Sea Harvest Group Limited
(Formerly Sea Harvest Holdings Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2008/001066/06)
Share code: SHG ISIN: ZAE000240198
(“Sea Harvest” or “the Company” or “the Group”)

ABRIDGED PRE-LISTING STATEMENT

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN ANY JURISDICTION OUTSIDE SOUTH AFRICA OR ANY JURISDICTION WHERE IT MAY BE UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT.

This abridged pre-listing statement relates to the listing of Sea Harvest in the “Farming, Fishing and Plantation” sector of the Main Board of the JSE Limited (“JSE”) with effect from the expected commencement of trade on Thursday, 23 March 2017 (the “Listing”) and the offer for subscription by way of private placement to certain selected Qualifying Investors (as defined below) of up to 91,666,667 ordinary shares of no par value in the Company (the “Offer”). Capitalised terms not defined herein have the same meaning given to them in the full pre-listing statement issued by Sea Harvest on Monday, 6 March 2017 (the “Pre-listing Statement”).

This abridged Pre-listing Statement does not constitute an offer for the sale of or subscription for, or the solicitation of an offer to buy or subscribe for shares in the Company, but is issued in compliance with the Listings Requirements of the JSE (the “Listings Requirements”) for the purpose of providing information with regards to Sea Harvest. Any offer to acquire shares pursuant to the Offer will be made, and any investor should make his investment decision, solely on the basis of the information that is contained in the Pre-listing Statement.

This abridged Pre-listing Statement highlights selected information from the Pre-listing Statement. It is not complete and does not contain all of the information that a person should consider before investing in the ordinary shares of Sea Harvest (the “Shares”). Investors should read the Pre-listing Statement carefully in its entirety, including the “Risk Factors” section, the financial statements included therein and the notes to those financial statements.

The salient terms of the Offer are as follows:

Offer price range per Share: R12.00 to R14.50
Number of Shares to be offered: up to 91,666,667
Percentage of issued share capital: up to 38.7% (after issue of Shares pursuant to the Offer)

The Offer will comprise an offer for subscription by the Company of 91,666,667 new Shares (or such increased number as the Company may decide) placed within the Offer price range per Share. The net proceeds received by the Company from the Offer will be used to:

- settle the Third Party Debt;
- settle the Preference Share Redemption Loan;
- repay the Shareholder Loan;
- repay the Management Loans;
- settle the Staff Trust Repurchase Consideration;
- fund investment by the Group in land-based and vessel efficiency gains, leading to market optimisation which will support organic growth and margin-enhancement projects;
- raise funds to pursue its acquisitive growth strategy, both in South Africa and in Australia; and
- provide the Company with greater balance sheet flexibility and a listed currency to accelerate its strategic growth plans.
The Offer consists of an Offer to (i) selected institutional investors in South Africa who fall within one of the specified categories listed in section 96(1)(a) of the South African Companies Act or (ii) selected persons, each acting as principal, acquiring Offer Shares for a total acquisition cost of R1,000,000 or more, as contemplated in section 96(1)(b) of the South African Companies Act, in each case, to whom the Offer will be specifically addressed and will only be capable of acceptance by such addressees (the “Qualifying Investors”).

The Offer is not an invitation to the general public to subscribe for or purchase the Offer Shares in any jurisdiction.

There is no minimum capital requirement to be realised by the Offer. The minimum subscription that must be realised by the Company is that which enables it to ensure that the Company has, once the Offer is completed, such number and composition of shareholders as will enable it to meet the minimum liquidity free-float requirements, as prescribed by the Listings Requirements and acceptable to the JSE.

1. LISTING

The JSE has granted Sea Harvest a listing of up to 236,696,240 Shares in the “Farming, Fishing and Plantation” sector of the Main Board of the JSE under the abbreviated name “SeaHarvst” under share code: SHG and ISIN: ZAE000240198, from the commencement of trade on Thursday, 23 March 2017, subject to Sea Harvest having satisfied the Listings Requirements regarding the minimum liquidity free-float requirements.

2. OVERVIEW OF THE SEA HARVEST GROUP

The Sea Harvest Group is a 53-year old leading, internationally recognised vertically integrated fishing and branded FMCG business established in 1964 with operations in South Africa and Australia. With access to a fleet of 29 vessels and approximately 3,000 employees, the Sea Harvest Group operates in Saldanha Bay on the West Coast of South Africa and, through the Vuna Exclusive Supply Agreement, in Mossel Bay on the Southern Coast of South Africa. In July 2016 the Company acquired a controlling interest in Mareterram Limited, a vertically integrated agribusiness listed on the Australian Stock Exchange with operations in Shark Bay, Carnarvon, Western Australia.

