

UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 MARCH 2024




OCEANA/GROUP
POSITIVELY IMPACTING LIVES

HIGHLIGHTS

For the six months ended
31 March 2024



IT'S OFFICIAL!

**WE ARE THE
#1 ICONIC BRAND
IN MZANSI**

Continuing operations

REVENUE

↑ **12%**

2024: R5.0bn
(2023: R4.5bn)

OPERATING PROFIT

↑ **57%**

2024: R1.0bn
(2023: R0.6bn)

PROFIT BEFORE TAX

↑ **68%**

2024: R0.9bn
(2023: R0.6bn)

EARNINGS PER SHARE

↑ **84%**

2024: 587.6 cps
(2023: 318.6 cps)

HEPS

↑ **85%**

2024: 578.8 cps
(2023: 313.5 cps)

INTERIM DIVIDENDS

↑ **50%**

2024: 195 cps
(2023: 130 cps)

NET DEBT TO EBITDA

↑ **1.2x**

(2023: 1.6x*)

* Leverage ratio as at 31 March 2023 excludes the effect of the sale of CCS Logistics which was completed on 4 April 2023.

Comments

GROUP OVERVIEW

The Group delivered a strong performance for the six months ended 31 March 2024 ("the period"), increasing headline earnings per share from continuing operations by 84.6% to 578.8 cents (2023: 313.5 cents). The growth was primarily driven by US-based Daybrook delivering record first half earnings as well as a pleasing Lucky Star performance following improved second quarter canned food sales volumes. Daybrook's exceptional performance was due to higher opening inventory levels which enabled the business to capitalise on higher fish oil sales volumes at record US-dollar prices during the period.

Revenue from continuing operations increased by 12.1% to R5.0 billion (2023: R4.5 billion) with strong pricing across all products, particularly fish oil. The impact of the weaker average rand exchange rate on export and US-dollar translated revenue of USD 1 :R19.00 (2023: USD 1 : R17.91) was offset by lower sales volumes in wild caught seafood.

Gross margin from continuing operations increased by 700 basis points to 34.1% (March 2023: 27.1%) due mainly to higher fish oil pricing, together with a higher proportion of fish oil sales volumes. Margins were moderated by lower wild caught volumes and the impact of the weaker rand exchange rate on the cost of frozen fish imports.

The growth in **overhead expenditure** from continuing operations was contained below inflation, increasing by 3.5% to R445 million (March 2023: R430 million).

Other income of R8 million includes insurance proceeds relating to the Covid business interruption claim partially settled in the prior year (March 2023: R72 million related to the 2021 Hurricane Ida claim).

Loss from joint ventures and associate of R25 million (March 2023: R17 million) related mainly to the Westbank Fishing operation, which was in its off season for most of the period.

Net interest expense from continuing operations decreased to R93 million (March 2023: R96 million). In the US, net interest expense in dollar terms decreased by 56.1% due to term debt repayments and higher interest income received on money market investments. Net interest expense in SA increased by 16.3% driven by higher borrowings to fund capital expenditure and working capital requirements.

The **effective tax rate** from continuing operations reduced to 22.5% (March 2023: 25.5%) due to the improved performance of the US business, which attracts a lower tax rate.

Profit after tax from continuing operations increased by 74.2% to R716 million (March 2023: R411 million). Profit after tax from total operations increased by 86.1% to R716 million (March 2023: R384 million).

CASH FLOW AND FINANCIAL POSITION

Cash generated from operations increased by 12.6% to R634 million (March 2023: R563 million), attributable to the improved operating performance in the US, mitigated by higher working capital requirements in SA.

Capital expenditure increased by 44.9% to R297 million (March 2023: R205 million) which included R132 million related to the upgrade of the West Coast canned foods and fishmeal plants, including the completion and commissioning of the new boilers and canned meat facility. The balance of the capital expenditure was largely replacement in nature.

The Group's net debt at the end of the period was 16.7% lower at R2 461 million (March 2023: R2 958 million) due to term debt settlement, partially offset by an increase in SA borrowings to fund capital expenditure and working capital requirements. The net debt to EBITDA ratio improved to 1.2 times (March 2023: 1.6 times).

REVIEW OF OPERATIONS

Revenue and operating profit by segment for the year:

| R' million | Revenue | | | Operating profit | | |
|--|---|---|--------------|---|---|-------------|
| | Unaudited six months ended 31 Mar 2024 | Unaudited six months ended 31 Mar 2023 | % Change | Unaudited six months ended 31 Mar 2024 | Unaudited six months ended 31 Mar 2023 | % Change |
| Canned foods and fishmeal (Africa) | 2 547 | 2 546 | 0.1% | 152 | 134 | 13.1% |
| Fishmeal and fish oil (USA) | 1 734 | 1 024 | 69.4% | 848 | 370 | 129.2% |
| Wild caught seafood | 760 | 928 | (18.1%) | 17 | 108 | (84.2%) |
| Intercompany eliminations between continuing and discontinued operations | – | – | – | – | 35 | – |
| Total continuing operations | 5 041 | 4 498 | 12.1% | 1 017 | 647 | 57.1 |

Comments continued

CANNED FOOD AND FISHMEAL (AFRICA)

Lucky Star's strong value offering to consumers resulted in improved sales volumes in the second quarter. A total of 4.8 million cartons were sold in the six month period, off the back of a record 5.0 million cartons sold in the comparative six month period. Canned fish volumes declined by 3.3% with overall canned food volumes declining by 20.8%, compounded by a canned meat shortage during the transition from outsourced to in-house manufacturing.

Local canning production volumes reduced as planned by 41.2% to 1.5 million cartons (March 2023: 2.5 million cartons) due to the decision to close both West Coast plants earlier than usual, to implement the factory upgrades which were completed in mid-January. Fresh fish comprised 14.0% (March 2023: 20.3%) of the raw fish volumes processed during the period.

