SUMMARISED CONSOLIDATED AUDITED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

OCEANA GROUP

POSITIVELY IMPACTING LIVES

2019 SUMMARISED CONSOLIDATED AUDITED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER
## SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 September 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>Audited Year ended 30 Sep 2019 R'000</th>
<th>Restated* Audited Year ended 30 Sep 2018 R'000</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>7 647 415</td>
<td>7 657 311</td>
<td>–</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(5 026 779)</td>
<td>(4 823 816)</td>
<td>4</td>
</tr>
<tr>
<td>Gross profit</td>
<td>2 620 636</td>
<td>2 833 495</td>
<td>(8)</td>
</tr>
<tr>
<td>Sales and distribution expenditure</td>
<td>(433 951)</td>
<td>(500 298)</td>
<td>(13)</td>
</tr>
<tr>
<td>Marketing expenditure</td>
<td>(59 045)</td>
<td>(55 184)</td>
<td>7</td>
</tr>
<tr>
<td>Overhead expenditure</td>
<td>(976 556)</td>
<td>(1 102 907)</td>
<td>(11)</td>
</tr>
<tr>
<td>Net foreign exchange gain</td>
<td>30 093</td>
<td>19 248</td>
<td>56</td>
</tr>
<tr>
<td>Operating profit before associate and joint venture loss</td>
<td>1 181 177</td>
<td>1 194 354</td>
<td>(1)</td>
</tr>
<tr>
<td>Associate and joint venture loss</td>
<td>(5 852)</td>
<td>(5 447)</td>
<td>7</td>
</tr>
<tr>
<td>Operating profit before other operating items</td>
<td>1 175 325</td>
<td>1 188 907</td>
<td>(1)</td>
</tr>
<tr>
<td>Other operating (expense)/income items</td>
<td>(17 447)</td>
<td>(14 091)</td>
<td>24</td>
</tr>
<tr>
<td>Operating profit</td>
<td>1 157 878</td>
<td>1 174 816</td>
<td>(1)</td>
</tr>
<tr>
<td>Interest income</td>
<td>33 681</td>
<td>40 767</td>
<td>(17)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(294 547)</td>
<td>(332 532)</td>
<td>(11)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>897 012</td>
<td>883 051</td>
<td>2</td>
</tr>
<tr>
<td>Taxation</td>
<td>(248 645)</td>
<td>(810)</td>
<td></td>
</tr>
<tr>
<td>Profit after taxation</td>
<td>648 367</td>
<td>882 241</td>
<td>(27)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that may be reclassified subsequently to profit or loss:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movement on foreign currency translation reserve including hyperinflation effect</td>
<td>292 221</td>
<td>212 903</td>
<td></td>
</tr>
<tr>
<td>Movement on foreign currency translation reserve from associate and joint ventures including hyperinflation effect</td>
<td>16 963</td>
<td>8 214</td>
<td></td>
</tr>
<tr>
<td>Movement on hedge reserve from associate</td>
<td>(3 880)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movement on cash flow hedging reserve</td>
<td>(23 951)</td>
<td>24 845</td>
<td></td>
</tr>
<tr>
<td>Income tax related to profit/(loss) recognised in equity</td>
<td>5 276</td>
<td>(5 813)</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income, net of taxation</td>
<td>286 629</td>
<td>240 149</td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>934 996</td>
<td>1 122 390</td>
<td>(17)</td>
</tr>
<tr>
<td>Profit after taxation attributable to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders of Oceana Group Limited</td>
<td>617 616</td>
<td>857 831</td>
<td>(28)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>30 751</td>
<td>24 410</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>648 367</td>
<td>882 241</td>
<td>(27)</td>
</tr>
<tr>
<td>Total comprehensive income attributable to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders of Oceana Group Limited</td>
<td>904 245</td>
<td>1 097 980</td>
<td>(18)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>30 751</td>
<td>24 410</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>934 996</td>
<td>1 122 390</td>
<td>(17)</td>
</tr>
<tr>
<td>Earnings per share (cents)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Basic</td>
<td>528.3</td>
<td>734.6</td>
<td>(28)</td>
</tr>
<tr>
<td>– Diluted</td>
<td>486.1</td>
<td>674.6</td>
<td>(28)</td>
</tr>
</tbody>
</table>

