

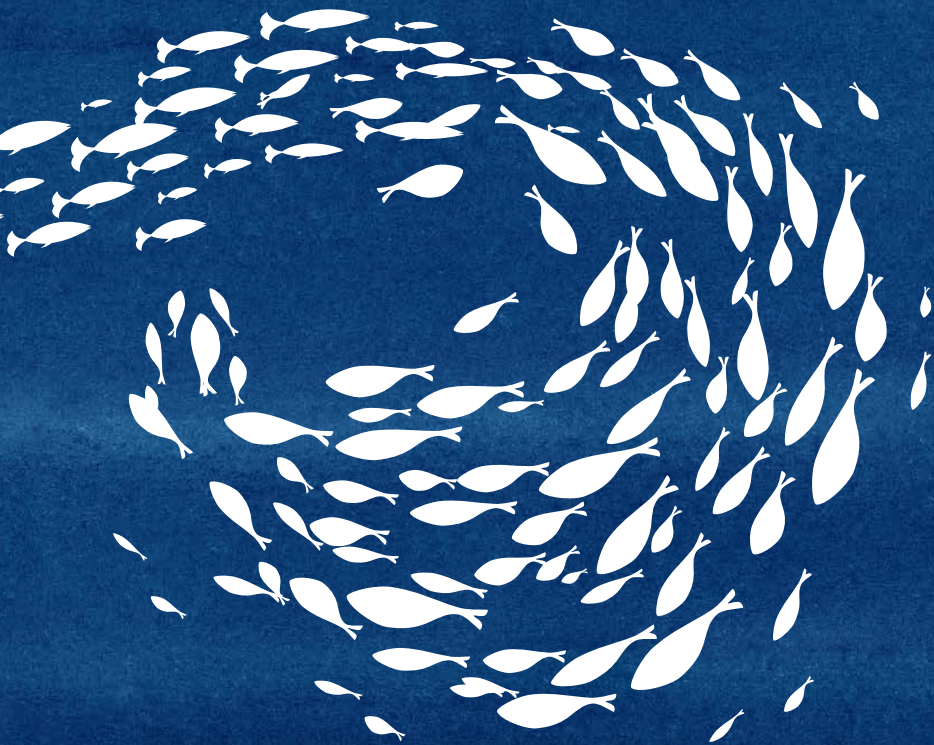


OCEANA GROUP

POSITIVELY IMPACTING LIVES

# UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 MARCH 2022





# SALIENT FEATURES

FOR THE SIX MONTHS ENDED 31 MARCH 2022

## REVENUE

▼ 11%

## OPERATING PROFIT

▼ 41%

## HEADLINE EARNINGS PER SHARE

▼ 51%

## CASH GENERATED FROM OPERATIONS

**R322** MILLION  
(2021: R617 MILLION)

## DIVIDEND COVER

**2.3** TIMES  
(2021: 2.3 TIMES)

## GROUP NET DEBT

**R2 173** MILLION  
(2021: R2 454 MILLION)



# COMMENTS

## GROUP UPDATE

After the events that led to the delay in publishing the Group's 2021 audited financial results, the business has re-focused under the strong leadership of interim Chief Executive Officer ("CEO"), Neville Brink and interim-Chief Financial Officer ("CFO") Ralph Buddle with the immediate objective to deliver a strong second half operating performance. The Board is pleased to announce the appointment of Neville Brink as CEO with effect from 2 June 2022.

As announced on 30 May 2022, PricewaterhouseCoopers Inc. ("PwC") resigned as the Group's auditors on 27 May 2022 in respect of the audit of the financial year ending September 2022. PwC resigned ahead of the shareholder consultation that was planned by the company for 30 May 2022 to consider PwC's continued appointment and the Board's acknowledgment of the strained relationship. The Group has progressed discussions with one of the "Big 4" audit firms and is well placed to announce the appointment of the new external auditors within the required 40 business days.

The Group's CFO remains on precautionary suspension and the outcome of the disciplinary procedure that took place in late May is due shortly.

The Board would once again like to thank all employees and stakeholders for their continued support and to provide the assurance that it remains committed to the highest level of corporate governance and to restoring confidence in Oceana.

## GROUP OVERVIEW

The Group experienced a difficult first half with **revenue** declining by 11% to R3 179 million (March 21: R3 568 million) and **gross margin** 3.7% lower at 30.2% (March 21: 33.9%). This was largely due to lower inventory levels carried forward from last year as a result of Covid-19 supply chain disruption, the civil unrest in Kwa-Zulu Natal that impacted our SA canned fish sales volumes, and Hurricane Ida in Louisiana that impacted fishmeal and fish oil production at our US Daybrook operations. Performance was further impacted by higher fuel and freight costs, lower landings due to La Niña weather conditions, scheduled vessel maintenance in Namibia, and lower cold storage occupancy levels due to the global supply chain impact on import activity.

**Overhead expenditure** was 7% higher, with R42 million of legal and incremental audit costs related to the delay in completing the September 2021 year-end audit.

Insurance proceeds of R72 million recognised in **other income** relates to last year's Hurricane Ida (R63 million) and Kwa-Zulu Natal civil unrest events (R9 million). Recent flood events in Kwa-Zulu Natal had no impact on operations and there were no related insurance claims.

As a result, Group **operating profit** before other operating items decreased by 37% to R353 million (March 2021: R559 million). **Other operating items** includes a R9 million foreign currency translation reserve ("FCTR") adjustment on the disposal of the Group's interest in the former Angolan joint venture (March 2021: included R31 million profit on disposal of Bayhead cold storage plant and equipment).

**Net interest** expense decreased by 15% to R81 million (March 2021: R95 million) because of higher cash balances due to lower inventory levels and the later payment of the final dividend.

The **taxation expense** of R98 million (March 2021: R140 million) includes the impairment of an R18 million deferred tax asset held by Daybrook that can only be utilised against capital gains, which are inherently uncertain.

**Headline earnings** decreased by 50% to R153 million (March 2021: R304 million) and headline earnings per share declined 51% to 126.4 cents per share (March 2021: 260.5 cents per share). The weighted average number of shares in issue increased to 121.4 million shares (March 2021: 116.7 million shares) following the unwinding of the Oceana Empowerment Trust.

**Diluted headline earnings** per share declined 48% to 126.2 cents per share (March 2021: 240.4 cents per share).

## CASH FLOW AND FINANCIAL POSITION

Cash generated from operations of R322 million (March 2021: R617 million) reflected the lower level of operating activity, increased investment in working capital to rebuild inventories and repayment of term debt of R89 million (March 2021: R30 million). Capital expenditure (excluding the joint operation) was lower than the prior period at R118 million (March 2021: R162 million). The prior period included capital expenditure in relation to the CCS Epping expansion.

Group net debt (excluding the joint operation) reduced by 8% to R2 173 million (March 2021: R2 454 million).

# COMMENTS continued

## REVIEW OF OPERATIONS

	Revenue			Operating profit		
	2022	2021	%	2022	2021	%
	R'000	R'000	change	R'000	R'000	change
Canned fish and fishmeal (Africa)	<b>1 840 205</b>	2 010 205	(8)	<b>173 039</b>	211 287	(18)
Fishmeal and fish oil (USA)	<b>402 852</b>	555 685	(28)	<b>47 725</b>	77 098	(38)
Horse mackerel, hake, lobster and squid	<b>800 665</b>	812 595	(1)	<b>104 524</b>	217 596	(52)
Commercial cold storage and logistics	<b>135 538</b>	189 489	(28)	<b>27 738</b>	52 744	(47)
	<b>3 179 260</b>	3 567 974	(11)	<b>353 026</b>	558 725	(37)

### CANNED FISH AND FISHMEAL (AFRICA)

Lower inventory levels arising from continued global supply chain disruptions and last year's Kwa-Zulu Natal civil unrest resulted in unfulfilled customer demand throughout the period. As a result, canned fish sales volumes declined by 10%, partially offset by a 7% price movement (effective 24 January 2022) and reduced promotional spend.

Increased freight on imported pilchards and increases in other production costs were offset by a higher mix of landed fresh fish. A significant increase in processed volume to 2.4 million cartons (March 2021: 1.0 million cartons) resulted in an improvement in operating margins.

Lower opening inventories of fishmeal and fish oil resulting from last year's weather-disrupted fishing season reduced sales volumes by 47%, but this was partly offset by higher oil yields and significantly higher global price support for oils driven by improved demand from aquafeed producers in building inventories to mitigate against supply chain risks.

Excluding the effect of the legal and incremental audit costs related to the delayed 2021 results, operating profit for this segment increased by 1% to R212 million (March 2021: R 211 million).

### FISHMEAL AND FISH OIL (USA)

Low opening inventory levels resulting from last year's poor fishing and weather events (most notably Hurricane Ida in August 2021) reduced sales volumes by 33% in fishmeal and 15% in fish oil, resulting in Daybrook under supplying contracts concluded during the prior season. This resulted in a 38% reduction (in US dollar-denominated) in operating profit. The Hurricane Ida business interruption insurance claim of R63m was recognised in the current period, partially mitigating the effect the hurricane had on opening stock levels. The 2022 fishing season opened in the middle of April and will continue until the end of October.