Margins improved slightly over the prior period, despite lower in-house production volumes, lower mix of fresh fish and the impact of the weaker average rand on the cost of imported fish. This margin improvement was driven by a combination of price increases, cost savings and efficiencies post the cannery upgrades.

Canned fish inventory levels closed 29.5% lower than the prior period largely due to the reduction in in-house volumes produced.

Africa fishmeal and fish oil sales volumes reduced by 15.1% to 5 044 tons (March 2023: 5 944 tons), due to lower opening inventory levels. Volumes produced were in line with the prior period with a reduction in pilchard trimmings from the cannery, linked to the longer factory closure being offset by a 21.8% improvement in red eye and anchovy landings to 30 156 tons (March 2023: 24 766 tons). The upgrade of the St Helena Bay fishmeal facility was completed in mid-January while the major upgrade to the Laaiplek fishmeal facility resulted in the plant being closed for the entire period.

Strong US-dollar pricing for fish oil, together with the weaker average rand exchange rate contributed to an improved performance.

FISHMEAL AND FISH OIL (USA)

Daybrook produced an exceptional performance for the period, delivering record first half earnings.

Higher opening inventory levels and good fish oil yields produced from end of season October landings contributed to fish oil sales volumes almost doubling to 9 671 tons (March 2023: 4 852 tons). Fishmeal sales volumes were 12.4% lower at 19 178 tons (March 2023: 21 895 tons). The timing of sales volumes is driven primarily by customer demand to meet their respective production needs.

Global supply and demand dynamics continued to drive strong US-dollar pricing of fish oil, with prices increasing by 72% compared to the prior period. US-dollar pricing for fish meal was largely consistent with the prior period. A 6.5% weaker exchange rate on the translation of US-dollar earnings further benefitted performance in the period. The prior period included Hurricane Ida insurance proceeds of R72 million.

Fishmeal and fish oil inventory closed at similar levels to the prior period at 13 057 tons (March 2023: 13 336 tons).

WILD CAUGHT SEAFOOD

The Desert Diamond vessel was unable to fish for a large portion of the period due to an unplanned major breakdown and extended time required to source replacement parts and secure dry dock space. The planned annual refit of this vessel was brought forward to improve utilisation in the second half. The lost fishing days together with persistently lower catch rates contributed to a poor performance for the period.

In Namibia, horse mackerel sales volumes reduced by 20.5% mainly due to a reduction in catch rates. Firm market demand, together with the benefit of the weaker exchange rate on US-dollar export sales, resulted in an improvement in rand prices partially offsetting the volume reduction.

An improvement in fishing days and vessel utilisation resulted in hake sales volumes increasing by 20.8%. Industry wide catch rates remained below historical average for the period with some improvement experienced in the second quarter. The planned upgrade of the Realeka vessel commenced in mid-January which will be completed in the second half. The sale of the Isabella Marine vessel realised a profit of R9 million during the period. Strong European demand and the weaker exchange rate resulted in an improvement in rand prices.

Lower catch rates due to poor fishing conditions experienced across the squid industry contributed to a 63.5% decline in squid sales volumes.

The combined impact of the above factors contributed to a disappointing first half performance for the Wild caught seafood segment.

On the 13 May 2024, while the Realeka was alongside the quay, an incident occurred when contractors were installing and testing new equipment on the vessel as part of the upgrade. Tragically one of the service provider's employees was fatally injured, and two other persons seriously injured. The injured persons were hospitalised and treated for their injuries. The board and management of Oceana extends their sincere condolences to the family, friends and colleagues of the deceased.

INTERIM DIVIDEND

The Board declared an interim dividend of 195 cents (March 2023: 130 cents) per share which represents an increase of 50.0%.

EVENTS AFTER REPORTING DATE

Lucky Star has concluded a transaction to acquire a 75% stake in a canned chicken liver business based in Graaff-Reinet. The business supplies the Department of Basic Education in the Eastern Cape and Gauteng to meet the growing demand in school feeding schemes. This expansion will enable Lucky Star to deliver further on its strategy of leveraging both its brand strength and depth of distribution.

Comments continued

In partnership with an Eastern Cape based empowerment partner SMME, Oceana is acquiring a 51% stake in a squid business owning 5 vessels and 77 fishing licenses.

OUTLOOK

Lucky Star will continue with its strategy of driving volumes through relative affordability and availability in the constrained consumer spending environment. Second half performance will benefit from focused cost management, increased local production and efficiencies, an April canned fish sales price increase, and improved canned meat sales volumes now that the new facility is in full production. The total allowable catch for pilchards in South Africa was increased by 67% to 65 000 tons for the season, a positive sign for the resource which is expected to further enhance margins. Pilchard quota of 20 136 tons is available to Oceana to catch and process during the current year.

The Laaiplek fishmeal facility upgrade was successfully completed in April and both SA facilities will be operational for the peak anchovy/red eye fishing period.

The fishing season in the United States commenced mid-April and runs for 28 weeks to the end of October each year. Unfavourable weather conditions have negatively impacted early season landings, however fish oil yield has been good. A compromise was reached with Louisiana fisheries regulators whereby the coastwide menhaden purse seine buffer zone was extended from a quarter mile to a half mile for the 2024 season, providing certainty and stability to the Gulf menhaden fishing industry.

Peru announced its first anchovy quota allocation for 2024 at 2.5 million tons following the previous year's first season cancellation. The season runs from April to June and landings as well as fish oil yields to date have been positive. Fish oil prices are expected to remain strong in the short to medium term while supply normalizes, and Daybrook has contracted a portion of its 2024 fish oil production until the end of the calendar year at good pricing levels. Daybrook will continue with its practice of ensuring that inventory levels are adequate to meet monthly customer demand levels during its off season.

