for R3.6 million (2023: R14.6 million) of fair value adjustments to biological assets and related stock, the segment delivered EBIT of R15 million (2023: R84 million, including the R93 million gain on purchased loans).

**Cape Harvest Foods:** Revenue decreased by 9% to R1.73 billion (2023: R1.9 billion) largely as a result of the deconsolidation of BMFM from the second half of 2023. On a like-for-like basis, revenue increased by 4% to R1.73 billion (2023: R1.65 billion) with good milk flow growth driving higher sales volumes partially offset by lower average pricing. Despite the South African dairy segment being severely impacted by the FMD outbreak in the Eastern Cape, the segment delivered operating profit of R92 million (2023: R81 million), 12% ahead of 2023 at an operating profit margin of 5% (2023: 4%).

**Sea Harvest Australia:** Revenue decreased 13% to R997 million (2023: R1.14 billion), with high global prawn inventories continuing to drive lower prawn pricing (down 23% since 2022). Both the Shark Bay and Exmouth prawn fisheries displayed good species and size mix; however, total prawn catch volumes were still 28% below the 10-year average. A strong resource recovery resulted in increased scallop and crab quota with good catch volumes achieved by the fleet. As a result of clearing low-margin prior-season stock, soft prawn pricing, and lower prawn volumes landed, the segment broke even at operating profit level in 2024 (2023: R15 million profit).

# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

The Group increased **revenue** by 16% to R7.18 billion (2023: R6.20 billion), benefiting from the inclusion of Sea Harvest Pelagic and Aqunion, and delivered **operating profit** of R580 million (2023: R462 million), an increase of 26%, with **operating profit margin** improving to 8% (2023: 7%).

**Fair value** losses of R7 million (2023: R17 million gains) included the R11 million effects of discounting relating to the contingent consideration offset by R4 million gains on the fair value adjustment to biological assets and related stock. The Group recognised a **gain on bargain purchase** of R28 million relating to the Sea Harvest Pelagic acquisition.

This resulted in Group **EBIT** increasing by 6% to R609 million (2023: R577 million, including the R93 million gain on purchased loans) with the Group **EBIT margin** at 8% (2023: 9%).

**Net finance costs,** which include investment income and interest expense, increased by 24% to R276 million (2023: R223 million) as a result of higher levels of debt (including the acquisition debt) during the year.

**Profit after tax attributable to shareholders of Sea Harvest** for the year decreased by 20% to R227 million (2023: R282 million) and **headline earnings** decreased by 37% to R174 million (2023: R275 million).

**Basic EPS** decreased 29% to 72 cents (2023: 102 cents) and **basic HEPS** decreased 45% to 55 cents (2023: 100 cents). The Group's results for the year ended 31 December 2023 included a once-off gain on purchased loans of R93 million, which contributed 34 cents to **EPS** and **HEPS**.

The Group declared a full and final cash ordinary **dividend** of 22 cents (2023: 40 cents, down 45%) per share in respect of the year ended 31 December 2024.

Sea Harvest continued to execute on its growth strategies and, in May 2024, concluded the transaction to acquire the following entities

- 100% of Terrasan's subsidiaries engaged in the catching, processing and sale of pelagic fish **(Saldanha)**; and
- 63.07% of Terrasan's subsidiaries engaged in the farming, processing and sale of abalone **(Aqunion)**.

The transaction diversifies Sea Harvest into pelagic fishing and rounds out the Group's exposure to all material wild-caught fisheries in South Africa, while the abalone business doubles in size. Importantly, the acquisition increases the Group's hard currency earnings, with the **international revenue mix** increasing to 51% in 2024 (2023: 49%).

Underpinned by its **Level 1 B-BBEE contributor status** and **c.95% black ownership,** transformation remains core to Sea Harvest's existence and strategy of driving social change. The Group spent R5.03 million on social economic development (including projects focused on job creation, youth and rural development, education, health, and local communities) and a further R15 million on supplier and enterprise development initiatives in 2024 to fuel broad-based economic growth and social transformation in mainly rural areas.

In 2025, following a number of years of organic and acquisitive growth of the Group, the Group enters a consolidation phase focusing on non-core asset disposals, efficiencies, cost containment, cash generation, and debt reduction. In line with this, the Committee will continue reviewing the Group's remuneration structures to ensure that these are fit for purpose and drive the behaviours required of employees.

Further details on specific activities of the Committee during the year are set out in this report.

The following changes to the Remuneration Policy are planned from the 2025 financial year:

- Introduction of a minimum shareholding requirement (MSR) for the CEO, CFO and senior executives – see **pages 138 and 144**
- A change in the STI performance measures for the CEO and CFO – see **page 136**
  - Previously, the STI financial performance measure for the CEO and CFO was a combination of EBIT (50%) and HEPS (50%)
  - From the 2025 year, this is now 100% HEPS
- A change in the weightings allocated to the LTI targets – see **pages 137 to 138**
  - Transformation weighting decreases from 33.3% to 16.6%
  - ROCE weighting increases from 33.3% to 41.7%
  - HEPS weighting increases from 33.3% to 41.7%

The Committee remains confident that the Group's remuneration philosophy and policy are aligned with its strategy and have contributed to the Group's growth. The Committee is also satisfied that the Remuneration Policy achieved its objectives in the 2024 financial year.

# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

## GOVERNANCE

The Committee was established to assist in monitoring the Group's nomination and remuneration practices and performance and to perform the functions required of a nomination and remuneration committee in terms of the Companies Act, King IV™, the JSE Listings Requirements, the Committee's Terms of Reference (the Charter), the Group's Remuneration Policy, and any other applicable legislation.

The Committee is a subcommittee of the Group's Board of Directors and has an independent role with accountability to the Board.

The Committee operates in terms of a formally approved Charter that was approved by the Board on 12 January 2017 and is reviewed annually, with the Charter having been reviewed by the Committee in November 2024.

The Charter is available at:
**https://seaharvestgroup.co.za/investors/governance/**

## COMPOSITION OF THE REMUNERATION COMMITTEE

In line with best practice, the majority of the Committee members are independent non-executive directors of the Group. For the period under review the Committee comprised:

| MEMBERS | QUALIFICATIONS | STATUS | AGE | APPOINTED TO BOARD |
|---|---|---|---|---|
| WA Hanekom | CA(SA) | Chairperson, Independent Non-executive Director | 66 | 2016 |
| BM Rapiya | BAdmin | Independent Non-executive Director | 72 | 2016 |
| MI Khan *(retired 27 Feb 2025)* | CA(SA) | Non-executive Director | 59 | 2016 |

The chairperson of the Board is an *ex officio* member of the Committee. To assist the Committee with the execution of its mandate, the CEO attended the meetings in the 2024 financial year.

Invitees attend Committee meetings but are not present when their remuneration is discussed and hold no voting powers. Similarly, Committee members do not decide on their own remuneration.

The Committee holds two meetings a year (in line with its Charter) and brings matters within its mandate to the attention of the Board on a quarterly basis and as occasion requires. The attendance record of the Committee is set out in our Governance Report on **page 112**.

## COMPOSITION OF THE NOMINATION COMMITTEE

The Nomination Committee deals with dedicated nomination matters and comprises three members:

| MEMBERS | QUALIFICATIONS | STATUS | AGE | APPOINTED TO BOARD |
|---|---|---|---|---|
| WA Hanekom | CA(SA) | Chairperson, Independent Non-executive Director | 66 | 2016 |
| BM Rapiya | BAdmin | Independent Non-executive Director | 72 | 2016 |
| MI Khan *(retired 27 Feb 2025)* | CA(SA) | Non-executive Director | 59 | 2016 |

## INDEPENDENT EXTERNAL ADVICE

The Committee actively sources independent external advice on remuneration trends and benchmarks for executive directors and executives and retained the services of Bowmans and Khokhela Remuneration Advisors during the year. Sea Harvest uses the Remchannel survey to benchmark the salaries of employees. The Committee is satisfied that the advisors were independent and objective.

# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

## ROLES AND RESPONSIBILITIES OF THE COMMITTEE

**The role of the Committee in respect of nomination matters is to have oversight of**

- the process for nominating, electing and appointing members of the Board;
- the attributes of the members of the Board;
- the independence of the Board members;
- succession planning in respect of Board members; and
- the Company's policy on diversity (including gender) for the nomination and appointment of directors.

**The role of the Committee in respect of remuneration is to assist the Board to ensure that**

- the employee value proposition promotes fair, responsible, transparent remuneration and reasonable employment practices;
- the review of executive performance is conducted;
- the Group remunerates executive and non-executive directors fairly and responsibly; and
- the disclosure of directors' remuneration is accurate, complete and transparent.

**The Board delegates the following responsibilities to the Committee**

- Determine the Group's remuneration philosophy and policy to ensure alignment with the Group's strategy
- Review and approve the composition of remuneration packages for executive directors and senior executives to ensure that the Group remunerates fairly and responsibly
- Recommend the remuneration of non-executive directors
- Determine the performance criteria and targets for both STIs and LTIs
- Approve the allocation and award of FSP shares in terms of the Group's LTI plan rules
- Consider the composition and performance of the Board as well as succession planning
- Consider the succession planning for the Board, executive directors, and key senior executives

During the 2025 financial year, the main focus of the Committee is expected to be ensuring that the Remuneration Policy is effective and drives the required behaviours of management and employees. This is particularly important due to the challenging 2022, 2023 and 2024 financial years combined with the organic and acquisitive growth experienced by the Group over the last few years and the alignment and integration of these businesses within the Group. For more information on the Group's compliance with King IV™ in terms of diversity and succession planning, refer to the Group's King IV™ Application Register on its website: **www.seaharvestgroup.co.za/investors/governance/**

**The Committee will also provide input when requested with regard to the integration of the Group's acquisition targets.**

**In satisfying its mandate during the year under review, the Committee**

- considered nomination matters;
- reviewed the composition of the Board and its committees;
- considered the diversity of the Board;
- reviewed the performance of the Committee;
- considered succession planning for the Board, CEO and Executive Committee;
- considered the executive depth in the Group;
- reviewed the independent directors' (including the chairperson's) outside professional commitments;
- reviewed the independence of directors;
- deliberated on the Board's diversity policy and targets;
- approved the STI payments for the 2023 and 2024 financial years;
- reviewed and approved the performance metrics and rules of the STIs for the 2024 and 2025 financial years;
- reviewed the performance of the CEO and CFO for the 2023 and 2024 financial years;
- set the financial targets and functional targets for the CEO, CFO and Executive Committee for the 2025 financial year;
- considered and approved the vesting of the 2024 and 2025 tranches of FSPs;
- considered and approved the allocation and award of shares in terms of the Group's FSP to eligible participants, including performance hurdles;

# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

- considered and approved the allocation and award of retention shares in terms of the Group's FSP;
- benchmarked packages of the CEO, CFO, executive directors and senior executives with external service providers for recommendation;
- considered and approved the increases in guaranteed pay for executives and employees in management positions (where applicable) for the 2024 and 2025 financial years;
- considered and approved the increases in guaranteed pay for salaried employees for the 2024 and 2025 financial years;
- considered and recommended the increases in fees for non-executive directors for the 2024 and 2025 financial years;
- considered for approval by the Board the mandate for 2024 and 2025 plant level and bargaining council wage negotiations;
- considered for approval by the Board the *ex gratia* bonus payments (where applicable) to employees;
- considered for approval by the Board remuneration-specific resolutions to be approved by shareholders at the AGM;
- considered the Committee's Charter and the Remuneration Policy;
- implemented the Committee's Charter and ensured its alignment with King IV™;
- set the annual work plan for the Committee; and
- approved the Nomination and Remuneration Committees' report for inclusion in the **IR**.

## NON-BINDING ADVISORY VOTES

At the AGM held on 30 May 2024, the 2023 Remuneration Policy and the Implementation Report received support of 87.08% and 87.18%, respectively, of shareholders voting in favour thereof.

In line with the requirements of King IV™ and the JSE Listings Requirements, the 2024 Remuneration Policy together with the Implementation Report will be tabled for two separate non-binding advisory votes at the upcoming AGM.

In the event of 25% or more of the shareholders voting against either resolution at the AGM, the Committee will

- extend an invitation to dissenting shareholders in the SENS announcement with the results of the AGM for them to engage with the Committee regarding their reasons for voting against the relevant resolution; and
- propose in the invitation the manner and timing of engagement, which may include, but is not limited to, communication via email, telephone calls, meetings and roadshows.

The Committee will ascertain the reasons for dissenting votes and respond and provide constructive feedback to shareholders' questions, queries and legitimate concerns. After consideration of the results of the shareholder engagement, the Committee reserves the right to amend elements of the Remuneration Policy to further align it with market practice and shareholder value creation.

The Committee is pleased to present the Remuneration Policy of the Group on **pages 133 to 139** and the Implementation Report on **pages 140 to 144** for separate non-binding advisory votes.