### HORSE MACKEREL, HAKE, LOBSTER AND SQUID

Horse mackerel sales volumes were 15% lower, impacted by La Niña weather conditions in South African waters and scheduled vessel maintenance in Namibia, offset by strong demand-led pricing and a weaker rand. Total revenue decreased by 7%. Profit was impacted by the reduced landings, as well as higher fuel costs and Namibian quota usage fees.

Hake sales volumes increased by 8% but export pricing was constrained by lower value hake sizes, a high level of low value by-catch mix, and by the stronger rand. European demand (and pricing) did however show signs of recovery towards the end of the period but was constrained by limited supply.

The West Coast Rock Lobster business unit was materially impacted by a 20% reduction in the offshore commercial total allowable catch ("TAC") necessitated to counter the impact of continued high levels of poaching. The lower catch rates experienced in the period support the decision to lower the TAC. We continue to play an active role alongside regulatory authorities in the monitoring and reporting of poaching to protect this valuable marine resource.

Squid catch rates were materially impacted by La Niña conditions, with the warm water resulting in 59% lower squid landings.

### COMMERCIAL COLD STORAGE AND LOGISTICS ("CCS")

Occupancy levels reduced by 9% mainly due to increased global cost and availability of containers and the resulting lower level of import activity through Cape Town. Lower chicken volumes in Gauteng also led to decreased occupancy. Lucky Star's imported fish volumes did however recover in the second quarter and strong occupancy levels continued in Namibia. In addition, pallet capacity reduced by 16% due to last year's Bayhead and Diep River cold store closures. As a result of the lower occupancy and capacity levels and the impact thereof on fixed cost recovery, revenue decreased by 28% and operating profit by 47%.

## PRIOR PERIOD RESTATEMENTS

In line with certain reclassifications, and changes to the accounting treatment of the Group's 25% held investment in Westbank Fishing by the Group's US subsidiary Daybrook as disclosed in our audited financial statements for the year ended 30 September 2021, the comparatives for March 2021 have been similarly corrected and restated. These restatements had no effect on the prior period's profit after tax or headline earnings.

Refer to note 16 for details of these restatements.

# COMMENTS continued

## FSCA INVESTIGATION UPDATE

The Company was informed by the Financial Sector Conduct Authority (“FSCA”) on 21 February 2022 that the FSCA had registered an investigation. The Company engaged with the FSCA on 23 February 2022 and has addressed all their queries. No further questions have been received since then. We have been following up on a regular basis and we await their conclusion on the matter.

## DIVIDENDS

The Board declared an interim dividend of 55 cents ( March 2021: 110 cents) per share.

## OUTLOOK

Strong local and global demand, pricing across all our operating segments, and the performance of the South African anchovy and US gulf menhaden fisheries will drive far stronger performance in the second half of the year, which is traditionally our stronger half.

Demand for canned fish remains strong despite the difficult consumer environment in South Africa. Sales order allocation continues to be managed according to production levels. Significant cost pressures such as fuel and freight charges and the impact of these costs on imported raw materials have, together with a weaker rand, necessitated a further price increase from 6 June 2022. Inflationary pressure is being experienced across the competing protein spectrum with price increases averaging 15% for the period February to April 2022. Lucky Star offers an important and trusted source of affordable protein to the South African consumer and continues to drive cost improvements and efficiencies in order to deliver on this strategy.

Current season landings of anchovy and gulf menhaden supplying our fishmeal and fish oil production facilities in South Africa and the US respectively, continue to track well ahead of last year. Pricing of both fishmeal and (in particular) fish oil remains strong, supported by global aquaculture and animal feed demand, and supply constraints impacting protein alternatives.

A weaker rand will continue to support our export and dollar-denominated businesses, although it will further exacerbate higher dollar-denominated fuel and other costs. The continued uncertainty of the effect of the Ukraine war on oil prices will increase operational cost pressures, especially on vessel operations. Positively, the sanctions on Russia have created supply constraints in the whitefish sector which has created new customer opportunities in Europe. Freight costs are however now showing small signs of reduction and the increasing container availability is likely to support the recovery of import volumes, benefitting cold storage occupancy.

## REVIEW OF RESULTS

On a basis consistent with prior years, these unaudited interim results and any forward-looking statements set out in this announcement have not been reviewed or reported on by the Company’s external auditors.

BDO, in their capacity as internal auditors, assessed the control environment of the Company’s interim financial statements processes, paying specific attention to the key financial reporting areas of the Company. BDO concluded that, overall, the controls were designed adequately and operating effectively.

In addition, a technical review was performed by an independent accounting firm on the interim financial statements to ensure compliance with IAS34 – Interim Financial Results.

On behalf of the Board

**MA Brey**  
*Chairperson (non-executive)*  
Cape Town  
2 June 2022

**N Brink**  
*Chief Executive Officer*

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	Unaudited six months ended 31 Mar 2022	Unaudited Restated <sup>1</sup> six months ended 31 Mar 2021	% Change	Audited year ended 30 Sep 2021
		R'000	R'000		R'000
<b>Revenue</b>	4	<b>3 179 260</b>	3 567 974	(11%)	7 633 416
Cost of sales		<b>(2 217 852)</b>	(2 393 493)	7%	(5 062 180)
<b>Gross profit</b>		<b>961 408</b>	1 174 481	(18%)	2 571 236
Sales and distribution expenditure		<b>(155 511)</b>	(156 691)	1%	(364 527)
Marketing expenditure		<b>(11 882)</b>	(16 229)	27%	(43 107)
Overhead expenditure		<b>(501 240)</b>	(467 490)	(7%)	(1 078 592)
Other income		<b>71 687</b>	26 856	>100%	73 488
Net foreign exchange (loss) / gain		<b>(7 720)</b>	1 533	>100%	20 757
Net impairment reversal on financial assets		<b>705</b>	431	64%	6 259
<b>Operating profit before joint ventures loss</b>		<b>357 447</b>	562 891	(36%)	1 185 514
Joint ventures loss		<b>(4 421)</b>	(4 166)	(6%)	(332)
<b>Operating profit before other operating items</b>		<b>353 026</b>	558 725	(37%)	1 185 182
Other operating items	6	<b>(7 640)</b>	25 291	(>100%)	16 306
<b>Operating profit</b>		<b>345 386</b>	584 016	(41%)	1 201 488
Interest income		<b>19 828</b>	18 460	7%	36 320
Interest expense		<b>(100 508)</b>	(113 686)	12%	(228 773)
<b>Profit before taxation</b>		<b>264 706</b>	488 790	(46%)	1 009 035
Taxation expense	7	<b>(98 274)</b>	(140 485)	30%	(290 535)
<b>Profit after taxation</b>		<b>166 432</b>	348 305	(52%)	718 500
<b>Other comprehensive income</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Movement on foreign currency translation reserve		<b>(157 748)</b>	(647 865)	76%	(552 349)
Movement on foreign currency translation reserve from joint ventures		<b>13</b>	192	(>100%)	164
Movement on foreign currency translation reserve recycled to profit and loss		<b>8 521</b>	-	-	-
Movement on cash flow hedging reserve		<b>80 158</b>	52 872	52%	51 901
Income tax relating to cash flow hedge movement		<b>(15 818)</b>	(6 051)	(>100%)	(7 542)
<b>Other comprehensive loss, net of taxation</b>		<b>(84 874)</b>	(600 852)	86%	(507 826)
<b>Total comprehensive income/ (loss) for the year</b>		<b>81 558</b>	(252 547)	>100%	210 674
<b>Profit after taxation attributable to:</b>					
Shareholders of Oceana Group Limited		<b>145 490</b>	331 275	(56%)	676 280
Non-controlling interests		<b>20 942</b>	17 030	23%	42 220
		<b>166 432</b>	348 305	(52%)	718 500
<b>Total comprehensive income/ (loss) for the year attributable to:</b>					
Shareholders of Oceana Group Limited		<b>60 616</b>	(269 876)	>100%	168 540
Non-controlling interests		<b>20 942</b>	17 329	21%	42 134
		<b>81 558</b>	(252 547)	>100%	210 674
<b>Earnings per share (cents)</b>					
- Basic		<b>119.9</b>	284.0	(58%)	570.7
- Diluted		<b>119.7</b>	262.0	(54%)	531.6

<sup>1</sup> Refer to note 16 for further detail of reclassifications and prior period errors at 31 March 2021.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2022