Market demand for wild caught species is expected to remain firm with second half performance largely dependent on catch rates in SA and Namibia. Squid catch rates have improved materially in the second half. The Desert Diamond (horse mackerel) and Realeka (hake) vessels are planned to return to sea in the second half.

The Group's three-year capital investment programme to upgrade its processing facilities and vessels is expected to start delivering direct efficiency gains and benefit second half operational performance.

Any forward looking statements in this announcement has not been reviewed or reported on by the Company's external auditors.

By order of the Board: 7 June 2024



Mr MA Brey
Chairman
Cape Town
10 June 2024



Mr N Brink
Chief Executive Officer

DECLARATION OF INTERIM DIVIDEND

Notice is hereby given of dividend number 160. An interim dividend amounting to 195 cents per share, for the six months ended 31 March 2024, is declared 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 156 cents per share.

By order of the Board: 7 June 2024

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, 25 June 2024 |
| Commence trading ex-dividend | Wednesday, 26 June 2024 |
| Record date | Friday, 28 June 2024 |
| Dividend payment date | Monday, 1 July 2024 |

Share certificates may not be dematerialised or rematerialised between Wednesday, 26 June 2024 and Friday, 28 June 2024 (both dates inclusive).

This short-form announcement is the responsibility of the directors and is a summary of the information in the condensed consolidated interim results and does not contain full or complete details. Any investment decision should be based on the full announcement which is available on our website: and on as well as via our JSE sponsor atjseponsor@standardbank.co.za.



J Jaga
Company Secretary
10 June 2024

Condensed consolidated statement of comprehensive income

| | Notes | Unaudited six months ended 31 Mar 2024 | Unaudited six months ended 31 Mar 2023 | Audited year ended 30 Sep 2023 |
|---|-------|---|---|---|
| | | Rm | Rm | Rm |
| Revenue | 3 | 5 041 | 4 498 | 9 987 |
| Cost of sales | | (3 320) | (3 280) | (7 134) |
| Gross profit | | 1 721 | 1 218 | 2 853 |
| Sales and distribution expenditure | | (235) | (202) | (526) |
| Marketing expenditure | | (19) | (28) | (58) |
| Overhead expenditure | | (445) | (430) | (958) |
| Other income | | 8 | 72 | 99 |
| Net foreign exchange gain | | 12 | 34 | 46 |
| Joint ventures and associate (loss)/profit | | (25) | (17) | 34 |
| Operating profit | | 1 017 | 647 | 1 490 |
| Interest income | | 23 | 12 | 39 |
| Interest expense | | (116) | (108) | (231) |
| Profit before taxation | | 924 | 551 | 1 298 |
| Taxation expense | | (208) | (140) | (308) |
| Profit after taxation from continuing operations | | 716 | 411 | 990 |
| (Loss)/Profit after taxation from discontinued operations | | - | (27) | 353 |
| Profit for the period | | 716 | 384 | 1 343 |
| Other comprehensive income from continuing operations | | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | |
| Movement on foreign currency translation reserve | | (8) | (133) | 244 |
| Movement on foreign currency translation reserve on joint ventures and associate | | 1 | (4) | 9 |
| Movement on cash flow hedging reserve | | (34) | (22) | (32) |
| Income tax related to loss recognised in other comprehensive income | | 7 | 5 | 7 |
| Other comprehensive (loss)/income, net of taxation | | (34) | (154) | 228 |
| Total comprehensive income for the period | | 682 | 230 | 1 571 |
| Profit for the period attributable to: | | | | |
| Shareholders of Oceana Group Limited | | 706 | 359 | 1 326 |
| Non-controlling interests | | 10 | 25 | 17 |
| | | 716 | 384 | 1 343 |
| Total comprehensive income for the period attributable to: | | | | |
| Shareholders of Oceana Group Limited | | 672 | 205 | 1 554 |
| Non-controlling interests | | 10 | 25 | 17 |
| | | 682 | 230 | 1 571 |
| Total comprehensive income attributable to shareholders of Oceana Group Limited arises from: | | | | |
| Continuing operations | | 672 | 230 | 1 202 |
| Discontinued operations | | - | (25) | 352 |
| Total comprehensive income | | 672 | 205 | 1 554 |
| Earnings per share (cents) | | | | |
| Basic earnings per share | | 587.6 | 295.4 | 1 094.1 |
| Continuing operations | | 587.6 | 318.6 | 804.1 |
| Discontinued operations | | - | (23.2) | 290.0 |
| Diluted earnings per share | | 585.9 | 295.0 | 1 091.5 |
| Continuing operations | | 585.9 | 318.1 | 802.2 |
| Discontinued operations | | - | (23.1) | 289.3 |