The principal business of the Group is fishing of MSC-certified Cape hake and Shark Bay tiger and king prawns, processing of the catch into frozen and chilled seafood, and the marketing of these products, locally and internationally. Sea Harvest is the leading frozen fish brand in South Africa in both retail (with a 36.7% market share) and foodservice with strong consumer loyalty and brand equity.

The Group is one of the largest Fishing Rights holders in the South African Cape hake industry with 28% of the hake TAC equating to 41,676 tons, and 56% of the prawn licences in Shark Bay, Western Australia.

The Sea Harvest Group markets its range of fish, prawns and related seafood products through an extensive and sophisticated marketing and sales network servicing retail and foodservice customers in 22 countries, and has offices in Cape Town, Johannesburg, Durban, Perth, Adelaide, Melbourne, Sydney and Brisbane. In 2016, 59% of the Group’s revenues were generated in hard currency earnings, with Europe and Australia being its biggest trading partners.

Brimstone Investment Corporation Limited (“Brimstone”), the JSE-listed black-owned, black-controlled and black-managed investment holding company, currently holds 92.9% (post the Capital Restructure as more fully described in the Pre-listing Statement) of the Shares in the Group with management and staff holding the remaining 7.1%. Brimstone is expected to remain the controlling shareholder post-Listing with an interest of more than 50%.
3. RATIONALE FOR LISTING

The Company anticipates listing on the Main Board of the JSE on 23 March 2017. The rationale behind the Listing is to:

i. provide the Group with additional capital to:
   a. support management’s strategy of continuing to invest in the current business to improve margins and grow organically; and
   b. support the Group’s strategy of becoming a diversified global seafood company through value-creating acquisitions;

ii. settle the Third Party Debt, the Preference Share Redemption Loan, the Management Loans, the Shareholder Loan and the Staff Trust Repurchase Consideration;

iii. establish a platform from which equity capital may be raised in the future to facilitate further growth and potential value-accrative acquisitions;

iv. allow the Group to optimise its capital structure and further strengthen its balance sheet and profitability;

v. provide investors, both institutional and private, with an opportunity to participate in the income streams and future capital growth of the Group;

vi. enhance the liquidity and tradability of the Ordinary Shares through a spread of investors;

vii. allow for a mechanism for the attraction and retention of key management and staff via an appropriate share incentive scheme; and

viii. increase the public profile and transparency of the Group’s businesses and thereby assist in unlocking new business opportunities in South Africa and internationally.

4. KEY INVESTMENT HIGHLIGHTS AND GROWTH STRATEGY

i. Attractive industry dynamics drive premium pricing

Global demand for seafood is growing while the supply of wild-caught fish remains static. This trend supports the Group’s business as it operates in sustainable MSC-certified fisheries producing wild-caught seafood of premium non-commoditised species. Its higher LSM customers in South Africa, Europe and Australia, allied with its market leading brands, mean that the Group has consistently been able to command above-inflation price increases.

ii. Market and brand leader

Sea Harvest is the leading frozen fish brand (with a 36.7% retail market share) in South Africa with strong consumer loyalty and brand equity. The Group’s MSC-certified, premium species products, processed to international quality standards, have attracted major retailers, both in South Africa and internationally, where the Group packs for leading retail and foodservice customers in key international markets such as Spain, Italy, Australia, Germany, Portugal, France and the Netherlands.

iii. World class production facilities operating in an industry with high barriers to entry

The Sea Harvest Group operates in seafood sectors with high barriers to entry that help underpin the long term profitability of the Group, these being:

**Regulation:** Long-term rights (South Africa), perpetual rights (Australia) and regulations provide certainty to the business, ensure that the fisheries are managed sustainably and that rights holders are able to invest in significant assets.

**World class assets:** The capital equipment required to catch and process the Group’s Fishing Rights is considerable (circa > R1.5 billion). The vertically integrated nature of Sea Harvest’s business offers benefits and opportunities for continuous improvement and economies of scale at all stages of the supply chain.
Black Economic Empowerment requirements: B-BBEE is a critical part of the Fishing Rights Application Process, playing a major role in retaining and acquiring Fishing Rights. Sea Harvest is one of the most empowered companies within the South African fishing sector.