	Notes	Unaudited 31 Mar 2022 R'000	Unaudited Restated <sup>1</sup> 31 Mar 2021 R'000	Audited 30 Sep 2021 R'000
<b>ASSETS</b>				
<b>Non-current assets</b>		<b>7 721 301</b>	7 644 791	7 879 826
Property, plant and equipment		2 537 657	2 488 833	2 590 207
Right-of-use assets		184 932	153 724	202 912
Goodwill and intangible assets		4 757 978	4 820 919	4 914 750
Interest in joint ventures		66 822	67 529	70 919
Deferred taxation		15 583	18 844	6 661
Investments and loans		95 217	91 136	94 377
Derivative asset	8	63 112	3 806	-
<b>Current assets</b>		<b>3 615 381</b>	3 945 757	3 456 548
Inventories		1 341 775	1 144 012	1 049 986
Trade and other receivables	9	1 084 550	1 081 466	1 424 268
Taxation receivable		113 673	55 268	48 682
Cash and cash equivalents		1 075 383	1 665 011	933 612
<b>Total assets</b>		<b>11 336 682</b>	11 590 548	11 336 374
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>		<b>5 272 769</b>	5 091 847	5 503 115
Share capital		1 222 388	1 214 216	1 222 388
Foreign currency translation reserve		566 077	620 881	715 291
Cash flow hedging reserve		32 562	(29 703)	(31 778)
Share-based payment reserve		78 733	103 364	61 179
Distributable reserve		3 180 821	3 011 842	3 336 527
Interest of own shareholders		5 080 581	4 920 600	5 303 607
Non-controlling interests		192 188	171 247	199 508
<b>Non-current liabilities</b>		<b>3 687 833</b>	3 660 168	3 478 113
Deferred taxation		532 311	496 645	500 222
Borrowings	10	2 905 712	2 876 292	2 663 792
Derivative liabilities	8	-	54 046	34 306
Lease liabilities		209 661	196 262	225 539
Provisions		26 929	24 766	39 925
Liability for share-based payments		13 220	12 157	14 329
<b>Current liabilities</b>		<b>2 376 080</b>	2 838 533	2 355 146
Borrowings	10	307 773	722 868	697 594
Derivative liabilities	8	2 361	-	7 194
Short-term banking facility		449 050	503 487	91 000
Lease liabilities		43 066	29 745	46 528
Provisions		7 463	9 552	7 776
Trade and other payables		1 178 836	1 417 754	1 343 620
Liability to joint operator	16.2	78 654	141 788	141 654
Taxation payable		7 124	13 339	19 780
Shareholders for dividend	13	301 753	-	-
<b>Total equity and liabilities</b>		<b>11 336 682</b>	11 590 548	11 336 374

<sup>1</sup> Refer to note 16 for further detail of reclassifications and prior period errors at 31 March 2021.



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2022

	Share capital	Foreign currency translation reserve	Cash flow hedging reserve	Share-based payment reserve	Distributable reserve	Interest of own shareholders	Non-controlling interests	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance as at 30 September 2020	1 200 493	1 352 491	(76 223)	99 066	3 221 312	5 797 139	182 796	5 979 935
Correction of prior period errors	-	(83 937)	-	-	49 997	(33 940)	-	(33 940)
<b>Restated balance as at 1 October 2020<sup>1</sup></b>	<b>1 200 493</b>	<b>1 268 554</b>	<b>(76 223)</b>	<b>99 066</b>	<b>3 271 309</b>	<b>5 763 199</b>	<b>182 796</b>	<b>5 945 995</b>
Total comprehensive income for the period	-	(647 673)	46 520	-	331 275	(269 878)	17 329	(252 549)
Movement on foreign currency translation reserve	-	(647 865)	-	-	-	(647 865)	-	(647 865)
Movement on foreign currency translation reserve from joint ventures	-	192	-	-	-	192	-	192
Movement on cash flow hedging reserve	-	-	52 571	-	-	52 571	299	52 870
Income tax relating to cash flow hedge movement	-	-	(6 051)	-	-	(6 051)	-	(6 051)
Profit for the period	-	-	-	-	331 275	331 275	17 030	348 305
Transfers between reserves	-	-	-	-	(531)	(531)	531	-
Decrease in treasury shares held by share trusts	22 500	-	-	-	25 323	47 823	-	47 823
Loss on cancellation of treasury shares <sup>2</sup>	-	-	-	-	(312 031)	(312 031)	-	(312 031)
Share-based payment expense	(8 777)	-	-	7 515	-	(1 262)	-	(1 262)
Share-based payment exercised	-	-	-	(7 062)	-	(7 062)	-	(7 062)
Gain on disposal of treasury shares – Oceana Empowerment Trust (“OET”) wind-up	-	-	-	-	57 366	57 366	-	57 366
Allocation of elective deferral restricted shares	-	-	-	3 845	-	3 845	-	3 845
Gain on disposal of shares distributed to deceased employee beneficiaries of OET	-	-	-	-	1 285	1 285	-	1 285
Distribution to OET beneficiaries	-	-	-	-	(19 488)	(19 488)	-	(19 488)
Dividends	-	-	-	-	(342 666)	(342 666)	(29 409)	(372 075)
<b>Restated balance as at 31 March 2021<sup>1</sup></b>	<b>1 214 216</b>	<b>620 881</b>	<b>(29 703)</b>	<b>103 364</b>	<b>3 011 842</b>	<b>4 920 600</b>	<b>171 247</b>	<b>5 091 847</b>
Total comprehensive income for the period	-	95 488	(2 075)	-	345 005	438 418	24 805	463 223
Movement on foreign currency translation reserve	-	95 516	-	-	-	95 516	-	95 516
Movement on foreign currency translation reserve from joint ventures	-	(28)	-	-	-	(28)	-	(28)
Movement on cash flow hedging reserve	-	-	(584)	-	-	(584)	(385)	(970)
Income tax relating to cash flow hedge movement	-	-	(1 491)	-	-	(1 491)	-	(1 491)
Profit for the period	-	-	-	-	345 005	345 005	25 190	370 195
Transfers between reserves	-	(1 078)	-	(68 969)	66 647	(3 400)	3 400	-
Decrease in treasury shares held by share trusts	8 172	-	-	-	14 728	22 900	-	22 900
Loss on cancellation of treasury shares <sup>2</sup>	-	-	-	-	127	127	-	127
Share-based payment expense	-	-	-	25 831	-	25 831	-	25 831
Share-based payment exercised	-	-	-	(191)	-	(191)	-	(191)
Allocation of elective deferral restricted shares	-	-	-	1 144	-	1 144	-	1 144
Gain on disposal of treasury shares – OET wind-up	-	-	-	-	28 563	28 563	-	28 563
Gain on disposal of shares distributed to deceased employee beneficiaries of OET	-	-	-	-	1 075	1 075	-	1 075
Distribution to OET beneficiaries	-	-	-	-	(120)	(120)	-	(120)
Dividends	-	-	-	-	(131 340)	(131 340)	57	(131 283)
<b>Balance as at 30 September 2021<sup>1</sup></b>	<b>1 222 388</b>	<b>715 291</b>	<b>(31 778)</b>	<b>61 179</b>	<b>3 336 527</b>	<b>5 303 607</b>	<b>199 508</b>	<b>5 503 115</b>
Total comprehensive income for the period	-	(149 214)	64 340	-	145 490	60 616	20 942	81 558
Movement on foreign currency translation reserve	-	(157 748)	-	-	-	(157 748)	-	(157 748)
Movement on foreign currency translation reserve from joint ventures	-	13	-	-	-	13	-	13
Movement on foreign currency translation reserve recycled to profit and loss	-	8 521	-	-	-	8 521	-	8 521
Movement on cash flow hedging reserve	-	-	80 158	-	-	80 158	-	80 158
Income tax relating to cash flow hedge movement	-	-	(15 818)	-	-	(15 818)	-	(15 818)
Profit for the period	-	-	-	-	145 490	145 490	20 942	166 432
Share-based payment expense	-	-	-	17 554	-	17 554	-	17 554
Dividends	-	-	-	-	(301 196)	(301 196)	(28 262)	(329 458)
<b>Balance as at 31 March 2022</b>	<b>1 222 388</b>	<b>566 077</b>	<b>32 562</b>	<b>78 733</b>	<b>3 180 821</b>	<b>5 080 581</b>	<b>192 188</b>	<b>5 272 769</b>

<sup>1</sup> Refer to note 16 for further detail of reclassifications and prior period errors at 31 March 2021.

<sup>2</sup> During the prior year, treasury shares were repurchased from OET. The loss relates to the difference between the value of the shares repurchased and the original cost of the shares to the Group. These shares were subsequently cancelled.