Condensed consolidated statement of financial position

| | Notes | Unaudited as at 31 Mar 2024 | Unaudited as at 31 Mar 2023 | Audited as at 30 Sep 2023 |
|--|-------|-----------------------------------|-----------------------------------|---------------------------------|
| | | Rm | Rm | Rm |
| ASSETS | | | | |
| Non-current assets | | 9 013 | 8 309 | 8 840 |
| Property, plant and equipment | | 2 308 | 1 936 | 2 127 |
| Right-of-use assets | | 102 | 70 | 114 |
| Goodwill and intangible assets | | 6 073 | 5 729 | 6 077 |
| Interest in joint ventures and associate | | 245 | 250 | 309 |
| Deferred taxation | | 34 | 29 | 17 |
| Investments and loans | | 220 | 215 | 196 |
| Derivative asset | | 31 | 80 | – |
| Current assets | | 5 122 | 4 377 | 4 634 |
| Inventories | | 2 452 | 2 423 | 2 792 |
| Trade and other receivables | | 1 610 | 1 175 | 1 290 |
| Derivative asset | | – | – | 65 |
| Taxation receivable | | 41 | 51 | 34 |
| Cash and cash equivalents | | 1 019 | 728 | 453 |
| Assets held for sale | | – | 506 | 9 |
| Total assets | | 14 135 | 13 192 | 13 483 |
| EQUITY AND LIABILITIES | | | | |
| Capital and reserves | | 8 203 | 6 831 | 7 969 |
| Share capital | | 1 108 | 1 197 | 1 113 |
| Foreign currency translation reserve | | 1 994 | 1 603 | 2 001 |
| Cash flow hedging reserve | | 18 | 52 | 45 |
| Share-based payment reserve | | 99 | 87 | 102 |
| Distributable reserve | | 4 836 | 3 691 | 4 521 |
| Interest of own shareholders | | 8 055 | 6 630 | 7 782 |
| Non-controlling interests | | 148 | 201 | 187 |
| Non-current liabilities | | 2 946 | 3 257 | 2 733 |
| Deferred taxation | | 613 | 621 | 645 |
| Borrowings | 8 | 2 134 | 2 504 | 1 895 |
| Lease liabilities | | 145 | 98 | 153 |
| Employee provisions | | 38 | 34 | 30 |
| Liability for share-based payments | | 16 | – | 10 |
| Current liabilities | | 2 986 | 2 833 | 2 781 |
| Borrowings | 8 | 226 | 295 | 376 |
| Short-term banking facilities | | 1 120 | 927 | 203 |
| Lease liabilities | | 21 | 14 | 26 |
| Employee provisions | | 12 | 16 | 8 |
| Trade and other payables | | 1 542 | 1 556 | 2 139 |
| Taxation payable | | 65 | 25 | 15 |
| Bank overdraft facilities | | – | – | 14 |
| Liabilities held for sale | | – | 271 | – |
| Total equity and liabilities | | 14 135 | 13 192 | 13 483 |

Condensed consolidated statement of changes in equity

| | Interest of own shareholders | Non-controlling interests | Total |
|--|---------------------------------|------------------------------|--------------|
| | Rm | Rm | Rm |
| Audited balance as at 30 September 2022 | 6 813 | 220 | 7 033 |
| Total comprehensive income for the period | 205 | 25 | 230 |
| Movement on foreign currency translation reserve | (133) | – | (133) |
| Movement on foreign currency translation reserve on joint ventures and associate | (4) | – | (4) |
| Movement on cash flow hedging reserve | (22) | – | (22) |
| Income tax relating to loss recognised in equity | 5 | – | 5 |
| Profit for the period | 359 | 25 | 384 |
| Share-based payment expense | 28 | – | 28 |
| Share-based payment exercised | (36) | – | (36) |
| Transfer from share-based payment liability to reserve | 7 | – | 7 |
| Increase in treasury shares held | (28) | – | (28) |
| Distribution to Oceana Saam-Sonke Trust beneficiaries | (5) | – | (5) |
| Dividends | (354) | (44) | (398) |
| Unaudited balance as at 31 March 2023 | 6 630 | 201 | 6 831 |
| Total comprehensive income for the period | 1 349 | (8) | 1 341 |
| Movement on foreign currency translation reserve | 377 | – | 377 |
| Movement on foreign currency translation reserve on joint ventures and associate | 13 | – | 13 |
| Movement on cash flow hedging reserve | (10) | – | (10) |
| Income tax related to loss recognised in equity | 2 | – | 2 |
| Profit for the period | 967 | (8) | 959 |
| Transfers between reserves | (7) | – | (7) |
| Increase in treasury shares held | (67) | – | (67) |
| Share-based payment expense | 35 | – | 35 |
| Distribution to Oceana Saam-Sonke Trust beneficiaries | (1) | – | (1) |
| Dividends | (157) | (2) | (159) |
| Disposal of CCS Logistics | – | (4) | (4) |
| Audited balance as at 30 September 2023 | 7 782 | 187 | 7 969 |
| Total comprehensive income for the period | 672 | 10 | 682 |
| Movement on foreign currency translation reserve | (8) | – | (8) |
| Movement on foreign currency translation reserve on joint ventures and associate | 1 | – | 1 |
| Movement on cash flow hedging reserve | (34) | – | (34) |
| Income tax related to loss recognised in equity | 7 | – | 7 |
| Profit for the period | 706 | 10 | 716 |
| Increase in treasury shares held | (36) | – | (36) |
| Vesting of share incentive schemes to share capital | 31 | – | 31 |
| Increase in investment in subsidiary | (17) | 3 | (14) |
| Share-based payment expense | 24 | – | 24 |
| Share-based payment exercised | (27) | – | (27) |
| Distribution to Oceana Saam-Sonke Trust beneficiaries | (4) | – | (4) |
| Dividends | (370) | (52) | (422) |
| Unaudited balance as at 31 March 2024 | 8 055 | 148 | 8 203 |