1964 2025



# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

## 2 FORWARD-LOOKING REMUNERATION POLICY

**BACKGROUND**

This section of the report deals specifically with the remuneration of non-executive directors, executive directors, management, and other grades of employees. It sets out the remuneration philosophy and policy and the reward framework in place for the financial year ended 31 December 2024 and the financial year ending 31 December 2025.

### POLICY AND PHILOSOPHY

The Group's remuneration philosophy is that employees are remunerated appropriately for their contribution to the delivery of the Group's strategy. The Remuneration Policy framework is based on the principles of fair and responsible remuneration and is formulated to attract, retain, motivate and reward high-calibre employees. The Group aims to encourage high levels of performance that are sustainable and aligned with the strategic direction and specific value drivers of the business. The way the Group remunerates employees reflects the dynamics of the market as well as the social, economic and environmental context in which the Group operates.

The Committee aims to reward superior performance and the achievement of the Group's strategy and ensures that there are consequences for underperformance. Managers play a vital role in ensuring that the performance management process provides the right information required to inform remuneration decisions made by the Committee.

Sea Harvest's operations include a number of employees who either form part of a bargaining unit or are independent contractors engaged on fixed-term contracts (within the bounds of South African labour legislation). The employment and remuneration arrangements of these employees are governed by separate agreements and are negotiated on an operational level (subject to oversight by the Committee); therefore, they are not covered by the Remuneration Policy framework.

### FAIR AND RESPONSIBLE REMUNERATION

The principle of fair and responsible remuneration is at the core of the Group's remuneration philosophy. The Group is dedicated to improving employment conditions for all employees across the Group and may undertake and implement various initiatives from time to time to realise progressively the concept of fair and responsible remuneration.

**Some of the principles driving this commitment include**

- ensuring compliance with legislative requirements in terms of remuneration and benefits; and
- on a regular basis, conducting external benchmarking on remuneration packages across the various grades and job functions, which is a determining factor for setting remuneration across the Group.

### REMUNERATION MIX

Remuneration comprises guaranteed pay (GP) and variable pay. Variable pay comprises STIs and LTIs. The remuneration mix reflects the relative proportions of each component in the package, which is linked to a job type and the nature of expected outcomes. The target remuneration mix varies at each grade. As a guideline, more senior employees should have a higher proportion of variable pay in their remuneration mix as they have the ability to influence the financial performance and strategic outcomes of the Group. The Committee has designed the remuneration mix for executive directors in a way that avoids overdependence on the variable pay components, which in turn discourages any excessive risk-taking behaviour. At lower levels, the remuneration mix is weighted in favour of GP.

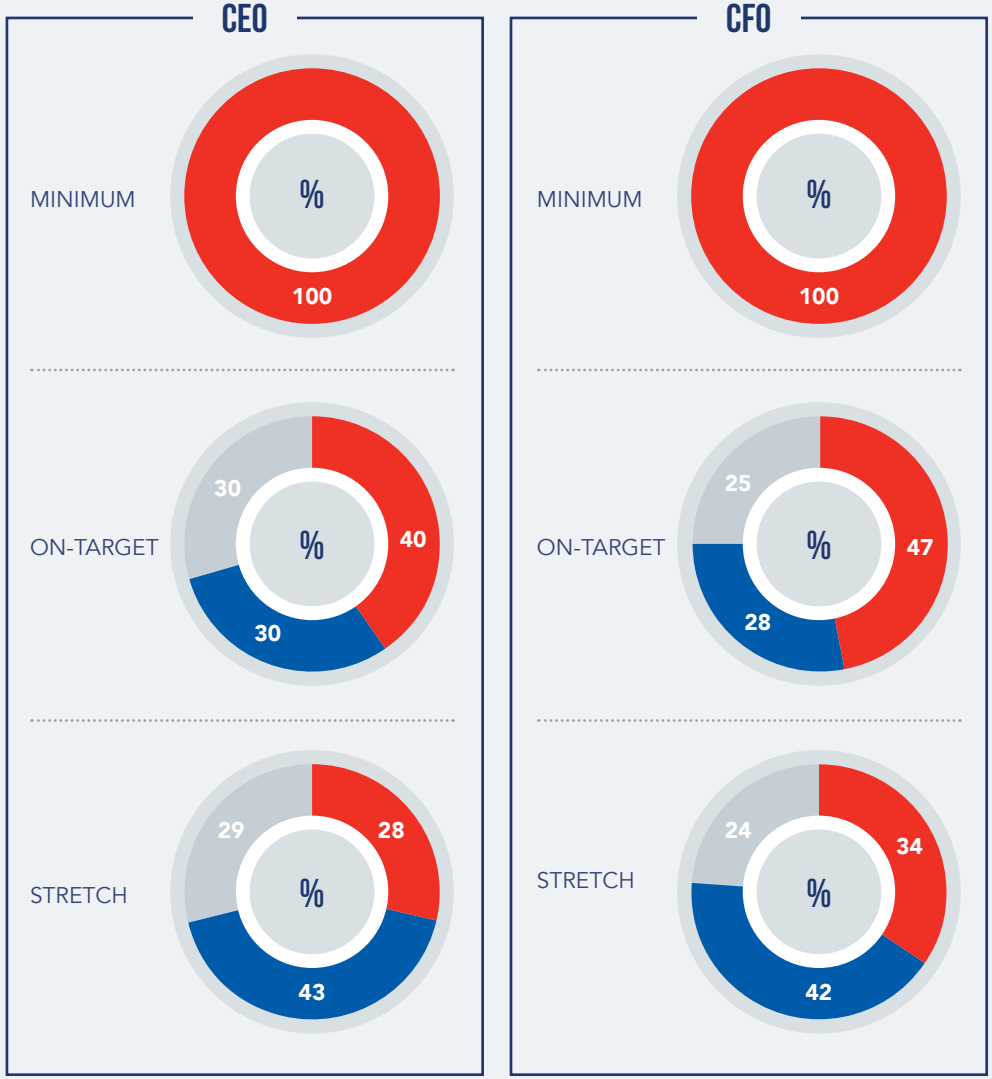
In order to drive a high-performance culture and alignment with shareholders through shared value creation, the total reward mix for the CEO and CFO is geared towards a higher percentage of variable pay at risk for the achievement of stretch targets. Implicit in the Remuneration Policy is that, over time, executives should build up a combination of restricted and unencumbered shares, ensuring significant alignment between the executives and shareholders.

The pie charts on page 134 illustrate the potential remuneration mix for the CEO and CFO at minimum, on-target and stretch performance levels. The methodology used is in line with that recommended by King IV™.

# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

## AGGREGATE EXECUTIVE DIRECTOR PAY MIX

Fixed STI LTI






FELIX RATHEB



MUHAMMAD BREY

| ELEMENT | MINIMUM | ON-TARGET | STRETCH |
|---|---|---|---|
| GP | The 2024 salary and benefits are in line with those paid in the 2023 financial year | | |
| STI | Nil | 50% of stretch | 120% – 150% of GP |
| LTI | Nil | The maximum number of performance shares and bonus shares granted in 2024 multiplied by the fair value on grant date | The maximum number of performance shares and bonus shares granted in 2024 multiplied by the share price on grant date |

*Note: Retention shares have not been included in the pay mix graphs as they do not form part of the ongoing packages for executive directors.*

# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

## COMPONENTS OF REMUNERATION

| | GUARANTEED PAY | | VARIABLE PAY | |
|---|---|---|---|---|
| | BASIC SALARY | BENEFITS | STI | LTI |
| PURPOSE AND LINK TO STRATEGY | Attracts and retains talent | Improve employees' financial planning and security on retirement | Encourages a high-performance culture to promote the achievement of specific objectives. Motivates executive directors and key senior managers to achieve short-term strategic, financial and non-financial objectives in the one-year business plan | Attracts, retains, incentivises and rewards key management by linking performance to shareholder expectations<br>This promotes the achievement of long-term objectives with the desired outcome of an appreciating share price and the payment of a regular dividend, thereby providing key employees with the opportunity to share in the success of the Group. |
| ELIGIBILITY | All staff employed by Sea Harvest | All permanent staff; benefit is dependent on grade | Permanent staff from senior management upwards | Executive directors and key senior management |
| REMUNERATION METHODOLOGY | Reviewed annually against market benchmarks | **Market-related benefits**<br>• Pension/ provident fund<br>• Motor vehicle allowances<br>• Medical aid | Performance bonuses are dependent on financial performance (financial target) and achievement of agreed strategic and individual KPIs (functional target).<br>Executives have a higher weighting on financial targets (70%) with 30% based on functional targets.<br>Lower-level executives have a greater weighting on strategic and individual performance.<br>The levels of remuneration that can be earned by the CEO and CFO are as follows:<br>• On target: 60% – 75% of GP<br>• Stretch target: 120% – 150% of GP based on a sliding scale for in-between performance<br>In addition to setting targets at Group level, targets are also set at operating segment level, aligning performance and rewards of the relevant management. | **Retention shares**<br>The *ad hoc* award of retention shares is a means of retaining certain executives and key senior management.<br>Retention shares vest equally in the third, fourth and fifth years after issue, subject only to continued employment.<br>**Performance shares and bonus shares**<br>Allocations are on an annual basis subject to the Committee's discretion:<br>• CEO: Performance shares 83% of GP and bonus shares 33% of the previous year's STI<br>• CFO: Performance shares 67% of GP and bonus shares 33% of the previous year's STI<br>• Senior management: Performance shares 11% – 61% of GP and bonus shares 33% – 67% of the previous year's STI |

# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

| | GUARANTEED PAY | | VARIABLE PAY | |
|---|---|---|---|---|
| | BASIC SALARY | BENEFITS | STI | LTI |
| PERFORMANCE CONDITIONS | Performance, i.e. meeting the requirements of the job | n/a | A single financial target (i.e. EBIT) is used for lower-level executives.<br>Dual financial targets (i.e. EBIT (50%) and HEPS (50%)) were previously used for executive directors. This has been amended to a 100% HEPS target from 2025.<br>Functional targets for the executive directors include<br>• delivery of organic growth projects;<br>• turning around non-performing businesses;<br>• improving operational efficiencies;<br>• capital expenditure and working capital management;<br>• free cash flow generation;<br>• debt reduction;<br>• delivery of strategic acquisitions;<br>• integrating operations;<br>• integration of new acquisitions;<br>• B-BBEE credentials and transformation;<br>• retention of fishing rights and sustainability credentials;<br>• building organisational capability; and<br>• successful stakeholder engagement. | Refer to the table on page 137 for the performance conditions and characteristics of each share element |

# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

## LTI ALLOCATION METHODOLOGY

LTI Eligibility Plan elements and performance conditions

### 1 RETENTION SHARES

**EXECUTIVE DIRECTORS AND KEY SENIOR MANAGEMENT**

- Awarded on an *ad hoc* basis, the retention share element of the FSP acts as a means to retain certain executive directors and key senior management.
- Retention shares vest equally in the third, fourth and fifth years after issue, subject only to continued employment.

### 2 2.1. PERFORMANCE SHARES (CONDITIONAL)

**EXECUTIVE DIRECTORS AND KEY SENIOR MANAGEMENT**

- The performance share element of the FSP rewards future Company and share performance.
- Performance shares are conditionally awarded to those individuals who can influence long-term strategic performance.
- Performance shares vest on the third anniversary of their award, the number vesting being tied to continued employment and the extent to which the Company has met preset performance criteria over the three-year period.
- A change in the weightings was effected from the 2025 issue of performance shares:
  - Transformation target decreases from 33.3% to 16.6%
  - ROCE target increases from 33.3% to 41.7%
  - HEPS target increases from 33.3% to 41.7%

**Currently, vesting is**

- governed by continued employment;
- weighted 41.7% (previously 33%) – the first performance criterion is the Group's average HEPS growth weighted for the main territories in which the Group operates:
  - If the average HEPS CAGR over the three-year period places it at the average CAGR in CPI, or better, then the targeted number (30% of the maximum number) of performance shares awarded will vest.
  - If the average HEPS CAGR over the three-year period places it at the average CAGR in CPI plus 3% or better, then the maximum number (100% of the maximum number) of performance shares awarded will vest.
  - If the average HEPS CAGR over the three-year period places it at the average CAGR in CPI or below, then all performance shares awarded relating to that HEPS tranche will be forfeited.
  - HEPS performance between any of the above points results in prorated vesting.
  - No retesting will be allowed, and any shares not vesting will lapse.
- weighted 16.6% (previously 33%) – the second performance criterion is the Group's transformation credentials:
  - If the Group achieves a Level 3 B-BBEE rating on the current scorecard, then the targeted number (50% of the maximum number) of performance shares awarded will vest.
  - If the Group achieves a Level 2 B-BBEE rating on the current scorecard, or better, then the targeted number (100% of the maximum number) of performance shares awarded will vest.
  - The transformation condition will have a binary profile.
  - No retesting will be allowed, and any shares not vesting will lapse.

# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

2

**2.1. PERFORMANCE SHARES (CONDITIONAL)**

- weighted 41.7% (previously 33%), the third performance criterion measures the Group's average ROCE in relation to its WACC, weighted for the main territories in which the Group operates:
  - If the average ROCE over the three-year period places it at the average WACC over the three-year period, or better, then the targeted number (30% of the maximum number) of performance shares awarded will vest.
  - If the average ROCE over the three-year period places it at the average WACC over the three-year period plus 3%, or better, then the maximum number (100% of the maximum number) of performance shares awarded will vest.
  - If the average ROCE over the three-year period places it at the average WACC over the three-year period, or below, then all performance shares awarded relating to that HEPS tranche will be forfeited.
  - Average ROCE performance between any of the above points results in prorated vesting.
  - No retesting will be allowed, and any shares not vesting will lapse.

**2.2 BONUS SHARES**

**EXECUTIVE DIRECTORS AND KEY SENIOR MANAGEMENT**

- The bonus share element of the FSP provides share-based rewards for individual performance.
- Bonus shares are granted on an annual basis, the number of which is calculated with reference to the prior year's STI, thus ensuring a strong link to individual performance on an annual basis.
- Bonus shares vest at the end of the three-year period, subject to continued employment.

## SHARE DILUTION LIMITS

In terms of the FSP, the maximum number of new shares to be issued under the FSP may not exceed 12 959 048 shares (3.61% of total shares in issue) and the maximum number of new shares to be issued under the FSP to any one individual may not exceed 3 887 714 shares (1.08% of total shares in issue).

## MINIMUM SHAREHOLDING REQUIREMENTS

In line with best practice and to further align the interests of executives with those of shareholders, the Group has implemented an MSR Policy, effective from 1 March 2025. This policy mandates that the CEO, CFO, and other senior executives (as determined by the Committee), build and maintain a minimum level of personal shareholding in the Company by the measurement date. The measurement date is the last day of the financial year in the fifth year after the MSR Policy is approved by the Committee, the date on which an individual is designated an executive, or the date of employment or appointment as an executive.

The target minimum shareholding is set as a percentage of the executive's total guaranteed pay (TGP), with the CEO required to hold 200% of GP, the CFO 150% of GP, and other executives 100% of GP.

The MSR Policy ensures executives have a significant personal financial stake in the Company's long-term success, reinforcing their commitment to driving sustainable value for all shareholders.

## EXECUTIVE DIRECTOR SERVICE CONTRACTS

Sea Harvest concludes permanent employment contracts with its executive directors (including the CEO), which can be terminated with notice periods of between one and three months. In the event of termination of employment, the Committee may elect to pay a departing executive director a cash lump sum in lieu of the notice period. The executive directors are not subject to any restraint of trade agreements. The retirement age for an executive director is 63 years.

In the event that an executive director's service contract is terminated due to operational reasons, the Group's obligation to make a severance payment will be governed by the provisions of the Labour Relations Act, No 66 of 1995.

In the event of an executive director ceasing employment as a "bad leaver", all STI and unvested LTI awards will be forfeited. In other circumstances, STI and LTI awards will be treated in accordance with the relevant plan rules.

Executive directors may not serve as non-executive directors in other companies without the express approval of the Board.

# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

## NON-EXECUTIVE DIRECTORS' FEES

Non-executive directors' fees are paid on an annual retainer basis to account for the responsibilities borne by them throughout the year. They are not paid an attendance fee per meeting. The fee structure is evaluated as requested based on non-executive director fee surveys and the results of benchmarking exercises.

Fees are reviewed annually, and proposed adjustments are tabled by the CEO for review by the Committee, which considers the proposed adjustments, taking into account remuneration increases across the Group. In order to preserve their independence, non-executive directors do not qualify for share options, nor do they participate in any variable pay incentive schemes. Where a non-executive director is appointed by a shareholder, the fee may be paid to the shareholder and not directly to the non-executive director.

The table to the right sets out the present and proposed non-executive director fees. The proposed fees will be tabled before shareholders for approval by special resolution at the AGM on Thursday, 30 May 2024.

The increase in non-executive director fees is in line with the increase in salaries for employees in 2024.

| ROLE | 1 JULY 2025 TO 30 JUNE 2026 (EXCLUDING VAT) R | 1 JULY 2024 TO 30 JUNE 2025 (EXCLUDING VAT) R | CHANGE % |
|---|---|---|---|
| Board Chairperson | 807 799 | 773 013 | 4.5 |
| Board Lead Independent Director | 381 718 | 365 280 | 4.5 |
| Board member | 305 374 | 292 224 | 4.5 |
| Audit and Risk Committee Chairperson | 198 495 | 189 947 | 4.5 |
| Audit and Risk Committee member | 105 599 | 101 052 | 4.5 |
| Nomination and Remuneration Committees' Chairperson | 152 687 | 146 112 | 4.5 |
| Nomination and Remuneration Committees' member | 76 344 | 73 056 | 4.5 |
| Social, Ethics and Sustainability Committee Chairperson | 152 687 | 146 112 | 4.5 |
| Social, Ethics and Sustainability Committee member | 76 344 | 73 056 | 4.5 |
| Investment and Hedging Committee Chairperson | 152 687 | 146 112 | 4.5 |



# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

## 3 IMPLEMENTATION REPORT

**BACKGROUND**

**The implementation of the Remuneration Policy in the 2024 financial year is to be tabled at the AGM for a separate non-binding advisory vote by the Group's shareholders.**

The Committee monitored the implementation of the Remuneration Policy during the financial year and is of the view that the Group's compliance with the policy has been satisfactory. This Implementation Report discloses the detailed information and figures pertaining to the application of the Remuneration Policy in relation to the relevant executive and non-executive directors. The Committee is satisfied that variable pay outcomes for the 2024 financial year are aligned with the Group's financial performance for the 2024 financial year (as contextualised in the CEO's Report).

The graph on page 141 compares the Group's STI paid to its operating profit. Experiencing its most challenging year since listing in 2017, the Sea Harvest Group was impacted by hake catch rates at historical lows, weak market conditions in abalone, continued soft global prawn pricing, and high interest rates. This was offset by strong demand and improved pricing in hake, a solid performance from the newly acquired Sea Harvest Pelagic business, and a firm result from Ladismith despite challenges from FMD, resulting in the Group delivering EBIT of R609 million (2023: R577 million, up 6%) and HEPS of 55 cents (2023: 100 cents, which included a once-off gain on purchased loans of R93 million that contributed 34 cents to HEPS).

**The Committee is satisfied that remuneration is linked to long-term performance and value creation.**

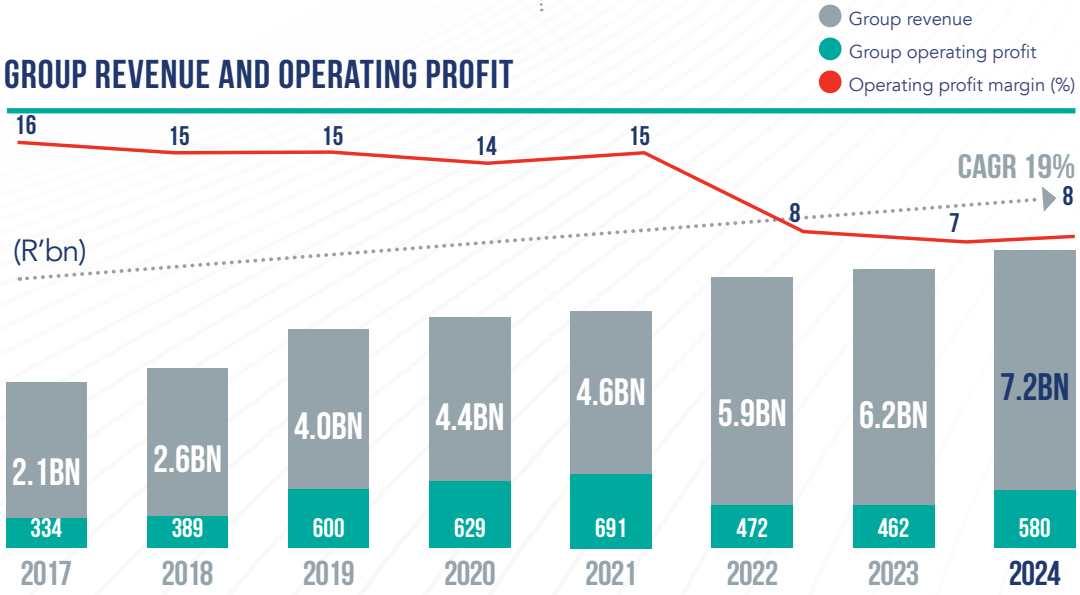
The Committee is also cognisant of the strides made by management in executing the Group's growth strategies, including from an organic growth perspective

- the Marel factory implementation;
- the acquisition of the Atlantic Peace and Harvest Mzansi freezer trawlers;
- the completion of the third powder factory and butter plant at Ladismith;
- the installation of the reverse osmosis plant at Saldanha;
- the installation of wind turbines at Buffeljags;
- the factory upgrades at Mooivallei, and the installation of the roller dryer powder plant, the solar PV power plant, and the cheese slicing line at Ladismith; and
- the securing of four hake trawlers to increase capacity and renew the fleet.

From an acquisitive growth perspective, the Group has executed on its strategy of building scale in each segment:

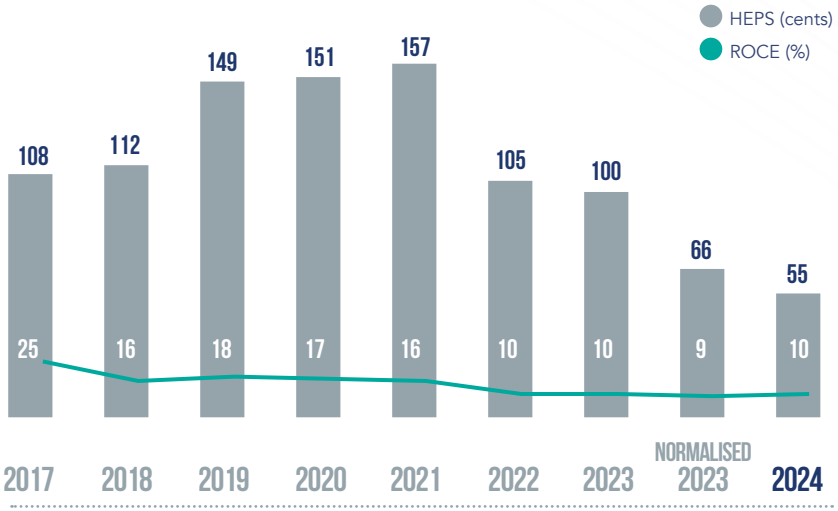
- Viking Fishing in 2018
- Viking Aquaculture in 2018
- Ladismith in 2019
- Sea Harvest Australia in 2019
- Mooivallei in 2021
- BMFG in 2021
- MG Kailis in 2022
- Sea Harvest Pelagic in 2024
- Aqunion in 2024

### GROUP REVENUE AND OPERATING PROFIT

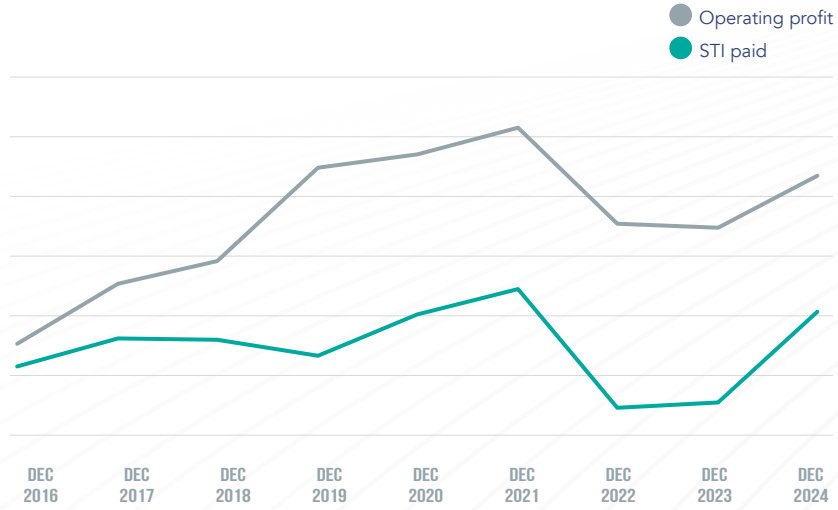


# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

## GROUP REVENUE AND OPERATING PROFIT




## STI PAID VS OPERATING PROFIT

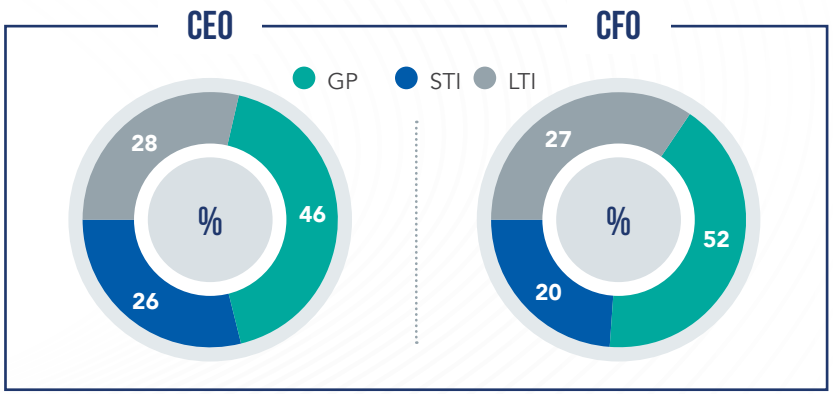



## ACTUAL PAY MIX

The actual pay mix graph has been prepared on the same basis as the chart on page 134 that refers to pay mix. The actual pay mix graph represents GP, STI and LTI, and shows the actual mix achieved for the year ended 31 December 2024.