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2022

	Unaudited six months ended 31 Mar 2022	Unaudited Restated <sup>1</sup> six months ended 31 Mar 2021	Audited year ended 30 Sep 2021
	R'000	R'000	R'000
<b>Cash generated from operations</b>	<b>321 665</b>	617 361	1 446 613
Investment income received	19 828	18 460	30 021
Interest paid	(101 008)	(114 158)	(224 829)
Taxation paid	(161 581)	(183 610)	(314 428)
Dividends paid	(27 724)	(391 192)	(522 967)
<b>Cash inflow/ (outflow) from operating activities</b>	<b>51 180</b>	(53 139)	414 410
<b>Cash outflow from investing activities</b>	<b>(129 746)</b>	(193 438)	(358 917)
Purchases of property, plant and equipment	(131 625)	(230 911)	(398 257)
Purchases of intangible assets	(2 758)	-	(3 753)
Proceeds on disposal of property, plant and equipment	1 081	4 584	6 240
Decrease in loans receivable from business partners	-	-	4 724
Receipt of loans and advances provided	3 310	1 054	-
Loans and advances provided	-	(4 147)	-
Decrease in investment	246	-	-
Proceeds on disposal of non-current asset held for sale	-	35 982	32 129
<b>Cash inflow/ (outflow) from financing activities</b>	<b>230 103</b>	587 894	(439 070)
Borrowings raised	2 050	-	88 371
Borrowings repaid	(91 880)	(29 998)	(401 845)
Short-term banking facility raised	2 633 000	2 233 000	3 593 000
Short-term banking facility repaid	(2 277 000)	(1 730 000)	(3 502 000)
Repayment of principal portion of lease liability	(22 334)	(23 334)	(49 260)
Loans advanced	(77)	-	(2 850)
Payment of joint operator liability	(7 780)	(23 251)	(21 678)
Transaction costs incurred	(1 817)	-	-
Benefit / cost relating to loan and derivative finance	(4 059)	(182)	4 012
Proceeds from sale of treasury shares	-	-	2 360
Proceeds on sale of treasury shares to open market	-	177 498	287 170
Payment to OET employee beneficiaries	-	-	(420 320)
Purchase of treasury shares for the settlement of long-term incentives	-	(15 839)	(16 030)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>151 537</b>	341 317	(383 577)
Cash and cash equivalents at the beginning of the year	933 612	1 432 692	1 432 692
Effect of exchange rate changes	(9 766)	(108 998)	(115 503)
<b>Cash and cash equivalents at the end of the year</b>	<b>1 075 383</b>	1 665 011	933 612

<sup>1</sup> Refer to note 16 for further detail of reclassifications and prior period errors at 31 March 2021.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

## 1. BASIS OF PREPARATION

The condensed consolidated interim financial statements are prepared in accordance with the Listing Requirements of the JSE Limited (JSE) for interim financial statements, and the requirements of the Companies Act applicable to interim financial statements.

The JSE requires interim financial statements to be prepared in accordance with and containing information required by IAS 34 Interim Financial Reporting and the Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The condensed consolidated interim financial statements should be read in conjunction with the 30 September 2021 Audited Annual Financial Statements.

The accounting policies and methods of computation applied in the preparation of the condensed consolidated interim financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous annual consolidated financial statements.

## 2. ADOPTION OF NEW ACCOUNTING STANDARDS

The below new standards and amendments became effective from 1 January 2021 but did not have a material impact on the amounts recognised in the Group's interim financial statements.

Standard / Interpretation:	Effective date: Financial years beginning on or after:
• IBOR reform Phase 2: Amendments to IFRS 9, IAS 39 and IFRS 7	1 January 2021

The Group's exposure arises as a result of the impact of SA borrowings (ZAR) being subject to interest based on JIBAR and US borrowings (USD) based on LIBOR. In addition cash flow hedges are used by the Group to protect against the potential cash flow variability arising from exposure to interest rate risk and are therefore also affected by interest rate benchmark reform. The financial instruments designated as hedged items include variable rate loans and advances. The financial instruments designated as hedged items include variable rate loans and advances. The hedging instruments typically utilised are interest rate swaps which reference a floating rate, namely JIBAR or LIBOR.

There is currently no impact on the Group results in terms of the transition from LIBOR and JIBAR to new reference rates as all existing references to LIBOR need to be amended by 30 June 2023, and a transition date has not yet been finalised for JIBAR references. Accordingly, outstanding debt obligations in both the US and South Africa will continue to be levied at LIBOR and JIBAR rates respectively until these are phased out.

## 3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

In terms of IAS 12 the recognition of deferred tax assets is subject to the specific requirement that the tax asset should only be recognised to the extent that it is probable that the deferred tax asset will be recovered. In assessing whether future taxable profits will be available to recover the tax asset, management needs to consider all evidence available at each date. Deferred taxation assets included an amount of R18.0 million in Daybrook which may be utilised against future capital profits. In preparing the interim results management considered whether Daybrook would be able to generate sufficient capital profits within the expiring period of the assessed loss to utilise the asset and now considers that the amount should be released to the income statement.

Significant judgement has been applied in determining the appropriate accounting treatment of the Group's 25% investment in Westbank, which was acquired in 2015 via the acquisition of 100% of the shares in Daybrook, a US subsidiary of the Group. Westbank is a US fishing business that has an agreement to supply Daybrook with its entire catch, which Daybrook processes for fishmeal and fish oil products.

In assessing the arrangement, management considered the legal structure and all supporting contractual arrangements and concluded that the contractual rights that the Group has results in Westbank being classified as a joint arrangement. By virtue of the contractual obligation requiring Daybrook to take 100% of Westbank's output, the Group is required to recognise 100% of the assets and liabilities and to raise a liability to the 75% shareholder for its share of the net assets to which the Group is not entitled. The March 2021 interim financial results have been restated to include Westbank as a Joint Operation, refer to note 16.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Management do not believe that there has been any significant change in the areas of judgement applied at September 2021 (including taking into account the performance of the first six months) that would result in the recoverable amount being below current value and therefore no impairment is required.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

FOR THE SIX MONTHS ENDED 31 MARCH 2022

## 4. REVENUE

	Unaudited six months ended 31 Mar 2022	Unaudited six months ended 31 Mar 2021	Audited year ended 30 Sep 2021
	R'000	R'000	R'000
The main categories of revenue and the segment to which they relate are set out below:			
<b>Sale of goods</b>			
Canned fish and fishmeal (Africa)	1 838 675	2 009 115	4 099 203
Fishmeal and fish oil (USA)	402 852	555 685	1 533 381
Horse mackerel, hake, lobster and squid	770 434	799 863	1 626 114
<b>Rendering of services</b>			
Commercial cold storage and logistics	135 189	189 145	336 837
<b>Other non-trade revenue</b>			
Canned fish and fishmeal (Africa)	1 530	1 090	2 281
Horse mackerel, hake, lobster and squid	30 231	12 732	34 908
Commercial cold storage and logistics	349	344	692
	<b>3 179 260</b>	<b>3 567 974</b>	<b>7 633 416</b>

Revenue from the sale of goods is recognised at a point in time except for the freight and insurance component which is recognised over time. Freight and insurance of R11.6 million (March 2021: R8.8 million) has been recognised over time.

Revenue of R2.3 million (2021: R5.1 million) from the rendering of services is recognised over time except for handling, income from transportation and other minor services which is recognised at a point in time.

Other non-trade revenue includes quota fees, commission and factory processing, and other minor recoveries.

## 5. SEGMENTAL RESULTS

Revenue per geographic region excludes inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation as follows: Horse mackerel, hake, lobster and squid R23.4 million (March 2021: R24.7 million) and Commercial cold storage and logistics R47.0 million (March 2021: R30.3 million).

Inter-segmental revenue is eliminated on consolidation between revenue and the corresponding expense line to which it relates.

The statement of financial position is reflected after eliminating inter-segmental loans included in assets and liabilities. Total assets for Commercial cold storage and logistics of R246.4 million (March 2021: R294.5 million) and Horse mackerel, hake, lobster and squid of R240.0 million (March 2021: R520.9 million) were eliminated against Canned fish and fishmeal (Africa) of R486.4 million (March 2021: R815.4 million). Total liabilities for Commercial cold storage and logistics of R0.3 million (March 2021: R1.1 million) and Horse mackerel, hake, lobster and squid of R47.6 million (March 2021: R76.4 million) were eliminated against Canned fish and fishmeal (Africa) of R47.9 million (March 2021: R77.5 million).

The Group has a customer in the Canned fish and Fishmeal (Africa) segment that individually contributed 12.7% (March 2021: 10.0%) of the Group's revenue.