Condensed consolidated statement of cash flows

| | Unaudited six months ended 31 Mar 2024 | Unaudited six months ended 31 Mar 2023 | Audited year ended 30 Sep 2023 |
|--|---|---|---|
| | Rm | Rm | Rm |
| Cash generated from operations | 634 | 563 | 1 698 |
| Interest income received | 23 | 12 | 28 |
| Interest paid | (111) | (114) | (213) |
| Taxation paid | (203) | (148) | (402) |
| Dividends paid | (426) | (404) | (563) |
| Cash (outflow)/inflow from operating activities | (83) | (91) | 548 |
| Cash (outflow)/inflow from investing activities | (273) | (213) | 221 |
| Purchases of property, plant and equipment | (297) | (205) | (482) |
| Purchases of intangible assets | (2) | (5) | (8) |
| Proceeds on disposal of property, plant and equipment | – | 9 | 10 |
| Proceeds on disposal of non-current assets held for sale | 23 | – | – |
| Proceeds on disposal of CCS Logistics | – | – | 713 |
| Loans repaid from supplier partners | 3 | – | 5 |
| Advances to supplier partners | – | (12) | (17) |
| Cash inflow/(outflow) from financing activities | 941 | 604 | (824) |
| Long-term borrowings repaid | – | – | (827) |
| Long-term borrowings raised | 200 | – | 300 |
| Short-term borrowings repaid | (111) | (147) | (240) |
| Short-term banking facility raised | 3 722 | 3 154 | 6 852 |
| Short-term banking facility repaid | (2 805) | (2 303) | (6 725) |
| Increase in investment in subsidiary | (14) | – | – |
| Repayment of principal portion of lease liability | (15) | (33) | (38) |
| Purchase of treasury shares | (36) | – | (97) |
| Cost associated with loan refinancing | – | – | (11) |
| Purchase of treasury shares for the settlement of long-term incentives | – | (67) | (38) |
| Net increase/(decrease) in cash and cash equivalents | 585 | 300 | (55) |
| Cash and cash equivalents at the beginning of the period | 439 | 487 | 487 |
| Effect of exchange rate changes | (5) | (19) | 7 |
| Cash and cash equivalents at the end of the period¹ | 1 019 | 768 | 439 |

¹ The 30 September 2023 amount includes R40.6 million of the CCS Logistics segment disposed of in the prior year.

Notes to the condensed consolidated interim financial statements

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 31 March 2024 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), and as a minimum contain the information required by International Accounting Standard (IAS) 34: Interim Financial Reporting, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the JSE Listings Requirements.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 September 2023. The accounting policies and methods of computations used in the preparation of the condensed consolidated interim financial statements are consistent in all material respects with those applied in the Group's annual financial statements as at 30 September 2023. The Group changed presentation from rounding to the nearest thousand to the nearest million. None of the new standards, interpretations and amendments effective as of 1 October 2023 have had a material impact on the annual consolidated financial statements of the Group or condensed consolidated interim financial statements of the Group.

These condensed consolidated interim financial statements have neither been audited nor reviewed by the Group's external auditors. The directors take full responsibility for the preparation of these condensed consolidated interim financial statements, which have been prepared under the supervision of Zaf Mahomed CA(SA), the Chief Financial Officer of the Group.

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

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 30 September 2023, including taking into account the performance of the first six months, that would result in an impairment to goodwill and intangible assets with an indefinite useful life.

3. REVENUE

| | Unaudited six months ended 31 Mar 2024 | Unaudited six months ended 31 Mar 2023 | Audited year ended 30 Sep 2023 |
|--|---|---|---|
| | Rm | Rm | Rm |
| The main categories of revenue and the segment to which they relate are set out below: | | | |
| Canned foods and fishmeal (Africa)¹ | 2 547 | 2 545 | 5 538 |
| Sale of goods | 2 543 | 2 539 | 5 514 |
| Incidental services (incidental freight and insurance) | 4 | 6 | 24 |
| Fishmeal and fish oil (USA) | 1 734 | 1 024 | 2 697 |
| Wild caught seafood | 721 | 865 | 1 619 |
| Sale of goods | 713 | 849 | 1 603 |
| Incidental services (incidental freight and insurance) | 8 | 16 | 16 |
| Other non-trade revenue | | | |
| Canned foods and fishmeal (Africa) ¹ | – | 1 | 14 |
| Wild caught seafood | 39 | 63 | 119 |
| | 5 041 | 4 498 | 9 987 |

¹ Canned foods and fishmeal (Africa) was previously called Canned fish and fishmeal (Africa).

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.

Other non-trade revenue includes quota fees R22.2 million (March 2023: 29.6 million); fee income R16.9 million (March 2023: R32.9 million) and factory processing and other minor recoveries R0.1 million (March 2023: R1.9 million).

Notes to the condensed consolidated interim financial statements continued

4. SEGMENTAL RESULTS

Revenue per geographic region excludes inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation as follows: Wild caught seafood R17.9 million (March 2023: R16.9 million).

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

The Group has a customer in the Canned foods and fishmeal (Africa) segment that individually contributed 14.3% (March 2023: 12.0%) of the Group's revenue. No other single customer contributed 10% or more to the Group's revenue in either 2024 or 2023.

| Unaudited six months ended 31 March 2024 Segment | Canned foods and fishmeal (Africa) ¹ | Fishmeal and fish oil (USA) | Wild caught seafood | Total |
|--|---|--------------------------------------|------------------------|---------------|
| | Rm | Rm | Rm | Rm |
| Statement of comprehensive income | | | | |
| Gross revenue | 3 078 | 1 734 | 778 | 5 590 |
| Inter-segmental revenue | (531) | – | (18) | (549) |
| Net revenue | 2 547 | 1 734 | 760 | 5 041 |
| Operating profit | 152 | 848 | 17 | 1 017 |
| Profit after taxation | 46 | 662 | 8 | 716 |
| The above profit after taxation includes the following: | | | | |
| Joint ventures and associate loss | (3) | (22) | – | (25) |
| Depreciation, amortisation and impairment | 31 | 54 | 57 | 142 |
| Distribution expenses | 109 | 10 | 37 | 156 |
| Employment costs | 355 | 101 | 224 | 680 |
| Administrative, technical, secretarial and legal fees | 14 | 5 | 2 | 21 |
| Fuel and energy costs | 45 | 11 | 197 | 253 |
| Repairs and maintenance | 62 | 47 | 56 | 165 |
| Statement of financial position | | | | |
| Total assets excluding assets held for sale | 3 845 | 9 408 | 882 | 14 135 |
| Total liabilities excluding liabilities held for sale | 3 346 | 2 237 | 349 | 5 932 |

¹ Canned foods and fishmeal (Africa) was previously called Canned fish and fishmeal (Africa).