The actual pay mix for the Group CEO and Group CFO for the 2024 financial year is set out below.

The STI relates to the 2023 financial year, paid in February 2024 when the executives became unconditionally entitled to the incentive.




For the 2024 financial year, paid in February 2025, Muhammad Brey received R2.8 million and Felix Ratheb received R6.7 million in STI. This was based largely on functional targets achieved and the outstanding financial performance at Sea Harvest Pelagic, complemented by sound performances at Ladismith and Aqunion, and led to a partial triggering of the STI.

## BENCHMARKING

Benchmarking of the CEO, CFO and executives' GP, STI and LTI was undertaken in 2024, with the Group retaining the services of Khokhela Remuneration Advisors to do so. Sea Harvest used the Remchannel survey to benchmark the salaries of employees. The Committee is satisfied that the advisors were independent and objective.

The outcome of the benchmarking showed that the GP for the CEO and CFO are in line with the 50th percentile of the market.

When comparing the on-target pay mix for the CEO and CFO against the market, the on-target LTI percentage is lower than most and the on-target STI percentage aligns.

# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

## GUARANTEED PAY

In line with the principle of fair and responsible remuneration, the Group monitors the internal wage gap and disparities in remuneration in the Group. The average increase in executive director remuneration is determined after consideration of the average increase in remuneration for management and general staff.

The average increase for waged staff was c.6.5% over the course of 2024.

**The following increases were effected on 1 January 2025**

| | INCREASE | IMPLEMENTED |
|---|---|---|
| All salaried employees | 2.9% | 1 January 2025 |
| CEO, CFO and executives | 0% | 1 January 2025 |

## SHORT-TERM INCENTIVE

As set out in the Remuneration Policy, the STI for executive directors and senior management is based on a combination of financial targets and functional targets.

For the 2024 financial year, dual financial targets, being EBIT and HEPS, were used for executive directors, while EBIT was used for senior management.

Targets were also set at operating segment level, aligning the performance and rewards of the relevant management.

The functional targets for the executive directors for 2024 encompassed transformation, retention of fishing rights, efficiency initiatives, cash management, organic and acquisitive growth, acquisition integration, and building organisational capacity.

In total, 45% of the total possible 2024 STI for the Group was achieved. This was based largely on functional targets achieved and the outstanding financial performance at Sea Harvest Pelagic, complemented by sound performances at Ladismith and Aqunion, and led to a partial triggering of the STI.



# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

## LONG-TERM INCENTIVE

The FSP was put in place when the Group listed on 23 March 2017.

The Group issues performance and bonus shares to executive directors, executives, and key senior management on an annual basis and retention shares on an *ad hoc* basis.

The tranche of performance shares qualifying for vesting during March 2024 vested in full. The tranche of performance shares qualifying for vesting during March 2025 vested 39%.

The current tranche of retention shares was issued in December 2021.

These shares vest equally in 2024, 2025 and 2026, subject only to continued employment, thereby retaining key management until 2026.

In addition, in line with the recommendation of King IV™, included is an indicative value of the unvested instruments as at 31 December 2024. For the bonus shares and retention shares, the indicative value is calculated as the number of instruments multiplied by the share price of R8.35 at year end.

For the performance shares, a valuation was performed based on assumptions as at 31 December 2024.

| DATE OF AWARD | TYPE OF INSTRUMENT | NUMBER OF INSTRUMENTS AWARDED | SHARE PRICE ON DATE OF GRANT R | VESTING DATE | NUMBER OF INSTRUMENTS VESTED | NUMBER OF INSTRUMENTS LAPSED | CLOSING NUMBER OF UNVESTED INSTRUMENTS | INDICATIVE VALUE OF UNVESTED INSTRUMENTS R |
|---|---|---|---|---|---|---|---|---|
| | | A | B | | C | D | E=A-C-D | F |
| **FELIX RATHEB** | | | | | | | | |
| Wednesday, 23 March 2022 | Performance shares | 391 627 | 13.70 | Saturday, 22 March 2025 | – | – | 391 627 | 3 195 676 |
| Monday, 13 March 2023 | Performance shares | 610 819 | 9.92 | Thursday, 12 March 2026 | – | – | 610 819 | 4 703 306 |
| Tuesday, 12 March 2024 | Performance shares | 737 641 | 8.62 | Thursday, 11 March 2027 | – | – | 737 641 | 4 219 307 |
| Wednesday, 23 March 2022 | Bonus shares | 228 256 | 13.70 | Saturday, 22 March 2025 | – | – | 228 256 | 1 905 938 |
| Monday, 13 March 2023 | Bonus shares | 52 320 | 9.92 | Thursday, 12 March 2026 | – | – | 52 320 | 436 872 |
| Tuesday, 12 March 2024 | Bonus shares | 169 101 | 8.62 | Thursday, 11 March 2027 | – | – | 169 101 | 1 302 078 |
| Wednesday, 1 December 2021 | Retention shares* | 1 250 436 | 13.05 | Friday, 29 November 2024<br>Saturday, 29 November 2025<br>Sunday, 29 November 2026 | 416 812 | – | 833 624 | 6 960 760 |
| **MUHAMMAD BREY** | | | | | | | | |
| Wednesday, 23 March 2022 | Performance shares | 207 760 | 13.70 | Saturday, 22 March 2025 | – | – | 207 760 | 1 695 322 |
| Monday, 13 March 2023 | Performance shares | 302 849 | 9.92 | Thursday, 12 March 2026 | – | – | 302 849 | 2 331 937 |
| Tuesday, 12 March 2024 | Performance shares | 365 728 | 8.62 | Thursday, 11 March 2027 | – | – | 365 728 | 2 091 964 |
| Wednesday, 23 March 2022 | Bonus shares | 118 423 | 13.70 | Saturday, 22 March 2025 | – | – | 118 423 | 988 832 |
| Monday, 13 March 2023 | Bonus shares | 29 793 | 9.92 | Thursday, 12 March 2026 | – | – | 29 793 | 248 772 |
| Tuesday, 12 March 2024 | Bonus shares | 71 420 | 8.62 | Thursday, 11 March 2027 | – | – | 71 420 | 596 357 |
| Wednesday, 1 December 2021 | Retention shares* | 776 781 | 13.05 | Friday, 29 November 2024<br>Saturday, 29 November 2025<br>Sunday, 29 November 2026 | 258 927 | – | 517 854 | 4 324 081 |

* *Vests equally 29 November 2024, 29 November 2025, and 29 November 2026*

# OUR NOMINATION AND REMUNERATION COMMITTEES REPORT CONTINUED

## MINIMUM SHAREHOLDING REQUIREMENTS

In line with the MSR Policy, effective from 1 March 2025, the target minimum shareholding is set as a percentage of the executive's total guaranteed package (TGP), with the CEO required to hold 200% of TGP and the CFO 150% of TGP. The measurement date is the last day of the financial year in the fifth year after the MSR Policy is approved by the Committee.

**Progress towards achieving MSR (at 31 March 2025) is as follows**

| POSITION | TARGET MSR AS % OF TGP | ACTUAL MSR HOLDING AS % OF TGP HELD | PROGRESS TO ACHIEVING MSR |
|---|---|---|---|
| CEO | 200% | 56% | 28% |
| CFO | 150% | 45% | 30% |



## EXECUTIVE REMUNERATION
### FOR THE YEAR ENDED 31 DECEMBER 2024

Remuneration of executive directors and prescribed officers is set out in full in **note 38** of the **AFS**.

## DIVERSITY TARGETS

The Committee set the following diversity targets during the 2017 financial year and reviewed these targets during the 2024 financial year.

**Transformation – ACI targets**

The Committee agreed that 70% of the Board composition should be made up of ACI designated groups within a period of three years and achieved a score of 70% at the end of the 2024 financial year.

**Gender – female targets**

The Committee agreed that 30% of the Board composition should be female within a period of three years, with the Board achieving a score of 30% at the end of the 2024 financial year.

## APPROVAL

This report was approved by the Nomination and Remuneration Committees of Sea Harvest Group Limited.



April 2025

**ANDRÉ HANEKOM**
**CA(SA)**

*Chairperson of the Nomination and Remuneration Committees*




# 06 SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

2018

THE GROUP COMMENCES ITS GROWTH STRATEGY POST-LISTING


| | |
|---|---|
| Summarised consolidated statement of profit or loss | 146 |
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# SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

| | NOTES | AUDITED YEAR ENDED 31 DECEMBER 2024 R'000 | AUDITED YEAR ENDED 31 DECEMBER 2023 R'000 |
|---|---|---|---|
| Revenue | 3 | **7 177 534** | 6 204 776 |
| Cost of sales | | **(5 296 369)** | (4 694 367) |
| **Gross profit** | | **1 881 165** | 1 510 409 |
| Other operating income[1] | | **120 595** | 132 757 |
| Selling and distribution expenses | | **(341 005)** | (276 467) |
| Marketing expenses | | **(23 331)** | (20 303) |
| Other operating expenses | | **(1 057 038)** | (883 979) |
| **Operating profit** | | **580 386** | 462 417 |
| Share of profit in associates | | **1 674** | 4 845 |
| Fair value (losses)/gains | | **(6 511)** | 16 910 |
| Gain on purchased loans | | **–** | 93 310 |
| Loss on disposal of subsidiaries | | **–** | (578) |
| Gain on bargain purchase | 7 | **28 252** | – |
| Profit on disposal of associate | | **5 096** | – |
| **Operating profit before net finance costs and taxation** | | **608 897** | 576 904 |
| Investment income | | **47 666** | 23 298 |
| Interest expense | | **(323 459)** | (245 903) |
| **Profit before taxation** | | **333 104** | 354 299 |
| Taxation | | **(103 316)** | (84 940) |
| **Profit after taxation** | | **229 788** | 269 359 |
| *Profit after taxation attributable to:* | | | |
| Shareholders of Sea Harvest Group Limited | | **226 960** | 282 139 |
| Non-controlling interests | | **2 828** | (12 780) |
| | | **229 788** | 269 359 |
| **Earnings per share (cents)** | | | |
| – Basic | | **72** | 102 |
| – Diluted | | **71** | 100 |

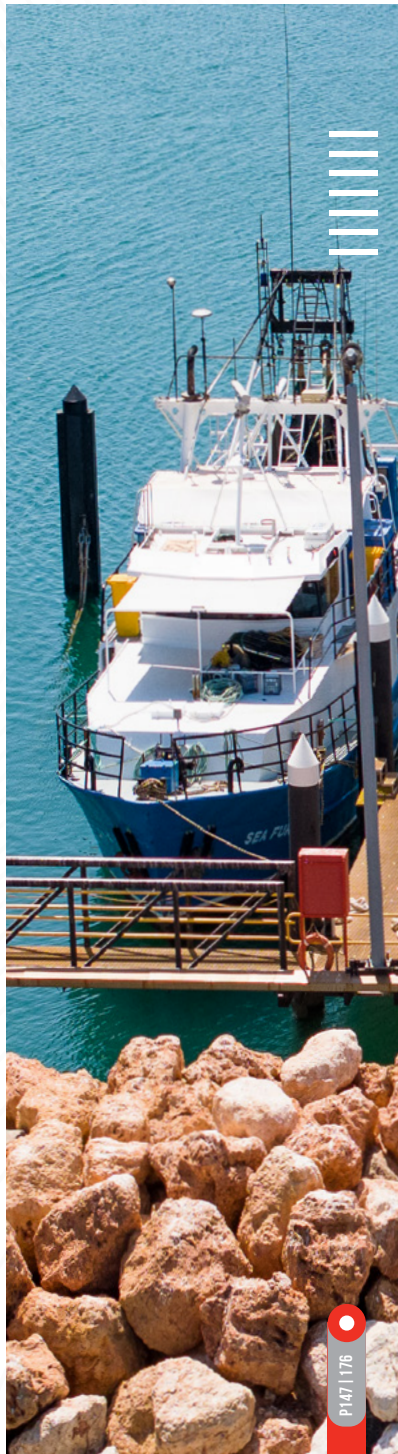
[1] *Other operating income includes net foreign exchange and fuel hedge gains of R27.9 million (2023: R1.4 million loss) and insurance income of R39.6 million (2023: R65 million).*