Market access and brand strength: Sea Harvest’s brand and existing relationships with customers are difficult to replicate; new entrants do not have the networks or reputation to access developed offshore markets, or the brand required to appeal to South African consumers.

iv. Long standing relationships with a diverse, international customer base generating hard currency earnings (ZAR hedge)
The Sea Harvest Group sells products to 22 countries, where it enjoys long-standing relationships in retail and foodservice channels. Exports are largely to developed European markets and Australia. In 2016, Sea Harvest earned 59% of its revenues in foreign currency providing shareholders with a diversified ZAR hedge. Sea Harvest’s customer base minimises concentration risk as it is not reliant on a single market or customer.

v. Experienced and established management team
The management team has a deep and focused understanding of fishing, with on average 13 years of experience within the industry. The team has a constructive relationship with the regulatory authorities, and strong commercial relationships with international and local retailers. Respected within the industry, they hold board positions at the international Groundfish Forum and the MSC, as well as executive seats on South African fishing bodies.

vi. Track record of financial performance
The Sea Harvest Group generated a CAGR for revenue of 20% between 2014 and 2016. During the same period EBITDA increased at a CAGR of 40% with EBITDA margins expanding from 14% to 19% over the period. These improvements were delivered by the current management team, and were as a result of inter alia consistent top-line growth benefiting from vessel mix, market mix and price increases.

The Sea Harvest Group is a cash generative business, with a cash conversion rate of c.66% in 2016.

vii. Excellent platform for growth and expansion
The Sea Harvest Group is well positioned to take advantage of opportunities available to it to grow the business, which may be categorised broadly into three types, namely:

a. Organic growth: Sea Harvest has identified further opportunities to pursue margin-enhancing investment in its fleet and factories. In addition, the Group will look to grow revenue through market diversification.

b. Acquisitive growth in South Africa: The Group’s excellent B-BBEE credentials allow it the ability to pursue opportunities in a regulated environment. Sea Harvest is well positioned to act as a consolidator within the sector. Acquisitions will allow Sea Harvest to diversify into other in-demand wild-caught sectors, high-value aquaculture, and wider agri-businesses where it can leverage its market knowledge, local and international networks and operational expertise.

c. Acquisitive growth in Australia: Through its 55.9% ownership of Mareterram, Sea Harvest has an existing platform and the local knowledge to pursue acquisitive growth within the Australian fishing sector which is currently highly fragmented and has a high potential for consolidation.
5. SALIENT FINANCIAL INFORMATION

Sea Harvest's key financial indicators for the years ended 31 December 2016, 2015 and 2014 are set out below:

<table>
<thead>
<tr>
<th>Sea Harvest Group Key Performance Indicators and Ratios</th>
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<tbody>
<tr>
<td>(R'000)</td>
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<tr>
<td></td>
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<tr>
<td><strong>Year ended</strong></td>
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<tr>
<td><strong>December</strong></td>
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<td><strong>2016</strong></td>
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<td><strong>2015</strong></td>
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<td><strong>2014</strong></td>
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<tr>
<td>Revenue</td>
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<tr>
<td>Revenue Growth (%)</td>
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<tr>
<td>Export and International Revenue Mix (%)</td>
</tr>
<tr>
<td>Local Revenue Mix (%)</td>
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<tr>
<td>Gross Profit</td>
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<tr>
<td>Gross Profit Margin (%)</td>
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<tr>
<td>EBIT</td>
</tr>
<tr>
<td>EBIT Margin (%)</td>
</tr>
<tr>
<td>EBITDA</td>
</tr>
<tr>
<td>EBITDA Margin (%)</td>
</tr>
<tr>
<td>Profit for the year (after tax)</td>
</tr>
<tr>
<td>Total assets</td>
</tr>
<tr>
<td>Cash generated from operations</td>
</tr>
</tbody>
</table>

6. DIRECTORS

The names, ages, positions and business addresses of the Directors of Sea Harvest are set out in the table below:

<table>
<thead>
<tr>
<th>Name and age</th>
<th>Position</th>
<th>Business address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frederick Robertson (62)</td>
<td>Non-Executive Chairman</td>
<td>1st Floor, Slade House, Boundary Terraces, 1 Mariendahl Lane, Newlands, Cape Town, 7700</td>
</tr>
<tr>
<td>Felix Ratheb (44)</td>
<td>Chief Executive Officer</td>
<td>1st Floor, Block C, Boulevard Office Park, Searle Street, Woodstock, South Africa, 7925</td>
</tr>
<tr>
<td>João Paulo Mc Alpine de Freitas (47)</td>
<td>Chief Financial Officer</td>
<td>1st Floor, Block C, Boulevard Office Park, Searle Street, Woodstock, South Africa, 7925</td>
</tr>
<tr>
<td>Muhammad Brey (38)</td>
<td>Chief Investment Officer</td>
<td>1st Floor, Block C, Boulevard Office Park, Searle Street, Woodstock, South Africa, 7925</td>
</tr>
<tr>
<td>Bahleli Marshall Rapiya (64)</td>
<td>Lead Independent Non-Executive Director</td>
<td>26A Ringwood Drive, Pinelands, Western Cape, 7405</td>
</tr>
<tr>
<td>Wouter André Hanekom (58)</td>
<td>Independent Non-Executive Director</td>
<td>27 Carletta Street, Paarl, Western Cape, 7646</td>
</tr>
</tbody>
</table>
7. IMPORTANT DATES AND TIMES

The salient dates and times in relation to the Listing are set out below:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>Publication of the Pre-listing Statement on:</td>
<td>Monday, 6 March 2017</td>
</tr>
<tr>
<td>Release of the abridged Pre-listing Statement on SENS on:</td>
<td>Monday, 6 March 2017</td>
</tr>
<tr>
<td>Opening date of the Offer at 09:00 on:</td>
<td>Monday, 6 March 2017</td>
</tr>
<tr>
<td>Publication of the abridged Pre-listing Statement in the press on:</td>
<td>Tuesday, 7 March 2017</td>
</tr>
<tr>
<td>Expected last date and time for indications of interest for purposes of book building to be received up until 12:00 on:</td>
<td>Thursday, 16 March 2017</td>
</tr>
<tr>
<td>Expected Closing Date of the Offer at 12:00 on:</td>
<td>Friday, 16 March 2017</td>
</tr>
<tr>
<td>Successful applicants expected to be advised of allocations on:</td>
<td>Friday, 17 March 2017</td>
</tr>
<tr>
<td>Expected publication date of the final Offer Price and final number of Offer Shares released on SENS on:</td>
<td>Monday, 20 March 2017</td>
</tr>
<tr>
<td>Expected publication date of the final Offer Price and final number of Offer Shares published in the press on:</td>
<td>Thursday, 23 March 2017</td>
</tr>
<tr>
<td>Expected Listing of Shares on the JSE expected at commencement of trade at 09:00 on:</td>
<td>Thursday, 23 March 2017</td>
</tr>
<tr>
<td>Results of the private placement released on SENS:</td>
<td>Thursday, 23 March 2017</td>
</tr>
</tbody>
</table>

All references to dates and times are to local dates and times in South Africa (SAST or GMT+2). These dates and times are subject to amendment. Any such amendment will be released on SENS.

8. COPIES OF THE PRE-LISTING STATEMENT

The Pre-listing Statement is only available in English and copies may be obtained (by Qualifying Investors invited to participate in the Offer) during normal business hours from 08:30 to 17:00 from Monday, 6 March 2017 until Thursday, 23 March 2017 from the offices of Sea Harvest and The Standard Bank of South Africa Limited (“Standard Bank”) at the following addresses:

Sea Harvest: 1st Floor, Block C, The Boulevard Office Park, Searle Street, Woodstock, Cape Town, 7925

Standard Bank: 3rd Floor, East Wing, 30 Baker Street, Rosebank, Gauteng, 2196

The Pre-listing Statement may also be obtained on Sea Harvest’s website (www.seaharvest.co.za).
6 March 2017
Cape Town

Financial Advisor, Bookrunner and Transaction Sponsor
The Standard Bank of South Africa Limited

Legal Counsel to the Company
Cliffe Dekker Hofmeyr Incorporated

Legal Advisor to the Company
Webber Wentzel

Independent Auditors and Reporting Accountants
Deloitte & Touche

DISCLAIMER:
The contents of this abridged Pre-listing Statement have been prepared by and are the sole responsibility of Sea Harvest.