*The September 2018 revenue, sales and distribution expenditure and overhead expenditure line items have been restated, as a result of the adoption of the new accounting standards. The impact of the restatement is a reclassification between these line items only with all other line items unchanged.
### SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th></th>
<th>Audited 30 Sep 2019 R’000</th>
<th>Audited 30 Sep 2018 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>7</td>
<td>7 042 312</td>
<td>6 685 126</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td></td>
<td>1 697 221</td>
<td>1 586 626</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td>4 886 609</td>
<td>4 617 278</td>
</tr>
<tr>
<td>Derivative assets</td>
<td></td>
<td>26 567</td>
<td>29 338</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td></td>
<td>431 915</td>
<td>434 486</td>
</tr>
<tr>
<td>Investments and loans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>11</td>
<td>3 757 887</td>
<td>4 014 355</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td>1 852 707</td>
<td>1 467 239</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td></td>
<td>1 243 324</td>
<td>1 502 331</td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
<td>73 820</td>
<td>29 725</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>588 036</td>
<td>1 015 060</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>10 800 199</td>
<td>10 699 481</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital and reserves</td>
<td></td>
<td>5 121 727</td>
<td>4 721 969</td>
</tr>
<tr>
<td>Stated capital</td>
<td></td>
<td>1 193 473</td>
<td>1 189 482</td>
</tr>
<tr>
<td>Foreign currency translation reserve</td>
<td></td>
<td>796 213</td>
<td>487 029</td>
</tr>
<tr>
<td>Cash flow hedging reserve</td>
<td></td>
<td>(15 671)</td>
<td>6 884</td>
</tr>
<tr>
<td>Share-based payment reserve</td>
<td></td>
<td>93 406</td>
<td>90 535</td>
</tr>
<tr>
<td>Distributable reserve</td>
<td></td>
<td>2 943 871</td>
<td>2 851 418</td>
</tr>
<tr>
<td>Interest of own shareholders</td>
<td></td>
<td>5 011 292</td>
<td>4 625 348</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td></td>
<td>110 435</td>
<td>96 621</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td>3 840 143</td>
<td>3 818 656</td>
</tr>
<tr>
<td>Liability for share-based payments</td>
<td></td>
<td>6 044</td>
<td>10 145</td>
</tr>
<tr>
<td>Long-term loan</td>
<td>10</td>
<td>3 298 904</td>
<td>3 339 750</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>8</td>
<td>10 320</td>
<td>468 761</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td></td>
<td>524 875</td>
<td>1 838 329</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td>1 480 502</td>
<td>1 711 483</td>
</tr>
<tr>
<td>Accounts payable and provisions</td>
<td></td>
<td>351 258</td>
<td>427 351</td>
</tr>
<tr>
<td>Current portion – long-term loan</td>
<td></td>
<td>6 569</td>
<td>20 022</td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td></td>
<td>10 800 199</td>
<td>10 699 481</td>
</tr>
</tbody>
</table>
## SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2019

<table>
<thead>
<tr>
<th></th>
<th>Audited Year ended 30 Sep 2019 R'000</th>
<th>Audited Year ended 30 Sep 2018 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at the beginning of the year</strong></td>
<td>4 721 969</td>
<td>3 756 629</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>934 996</td>
<td>1 122 390</td>
</tr>
<tr>
<td>Profit after taxation</td>
<td>648 367</td>
<td>882 241</td>
</tr>
<tr>
<td>Movement on foreign currency translation reserve including hyperinflation effect</td>
<td>292 221</td>
<td>212 903</td>
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<td>Movement on foreign currency translation reserve from associate and joint ventures including hyperinflation effect</td>
<td>16 963</td>
<td>8 214</td>
</tr>
<tr>
<td>Movement on hedge reserve from associate</td>
<td>(3 880)</td>
<td>(11 017)</td>
</tr>
<tr>
<td>Movement on cash flow hedging reserve</td>
<td>(23 951)</td>
<td>24 845</td>
</tr>
<tr>
<td>Income tax related to profit/(loss) recognised in equity</td>
<td>5 276</td>
<td>(5 813)</td>
</tr>
<tr>
<td>Decrease in treasury shares held by share trusts</td>
<td>1 335</td>
<td>1 853</td>
</tr>
<tr>
<td>Share-based payment expense</td>
<td>12 298</td>
<td>12 456</td>
</tr>
<tr>
<td>Share-based payment exercised</td>
<td>(6 771)</td>
<td>(11 017)</td>
</tr>
<tr>
<td>Profit on sale of treasury shares</td>
<td>1 677</td>
<td>1 671</td>
</tr>
<tr>
<td>Oceana Empowerment Trust dividend distribution</td>
<td>(27 685)</td>
<td>(7 304)</td>
</tr>
<tr>
<td>Dividends</td>
<td>(516 092)</td>
<td>(154 709)</td>
</tr>
<tr>
<td><strong>Balance at the end of the year</strong></td>
<td>5 121 727</td>
<td>4 721 969</td>
</tr>
<tr>
<td>Comprising:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stated capital</td>
<td>1 193 473</td>
<td>1 189 482</td>
</tr>
<tr>
<td>Foreign currency translation reserve</td>
<td>796 213</td>
<td>487 029</td>
</tr>
<tr>
<td>Cash flow hedging reserve</td>
<td>(15 671)</td>
<td>6 884</td>
</tr>
<tr>
<td>Share-based payment reserve</td>
<td>93 406</td>
<td>90 535</td>
</tr>
<tr>
<td>Distributable reserve</td>
<td>2 943 871</td>
<td>2 851 418</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>110 435</td>
<td>96 621</td>
</tr>
<tr>
<td><strong>Balance at the end of the year</strong></td>
<td>5 121 727</td>
<td>4 721 969</td>
</tr>
</tbody>
</table>

