

OCEANA GROUP LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number: 1939/001730/06)  
JSE share code: OCE  
NSX share code: OCG  
ISIN: ZAE000025284  
("Oceana" or the "Company" or the "Group")

## **VOLUNTARY TRADING UPDATE, TRADING STATEMENT AND UPDATE RELATING TO THE DISPOSAL OF COMMERCIAL COLD STORAGE GROUP LIMITED**

### **1. VOLUNTARY TRADING UPDATE FOR THE 4 MONTHS ENDED 29 JANUARY 2023**

Canned fish sales volumes increased by 33% to 3,5 million cartons (January 2022: 2,6 million cartons) mainly due to improved inventory levels, which enabled the continued strong market demand for affordable protein to be fulfilled. Prior year stock levels in the first quarter were low off the back of supply chain disruptions and the effects of the 2021 civil unrest. The improvement in the canned fish selling price over the period was insufficient to offset cost pressures, in particular the impact of the weaker rand / US dollar exchange rate on the cost of imported frozen fish, resulting in lower operating margins in comparison to the prior period. This necessitated a further sales price increase to be implemented towards the end of January 2023.

Early season anchovy landings have been better than the prior period and South African fishmeal and fish oil sales volumes were 23% higher at 3 065 tons (January 2022: 2 495 tons).

In the United States, we are currently in the off season and fishing will recommence in mid-April 2023. US fishmeal sales volumes increased by 43% to 13 200 tons (January 2022: 9 200 tons) and fish oil sales volumes increased to 4 100 tons (January 2022: 1 400 tons) due to improved opening inventory levels. Stronger Chinese demand together with lower anchovy landings and oil yields in Peru have continued to drive dollar pricing resulting in an average 11% increase in fishmeal dollar sales prices and a 61% increase in fish oil dollar sales prices compared to the prior period. Performance also benefited from the effect of the weaker exchange rate on the translation of dollar earnings and the receipt of an additional USD 4,3 million (R72 million) insurance proceeds following the finalisation of the 2021 Hurricane Ida insurance claim.

Performance of the horse mackerel operations improved with higher catch rates and increased fishing days in Namibia. South African catch rates remained poor however, impacted by continued La Niña weather conditions in South African waters. Strong demand-led pricing and the weaker rand / US dollar exchange rate contributed positively to the performance. Hake performance was impeded by lower catch rates, high fuel costs and fewer days at sea attributable to vessel maintenance. Horse mackerel and hake sales volumes increased by 43% to 19 700 tons (January 2022: 13 800 tons).

Commercial Cold Storage (CCS Logistics) performance improved with a strong recovery in occupancy rates in both the Gauteng and Western Cape regions. CCS Logistics has been treated as a discontinued operation pending finalisation of the disposal transaction.

The Group remains relatively well protected against the increased incidences of loadshedding in South Africa given that its vessel operations rely totally on self-generated power and its canning and fish meal operations on the Cape West Coast rely on coal boilers for their primary source of power. The Group also invested in back-up generating capacity several years ago resulting in these operations being relatively unaffected during loadshedding events.

## **2. TRADING STATEMENT FOR THE INTERIM PERIOD ENDING 31 MARCH 2023**

The Group is nearing the end of its interim period ending 31 March 2023. In accordance with section 3.4(b) of the Listings Requirements of the JSE Limited (JSE), a listed company must publish a trading statement once it is satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported will differ by at least 20% from reported financial results for the previous corresponding period.

Shareholders are accordingly advised that:

The Group is satisfied that a reasonable degree of certainty exists that the Group's basic headline earnings per share (HEPS) and basic earnings per share (EPS) for the interim period ending 31 March 2023 will be more than 20% higher than the reported HEPS of 126.4 cents and EPS of 119.9 cents for the previously reported interim period ending 31 March 2022, primarily due to higher opening inventory levels, strong local demand for canned fish and firm international pricing for fishmeal and fish oil.

The Group does not however have the required degree of certainty to provide shareholders with guidance on the anticipated trading range for HEPS and EPS for the reasons outlined below:

- the inherent uncertainty of fish catch rates for the remaining five weeks of the interim period;
- the volatility of rand / US dollar exchange rate for the remaining five weeks of the interim period and;
- the accounting impact for the transaction to dispose of the Commercial Cold Storage business pending finalisation thereof.

As and when the Group does have reasonable certainty of the anticipated trading range, it will provide further guidance to shareholders in accordance with paragraph 3.4(b)(iii) of the Listings Requirements of the JSE.

## **3. UPDATE RELATING TO THE DISPOSAL OF COMMERCIAL COLD STORAGE GROUP LIMITED**

Shareholders are referred to Oceana's announcement released on the Stock Exchange News Service of the JSE on 4 October 2022 in terms of which Oceana advised shareholders that it had entered into transaction agreements to dispose of its cold storage business, Commercial Cold Storage Limited (CCS Logistics), a wholly-owned subsidiary of Oceana (the Transaction Announcement).

All capitalised terms that are undefined shall have the meaning given to them in the Transaction Announcement.

Shareholders are advised that regulatory approval conditions related to the South African competition authorities and the Department of Forestry, Fisheries and Environment have been fulfilled.

Shareholders are advised further that the regulatory approval condition related to the Namibian competition authority remains outstanding and accordingly Oceana and the Purchaser have agreed to extend the date for fulfillment of the outstanding regulatory and commercially suspensive conditions from 28 February 2023 to 30 April 2023.

Cape Town  
28 February 2023

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