Summarised consolidated statement of profit or loss
**Summarised consolidated statement of other comprehensive income**
Summarised consolidated statement of financial position
Summarised consolidated statement of changes in equity
Summarised consolidated statement of cash flows
Notes to the summarised consolidated financial statements
Analysis of ordinary shareholders
Glossary
Corporate information

# SUMMARISED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31 DECEMBER 2024

| | AUDITED YEAR ENDED 31 DECEMBER 2024 R'000 | AUDITED YEAR ENDED 31 DECEMBER 2023 R'000 |
|---|---|---|
| **Profit after taxation** | **229 788** | 269 359 |
| **Other comprehensive income** | | |
| *Items that may be reclassified subsequently to profit or loss:* | | |
| Movement in cash flow hedging reserve | **76 527** | (62 974) |
| Movement in cost of hedging reserve | **24 488** | (6 301) |
| Reserves recycled to other operating income | **(118)** | 5 398 |
| Exchange differences on foreign operations | **(74 791)** | 85 677 |
| *Items that may not be reclassified subsequently to profit or loss:* | | |
| Movement in investment at fair value through other comprehensive income | **3 450** | (2 242) |
| Net measurement (loss)/gain on defined benefit plan | **(259)** | 1 513 |
| **Other comprehensive income, net of tax** | **29 297** | 21 071 |
| **Total comprehensive income for the year** | **259 085** | 290 430 |
| *Total comprehensive income attributable to:* | | |
| Shareholders of Sea Harvest Group Limited | **256 262** | 302 546 |
| Non-controlling interests | **2 823** | (12 116) |
| | **259 085** | 290 430 |



# SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2024

| | NOTES | AUDITED YEAR ENDED 31 DECEMBER 2024 R'000 | AUDITED YEAR ENDED 31 DECEMBER 2023 R'000 |
|---|---|---|---|
| **ASSETS** | | | |
| Property, plant, equipment and vehicles[1] | | **3 055 654** | 2 447 353 |
| Right-of-use assets[1] | | **292 845** | 196 098 |
| Biological assets[1] | 6 | **180 391** | 71 410 |
| Investment properties | 6 | **74 882** | 79 432 |
| Intangible assets[1] | | **1 597 694** | 1 480 314 |
| Goodwill[1,2] | | **1 102 475** | 1 036 759 |
| Investment in associates | | **34 237** | 37 417 |
| Investment at fair value through other comprehensive income | 6 | **14 180** | 28 360 |
| Other financial assets | 6 | **34 449** | 33 174 |
| Loans to related parties | 8 | **133 375** | 131 086 |
| Loans to supplier partners[1] | | **112 770** | 103 590 |
| Loan receivable[1] | | **12 962** | 9 961 |
| Deferred tax assets | | **1 399** | 5 007 |
| **Non-current assets** | | **6 647 313** | 5 659 961 |
| Inventories[1] | | **1 348 670** | 1 034 520 |
| Trade and other receivables[1] | | **1 075 176** | 927 800 |
| Biological assets[1] | 6 | **331 680** | 118 266 |
| Loan receivable | | **–** | 1 256 |
| Other financial assets | 6 | **80 240** | 34 |
| Tax assets | | **8 334** | 2 107 |
| Cash and bank balances[1] | | **335 810** | 280 601 |
| **Current assets** | | **3 179 910** | 2 364 584 |
| **Non-current assets held for sale** | | **20 000** | – |
| **Total assets** | | **9 847 223** | 8 024 545 |

[1] *Movement includes amounts related to the current period business combination. Refer to* **note 7**
[2] *Movement consists of R83 million acquired in the current year business combination, offset by foreign currency exchange differences of R17 million.*

# SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

| | NOTES | AUDITED YEAR ENDED 31 DECEMBER 2024 R'000 | AUDITED YEAR ENDED 31 DECEMBER 2023 R'000 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| Stated capital[1] | | **2 175 597** | 1 689 419 |
| Other reserves | | **78 334** | 66 296 |
| Retained earnings | | **1 716 354** | 1 598 636 |
| Attributable to shareholders of Sea Harvest Group Limited | | **3 970 285** | 3 354 351 |
| Non-controlling interests[1] | | **(9 935)** | 23 061 |
| **Capital and reserves** | | **3 960 350** | 3 377 412 |
| Long-term borrowings[1,2] | | **2 774 282** | 2 277 006 |
| Employee-related liabilities | | **30 131** | 29 791 |
| Deferred grant income | | **28 459** | 30 990 |
| Lease liabilities[1] | | **293 666** | 201 926 |
| Deferred tax liabilities[1] | | **1 071 739** | 853 988 |
| **Non-current liabilities** | | **4 198 277** | 3 393 701 |
| Short-term borrowings | | **459 938** | 321 786 |
| Trade and other payables[1] | | **956 696** | 768 031 |
| Lease liabilities[1] | | **39 829** | 30 005 |
| Deferred grant income | | **3 327** | 4 292 |
| Other financial liabilities | 6 | **6 740** | 67 041 |
| Contingent consideration[1] | 6 | **148 579** | – |
| Provisions[1] | | **25 590** | 2 838 |
| Taxation[1] | | **1 757** | 3 366 |
| Bank overdrafts | | **46 140** | 56 073 |
| **Current liabilities** | | **1 688 596** | 1 253 432 |
| **Total equity and liabilities** | | **9 847 223** | 8 024 545 |

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

[2] *Included in the movement in long-term borrowings is R230 million relating to loans advanced to Aqunion Proprietary Limited by its former shareholders, which was assumed as part of the current year business combination and is owed to non-controlling shareholders.*



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# SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 DECEMBER 2024

| | AUDITED YEAR ENDED 31 DECEMBER 2024 R'000 | AUDITED YEAR ENDED 31 DECEMBER 2023 R'000 |
|---|---|---|
| **Balance at the beginning of the year** | **3 377 412** | 3 237 058 |
| Attributable to: | | |
| Shareholders of Sea Harvest Group Limited | **3 354 351** | 3 185 042 |
| Non-controlling interests | **23 061** | 52 016 |
| **Total comprehensive income for the year attributable to shareholders of Sea Harvest Group Limited** | **256 262** | 302 546 |
| Profit after taxation | **226 960** | 282 139 |
| Movements in other items of comprehensive income, net of tax | **29 302** | 20 407 |
| **Movements attributable to shareholders of Sea Harvest Group Limited** | | |
| Shares issued | **466 837** | – |
| Shares repurchased[1] | **(21 984)** | (34 364) |
| Dividends paid | **(120 859)** | (111 032) |
| Share-based payments | **35 681** | 33 487 |
| Further investment in subsidiary | **–** | (21 328) |
| Movement attributable to non-controlling interests[2] | **(32 999)** | (28 955) |
| **Balance at the end of the year** | **3 960 350** | 3 377 412 |

[1] *2 527 310 shares were repurchased for purposes of the FSP.*
[2] *Includes dividends paid to non-controlling interests of R3 million (2023: Rnil)*



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# SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

| | NOTES | AUDITED YEAR ENDED 31 DECEMBER 2024 R'000 | AUDITED YEAR ENDED 31 DECEMBER 2023 R'000 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit after taxation | | **229 788** | 269 359 |
| Adjustments for non-cash and other items | | **850 201** | 591 675 |
| Operating cash flows before changes in working capital | | **1 079 989** | 861 034 |
| Decrease/(increase) in inventories | | **22 268** | (78 616) |
| Decrease/(increase) in trade and other receivables | | **59 304** | (75 301) |
| Decrease in trade and other payables | | **(5 323)** | (24 888) |
| Working capital changes | | **76 249** | (178 805) |
| Cash generated from operations | | **1 156 238** | 682 229 |
| Interest paid | | **(318 464)** | (215 348) |
| Investment income received | | **40 749** | 15 678 |
| Proceeds from government grants | | **–** | 2 353 |
| Income taxes paid | | **(104 645)** | (34 728) |
| **Net cash generated from operating activities** | | **773 878** | 450 184 |
| **Investing activities** | | | |
| Acquisition of loan claims and subsidiaries (net of cash acquired) | 7 | **(246 819)** | – |
| Disposal of subsidiaries (net of bank overdraft disposed) | | **–** | 6 158 |
| Acquisition of property, plant, equipment and vehicles | | **(568 516)** | (462 986) |
| Proceeds on disposal of property, plant, equipment and vehicles | | **10 287** | 2 191 |
| Insurance proceeds | | **25 366** | 9 410 |
| Additions to biological assets | | **(141 817)** | (76 874) |
| Proceeds on disposal of investment properties | | **5 160** | – |
| Acquisition of intangible assets | | **(14 056)** | (257) |
| Proceeds on disposal of investments | | **24 010** | – |
| Loans advanced to related parties | | **(11 065)** | (1 723) |
| Proceeds on loans advanced to supplier partners | | **7 594** | 3 330 |
| Loans advanced to supplier partners | | **(12 241)** | (250) |
| Cash movement in other long-term and short-term loans | | **3 038** | (3 339) |
| **Net cash utilised in investing activities** | | **(919 059)** | (524 340) |
| **Financing activities** | | | |
| Shares repurchased | | **(21 984)** | (34 364) |
| Proceeds from borrowings | | **1 400 829** | 392 966 |
| Repayment of borrowings and lease liabilities | | **(1 042 906)** | (171 674) |
| Dividends paid | | **(123 798)** | (111 032) |
| **Net cash generated from financing activities** | | **212 141** | 75 896 |
| Net increase in cash and cash equivalents | | **66 960** | 1 740 |
| Cash and cash equivalents at the beginning of the year | | **224 528** | 218 590 |
| Effects of exchange rates on the balance of cash held in foreign operation | | **(1 818)** | 4 198 |
| **Cash and cash equivalents at the end of the year** | | **289 670** | 224 528 |

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# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

## 1. BASIS OF PREPARATION

The summarised consolidated financial statements for the year ended 31 December 2024 are prepared in accordance with the requirements of the JSE Limited Listings Requirements (Listings Requirements) for summarised financial statements and the requirements of the Companies Act, No 71 of 2008, of South Africa, applicable to financial statements. The Listings Requirements require condensed financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS® Accounting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB) and contain the information required by IAS 34: *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council.

The auditors, Ernst & Young Inc, have issued their unmodified audit opinion on the consolidated financial statements for the year ended 31 December 2024. The audit was conducted in accordance with International Standards on Auditing. These summarised financial statements have been derived from the consolidated financial statements, with which they are consistent in all material respects. Copies of the audit report on the full consolidated financial statements are available for inspection at the Company's registered office. The audit report does not necessarily cover all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the Company's website or from the registered office of the Company.

The condensed consolidated financial statements have been reviewed by Ernst & Young Inc, who expressed an unmodified review conclusion 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, M Brey CA(SA).

## 2. ACCOUNTING POLICIES

The accounting policies and methods of computation applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS Accounting Standards and are consistent with those accounting policies and methods of computation applied in the preparation of the consolidated financial statements of the previous year.



# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

## 3. REVENUE

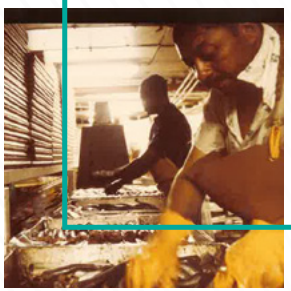
| | AUDITED YEAR ENDED 31 DECEMBER 2024 R'000 | AUDITED YEAR ENDED 31 DECEMBER 2023 R'000 |
|---|---|---|
| **Group revenue for the year can be analysed as follows:** | | |
| Revenue recognised at a point in time | **7 037 752** | 6 082 993 |
| Revenue recognised over time | **139 782** | 121 783 |
| | **7 177 534** | 6 204 776 |
| **Revenue per product mix comprises:** | | |
| Wild-caught fish[1] | **4 556 104** | 3 387 715 |
| Shellfish[2] | **620 308** | 559 516 |
| Convenience foods[3] | **143 488** | 490 213 |
| Traded[4] | **206 050** | 180 361 |
| Dairy | **1 651 584** | 1 586 971 |
| | **7 177 534** | 6 204 776 |
| **Revenue per channel mix comprises:** | | |
| International | **3 652 059** | 3 017 744 |
| Retail[5] | **1 026 932** | 998 113 |
| Foodservice | **1 561 740** | 1 387 449 |
| Wholesale | **353 836** | 268 135 |
| Business-to-business[5] | **582 967** | 533 335 |
| | **7 177 534** | 6 204 776 |
| **Revenue per geographic location comprises:** | | |
| South Africa | **3 525 477** | 3 187 032 |
| Australia | **967 452** | 1 107 539 |
| Europe | **1 924 493** | 1 347 646 |
| Other markets[5] | **385 995** | 386 016 |
| Asia[5] | **374 117** | 176 543 |
| | **7 177 534** | 6 204 776 |

1 *Cape Hake, Horse Mackerel, anchovy, pilchard, Spanish Mackerel, fish trawl, related by-catch and revenue from engineering services*
2 *Prawns, scallops, crabs and abalone*
3 *The decrease relates to the deconsolidation of BMFM on 1 July 2023.*
4 *Includes sales of purchased products*
5 *The 2023 comparative amounts for revenue per channel mix and revenue split by geographic location have been changed to allow accurate comparative information. Within the revenue per channel mix, retail revenue of R533 million was reallocated to a newly formed business-to-business channel. Within the revenue split by geographic location, other markets revenue amounting to R177 million was reallocated to a newly formed Asia channel.*

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## 3. REVENUE CONTINUED

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

International revenue is disclosed in all segments. Retail, wholesale and business-to-business revenue is disclosed in the South African Fishing and Cape Harvest Foods segments, while foodservice revenue is disclosed in the South African Fishing, Aquaculture and Cape Harvest Foods segments.

The geographic location split of revenue is based on where the customer is located. Within each segment, products are marketed nationally and internationally.

SeaHarvest 1965



# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

## 4. SEGMENTAL RESULTS

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

| | AUDITED YEAR ENDED 31 DECEMBER 2024 R'000 | AUDITED YEAR ENDED 31 DECEMBER 2023 R'000 |
|---|---|---|
| **Segment revenue** | | |
| South African Fishing[1,2] | **4 128 186** | 3 030 196 |
| Australia | **996 905** | 1 140 027 |
| Aquaculture[2] | **323 886** | 136 015 |
| Cape Harvest Foods | **1 728 557** | 1 898 538 |
| **Total revenue** | **7 177 534** | 6 204 776 |
| **Segment profit/(loss) from operations** | | |
| South African Fishing[2] | **478 194** | 390 733 |
| Australia | **175** | 14 571 |
| Aquaculture[2] | **10 513** | (24 312) |
| Cape Harvest Foods | **91 504** | 81 425 |
| **Operating profit** | **580 386** | 462 417 |
| Share of profit in associates | **1 674** | 4 845 |
| Fair value (losses)/gains | **(6 511)** | 16 910 |
| Gain on purchased loans | **–** | 93 310 |
| Loss on disposal of subsidiaries | **–** | (578) |
| Gain on bargain purchase | **28 252** | – |
| Profit on disposal of associate | **5 096** | – |
| **Operating profit before net finance cost and taxation** | **608 897** | 576 904 |
| Investment income | **47 666** | 23 298 |
| Interest expense | **(323 459)** | (245 903) |
| **Profit before taxation** | **333 104** | 354 299 |
| **Total assets** | | |
| South African Fishing | **4 374 967** | 3 443 118 |
| Australia | **2 356 259** | 2 529 374 |
| Aquaculture | **1 577 179** | 692 424 |
| Cape Harvest Foods | **1 538 818** | 1 359 629 |
| | **9 847 223** | 8 024 545 |
| **Total liabilities** | | |
| South African Fishing | **3 298 266** | 2 624 682 |
| Australia | **1 232 437** | 1 277 232 |
| Aquaculture | **874 163** | 372 152 |
| Cape Harvest Foods | **482 007** | 373 067 |
| | **5 886 873** | 4 647 133 |

[1] *Revenue excludes intersegmental revenue of R267.2 million (2023: R170.6 million), which is eliminated on consolidation.*

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

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

| | AUDITED YEAR ENDED 31 DECEMBER 2024 R'000 | AUDITED YEAR ENDED 31 DECEMBER 2023 R'000 |
|---|---|---|
| **5. HEADLINE EARNINGS PER SHARE** | | |
| **5.1 DETERMINATION OF HEADLINE EARNINGS** | | |
| Profit attributable to shareholders of Sea Harvest Group Limited | **226 960** | 282 139 |
| Loss/(profit) on disposal of property, plant, equipment and vehicles | **10 392** | (1 887) |
| Insurance proceeds | **(29 033)** | (9 410) |
| Fair value gain on investment properties | **(500)** | – |
| Loss on disposal of subsidiaries | **–** | 578 |
| Gain on bargain purchase | **(28 252)** | – |
| Profit on disposal of associate | **(5 096)** | – |
| Re-measurements included in the equity-accounted earnings of associates | **(6 878)** | – |
| Total non-controlling interest and tax effects of adjustments | **6 273** | 3 706 |
| **Headline earnings for the year** | **173 866** | 275 126 |
| **5.2 CALCULATION OF WEIGHTED AVERAGE NUMBER OF OUSTANDING SHARES (WANOS)** | | |
| WANOS on which basic earnings and headline earnings per share is based[1] | **313 472 189** | 275 923 041 |
| WANOS on which diluted earnings and diluted headline earnings per share is based[1] | **321 667 686** | 282 943 808 |
| Reconciliation of WANOS used in the calculation of basic and diluted headline earnings per share: | | |
| – Basic[1] | **313 472 189** | 275 923 041 |
| – Dilutive effect of treasury shares (forfeitable share plan) | **8 195 497** | 7 020 767 |
| **Diluted** | **321 667 686** | 282 943 808 |
| **Headline earnings per share (cents)** | | |
| – Basic | **55** | 100 |
| – Diluted | **54** | 97 |

*1 The movement in WANOS largely relates to the issue of 60 million shares as part of the purchase consideration for the current period business combination. Refer to* **note 7**

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

## 6. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES

The following table analyses the Group's assets and liabilities that are measured at fair value subsequent to initial recognition, grouped in Levels 1 to 3 based on the degree to which fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**Fair value measurement hierarchy for assets and liabilities as at 31 December 2024**

| | DATE OF VALUATION | TOTAL R'000 | LEVEL 1 R'000 | LEVEL 2 R'000 | LEVEL 3 R'000 |
|---|---|---|---|---|---|
| **Assets measured at fair value** | | | | | |
| Biological assets | 31 December 2024 | **512 071** | **–** | **–** | **512 071** |
| Investment properties | 31 December 2024 | **74 882** | **–** | **–** | **74 882** |
| Investment at fair value through other comprehensive income | 31 December 2024 | **14 180** | **–** | **–** | **14 180** |
| Other financial assets | 31 December 2024 | **114 689** | **–** | **80 240** | **34 449** |
| **Liabilities measured at fair value** | | | | | |
| Other financial liabilities | 31 December 2024 | **6 740** | **–** | **6 740** | **–** |
| Contingent consideration | 31 December 2024 | **148 579** | **–** | **–** | **148 579** |

**Fair value measurement hierarchy for assets and liabilities as at 31 December 2023**

| | DATE OF VALUATION | TOTAL R'000 | LEVEL 1 R'000 | LEVEL 2 R'000 | LEVEL 3 R'000 |
|---|---|---|---|---|---|
| **Assets measured at fair value** | | | | | |
| Biological assets | 31 December 2023 | 189 676 | – | – | 189 676 |
| Investment properties | 31 December 2023 | 79 432 | – | – | 79 432 |
| Investment at fair value through other comprehensive income | 31 December 2023 | 28 360 | – | – | 28 360 |
| Other financial assets | 31 December 2023 | 33 208 | – | 792 | 32 416 |
| **Liabilities measured at fair value** | | | | | |
| Other financial liabilities | 31 December 2023 | 67 041 | – | 67 041 | – |

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

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

## 6. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES CONTINUED

Specific valuation techniques used for the instruments are:

- **Biological assets:** Biological assets are measured at fair value less costs to sell. Biological assets relate to abalone cultivated at aquaculture farms and are measured at their fair value less estimated point-of-sale costs. Fair value is determined based on the US dollar-denominated market prices of biological assets of similar age, breed and genetic merit. In order to measure and value biological assets, management uses growth-formula and drip-and-purge loss factors to determine the weight of animals at the reporting date. These formulas are based on empirical evidence and confirmed industry norms. A net fair value gain for the year of R3.6 million (2023: R14.6 million) was recognised in profit or loss relating to the valuation of biological assets and related trading stock. A change in unobservable inputs would not have a significant change in the fair value.
- **Investment properties:** Investment properties relates to industrial and commercial properties owned by Delecto Proprietary Limited, a subsidiary of BMFG. These properties were revalued by an independent valuator using the income capitalisation approach. A net fair value gain of R0.5 million (2023: Rnil) was recognised in profit or loss upon revaluation of properties. In the current year, the remaining movement of R5.1 million (2023: Rnil) relates to the disposal of investment properties.
- **Investment at fair value through other comprehensive income:** The asset valuation method performed by an independent valuator represents unlisted shares in a vessel-owning company, Desert Diamond Fishing Proprietary Limited. The underlying vessel is valued based on the age and condition of the vessel and current market value derived by sales comparison of these or similar types of vessels adjusted for differences in age, condition, size, and degree of upgrade already carried out on the vessel. A fair value loss for the year of Rnil (2023: R2.9 million) was recognised in other comprehensive income relating to the valuation of the investment. A change in unobservable inputs would not have a significant change in the fair value. On 26 January 2024, the Group disposed of 50% of its shares for R14 million, reducing its shareholding from 10% to 5%.
- **Financial assets and liabilities:**
  - Level 3 financial assets represents the call option to acquire shares in Vuna Fishing Company Proprietary Limited (Vuna). The fair value was independently determined by an expert using the Black-Scholes option pricing model with key unobservable assumptions being (i) the value of Vuna calculated using an average of actual 2023 and 2024 earnings and 2025 projected earnings multiplied by a price earnings multiple, (ii) yield curve of 7.29% (2023: 7.68%), and (iii) volatility of 32.22% (2023: 37.00%). A change in unobservable inputs would not have a material change in the fair value. A fair value gain for the year on the revaluation of the share option of R0.6 million (2023: R2.3 million) has been recognised in profit or loss.
  - Level 2 financial assets and liabilities relate to hedging contracts entered into by the Group for the purpose of minimising the Group's exposure to foreign currency and fuel price volatility. The valuation is performed by an independent valuator, taking into account forward exchange contracts spot and forward rates, current fuel prices, and discount factors.
- **Contingent consideration:** The contingent consideration requires the Group to pay the former owners of Aqunion and Sea Harvest Pelagic for achieving certain earn-out targets for the 2024 financial year, up to a maximum undiscounted amount of R158 million. The amount determined to be due (on the basis of an agreed scale) is payable at 30 June 2025.

  The agreed scale is based on the achievement by Sea Harvest Pelagic and Aqunion (on a combined basis) of minimum attributable net profit after tax of at least R180 million for the financial year ending 31 December 2024. For every incremental R1 of attributable net profit after tax greater than R180 million earned in the financial year ended 31 December 2024, Sea Harvest will pay R5.25, subject to a maximum of R158 million (which equates to R210 million attributable net profit after tax).

The fair value of the contingent consideration arrangements was estimated by calculating the present value of the expected future cash flows. The estimates are based on discount rates and the assumption that the earn-out targets will be met based on the best available forecast information at acquisition date. A fair value adjustment of R11.1 million was recognised during the year, relating to the effect of discounting. Refer to **note 7**.

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## 7. BUSINESS COMBINATION

With effect from 14 May 2024, the Group, through its wholly-owned subsidiaries Sea Harvest Pelagic and Sea Harvest Aquaculture, entered into a share purchase agreement and implementation agreement in respect of the following target entities:

- The acquisition by Sea Harvest Pelagic of 100% of the issued shares and loan claims of certain of Terrasan's subsidiaries engaged in the catching, processing and sale of pelagic fish (Sea Harvest Pelagic)
- The acquisition by Sea Harvest Aquaculture of 63.07% of the issued shares and loan claims of certain of Terrasan's subsidiaries engaged in the farming, processing and sale of abalone (Aqunion).

The transaction represents a notable step in the execution of Sea Harvest's strategy to grow and diversify in the South African fishing and aquaculture sectors.

The Group has elected to measure the non-controlling interests in Aqunion at its proportionate percentage (36.93%) of the recognised amounts of the acquiree's identifiable net assets.

The initial accounting for the acquisition had not been finalised at reporting date and may be subject to working capital, biological asset, and intangible asset changes.