March 2022 Unaudited Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel, hake, lobster and squid R'000	Commercial cold storage and logistics R'000	Total R'000
<b>Statement of comprehensive income</b>					
Gross revenue	1 922 885	402 852	810 952	182 488	3 319 177
Inter-segmental revenue	(82 680)	-	(10 287)	(46 950)	(139 917)
<b>Net revenue</b>	<b>1 840 205</b>	<b>402 852</b>	<b>800 665</b>	<b>135 538</b>	<b>3 179 260</b>
Operating profit before other operating items	173 039	47 725	104 524	27 738	353 026
Other operating items	(7 560)	-	-	(80)	(7 640)
<b>Operating profit</b>	<b>165 479</b>	<b>47 725</b>	<b>104 524</b>	<b>27 658</b>	<b>345 386</b>
<b>Profit after taxation</b>	<b>88 945</b>	<b>(8 567)</b>	<b>73 330</b>	<b>12 724</b>	<b>166 432</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

FOR THE SIX MONTHS ENDED 31 MARCH 2022

## 5. SEGMENTAL RESULTS continued

March 2022 Unaudited Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel, hake, lobster and squid R'000	Commercial cold storage and logistics R'000	Total R'000
<b>Statement of financial position</b>					
<b>Total assets</b>	<b>2 660 542</b>	<b>7 354 405</b>	<b>925 036</b>	<b>396 699</b>	<b>11 336 682</b>
<b>Total liabilities</b>	<b>2 813 980</b>	<b>2 593 930</b>	<b>460 435</b>	<b>195 568</b>	<b>6 063 913</b>

The Group's revenue and non-current assets by geographic segment are detailed below:

March 2022 Unaudited Region	South Africa and Namibia R'000	Other Africa R'000	North America <sup>1</sup> R'000	Europe R'000	Far East R'000	Other R'000	Total R'000
<b>Revenue</b>	<b>2 162 244</b>	<b>322 901</b>	<b>390 253</b>	<b>254 607</b>	<b>29 827</b>	<b>19 428</b>	<b>3 179 260</b>

March 2021 Unaudited Restated Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) <sup>1</sup> R'000	Horse mackerel, hake, lobster and squid R'000	Commercial cold storage and logistics R'000	Total R'000
<b>Statement of comprehensive income</b>					
Gross revenue	2 086 366	555 685	825 183	226 306	3 693 540
Inter-segmental revenue	(76 161)	-	(12 589)	(36 816)	(125 566)
<b>Net revenue</b>	<b>2 010 205</b>	<b>555 685</b>	<b>812 594</b>	<b>189 490</b>	<b>3 567 974</b>
Operating profit before other operating items	211 287	77 098	217 596	52 744	558 725
Other operating items	(10 285)	-	4 156	31 420	25 291
<b>Operating profit</b>	<b>201 002</b>	<b>77 098</b>	<b>221 752</b>	<b>84 164</b>	<b>584 016</b>
<b>Profit after taxation</b>	<b>100 476</b>	<b>36 364</b>	<b>154 639</b>	<b>56 826</b>	<b>348 305</b>
<b>Statement of financial position</b>					
<b>Total assets<sup>2</sup></b>	<b>2 839 648</b>	<b>7 706 003</b>	<b>745 037</b>	<b>299 860</b>	<b>11 590 548</b>
<b>Total liabilities<sup>2</sup></b>	<b>3 023 089</b>	<b>2 830 500</b>	<b>488 041</b>	<b>157 071</b>	<b>6 498 701</b>



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

FOR THE SIX MONTHS ENDED 31 MARCH 2022

## 5. SEGMENTAL RESULTS continued

The Group's revenue and non-current assets by geographic segment are detailed below:

<b>March 2021</b>	South	Other	North	Europe	Far East	Other	Total
<b>Unaudited Restated Region</b>	Africa and Namibia	Africa	America <sup>1</sup>				
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Revenue</b>	2 221 459	417 666	560 862	246 926	110 221	10 840	3 567 974
<b>September 2021</b>	Canned fish and fishmeal (Africa)	Fishmeal and fish oil (USA)	Horse mackerel, hake, lobster and squid	Commercial cold storage and logistics			Total
<b>Audited Segment</b>	R'000	R'000	R'000	R'000	R'000		R'000
<b>Statement of comprehensive income</b>							
Gross revenue	4 294 021	1 533 381		1 681 705	416 168		7 925 275
Inter-segmental revenue	(192 538)	-		(20 683)	(78 638)		(291 859)
<b>Net revenue</b>	<b>4 101 483</b>	<b>1 533 381</b>		<b>1 661 022</b>	<b>337 530</b>		<b>7 633 416</b>
Operating profit before other operating items	478 609	236 900		387 236	82 437		1 185 182
Other operating items	(15 132)	(118)		4 282	27 274		16 306
<b>Operating profit</b>	<b>463 477</b>	<b>236 782</b>		<b>391 518</b>	<b>109 711</b>		<b>1 201 488</b>
<b>Profit after taxation</b>	<b>241 045</b>	<b>137 074</b>		<b>270 005</b>	<b>70 376</b>		<b>718 500</b>
<b>Statement of financial position</b>							
<b>Total assets</b>	<b>2 292 312</b>	<b>7 810 153</b>		<b>848 002</b>	<b>385 907</b>		<b>11 336 374</b>
<b>Total liabilities</b>	<b>2 229 651</b>	<b>2 890 528</b>		<b>487 010</b>	<b>226 070</b>		<b>5 833 259</b>

The Group's revenue and non-current assets by geographic segment are detailed below:

<b>September 2021</b>	South	Other	North	Europe	Far East	Other	Total
<b>Audited Region</b>	Africa and Namibia	Africa	America				
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Revenue</b>	4 327 874	848 180	1 162 695	1 061 881	197 267	35 519	7 633 416

<sup>1</sup> Restated fishmeal and fish oil (USA) and North America balances and transactions. Refer to note [16.1] and [16.2].

<sup>2</sup> Restated inter-segmental elimination. Refer to note [16.3].

## 6. OTHER OPERATING ITEMS

Transactions that are substantially capital are disclosed under other operating items in the statement of comprehensive income. These comprise profits or losses on disposal and scrapping of property, plant and equipment, intangible assets and non-current assets held for sale, impairments or reversal of impairments, profits or losses on disposal of investments, operations or subsidiaries and business combination related costs or gains.

Included in the period ended 31 March 2022 is R8.5 million transfer of a foreign currency translation loss to profit and loss on disposal of investment of joint venture (Oceana Boa Pesca Limitada).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

FOR THE SIX MONTHS ENDED 31 MARCH 2022

## 7. TAXATION EXPENSE

	Unaudited six months ended 31 Mar 2022	Unaudited six months ended 31 Mar 2021	Audited year ended 30 Sep 2021
	R'000	R'000	R'000
<b>Normal taxation</b>			
Current year	75 044	128 992	256 760
Withholding tax	843	568	16 239
Capital gains tax	959	3 374	4 073
Adjustments in respect of previous years	907	(4 909)	(2 983)
<b>Total normal taxation</b>	<b>77 753</b>	<b>128 025</b>	<b>274 089</b>
<b>Deferred taxation</b>			
Current year	22 913	12 460	16 011
Reduction in rate	(2 392)	-	-
Adjustments in respect of previous years	-	-	435
<b>Total deferred taxation</b>	<b>20 521</b>	<b>12 460</b>	<b>16 446</b>
<b>Total taxation charge</b>	<b>98 274</b>	<b>140 485</b>	<b>290 535</b>

The change in tax rate is a result of the reduction in the South African corporate tax rate. The effects of a change in tax legislation must be recognised when the new legislation is enacted. On 23 February 2022, the South African tax authorities formally enacted the reduction in corporate tax to 27% for years of assessment commencing 1 April 2022. The change in tax rate does not have an impact on the current year tax charge, but the amount provided for future tax benefit through deferred taxation is impacted. The provision for deferred taxation has accordingly been amended based on applying a 27% tax rate to future tax benefits.

Current year deferred taxation charge includes R18.0 million deferred taxation asset released. (refer note 3).

## 8. DERIVATIVES ASSETS AND (LIABILITIES)

	Unaudited six months ended 31 Mar 2022	Unaudited restated six months ended 31 Mar 2021	Audited year ended 30 Sep 2021
	R'000	R'000	R'000
Net opening balance	(41 500)	(110 828)	(110 828)
Profit recognised in other comprehensive income	80 158	42 956	54 706
Transaction costs paid/(recovered)	4 059	182	(5 018)
Movement of joint operator's share of fair value adjustment	20 218	8 520	11 177
Foreign exchange movement on translation	(2 184)	8 930	8 463
<b>Total derivatives assets/ (liabilities)</b>	<b>60 751</b>	<b>(50 240)</b>	<b>(41 500)</b>
<b>Categorised between non-current and current portions</b>			
Non-current portion of assets	63 112	3 806	-
Current portion of assets	-	-	-
<b>Total derivative assets</b>	<b>63 112</b>	<b>3 806</b>	<b>-</b>
Non-current portion of liabilities	-	(54 046)	(34 306)
Current portion of liabilities	(2 361)	-	(7 194)
<b>Total derivative liabilities</b>	<b>(2 361)</b>	<b>(54 046)</b>	<b>(41 500)</b>
<b>Total derivatives assets/ (liabilities)</b>	<b>60 751</b>	<b>(50 240)</b>	<b>(41 500)</b>

Derivatives relate to interest rate swaps and fuel hedges. Interest rate swaps were executed to hedge interest payable under USA and SA debt facilities and are designated as cash flow hedges.

Gains and losses pertaining to derivatives held as hedging instrument in a designated and effective hedging relationship are recognised in other comprehensive income and are reclassified in the same period that the hedged cash flows affect profit or loss.