The information contained in this abridged Pre-listing Statement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this abridged Pre-listing Statement or its accuracy, fairness or completeness.

This abridged Pre-listing Statement is not for publication or distribution, directly or indirectly, in or into any jurisdiction outside South Africa. The distribution of this abridged Pre-listing Statement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes, should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This abridged Pre-listing Statement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities to any person in any jurisdiction outside South Africa or to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. Accordingly, there will be no offer of securities in any jurisdiction outside South Africa.

This abridged Pre-listing Statement does not constitute or form a part of any offer or solicitation or advertisement to purchase and/or subscribe for Shares in South Africa, including an offer to the public for the sale of, or subscription for, or the solicitation of an offer to buy and/or subscribe for, shares as defined in the South African Companies Act and will not be distributed to any person in South Africa in any manner that could be construed as an offer to the public in terms of the South African Companies Act. In South Africa this abridged Pre-listing Statement is directed only at (i) persons falling within the exemptions set out in section 96(1)(a) or (ii) persons who subscribe, as principal, for shares at a minimum aggregate subscription price of R1 000 000, as envisaged in section 96(1)(b), of the South African Companies Act (all such persons in (i) and (ii) being referred to as “relevant persons”). Any investment activity to which this abridged Pre-listing Statement relates will only be available to, and will only be engaged with, relevant persons. Any person who is not a relevant person should not act on this abridged Pre-listing Statement or any of its contents. This abridged Pre-listing Statement does not, nor does it intend to, constitute a “registered prospectus”, as contemplated by the South African Companies Act.
The information contained in this abridged Pre-listing Statement constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, 37 of 2002, as amended ("FAIS Act") and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Shares or in relation to the business or future investments of the Company is appropriate to the particular investment objectives, financial situations or needs of a prospective investor, and nothing in this abridged Pre-listing Statement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

Copies of this abridged Pre-listing Statement are not being made and may not be distributed or sent into any jurisdiction outside South Africa.

This abridged Pre-listing Statement may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made.

Each of the Company and Standard Bank and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this abridged Pre-listing Statement whether as a result of new information, future developments or otherwise.

Any subscription for Shares in the proposed Offer should be made solely on the basis of the information contained in the Pre-listing Statement to be issued by the Company in connection with the Offer. The information in this abridged Pre-listing Statement is subject to change. Before subscribing for any Shares, persons viewing this abridged Pre-listing Statement should ensure that they fully understand and accept the risks which will be set out in the Pre-listing Statement when published. No reliance may be placed for any purpose on the information contained in this abridged Pre-listing Statement or its accuracy or completeness. This abridged Pre-listing Statement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The date of the Listing may be influenced by things such as market conditions. There is no guarantee that Listing will occur and you should not base your financial decisions on the Company’s intentions in relation to Listing at this stage. Acquiring investments to which this abridged Pre-listing Statement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such investments should consult an authorised person specialising in advising on such investments. This abridged Pre-listing Statement does not constitute a recommendation concerning the Offer. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the Offer for the person concerned.

Neither Standard Bank nor any of its respective directors, officers, employees, advisors or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this abridged Pre-listing Statement (or whether any information has been omitted from the abridged Pre-listing Statement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the abridged Pre-listing Statement or its contents or otherwise arising in connection therewith.

Standard Bank is acting exclusively for Sea Harvest and no-one else in connection with the Offer. They will not regard any other person as their respective client in relation to the Offer and will not be
responsible to anyone other than Sea Harvest for providing the protection afforded to their respective clients, nor for providing advice in relation to the Offer, the contents of this abridged Pre-listing Statement or any transaction, arrangement or other matter referred to herein.

In connection with the Offer, Standard Bank and any of its respective affiliates, may take up a portion of the Shares as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of Sea Harvest or related investments in connection with the Offer or otherwise. Accordingly, references in the Pre-listing statement, once published, to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by Standard Bank and any of its respective affiliates acting in such capacity. In addition, Standard Bank may enter into financing arrangements and swaps in connection with which it or its affiliates may from time to time acquire, hold or dispose of Shares. Neither Standard Bank nor any of its affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Unless otherwise indicated, market, industry, market share and competitive position data are estimates (and accordingly, approximate) and should be treated with caution. Such information has not been audited or independently verified, nor has the Company ascertained the underlying economic assumptions relied upon therein.