

Oceana Group Limited

Incorporated in the Republic of South Africa

(Registration number 1939/001730/06)

JSE Share Code: OCE

NSX Share Code: OCG

ISIN Number: ZAE000025284

("Oceana" or "the Group")

DAYBROOK FISHERIES INCORPORATED REPAYS US\$15 MILLION (ZAR283 MILLION*) OF DEBT AND REFINANCES FIVE-YEAR TERM LOAN AND REVOLVING CREDIT FACILITY

Oceana purchased 100% of Daybrook Fisheries Incorporation ("Daybrook"), a company incorporated in Louisiana, United States of America ("US") in 2015. Term debt raised by Daybrook at acquisition amounted to US\$142 million (R1.7 billion at an acquisition rate of US\$/ZAR12.00) which required quarterly capital repayments. This debt was refinanced in 2019 with a final payment due on 30 September 2024. As at June 2023, Daybrook had repaid US\$46.4 million resulting in a debt balance of US\$95.6 million (R1.8 billion*).

Given the Group's recent financial performance, continued tightening of US credit markets and the fact that this facility would be classified as current at the end of September 2023, a decision was taken to refinance the facility prior to the end of the 2023 financial year.

The following key objectives were achieved on conclusion of the refinance process:

- Reduction of the US debt exposure by de-leveraging and strengthening the US balance sheet,
- Prudent and proactive management of the Group's interest rate exposure given the increasing US interest rate environment,
- Introduction of greater flexibility into the debt structure, namely in relation to interest rate hedging, Revolving Credit Facility ("RCF") drawdowns and dividend payments to Oceana, and
- Simplification of the covenant and reporting structure.

The Bank of Montreal ("BMO") has been a banking partner of the Group since 2015 and was appointed as mandated lead arranger and bookrunner for the transaction. All current syndicate lenders participated in the refinance and the majority of lenders expressed increased appetite over and above their existing exposure. The refinance was 1.4 times subscribed, equivalent to an over subscription of US\$41.9 million.

Daybrook successfully concluded the refinance of its existing term debt of US\$95.6 million, into a new facility of US\$80.6 million during June 2023. This was achieved with a payment of an additional US\$15 million from cash generated during the year that was in excess of operating requirements. The RCF borrowing limit of US\$25 million remains unchanged. Both facilities have a five-year maturity to 30 June 2028. There was a 5-basis point reduction in upfront fees and flat pricing was achieved on the performance component of the interest rate charge, where interest ranges from 1.75% to 2.5%, dependent on the leverage ratio for the most recent quarter. The variable component continues to be linked to

SOFR (Secured Overnight Financing Date Rate), which was 5.2% at 30 June 2023 and for which the Group has forward cover through interest rate swap agreements with a fixed rate of 0.8%, expiring in September 2024. The refinance was achieved as a result of the positive financial performance and credit evaluation of Daybrook.

* Based on US\$/ZAR rate of 18.84 as at 30/06/2023

17 July 2023

Cape Town

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