In terms of the Group's US interest rate swaps, market indications are that their will be a more aggressive and quicker than expected hike in US interest rates than previously expected in order to stabilise it's economy and to avoid a recession. This has resulted in a recalibration of the swap curve as an approximately 90bps upward move is being priced into the short-term interest curve. The group entered into interest rate swaps on their US debt in 2020 at much lower levels, hence the material change in the swap curve and expectations has resulted in a positive interest swap position.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

FOR THE SIX MONTHS ENDED 31 MARCH 2022

## 9. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables is R21.8 million relating to the balance of the civil unrest claim lodged against SASRIA and based on confirmation of settlement prior to 31 March 2022. This amount has been subsequently settled.

## 10. BORROWINGS

	Unaudited six months ended 31 Mar 2022	Unaudited six months ended 31 Mar 2021	Audited year ended 30 Sep 2021
	R'000	R'000	R'000
South African rand-denominated loans	1 244 937	1 481 549	1 248 682
USA dollar-denominated term loan	1 968 548	2 117 611	2 112 704
<b>Total borrowings</b>	<b>3 213 485</b>	3 599 160	3 361 386

### SHORT-TERM BANKING FACILITY

In addition to the borrowings above, the general short term banking facilities in South Africa amounted to R1.1 billion as at 31 March 2022 and 31 March 2021. As at 31 March 2022, R449.1 million was utilised (March 2021: R503.5 million). In addition, the Nedbank Revolving Credit Facility of R500.0 million was completely undrawn. This facility was not in existence in the 6 month reporting period ended 31 March 2021.

In the USA the short term facility of USD25.0 million was not utilised at 31 March 2022 nor at 31 March 2021.

### COVENANTS

The covenant targets for the South African Rand-denominated term loans are Net debt: EBITDA cover, interest cover and debt service cover. The SA loan covenants have been achieved and management is comfortable with the level of available headroom.

The covenant targets for the USA dollar-denominated term loan are Net debt: EBITDA cover, fixed cover and funded debt to capital ratio. The USA loan covenants have been achieved and management is comfortable with the level of available headroom.

## 11. DETERMINATION OF HEADLINE EARNINGS

	Unaudited six months ended 31 Mar 2022	Unaudited Restated six months ended 31 Mar 2021	Audited year ended 30 Sep 2021
	R'000	R'000	R'000
<b>Profit after taxation attributable to shareholders of Oceana Group Limited</b>	<b>145 490</b>	331 275	676 280
Adjusted for:			
Impairment reversal / impairment of property, plant and equipment and intangible assets	-	219	(1 150)
Joint venture: loss on disposal of vessels	-	-	1 028
Net profit on disposal of non-current asset held for sale	-	(31 420)	(27 684)
Loss on winding up of joint venture ("OBP")	8 521	-	-
Insurance proceeds on capital items	-	(4 069)	-
Net (profit)/loss on disposal of property, plant and equipment	(881)	141	(3 323)
Total non-controlling interest in above	-	-	312
Total tax effect of adjustments	247	7 773	6 352
<b>Headline earnings for the year</b>	<b>153 377</b>	303 919	651 815
<b>Headline earnings per share (cents)</b>			
- Basic	126.4	260.5	550.0
- Diluted	126.2	240.4	512.3

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

FOR THE SIX MONTHS ENDED 31 MARCH 2022

## 12. ELIMINATION OF TREASURY SHARES

	Unaudited six months ended 31 Mar 2022	Unaudited restated six months ended 31 Mar 2021	Audited year ended 30 Sep 2021
	R'000	R'000	R'000
Weighted average number of shares in issue	<b>130 432</b>	130 432	130 432
Less: Weighted average treasury shares held by OET	<b>(259)</b>	(13 463)	(7 091)
Less: Weighted average treasury shares held by Lucky Star Limited	<b>(288)</b>	(288)	(288)
Less: Weighted average treasury shares held by Oceana Group Share Trust	<b>(17)</b>	(17)	(17)
Less: Weighted average treasury shares held by Saam-Sonke Trust	<b>(7 826)</b>	-	(4 181)
Less: Weighted average treasury shares held by OSET	<b>(652)</b>	-	(348)
Weighted average number of shares on which basic earnings per share and basic headline earnings per share are based	<b>121 390</b>	116 664	118 507
Weighted average number of shares on which diluted earnings per share and diluted headline earnings per share are based	<b>121 553</b>	125 808	127 211

At 31 March 2022 OET held 221 431 shares in terms of outstanding instructions as pertaining to beneficiary elections.

The Saam-Sonke Trust subscribed for 7 825 908 shares in Oceana Group Limited in March 2021 at a cost of 1 cent per share. The 7 497 000 participatory rights to acquire these shares were allocated to qualifying employees of the Company on 30 September 2021 at a grant price of R67.70. The balance remain in the trust for future allocation purposes.

The OSET was also established in March 2021 and subscribed for 652 159 shares in Oceana Group Limited at a cost of 1 cent per share. No allocations have been made to beneficiaries as at 31 March 2022.

## 13. DIVIDENDS

	Unaudited six months ended 31 Mar 2022	Unaudited six months ended 31 Mar 2021	Audited year ended 30 Sep 2021
	R'000	R'000	R'000
Dividend declared after reporting date	<b>66 802</b>	131 846	302 833
Dividend per share (cents)	<b>55.0</b>	110.0	358.0
Number of shares net of treasury shares (in millions)	<b>121 459</b>	119 860	121 386

On 9 March 2022 a final dividend of 248c was declared in relation to the September 2021 period and is reflected as a shareholders for dividend as it was only paid on 4 April 2022.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

FOR THE SIX MONTHS ENDED 31 MARCH 2022

## 14. SUPPLEMENTARY INFORMATION

	Unaudited six months ended 31 Mar 2022	Unaudited Restated six months ended 31 Mar 2021	Audited year ended 30 Sep 2021
	R'000	R'000	R'000
<b>Items impacting the statement of comprehensive income</b>			
Insurance recoveries	<b>(67 240)</b>	(2 162)	(159 592)
Consulting and legal fees	<b>33 916</b>	14 714	26 384
Audit fees	<b>20 420</b>	2 032	15 470
Amortisation of intangible assets	<b>7 227</b>	11 377	21 004
Impairment of intangible assets	–	–	2 369
Depreciation of property, plant and equipment	<b>131 078</b>	120 568	247 058
Depreciation of right-of-use assets	<b>20 409</b>	19 704	42 864
Inventory written-off	<b>8 398</b>	5 540	113 003
Share-based expenses	<b>17 170</b>	6 359	37 187
Cash-settled compensation	<b>1 206</b>	2 544	6 455
Equity-settled compensation	<b>6 253</b>	3 815	30 732
Equity-settled BEE IFRS 2 charge	<b>9 711</b>	–	–
<b>Items impacting the statement of financial position</b>			
Additions (property, plant and equipment and intangible assets)	<b>134 384</b>	217 782	426 118
Replacement	<b>124 290</b>	116 165	335 347
Expansion	<b>10 094</b>	101 617	90 771
<b>Other items</b>			
Budgeted capital commitments	<b>272 707</b>	200 450	419 901
Contracted	<b>109 038</b>	62 492	68 748
Not contracted	<b>163 669</b>	137 958	351 153

Audit fees includes R18.0 million incurred in relation to the additional work attributable to the delays in finalising the September 2021 year-end audited results as a result of the whistle-blower investigation. In addition Consulting and legal fees includes R24.4 million pertaining to costs directly attributable to the whistle-blower investigation.

R7.0 million has been released in terms of share-based payments forfeited on resignation of key executives.

## 15. FAIR VALUE

Items carried at fair value are classified according to the fair value hierarchy, by valuation method. The different levels have been defined as follows:

**Level 1** – quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2** – 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** – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Interest rate swaps recorded in the cash flow hedging reserve and derivative liabilities are regarded as level 2 financial instruments. Foreign exchange contracts entered into by the Group for the purpose of minimising exposure to foreign currency volatility are regarded as level 2 financial instruments.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of foreign exchange contracts is determined using quoted spot and forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

The Group only has level 2 instruments and there have been no transfers between levels 1, 2 or 3 of the fair value hierarchy during the current and prior year.

The fair value of all other financial assets and financial liabilities approximates their carrying value.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

FOR THE SIX MONTHS ENDED 31 MARCH 2022

## 16. PRIOR PERIOD ERRORS AND RESTATEMENTS

During the preparation of the September 2021 annual financial statements, certain restatements were identified in terms of previously reported results (refer to note 39 in the 2021 annual financial statements). These have now been similarly corrected in the comparatives to the prior interim period to 31 March 2021.

The restatements had no effect on the Group's prior period profit after tax and headline earnings, but other comprehensive income increased by R18.8 million. The impact of the restatements on the Group's net asset value results in a net reduction of R15.0 million in the prior period.

The prior period restatements relate to the following:

### 16.1 CORRECTION OF TRANSLATION RATE USED

The exchange rate used in translating the assets and liabilities of the Company's USA subsidiary did not fully meet the requirements of IAS 21 - The Effects of Changes in Foreign Exchange Rates. This restatement has been revised in each of the respective financial statement line items and had no effect on the Group's profit after tax for the prior period and reduced the Group's net asset value by R64.0 million in the prior period.