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

| Unaudited six months ended 31 March 2024 Region | South Africa and Namibia | Other Africa | North America | Europe | Far East | Other | Total |
|---|--------------------------------|-----------------|------------------|--------------|-----------|-----------|--------------|
| | Rm | Rm | Rm | Rm | Rm | Rm | Rm |
| Revenue | 2 299 | 638 | 700 | 1 315 | 43 | 46 | 5 041 |
| Non-current assets (excluding deferred tax assets) | 1 626 | – | 7 353 | – | – | – | 8 979 |

Notes to the condensed consolidated interim financial statements continued

4. SEGMENTAL RESULTS continued

| Unaudited six months ended 31 March 2023 Segment | Canned foods and fishmeal (Africa) ² | Fishmeal and fish oil (USA) | Wild caught seafood | Total | Intercompany eliminations between continuing and discontinued operations ¹ | Total continuing operations |
|--|---|--------------------------------------|------------------------|--------------|---|-----------------------------------|
| | Rm | Rm | Rm | Rm | Rm | Rm |
| Statement of comprehensive income | | | | | | |
| Gross revenue | 2 839 | 1 024 | 944 | 4 807 | – | 4 807 |
| Inter-segmental revenue | (293) | – | (16) | (309) | – | (309) |
| Net revenue | 2 546 | 1 024 | 928 | 4 498 | – | 4 498 |
| Operating profit | 134 | 370 | 108 | 612 | 35 | 647 |
| Profit after taxation | 26 | 272 | 78 | 376 | 35 | 411 |

The above profit after taxation includes the following:

| | | | | | | |
|---|-----|------|-----|------|---|------|
| Joint ventures and associate loss | (4) | (13) | – | (17) | – | (17) |
| Depreciation, amortisation and impairment | 27 | 49 | 45 | 121 | – | 121 |
| Distribution expenses | 105 | 9 | 34 | 148 | – | 148 |
| Employment costs | 354 | 81 | 216 | 651 | – | 651 |
| Administrative, technical, secretarial and legal fees | 14 | 6 | 3 | 23 | – | 23 |
| Fuel and energy costs | 51 | 12 | 198 | 261 | – | 261 |
| Repairs and maintenance | 53 | 47 | 33 | 133 | – | 133 |

Statement of financial position

| | | | | | | |
|--|--------------|--------------|------------|---------------|----------|---------------|
| Total assets excluding assets held for sale | 3 444 | 8 426 | 816 | 12 686 | – | 12 686 |
| Total liabilities excluding liabilities held for sale | 3 279 | 2 337 | 474 | 6 090 | – | 6 090 |

¹ Intercompany eliminations relate to revenue and support service charges to align the IFRS 8: Operating Segment profit measures the CODM uses to manage the business to that of IFRS.

² Canned foods and fishmeal (Africa) was previously called Canned fish and fishmeal (Africa).

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

| Unaudited six months ended 31 March 2023 Region | South Africa and Namibia | Other Africa | North America | Europe | Far East | Other | Total |
|---|--------------------------------|-----------------|------------------|------------|-----------|-----------|--------------|
| | Rm | Rm | Rm | Rm | Rm | Rm | Rm |
| Revenue | 2 736 | 366 | 977 | 336 | 71 | 12 | 4 498 |
| Non-current assets (excluding deferred tax assets) | 1 327 | – | 6 953 | – | – | – | 8 280 |

Notes to the condensed consolidated interim financial statements continued

4. SEGMENTAL RESULTS continued

| Audited year ended 30 September 2023 Segment | Canned foods and fishmeal (Africa) ² | Fishmeal and fish oil (USA) | Wild caught seafood | Total | Intercompany eliminations between continuing and discontinued operations ¹ | Total continuing operations |
|--|---|--------------------------------------|------------------------|--------------|---|-----------------------------------|
| | Rm | Rm | Rm | Rm | Rm | Rm |
| Statement of comprehensive income | | | | | | |
| Gross revenue | 6 536 | 2 697 | 1 775 | 11 008 | – | 11 008 |
| Inter-segmental revenue | (983) | – | (38) | (1 021) | – | (1 021) |
| Net revenue | 5 553 | 2 697 | 1 737 | 9 987 | – | 9 987 |
| Operating profit | 496 | 810 | 127 | 1 433 | 57 | 1 490 |
| Profit after taxation | 239 | 640 | 54 | 933 | 57 | 990 |

The above profit after taxation includes the following:

| | | | | | | |
|---|-----|-----|-----|-------|---|-------|
| Joint ventures and associate (loss)/profit | (6) | 40 | – | 34 | – | 34 |
| Depreciation, amortisation and impairment | 71 | 98 | 92 | 261 | – | 261 |
| Distribution expenses | 214 | 122 | 64 | 400 | – | 400 |
| Employment costs | 724 | 203 | 383 | 1 310 | – | 1 310 |
| Administrative, technical, secretarial and legal fees | 26 | 23 | 3 | 52 | – | 52 |
| Fuel and energy costs | – | 44 | 103 | 147 | – | 147 |
| Repairs and maintenance | 91 | 116 | 97 | 304 | – | 304 |

Statement of financial position

| | | | | | | |
|--|--------------|--------------|------------|---------------|----------|---------------|
| Total assets excluding assets held for sale | 3 422 | 9 237 | 815 | 13 474 | – | 13 474 |
| Total liabilities excluding liabilities held for sale | 2 561 | 2 459 | 494 | 5 514 | – | 5 514 |

¹ Intercompany eliminations relate to revenue and support service charges to align the IFRS 8: Operating Segment profit measures the CODM uses to manage the business to that of IFRS. This includes the consolidation reversal of CCS Logistics depreciation for the year up to date of sale in line with the requirements of IFRS 5.

