

Sea Harvest BEE consortium confirms terms for Viking Group acquisition

A black economic empowerment (BEE) consortium, led by the Sea Harvest Group (Sea Harvest), has confirmed the terms of its transaction to acquire the fishing business of Viking Fishing Holdings Proprietary Limited whilst Sea Harvest Aquaculture, a wholly-owned subsidiary of Sea Harvest is acquiring 51% of the issued share capital of Viking Aquaculture Proprietary Limited (jointly referred to as the Viking Group) with the envisioned transaction closing date of 2 July 2018. The consortium includes three SMME's, namely SeaVuna Fishing Company (Pty) Ltd, Nalitha Investments (Pty) Ltd and the South African Fishing Empowerment Corporation (Pty) Ltd.



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Sea Harvest CEO, Felix Ratheb says: "The parties have agreed on a purchase price of R885m which is to be satisfied through a combination of cash on hand, bank facilities, an issue of Sea Harvest shares and vendor funding. The transaction has been approved by the Department of Agriculture, Forestry and Fisheries (DAFF) in terms of the Marine Living Resources Act 18 of 1998 and the Competition Commission has recommended to the Competition Tribunal that the transaction be approved with a condition of non-sharing of information between shareholder related entities.

"Post our listing in 2017, we have been looking to grow via an acquisition in the fishing and aquaculture space. The Viking Group is a very complementary business and the joining of these two organisations allows us to diversify into other species and create a truly global diversified fishing company which will now include aquaculture."

The assets being acquired as part of the transaction are situated across various locations in South Africa, Namibia and Mozambique and comprises fishing rights, vessels, fish processing facilities, aquaculture farms (including the biological assets) and working capital.

Increasing black participation and ownership

Nalitha Investments and the South African Fishing Empowerment Corporation are new entrants to the fishing industry and are wholly black-owned. Sea Harvest and Viking will jointly provide funding of R124m to the BEE consortium.

Sea Harvest Chairman, Fred Robertson commented: "Sea Harvest is pleased to promote SMME's and the establishment of new entrants into the fishing sector and will assist them with funding, vessels, skills and access to markets to ensure they are successful. The transaction has many benefits, apart from significantly increasing black participation and ownership in the fishing industry, it will ensure the protection of jobs, particularly in the areas of Saldanha Bay, Mossel Bay and Cape Town, and along with the rural communities of Kleinsee and Gansbaai."

Robertson added: "The Sea Harvest consortium is excited by the Viking Group acquisition. It will allow us to advance our ambitions of growing a B-BBEE Group with transnational interests in the food and fishing sectors. The Viking Group team, led by Nico Bacon have done a magnificent job of creating a great fishing company over the past 40 years.

"Sea Harvest is particularly proud to be leading this transformative BEE transaction which will contribute to long-term sustainability and inclusive economic growth in rural areas through job creation, transformation and local-area development. An investment of this magnitude by our organisation would never be undertaken without our absolute confidence in the sustainable management of the marine resources in our country by DAFF."

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