### 16.2 JOINT OPERATION

As communicated in the Group's September 2021 annual financial statements the accounting treatment of Daybrook's investment in Westbank was extensively reassessed. Previously Westbank had been classified as an associate and accounted for under the equity accounting method. In the 2021 financial statements the accounting treatment was changed to proportionate consolidation from equity accounting.

Based on Daybrook retaining certain minority protection rights requiring a 'super-majority vote of 76%', it was assessed that the Group had a contractual right to exercise joint control which therefore results in Westbank being classified as a joint arrangement as explained in note 3.

In 2015 when the Group acquired 100% of the shares in Daybrook together with 25% of the shares in Westbank, the previous shareholders of Daybrook were granted a put option against Daybrook in respect of their 75% shareholding in Westbank. At the time of determining the Group's purchase price of its investments in Daybrook and Westbank and the resultant goodwill a portion of the amount payable under the put option, the value of which would depend on future profits of Daybrook and Westbank, was incorrectly excluded from this assessment. When this amount, which constituted R120.7 million / USD7.9 million, was paid by Daybrook during the 2019 financial year, it was recognised as a receivable from Westbank. Had this component of the put option been treated correctly from the date of acquisition, it would have resulted in an increase in the recognition of goodwill of R120.7 million / USD7.9 million and not as a receivable. This incorrect treatment has now been corrected, including the impact of the updated translation of the amount.

### 16.3 DISCLOSURE RECLASSIFICATION

- The Statement of Comprehensive Income included expenses which were erroneously classified and reflected as part of the "Cost of Sales" as opposed to "Sales and distribution" and "Overhead expenditure". In addition, in terms of IAS 1 and IFRS 9, impairment loss on financial assets must be separately disclosed on the statement of comprehensive income reducing the "Overhead expenditure" and increasing "Net impairment loss on financial assets" with R0.4 million. Although the amount is not material the Group has restated their results to align with these requirements.
- The ex-gratia retirement provision and non-qualified deferred compensation benefits were previously recognised as current liabilities in the Statement of Financial Position, however on further review should be reflected as non-current liabilities.
- The results of the prior period to 31 March 2021 have been restated to correctly reflect the items identified as being incorrectly classified during the preparation of the September 2021 financial results as they did not fully meet the disclosures as required in terms of IFRS reporting. The impacts of the reclassifications are summarised below:
- In the Statement of Cashflows, in terms of IAS 7 - Statement of Cash Flows short-term banking facilities do not meet the definition of cash and cash equivalents and movements are therefore required to be disclosed separately as financing activities. The cash flow statement has been restated to correctly reflect on the face of the cashflow statement the gross movements within financing activities.
- In March 2021, the segmental report included a Finance Segment. This allocation does not align with the requirements of IFRS8 - Operating Segments and consequently the prior year segmental report has been restated to incorporate the Finance segment within the other operating segments. In addition, the Group identified that the consolidation of inter-segmental assets and liabilities was incorrectly reflected against the Canned fish and fishmeal segment. Refer to note 5.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

FOR THE SIX MONTHS ENDED 31 MARCH 2022

## 16. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

Consolidated Statement of Comprehensive Income (extract)	Restated March 2021				
	Previously reported R'000	Effect of exchange rate change R'000	Effect of joint operation R'000	Other effect R'000	Restated R'000
Revenue	3 567 974	-	-	-	3 567 974
Cost of sales	(2 395 877)	-	11 013	(8 629)	(2 393 493)
<b>Gross profit</b>	<b>1 172 097</b>	-	<b>11 013</b>	<b>(8 629)</b>	<b>1 174 481</b>
Sales and distribution expenditure	(172 117)	-	-	15 426	(156 691)
Marketing expenditure	(16 229)	-	-	-	(16 229)
Overhead expenditure	(414 640)	-	(18 766)	(34 084)	(467 490)
Other income	-	-	-	26 856	26 856
Net foreign exchange loss	1 533	-	-	-	1 533
Net impairment loss on financial assets	-	-	-	431	431
<b>Operating profit before joint ventures loss</b>	<b>570 644</b>	-	<b>(7 753)</b>	-	<b>562 891</b>
Joint ventures loss	(12 544)	-	8 378	-	(4 166)
<b>Operating profit before other operating items</b>	<b>558 100</b>	-	<b>625</b>	-	<b>558 725</b>
Other operating items	25 291	-	-	-	25 291
<b>Operating profit</b>	<b>583 391</b>	-	<b>625</b>	-	<b>584 016</b>
Interest income	9 596	-	8 864	-	18 460
Interest expense	(104 197)	-	(9 489)	-	(113 686)
<b>Profit before taxation</b>	<b>488 790</b>	-	-	-	<b>488 790</b>
Taxation expense	(140 485)	-	-	-	(140 485)
<b>Profit after taxation</b>	<b>348 305</b>	-	-	-	<b>348 305</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Movement on foreign currency translation reserve	(637 122)	24 755	(35 498)	-	(647 865)
Movement on foreign currency translation reserve from joint ventures	(29 416)	656	28 952	-	192
Movement on cash flow hedging reserve	50 032	-	2 840	-	52 872
Movement on cash flow hedging reserve from associate	2 840	-	(2 840)	-	-
Income tax related to loss recognised in equity	(6 051)	-	-	-	(6 051)
<b>Other comprehensive income, net of taxation</b>	<b>(619 717)</b>	<b>25 411</b>	<b>(6 546)</b>	-	<b>(600 852)</b>
<b>Total comprehensive income</b>	<b>(271 412)</b>	<b>25 411</b>	<b>(6 546)</b>	-	<b>(252 547)</b>
<b>Profit after taxation attributable to:</b>					
Shareholders of Oceana Group Limited	331 275	-	-	-	331 275
Non-controlling interests	17 030	-	-	-	17 030
	<b>348 305</b>	-	-	-	<b>348 305</b>
<b>Total comprehensive income attributable to:</b>					
Shareholders of Oceana Group Limited	(288 741)	25 411	(6 546)	-	(269 876)
Non-controlling interests	17 329	-	-	-	17 329
	<b>(271 412)</b>	<b>25 411</b>	<b>(6 546)</b>	-	<b>(252 547)</b>
Notes		{16.1}	{16.2}	{16.3}	

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

FOR THE SIX MONTHS ENDED 31 MARCH 2022

## 16. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

Consolidated Statement of Financial Position (extract)	Restated March 2021				
	Previously reported R'000	Effect of exchange rate change R'000	Effect of joint operation R'000	Other effect R'000	Restated R'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	1 800 711	(9 757)	697 879	-	2 488 833
Right-of-use assets	154 647	(3 672)	2 749	-	153 724
Goodwill and intangible assets	4 749 231	(59 409)	13 343	117 754	4 820 919
Interest in joint ventures	276 171	(2 724)	(206 330)	412	67 529
Deferred taxation	18 844	-	-	-	18 844
Investment and loans	91 136	-	-	-	91 136
Derivative asset	-	-	3 806	-	3 806
<b>Total non-current assets</b>	<b>7 090 740</b>	<b>(75 562)</b>	<b>511 447</b>	<b>118 166</b>	<b>7 644 791</b>
<b>Current assets</b>					
Inventories	1 090 134	(2 870)	56 748	-	1 144 012
Trade and other receivables	1 166 533	(4 230)	39 900	(120 737)	1 081 466
Taxation receivable	55 268	-	-	-	55 268
Cash and cash equivalents	1 543 102	(9 515)	131 424	-	1 665 011
<b>Total current assets</b>	<b>3 855 037</b>	<b>(16 615)</b>	<b>228 072</b>	<b>(120 737)</b>	<b>3 945 757</b>
<b>Total assets</b>	<b>10 945 777</b>	<b>(92 177)</b>	<b>739 519</b>	<b>(2 571)</b>	<b>11 590 548</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital	1 214 216	-	-	-	1 214 216
Foreign currency translation reserve	685 954	(63 838)	1 336	(2 571)	620 881
Cash flow hedging reserve	(29 703)	-	-	-	(29 703)
Share-based payment reserve	103 364	-	-	-	103 364
Distributable reserve	2 961 847	-	49 995	-	3 011 842
<b>Interest of own shareholders</b>	<b>4 935 678</b>	<b>(63 838)</b>	<b>51 331</b>	<b>(2 571)</b>	<b>4 920 600</b>
Non-controlling interests	171 247	-	-	-	171 247
<b>Total capital and reserves</b>	<b>5 106 925</b>	<b>(63 838)</b>	<b>51 331</b>	<b>(2 571)</b>	<b>5 091 847</b>
<b>Non-current liabilities</b>					
Deferred taxation	501 807	(5 162)	-	-	496 645
Borrowings	2 455 117	(20 322)	441 497	-	2 876 292
Derivative liabilities	38 889	(335)	15 492	-	54 046
Lease liabilities	194 646	(142)	1 758	-	196 262
Provisions	-	(320)	2 540	22 546	24 766
Liability for share-based payments	12 157	-	-	-	12 157
<b>Total non-current liabilities</b>	<b>3 202 616</b>	<b>(26 281)</b>	<b>461 287</b>	<b>22 546</b>	<b>3 660 168</b>
<b>Current liabilities</b>					
Borrowings	671 584	(1 152)	52 436	-	722 868
Derivative liabilities	-	-	-	-	-
Short term Borrowing facility	503 487	-	-	-	503 487
Lease liabilities	29 015	(96)	826	-	29 745
Provisions	32 098	-	-	(22 546)	9 552
Trade and other payables	1 386 916	(1 013)	31 851	-	1 417 754
Liability to joint operator	-	-	141 788	-	141 788
Taxation payable	13 136	203	-	-	13 339
<b>Total current liabilities</b>	<b>2 636 236</b>	<b>(2 058)</b>	<b>226 901</b>	<b>(22 546)</b>	<b>2 838 533</b>
<b>Total liabilities</b>	<b>5 838 852</b>	<b>(28 339)</b>	<b>688 188</b>	<b>-</b>	<b>6 498 701</b>
<b>Total equity and liabilities</b>	<b>10 945 777</b>	<b>(92 177)</b>	<b>739 519</b>	<b>(2 571)</b>	<b>11 590 548</b>
Notes		{16.1}	{16.2}	{16.3}	