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

| Audited year ended 30 September 2023 Region | South Africa and Namibia | Other Africa | North America | Europe | Far East | Other | Total |
|---|--------------------------------|-----------------|------------------|--------------|------------|-----------|--------------|
| | Rm | Rm | Rm | Rm | Rm | Rm | Rm |
| Revenue | 5 182 | 863 | 1 535 | 1 694 | 667 | 46 | 9 987 |
| Non-current assets (excluding deferred tax assets) | 1 384 | – | 7 439 | – | – | – | 8 823 |

Notes to the condensed consolidated interim financial statements continued

5. DETERMINATION OF HEADLINE EARNINGS

| | Unaudited six months ended 31 Mar 2024 | Unaudited six months ended 31 Mar 2023 | Audited year ended 30 Sep 2023 |
|--|---|---|---|
| | Rm | Rm | Rm |
| Profit for the period attributable to shareholders of Oceana Group Limited | 706 | 359 | 1 326 |
| Loss from discontinued operations attributable to shareholders of Oceana Group Limited ¹ | - | 18 | 29 |
| Earnings from continuing operations | 706 | 377 | 1 355 |
| Adjusted for: | | | |
| Scrapping of property, plant and equipment and intangible assets | - | 12 | 11 |
| Reversal of impairment of property, plant and equipment | (5) | - | - |
| Insurance proceeds on capital items | - | - | (3) |
| Net (profit)/loss on disposal of property, plant and equipment | - | (6) | 2 |
| Profit on disposal of assets held for sale | (14) | - | - |
| Profit on disposal of CCS Logistics | - | - | (477) |
| Total non-controlling interest in above | 5 | (1) | (2) |
| Total tax effect of adjustments | 4 | (1) | 94 |
| Headline earnings for the period attributable to the shareholders of Oceana Group Limited from continuing operations | 696 | 381 | 980 |
| Earnings from discontinued operations | | - | |
| Loss from discontinued operations after tax | - | (18) | (29) |
| Net loss on disposal of property, plant and equipment from discontinued operations | - | 1 | - |
| Headline earnings for the period attributable to the shareholders of Oceana Group Limited from discontinued operations | - | (17) | (29) |
| Headline earnings for the period | 696 | 364 | 951 |
| Headline earnings per share (cents) | | | |
| Basic headline earnings per share | 578.8 | 299.1 | 784.4 |
| Continuing operations | 578.8 | 313.5 | 808.8 |
| Discontinued operations | - | (14.4) | (24.4) |
| Diluted headline earnings per share | 577.1 | 298.6 | 782.6 |
| Continuing operations | 577.1 | 313.0 | 807.0 |
| Discontinued operations | - | (14.4) | (24.4) |

¹ This amount includes a non-controlling interest profit adjustment in CCS Logistics of R1.4 million as at 30 September 2023 (March 2023: R1.7 million).

Notes to the condensed consolidated interim financial statements continued

6. WEIGHTED AVERAGE NUMBER OF SHARES

| | Unaudited Number of shares 31 Mar 2024 | Unaudited Number of shares 31 Mar 2023 | Audited Number of shares 30 Sep 2023 |
|--|---|---|---|
| | '000 | '000 | '000 |
| Weighted average number of ordinary shares | 130 432 | 130 432 | 130 432 |
| Less: weighted average number of Treasury shares held by: | | | |
| Oceana Empowerment Trust (OET) | (101) | (109) | (107) |
| Lucky Star Limited | (576) | (204) | (250) |
| Oceana Group Share Trust | (17) | (17) | (17) |
| Oceana Saam-Sonke Trust | (7 826) | (7 826) | (7 826) |
| Oceana Stakeholder Empowerment Trust (OSET) | (652) | (652) | (652) |
| Oceana Group Limited | (1 054) | – | (378) |
| Weighted average number of ordinary shares used in the calculation of basic earnings and headline earnings per share | 120 206 | 121 624 | 121 203 |
| Shares deemed to be issued for no consideration in respect of unexercised share options | 348 | 184 | 285 |
| Weighted average number of ordinary shares used in the calculation of diluted earnings and diluted headline earnings per share | 120 554 | 121 808 | 121 488 |

7. DIVIDENDS

| | Unaudited six months ended 31 Mar 2024 | Unaudited six months ended 31 Mar 2023 | Audited year ended 30 Sep 2023 |
|--|---|---|---|
| Dividend declared after reporting date (Rm) | 234 | 158 | 366 |
| Dividend per share (cents) | 195.0 | 130.0 | 305.0 |
| Number of shares net of treasury shares (in '000s) | 120 203 | 121 639 | 121 487 |

8. BORROWINGS

| | Unaudited as at 31 Mar 2024 | Unaudited as at 31 Mar 2023 | Audited as at 30 Sep 2023 |
|---|-----------------------------------|-----------------------------------|---------------------------------|
| | Rm | Rm | Rm |
| South African Rand-denominated loans | 901 | 1 097 | 775 |
| USA dollar-denominated term loan | 1 459 | 1 702 | 1 496 |
| Total borrowings | 2 360 | 2 799 | 2 271 |
| Categorised between non-current and current portions | | | |
| Non-current portion of liabilities | 2 134 | 2 504 | 1 895 |
| Current portion of liabilities | 226 | 295 | 376 |
| Total borrowings | 2 360 | 2 799 | 2 271 |

Short-term banking facility

The general short term banking facilities in South Africa amounted to R1.4 billion as at 31 March 2024 (March 2023: R1.1 billion). As at 31 March 2024, R1.1 billion was utilised (March 2023: R927 million).