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



# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

## 7. BUSINESS COMBINATION CONTINUED

The provisional purchase price allocation is as follows:

| | Fair value at acquisition date | | |
|---|---|---|---|
| | SEA HARVEST PELAGIC R'000 | AQUNION R'000 | TOTAL R'000 |
| **Assets acquired and liabilities assumed** | | | |
| Property, plant, equipment and vehicles | 202 951 | 195 066 | 398 017 |
| Biological assets | – | 260 290 | 260 290 |
| Intangible assets | 140 151 | 56 970 | 197 121 |
| Right-of-use assets | 555 | 9 445 | 10 000 |
| Loans receivable | 9 074 | 988 | 10 062 |
| Loans to supplier partners | 3 669 | – | 3 669 |
| Inventories | 310 864 | 87 846 | 398 710 |
| Trade and other receivables | 161 617 | 35 038 | 196 655 |
| Cash and bank balances | 102 542 | 31 153 | 133 695 |
| Borrowings | (346 140) | (640 486) | (986 626) |
| Deferred tax liabilities | (54 679) | (109 696) | (164 375) |
| Current tax payable | (27 034) | (6 960) | (33 994) |
| Lease liabilities | (648) | (9 568) | (10 216) |
| Provisions | (17 729) | – | (17 729) |
| Trade and other payables | (183 643) | (22 574) | (206 217) |
| **Total identifiable assets and liabilities** | 301 550 | (112 488) | 189 062 |
| **Total consideration comprises the following:** | | | |
| Cash | 228 645 | 151 867 | 380 512 |
| Equity instrument (60 million ordinary shares) | 280 517 | 186 320 | 466 837 |
| Contingent consideration | 79 641 | 57 796 | 137 437 |
| | 588 803 | 395 983 | 984 786 |
| Loans acquired from Terrasan[1] | 315 505 | 392 620 | 708 125 |
| Purchase consideration relating to equity | 273 298 | 3 363 | 276 661 |
| **Net cash flow on acquisition of business** | | | |
| Consideration paid in cash | 228 645 | 151 867 | 380 512 |
| Less cash and cash equivalent balances acquired | (102 542) | (31 153) | (133 695) |
| | 126 103 | 120 714 | 246 818 |
| **(Gain on bargain purchase)/goodwill on acquisition** | | | |
| Consideration | 273 298 | 3 363 | 276 661 |
| Less: Fair value of identifiable assets acquired and liabilities assumed | (301 550) | 112 488 | (189 062) |
| Non-controlling interest | – | (32 880) | (32 880) |
| | (28 252) | 82 971 | 54 719 |

1 *Included in borrowings are amounts owed to the former controlling shareholders of the respective entities, which were acquired by Sea Harvest and the new non-controlling shareholders as part of the business combination. Refer to footnote 2 on long-term borrowings in the statement of financial position for details of amounts owed to non-controlling shareholders*

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

## 7. BUSINESS COMBINATION CONTINUED

The main class of intangible asset identified in Aqunion was the brand name. The main class of intangible assets identified in the Sea Harvest Pelagic businesses were the fishing rights and brand names. The fair values were determined by an external independent valuer with reference to the best estimate of arm's length transactions in an open market.

Goodwill is attributable to a control premium as well as the benefit of expected synergies, revenue growth and diversification. Goodwill is not expected to be deductible for tax purposes.

The gain on bargain purchase is largely attributable to the reduction of the total purchase consideration as a result of recognition of the fair value of the issued shares at acquisition date, which was lower than the contractual offer price.

The fair value of trade and other receivables of R196.7 million includes trade receivables with a gross contractual amount of R178.3 million and a R1.4 million contractual amount not expected to be collected. The balance of R19.8 million relates to the gross contractual amounts of other receivables.

| IMPACT OF THE ACQUISITION ON THE RESULTS OF THE GROUP | R'000 |
|---|---|
| *Amounts included in the Group's results relating to Aqunion and Sea Harvest Pelagic since date of acquisition:* | |
| Revenue | **1 222 501** |
| Profit after taxation | **134 680** |
| *Results of the Group if Aqunion and Sea Harvest Pelagic had been consolidated from 1 January 2024:* | |
| Revenue | **7 705 981** |
| Profit after taxation | **296 687** |

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

### ACQUISITION-RELATED COSTS

Acquisition costs of R23.2 million were recognised in profit or loss for the year within the other operating expenses line item.



# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

## 8. RELATED PARTY TRANSACTIONS

This disclosure relates to material related party balances and transactions.

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

| | AUDITED YEAR ENDED 31 DECEMBER 2024 R'000 | AUDITED YEAR ENDED 31 DECEMBER 2023 R'000 |
|---|---|---|
| **8.1 RELATED PARTY LOANS** | | |
| **Loans to related parties – non-current** | | |
| Vuna (joint venture of Brimstone Investment Corporation Limited (Brimstone)) | **27 420** | 27 420 |
| Vuna Fishing Group Proprietary Limited (subsidiary of Brimstone) | **45 069** | 45 068 |
| SeaVuna[1] | **33 980** | 39 396 |
| BMFM (associate of Cape Harvest Food Group Proprietary Limited) | **26 906** | 19 202 |
| **Total** | **133 375** | 131 086 |
| **8.2 RELATED PARTY TRANSACTIONS** | | |
| **Sales to related parties** | | |
| SeaVuna[1] | **12 988** | 14 778 |
| **Recoveries and other income from related parties** | | |
| SeaVuna[1] | **28 875** | 23 623 |
| **Purchases from related parties** | | |
| SeaVuna [1] | **312 399** | 295 092 |
| **Amounts owed by related parties** | | |
| SeaVuna [1] | **29 255** | 40 580 |
| **Amounts owed to related parties** | | |
| SeaVuna [1] | **40 935** | 56 074 |

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

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

## 9. STATED CAPITAL (NUMBER)

| | AUDITED YEAR ENDED 31 DECEMBER 2024 R'000 | AUDITED YEAR ENDED 31 DECEMBER 2023 R'000 |
|---|---|---|
| **In issue (number)** | | |
| Ordinary shares | **358 866 214** | 298 866 214 |
| Held as treasury shares | **(22 084 893)** | (23 493 243) |
| | **336 781 321** | 275 372 971 |

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

| | TOTAL SHARES IN ISSUE | LESS TREASURY SHARES | TOTAL NET SHARES IN ISSUE |
|---|---|---|---|
| **Opening balance** | **298 866 214** | **23 493 243** | **275 372 971** |
| Shares issued | **60 000 000** | | **60 000 000** |
| Shares repurchased | **–** | **2 527 310** | **(2 527 310)** |
| Shares vested | **–** | **(3 935 660)** | **3 935 660** |
| **Closing balance** | **358 866 214** | **22 084 893** | **336 781 321** |



# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

## 10. CONTINGENT LIABILITIES AND COMMITMENTS

The Group had no contingent liabilities at the end of the year (2023: Rnil).

| | AUDITED YEAR ENDED 31 DECEMBER 2024 R'000 | AUDITED YEAR ENDED 31 DECEMBER 2023 R'000 |
|---|---|---|
| Capital commitments | | |
| Budgeted capital expenditure is as follows: | | |
| • Contracted | **23 183** | 13 048 |
| • Not contracted | **449 682** | 276 115 |

## 11. GOING CONCERN

Management assessed going concern, taking into account current economic conditions, available information about future risks and uncertainties, cash flow analyses, operational analyses, and available funding facilities across the Group.

The South African Fishing and Australian segments' assessment included the consideration of the sustainability of fishing resources in the sectors and geographies in which the Group operates as well as the impact of climate change. The sustainability of resources and the impact of climate change features as one of the Group's top risks, and management continues to assess the potential effects on the business and value chain. The Group's diversification strategy and investment along different coastlines enable it to mitigate risk through geographic and species diversification.

The Cape Harvest Foods segment's assessment included the consideration of organic expansion projects through investment in additional capacity and upgrade of facilities to increase performance.

The Aquaculture segment's assessment included the consideration of growth rates, new product formats, new markets, and customers, complemented by the integration of the two businesses.

The Group's forecasts and projections of its current and expected profitability and cash flows, taking account of reasonably possible changes in trading performance, capital and liquidity, show that the Group will have sufficient cash resources to sustain operations for at least 12 months from the reporting date of the summarised consolidated financial statements.

No material covenants were breached during the year. Therefore, the directors have no reason to believe that the Group will not be a going concern in the foreseeable future, and, accordingly, the summarised consolidated financial statements have been prepared on a going concern basis.

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

## 12. IMPAIRMENT ASSESSMENT OF AUSTRALIAN CASH GENERATING UNIT

Sea Harvest Australia is a vertically integrated fishing business that catches, processes and packs prawns, scallops, crabs, Spanish Mackerel and other wild-caught fish species for the Australian domestic and international markets. In addition, it operates a nationwide retail and foodservice sales and distribution business.

In 2023 and 2024, prawn prices reduced 23% on a global basis as result of higher inventories driven by tightening economic conditions and the prolonged reopening of the Chinese market. Due to the protracted recovery within the prawn fishing industry, management performed an impairment assessment of the Australian CGU. Goodwill of R256 million and intangible assets of R1.2 billion with indefinite useful lives in Australia largely relate to the fishing division. The recoverable amount of this CGU is determined based on a value-in-use (VIU) calculation that requires the use of certain assumptions. The calculation uses cash flow projections based on approved financial budgets and forecasts covering a five-year period.

The below key estimates are used in the VIU calculation:

| | 2024 % | 2023 % |
|---|---|---|
| Pre-tax discount rate[1] | **13.30** | 11.46 |
| Average food inflation increase[2] | **5.00** | 3.00 |
| Incremental catch growth rate[3] | **10.00** | 10.00 |
| Consumer price inflation[4] | **2.75** | 3.00 |
| Terminal growth rate[4] | **2.75** | 3.00 |

[1] *The discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated into the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and is derived from its WACC. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.*

[2] *The average sales price used in the VIU calculation is the average sales prices achieved in 2024 increased by food inflation in the forecast periods. The food inflation used assumes that prawn prices will incrementally increase in each of the forecast periods with the gradual reduction in oversupply of prawn until almost full recovery in 2029.*

[3] *The incremental catch growth rate assumes that the CGU will recover to historical averages as supported by long-term historical catch data.*

[4] *In line with long-term consumer inflation and the GDP growth in Australia.*

Due to the protracted recovery of the prawn fishing industry, management has exercised significant judgement on the sales prices, incremental catch growth rates (sales volumes), and the discount rate.





# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2024

## 12. IMPAIRMENT ASSESSMENT OF AUSTRALIAN CASH GENERATING UNIT CONTINUED

### RESULT OF IMPAIRMENT TEST AND SENSITIVITY ANALYSIS

As at 31 December 2024, the valuations resulted in a surplus of the VIU over the carrying amount of the CGU.

A sensitivity analysis of the impact on the excess of the VIU over the carrying value of the CGU to changes in key assumptions, in isolation, at 31 December 2024 is set out below:

| KEY INPUTS | MOVEMENT (%) | IMPAIRMENT (R'000) |
|---|---|---|
| Pre-tax discount rate | +0.50 | Nil |
| Average food inflation | -0.25 | Nil |
| Incremental catch growth rate | -5.00 | Nil |
| Consumer price inflation | +0.25 | Nil |
| Terminal growth rate | -0.25 | Nil |
| **The Group estimates that an impairment would be triggered if:** | | |
| Pre-tax discount rate increases by | 0.7 | |
| Average food inflation decreases by | 0.7 | |
| Incremental catch growth rate decreases by | 7.8 | |
| Consumer price inflation increases by | 0.9 | |
| Terminal growth rate decreases by | 0.9 | |

Management will continue to assess the long-term effects of the global oversupply of prawns, sales price recovery, and catch volumes recovery and the impact it has on goodwill and intangible assets with indefinite useful lives in respect of impairment assessment on the Australian CGU.

## 13. EVENTS SUBSEQUENT TO THE REPORTING DATE

The Board of Directors recommended a gross and final cash dividend on 4 March 2025 amounting to 22 cents per share (2023: 40 cents per share), in respect of the year ended 31 December 2024.

## 14. OTHER SIGNIFICANT EVENT

As a result of the issue of 60 million ordinary shares on 14 May 2024 as part of the total purchase consideration for the acquisition referred to in **note 7**, Newshelf 1063 (RF) Proprietary Limited (which is a wholly-owned subsidiary of Brimstone) was diluted from 53.4% to 44.5%. As a result, Sea Harvest is no longer a subsidiary of Brimstone.