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

FOR THE SIX MONTHS ENDED 31 MARCH 2022

## 16. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

Consolidated Statement of Cash Flows (extract)	Restated March 2021				
	Previously reported	Effect of exchange rate change	Effect of joint operation	Other effect	Restated
	R'000	R'000	R'000	R'000	R'000
<b>Cash generated from operations</b>	<b>673 655</b>	-	<b>(56 294)</b>	-	<b>617 361</b>
Investment income received	9 596	-	8 864	-	18 460
Interest paid	(104 197)	-	(9 961)	-	(114 158)
Taxation paid	(183 818)	-	208	-	(183 610)
Dividends paid	(391 192)	-	-	-	(391 192)
<b>Net cash inflow/ (outflow) from operating activities</b>	<b>4 044</b>	-	<b>(57 183)</b>	-	<b>(53 139)</b>
Purchases of property, plant and equipment	(161 595)	-	(69 316)	-	(230 911)
Proceeds on disposal of property, plant and equipment	4 584	-	-	-	4 584
Decrease in loans receivable from business partners	1 054	-	-	-	1 054
Increase in loans receivable from business partners	(7 990)	-	3 843	-	(4 147)
Proceeds on disposal of asset held for sale	35 982	-	-	-	35 982
<b>Cash flows used in investing activities</b>	<b>(127 965)</b>	-	<b>(65 473)</b>	-	<b>(193 438)</b>
Short-term borrowings repaid	(94 769)	-	64 771	-	(29 998)
Short-term banking facility raised	-	-	-	2 233 000	2 233 000
Short-term banking facility repaid	-	-	-	(1 730 000)	(1 730 000)
Repayment of principal portion of lease liability	(22 487)	-	(847)	-	(23 334)
Benefit / cost relating to loan and derivative finance	-	-	(182)	-	(182)
Payment of joint operator	-	-	(23 251)	-	(23 251)
Proceeds from sale of treasury shares	177 498	-	-	-	177 498
Purchase of treasury shares for the settlement of long-term incentives	(15 839)	-	-	-	(15 839)
<b>Cash flows used in financing activities</b>	<b>44 403</b>	-	<b>40 491</b>	<b>503 000</b>	<b>587 894</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(79 518)</b>	-	<b>(82 165)</b>	<b>503 000</b>	<b>341 317</b>
Net cash and cash equivalents at the beginning of the year	1 212 697	(2 249)	222 244	-	1 432 692
Effect of exchange rate changes	(93 564)	(7 266)	(8 168)	-	(108 998)
<b>Cash and cash equivalents at end of the year</b>	<b>1 039 615</b>	<b>(9 515)</b>	<b>131 911</b>	<b>503 000</b>	<b>1 665 011</b>
Notes		{16.1}	{16.2}	{16.3}	

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

FOR THE SIX MONTHS ENDED 31 MARCH 2022

## 17. RELATED PARTY TRANSACTIONS

The Group enters into various transactions with related parties in the normal course of business.

Related party relationships exist with subsidiaries and joint venture companies (including their shareholders) within the Group. Transactions with shareholders of Oceana Group Limited are done on an exception basis.

Transactions entered into with related parties are concluded in the normal course of business and are within normal trading terms. All material intergroup transactions are eliminated on consolidation. The amounts outstanding are unsecured and will be settled in cash.

Transactions with joint operations are eliminated to the extent of the amount included through proportionate consolidation. The portion which is not eliminated reflects the value transacted with a related party.

Below is an extract of the most significant transactions and balances for the period:

	Unaudited six months ended 31 Mar 2022	Unaudited Restated six months ended 31 Mar 2021	Audited year ended 30 Sep 2021
	R'000	R'000	R'000
<b>Transactions and balances with associate and joint ventures</b>			
Etosha Fishing Corporation Limited			
Goods and services sold to associate and joint ventures	<b>(80 778)</b>	(21 767)	(36 453)
Goods and services bought from associate and joint ventures	<b>52 443</b>	135 742	176 938
Amount (payable)/receivable from associate and joint ventures	<b>(31 380)</b>	(6 400)	(10 099)
<b>Transactions and balances with other related parties</b>			
Ulwandle Fishing (Pty) Ltd			
Net loans receivable from shareholders of subsidiary companies	<b>89 121</b>	86 505	90 783
Net loans payable to shareholders of subsidiary companies	<b>(8 091)</b>	(12 866)	(14 768)

## 18. CONTINGENT ASSET

In July 2021 the Group suffered R107.8 million loss due to the civil unrest in KZN, which resulted in inventory write off of R86.1 million and R21.7 million in increased costs required to secure operations and replace lost and damaged product. The Group has adequate South African Special Risks Insurance Association (SASRIA) and general insurance cover for material damage to assets, inventory and business interruption. At 30 September 2021, the Group accounted for R88.0 million as accrued revenue and at 31 March 2022 a further R10.3 million was accounted for as accrued revenue and has subsequently been settled by insurers. The balance of R9.5 million has not been recognised as a receivable at 31 March 2022 as no agreements of loss had been received from the respective insurers.

## 19. EVENTS AFTER THE REPORTING DATE

As announced on 30 May 2022, PricewaterhouseCoopers Inc. ("PwC") resigned as the Group's auditors on 27 May 2022 in respect of the audit of the financial year ending September 2022. PwC resigned ahead of the shareholder consultation that was planned by the company for 30 May 2022 to consider PwC's continued appointment and the Board's acknowledgment of the strained relationship. The Group has progressed discussions with one of the "Big 4" audit firms and is well placed to announce the appointment of the new external auditors within the required 40 business days.

## CASH DIVIDEND DECLARATION

Notice is hereby given of dividend number 156. An interim dividend amounting to 55.0 cents per share, for the six months ended 31 March 2022, was declared on 2 June 2022, out of current earnings. Where applicable the deduction of dividends withholding tax at a rate of 20% will result in a net dividend amounting to 44.0 per share.

The number of ordinary shares in issue at the date of this declaration is 130 431 804. The company's tax reference number is 9675/139/71/2. Relevant dates are as follows:

Last day to trade cum dividend	Tuesday, 21 June 2022
Commence trading ex-dividend	Wednesday, 22 June 2022
Record date	Friday, 24 June 2022
Dividend payable	Monday, 27 June 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 22 June 2022 and Friday, 24 June 2022, both dates inclusive.

By order of the board

**R Buddle**  
*Interim Company Secretary*  
2 June 2022

## DIRECTORATE AND STATUTORY INFORMATION

<b>Directors and officers:</b>	MA Brey (chairman), N Brink* (chief executive officer) (appointed 2 June 2022), H Karrim* (suspended 7 February 2022), R Buddle# (interim chief financial officer), ZBM Bassa, PG de Beyer, A Jakoet, NA Pangarker, LJ Sennelo, NV Simamane, TM Mwantembe, PJ Golesworthy. (*Executive; #Officer)
<b>Registered Office:</b>	9th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001
<b>Transfer Secretaries:</b>	JSE Investor Services South Africa (Pty) Ltd ("JIS") 13th Floor, 19 Ameshoff Street, Braamfontein (PO Box 4844, Johannesburg, 2000)
<b>Sponsor – South Africa:</b>	The Standard Bank of South Africa Limited
<b>Sponsor – Namibia:</b>	Old Mutual Investment Services (Namibia) Proprietary Limited
<b>Auditors:</b>	PricewaterhouseCoopers Inc resigned as auditors of the Group on 27 May 2022
<b>Company Secretary:</b>	R Buddle (Interim company secretary)
<b>JSE share code:</b>	OCE
<b>NSX share code:</b>	OCG
<b>ISIN:</b>	ZAE000025284