In the USA, the short-term facility of USD25 million was not utilised at 31 March 2024 nor at 31 March 2023.

Notes to the condensed consolidated interim financial statements continued

8. BORROWINGS continued

Covenants

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

Interest rate swap

On 29 February 2024, the Group through its wholly owned subsidiary, Daybrook Fisheries Inc., entered into a revised interest rate swap agreement relating to US debt. The revised agreement is based on a notional debt amount of USD 39 million, at a fixed rate of 2.84% as well as a revised termination date of 30 June 2028. This agreement replaced the previous agreement that was set to expire on 30 September 2024.

9. FURTHER INFORMATION

| | Unaudited six months ended 31 Mar 2024 | Unaudited six months ended 31 Mar 2023 | Audited year ended 30 Sep 2023 |
|--|---|---|---|
| | Rm | Rm | Rm |
| 9.1 ITEMS IMPACTING THE STATEMENT OF COMPREHENSIVE INCOME | | | |
| Income | | | |
| Insurance income | 8 | 72 | 108 |
| Profit on disposal of assets held for sale | 14 | – | – |
| Expenses | | | |
| Amortisation | 8 | 8 | 16 |
| Depreciation of property, plant and equipment | 121 | 104 | 225 |
| Depreciation of right-of-use assets | 13 | 10 | 20 |
| Inventory write off | 5 | – | – |
| Share-based payments expense | 29 | 27 | 73 |
| 9.2 ITEMS IMPACTING THE STATEMENT OF FINANCIAL POSITION | | | |
| Additions (property, plant and equipment) | 297 | 180 | 459 |
| Replacement | 195 | 159 | 269 |
| Expansion | 102 | 21 | 190 |
| 9.3 OTHER ITEMS | | | |
| Budgeted capital commitments | 424 | 446 | 593 |
| Contracted | 291 | 118 | 111 |
| Not contracted | 133 | 328 | 482 |

The closing US Dollar exchange rate at 31 March 2024 was R18.93 (March 2023: R17.79; September 2023: R18.93).

10. 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).

For the current year and prior year, there are no level 1 or 3 instruments held by the Group.

Notes to the condensed consolidated interim financial statements continued

10. FAIR VALUE continued

Measurement of fair values

The following tables show the valuation techniques used in measuring Level 2 fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

| Instrument | Level | Valuation basis/techniques |
|--|-------|---|
| Derivative instruments – Interest rate swaps | 2 | Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices. |
| Derivative instruments – Foreign currency forwards | 2 | Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies. |

There were no transfers between levels 1, 2 or 3 of the fair value hierarchy for the half year ended 31 March 2024.

11. RELATED PARTIES

During the period, the Group entered into related party transactions in the ordinary course of business. There were no material changes to the composition of related party balances and transactions compared to what was disclosed in the Group's annual financial statements for the year ended 30 September 2023.

12. CONTINGENT LIABILITIES

As disclosed in our 30 September 2023 audited annual financial statements, the Group's subsidiary, Erongo Marine Enterprises, received a summons in terms of the Namibian Competition Act, with a request to furnish information. Erongo Marine Enterprises, assisted by the Group's legal counsel, was interviewed by the Commission on 21 February 2024 wherein all queries and requests for information were addressed in full.

As at the date of the approval of these unaudited condensed consolidated interim results, no further communication has been received from the Commission, and the Group in conjunction with its external legal advisors, believes that it remains too early in the process to conclude on whether any compliance and/or related financial risk exists.

13. EVENTS AFTER THE REPORTING DATE

No events occurred after the reporting date that have an impact on the Group's financial position as at 31 March 2024 or require separate disclosure in these interim financial statements other than the below:

Acquisition of subsidiary

On 2 May 2024, the Group through its wholly owned subsidiary, Lucky Star Limited acquired a 75% interest in Pashash Foods (Pty) Ltd (Pashash) for a cash consideration of R28 million. Pashash has been assessed to be a subsidiary of the Group and will be consolidated as from date of acquisition. The Group is in the process of determining the fair value of assets and liabilities of Pashash as required by IFRS 3: Business Combinations.

Acquisition of assets

On 23 November 2023, the Group through its wholly owned subsidiary, Calamari Fishing Pty (Ltd) entered into a 51% partnership agreement to acquire squid operational assets for a cash consideration of R53 million. The asset acquisition includes 77 squid licenses and 5 squid vessels. The transaction was subject to certain suspensive conditions, the most significant of which related to the approval of transfer of fishing rights by the Department of Forestry, Fisheries and Environment, which was received on 30 April 2024. The deal is anticipated to be concluded by 28 June 2024.

Directorate and statutory information

Directors and officers as at 31 March 2024

Mr MA Brey (Chairman), Mr PG de Beyer (Lead Independent Director), Mr ND Brink* (Chief Executive Officer), Mr ZA Mahomed* (Chief Financial Officer), Mr PJ Golesworthy (British), Mr A Jakoet, Mr NA Pangarker, Ms LJ Sennelo, Ms NV Simamane, Ms TM Mokgosi-Mwantembe and Ms P Viranna (appointed 11 March 2024)

(*Executive)

Registered Office:

9th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001

Transfer Secretaries:

JSE Investor Services South Africa (Pty) Ltd

Sponsor – South Africa:

The Standard Bank of South Africa Ltd

Sponsor – Namibia:

Old Mutual Investment Services (Namibia) (Pty) Ltd

Auditors:

Forvis Mazars

Company Secretary:

Mr J Jaga

JSE/A2X share code:

OCE

NSX share code:

OCG

ISIN:

ZAE000025284