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# ANALYSIS OF ORDINARY SHAREHOLDERS

AS AT 31 DECEMBER 2024

| SHAREHOLDER SPREAD | NUMBER OF SHAREHOLDINGS | % OF TOTAL SHAREHOLDINGS | NUMBER OF SHARES | % OF ISSUED CAPITAL |
|---|---|---|---|---|
| 1 – 1 000 | 2 687 | 84.82% | 210 205 | 0.06% |
| 1 001 – 10 000 | 261 | 8.24% | 970 127 | 0.27% |
| 10 001 – 100 000 | 105 | 3.31% | 3 834 360 | 1.07% |
| 100 001 – 1 000 000 | 87 | 2.75% | 35 302 316 | 9.84% |
| Over 1 000 000 | 28 | 0.88% | 318 549 206 | 88.77% |
| **Total** | **3 168** | **100.00%** | **358 866 214** | **100.00%** |

| DISTRIBUTION OF SHAREHOLDERS | NUMBER OF SHAREHOLDINGS | % OF TOTAL SHAREHOLDINGS | NUMBER OF SHARES | % OF ISSUED CAPITAL |
|---|---|---|---|---|
| Assurance companies | 7 | 0.22% | 2 487 397 | 0.69% |
| Close corporations | 8 | 0.25% | 87 690 | 0.02% |
| Collective investment schemes | 42 | 1.33% | 26 857 385 | 7.48% |
| Custodians | 5 | 0.16% | 15 421 | 0.00% |
| Foundations and charitable funds | 7 | 0.22% | 2 206 896 | 0.61% |
| Hedge funds | 9 | 0.28% | 7 119 099 | 1.98% |
| Insurance companies | 1 | 0.03% | 10 000 | 0.00% |
| Investment partnerships | 8 | 0.25% | 270 252 | 0.08% |
| Managed funds | 8 | 0.25% | 27 979 | 0.01% |
| Medical aid funds | 2 | 0.06% | 446 846 | 0.12% |
| Organs of state | 1 | 0.03% | 12 578 831 | 3.51% |
| Private companies | 56 | 1.77% | 257 742 086 | 71.82% |
| Public companies | 1 | 0.03% | 128 126 | 0.04% |
| Retail shareholders | 2 926 | 92.36% | 7 873 375 | 2.19% |
| Retirement benefit funds | 36 | 1.14% | 15 965 209 | 4.45% |
| Scrip lending | 2 | 0.06% | 610 550 | 0.17% |
| Share schemes | 1 | 0.03% | 3 548 446 | 0.99% |
| Sovereign funds | 3 | 0.09% | 19 321 937 | 5.38% |
| Stockbrokers and nominees | 6 | 0.19% | 727 842 | 0.20% |
| Trusts | 39 | 1.23% | 840 847 | 0.23% |
| **Total** | **3 168** | **100.00%** | **358 866 214** | **100.00%** |

# ANALYSIS OF ORDINARY SHAREHOLDERS CONTINUED

AS AT 31 DECEMBER 2024

| SHAREHOLDER TYPE | NUMBER OF SHAREHOLDINGS | % OF TOTAL SHAREHOLDINGS | NUMBER OF SHARES | % OF ISSUED CAPITAL |
|---|---|---|---|---|
| **Non-public shareholders** | **10** | **0.32%** | **165 348 909** | **46.08%** |
| Newshelf 1063 Proprietary Limited (beneficial holders >35% ) | **1** | **0.03%** | **159 558 884** | **44.46%** |
| Directors and associates | **8** | **0.25%** | **2 241 579** | **0.62%** |
| Share schemes | **1** | **0.03%** | **3 548 446** | **0.99%** |
| **Public shareholders** | **3 158** | **99.68%** | **193 517 305** | **53.92%** |
| **Total** | **3 168** | **100.00%** | **358 866 214** | **100.00%** |

| FUND MANAGERS WITH A HOLDING GREATER THAN 3% OF THE ISSUED SHARES | NUMBER OF SHARES | % OF ISSUED CAPITAL |
|---|---|---|
| Camissa Asset Management | **37 404 594** | **10.42%** |
| Visio Capital Management | **19 532 832** | **5.44%** |
| Public Investment Corporation | **12 578 831** | **3.51%** |
| 36One Asset Management | **11 792 527** | **3.29%** |
| **Total** | **81 308 784** | **22.66%** |

| BENEFICIAL SHAREHOLDERS WITH A HOLDING GREATER THAN 3% OF THE ISSUED SHARES | NUMBER OF SHARES | % OF ISSUED CAPITAL |
|---|---|---|
| Newshelf 1063 Proprietary Limited* | **159 558 884** | **44.46%** |
| Terrasan Investments Proprietary Limited | **55 000 000** | **15.33%** |
| Sea Harvest Corporation Proprietary Limited | **17 702 536** | **4.93%** |
| Government of Norway | **16 488 658** | **4.59%** |
| Camissa Asset Management | **15 823 456** | **4.41%** |
| Government Employees Pension Fund | **12 578 831** | **3.51%** |
| Odin Investments Proprietary Limited | **12 307 692** | **3.43%** |
| **Total** | **289 460 057** | **80.66%** |

| | |
|---|---|
| **Total number of shareholdings** | **3 168** |
| **Total number of shares in issue** | **358 866 214** |

** Subsidiary of Brimstone Investment Corporation Limited*

# ANALYSIS OF ORDINARY SHAREHOLDERS CONTINUED

## AS AT 31 DECEMBER 2024

| SHARE PRICE PERFORMANCE | NUMBER OF SHAREHOLDINGS |
|---|---|
| Opening price 02 January 2024 | **R8.95** |
| Closing price 31 December 2024 | **R8.35** |
| Closing high for period | **R9.39** |
| Closing low for period | **R7.50** |
| Number of shares in issue | **358 866 214** |
| Volume traded during period | **20 713 358** |
| Ratio of volume traded to shares issued (%) | **5.77%** |
| Rand value traded during the period | **R171 909 816** |
| Price/earnings ratio as at 31 December 2024 | **11.44** |
| Earnings yield as at 31 December 2024 | **8.74** |
| Dividend yield as at 31 December 2024 | **3.83** |
| Market capitalisation at 31 December 2024 | **R2 996 532 887** |



# GLOSSARY

| | |
|---|---|
| "ACI" | African, Coloured and Indian |
| "AFASA" | Abalone Farmers' Association of South Africa |
| "AFS" | Annual Financial Statements |
| "AGM" | Annual general meeting |
| "ASX" | Australian Securities Exchange |
| "AQUNION" | Aqunion Proprietary Limited |
| "AUD" | Australian dollar |
| "B-BBEE" | Broad-Based Black Economic Empowerment |
| "BLSA" | Business Leadership South Africa |
| "BMFG" | BM Foods Group Proprietary Limited |
| "BMFM" | BM Foods Manufacturers Proprietary Limited |
| "MSY" | Maximum sustainable yield of spawning biomass |
| "BOARD OR DIRECTORS" | Sea Harvest Group Limited's Board of Directors |
| "BRIMSTONE" | Brimstone Investment Corporation Limited |
| "CAGR" | Compound annual growth rate |
| "CAPE HARVEST FOOD GROUP" | Cape Harvest Food Group Proprietary Limited |
| "CEO" | Chief Executive Officer |
| "CFO" | Chief Financial Officer |
| "COMPANIES ACT" | Companies Act, No 71 of 2008 as amended |
| "CGU" | Cash generating unit |
| "CPI" | Consumer Price Index |
| "CPUT" | Cape Peninsula University of Technology |
| "DFFE" | Department of Forestry, Fisheries and the Environment (South Africa) |
| "DIFR" | Disabling injury frequency rate |
| "DPIRD" | Department of Primary Industries and Regional Development (Australia) |
| "DPS" | Dividend per share |
| "EBIT" | Earnings before interest and taxes |
| "EBITDA" | Earnings before interest, taxes, depreciation and amortisation |
| "ECD" | Early childhood development |
| "ESG" | Environmental, social and governance |

# GLOSSARY CONTINUED

| | |
|---|---|
| "EPS" | Earnings per share |
| "FCTR" | Foreign currency translation reserve |
| "FEDRATI" | Fisheries Economic Development Research Advisory and Training Institute |
| "FISHERIES FUND" | South African Fisheries Development Fund |
| "FMCG" | Fast-moving consumer goods |
| "FMD" | Foot-and-mouth disease |
| "FOUNDATION" OR "SEA HARVEST FOUNDATION" | Sea Harvest Group Limited's not-for-profit company (NPC) that focuses on various areas of development |
| "FSP" | Forfeitable share plan |
| "GDP" | Gross domestic product |
| "GNU" | Government of National Unity |
| "GP" | Guaranteed pay |
| "H.C." | Doctor of Philosophy degree conferred *honoris causa* |
| "HEPS" | Headline earnings per share |
| "HR" | Human resources |
| "IASB" | International Accounting Standards Board |
| "ICS" | Imperial Cold Storage |
| "IFRS" | International Financial Reporting Standards |
| "IR" | Sea Harvest Group Limited's Integrated Report |
| "IT" | Information technology |
| "JSE" | Johannesburg Stock Exchange |
| "KAGISO" | Kagiso Investment Holdings |
| "KING IV™" | King IV Report on Corporate Governance™ |
| "KPI" | Key performance indicator |
| "LADISMITH" | Ladismith Cheese Company Proprietary Limited |
| "LISTINGS REQUIREMENTS" | JSE Limited Listings Requirements |
| "LTI" | Long-term incentive |
| "LTIFR" | Loss time injury frequency rate |
| "MARIFEED" | Marifeed Proprietary Limited |
| "MARETERRAM" | Mareterram Limited |
| "MEY" | Maximum economic yield |
| "MG KAILIS" | MG Kailis Holdings Proprietary Limited |

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# GLOSSARY CONTINUED

| | |
|---|---|
| "MOOIVALLEI" | Mooivallei Suiwel Proprietary Limited |
| "MSC" | Marine Stewardship Council |
| "MSR" | Minimum s hareholding requirement |
| "MSY" | Maximum sustainable yield |
| "NRCS" | National Regulator for Compulsory Specifications |
| "NGO" | Non-governmental organisation |
| "RFA" | Responsible Fisheries Alliance |
| "ROCE" | Return on capital employed |
| "ROIC" | Return on invested capital |
| "SADSTIA" | South African Deep-Sea Trawling Industry Association |
| "SAICA" | South African Institute of Chartered Accountants |
| "SAMPRO" | South African Milk Processors' Organisation |
| "SAPFIA" | South African Pelagic Fishing Industry Association |
| "SARB" | South African Reserve Bank |
| "SAMTA" | South African Midwater Trawling Association |
| "SBSA" | Standard Bank of South Africa Limited |
| "SEA HARVEST AUSTRALIA" | Sea Harvest International Proprietary Limited |
| "SEA HARVEST CORPORATION" | Sea Harvest Corporation Proprietary Limited |
| "SEA HARVEST" OR "THE GROUP" OR "THE COMPANY" | Sea Harvest Group Limited |
| "SEA HARVEST PELAGIC | Sea Harvest Pelagic Proprietary Limited |
| "SEAVUNA" | SeaVuna Fishing Company Proprietary Limited |
| "SED" | Socio-economic development |
| "SENS" | Stock Exchange News Service |
| "SMME" | Small, medium and micro enterprise |
| "STI" | Short-term incentive |
| "TAC" | Total allowable catch |
| "US" | United States of America |
| "USD" | United States of America dollar |
| "VIU" | Value-in-use |
| "VAT" | Value added tax |
| "VIKING AQUACULTURE" | Viking Aquaculture Proprietary Limited |
| "VUNA" | Vuna Fishing Company Proprietary Limited |
| "WACC" | Weighted average cost of capital |
| "WANOS" | Weighted average number of outstanding shares |
| "ZAR" | South African rand |

# CORPORATE INFORMATION

**SEA HARVEST GROUP LIMITED**
(Incorporated in the Republic of South Africa)

**REGISTRATION NUMBER:** 2008/001066/06

**JSE SHARE CODE:** SHG

**ISIN:** ZAE000240198

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

**REGISTERED ADDRESS:**
The Boulevard Office Park
1st Floor, Block C
Searle Street
Woodstock
Cape Town
7925
South Africa

**DIRECTORS:**
F Robertson* (Chairperson)
BM Rapiya**
WA Hanekom***
MI Khan* (retired 27 February 2025)
GG Fortuin* (appointed 27 February 2025)
T Moodley*
KA Lagler***
CK Zama***
E Links* (appointed 5 August 2024)
F Ratheb (Chief Executive Officer)
M Brey (Chief Financial Officer)

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

**COMPANY SECRETARY:** S Gounden (resigned as company secretary effective 30 April 2025)

**TRANSFER SECRETARY:** Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

**SPONSOR:** The Standard Bank of South Africa Limited

**AUDITORS:** Ernst & Young Incorporated

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# NOTES




**2024**

THE GROUP SUCCESSFULLY ACQUIRES
100% OF TERRASAN'S
PELAGIC BUSINESS AND A
63.07% STAKE IN ITS
ABALONE BUSINESS, AQUNION

2024

SEAHARVESTGROUP.CO.ZA