R2.7 million (2018: R3.4 million) was transferred between stated capital and share-based payment reserve during the period.
### SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 September 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>Audited Year ended 30 Sep 2019 R’000</th>
<th>Audited Year ended 30 Sep 2018 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit before associate and joint venture income</td>
<td>1 181 177</td>
<td>1 194 354</td>
</tr>
<tr>
<td>Adjustment for non-cash and other items</td>
<td>203 640</td>
<td>297 905</td>
</tr>
<tr>
<td><strong>Cash operating profit before working capital changes</strong></td>
<td><strong>1 384 817</strong></td>
<td><strong>1 492 259</strong></td>
</tr>
<tr>
<td>Working capital changes</td>
<td>(342 291)</td>
<td>(189 366)</td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td><strong>1 042 526</strong></td>
<td><strong>1 302 893</strong></td>
</tr>
<tr>
<td>Investment income received</td>
<td>54 789</td>
<td>41 607</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(285 447)</td>
<td>(296 845)</td>
</tr>
<tr>
<td>Taxation paid</td>
<td>(262 713)</td>
<td>(217 036)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(543 777)</td>
<td>(162 013)</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td><strong>5 378</strong></td>
<td><strong>668 606</strong></td>
</tr>
<tr>
<td>Cash outflow from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement capital expenditure</td>
<td>(228 146)</td>
<td>(163 742)</td>
</tr>
<tr>
<td>Replacement of intangible assets</td>
<td>(26 033)</td>
<td>(20 469)</td>
</tr>
<tr>
<td>Proceeds on disposal of property, plant and equipment</td>
<td>5 554</td>
<td>10 031</td>
</tr>
<tr>
<td>Proceeds on disposal of business</td>
<td>17 500</td>
<td>8 000</td>
</tr>
<tr>
<td>Movement on loans and advances</td>
<td>13 984</td>
<td>(14 746)</td>
</tr>
<tr>
<td><strong>Cash outflow from financing activities</strong></td>
<td><strong>(239 721)</strong></td>
<td><strong>(720 152)</strong></td>
</tr>
<tr>
<td>Proceeds from issue of share capital</td>
<td>3 012</td>
<td>3 523</td>
</tr>
<tr>
<td>Short-term borrowings repaid</td>
<td>(392 782)</td>
<td>(507 589)</td>
</tr>
<tr>
<td>Long-term borrowings raised</td>
<td>172 658</td>
<td></td>
</tr>
<tr>
<td>Equity-settled share-based payment</td>
<td>(6 771)</td>
<td>(11 017)</td>
</tr>
<tr>
<td>Cost associated with debt refinancing</td>
<td>(15 838)</td>
<td>(2 170)</td>
</tr>
<tr>
<td>Settlement of put option</td>
<td>(202 899)</td>
<td></td>
</tr>
<tr>
<td><strong>Net decrease in cash and cash equivalents</strong></td>
<td><strong>(451 484)</strong></td>
<td><strong>(232 474)</strong></td>
</tr>
<tr>
<td><strong>Net cash and cash equivalents at the beginning of the year</strong></td>
<td><strong>1 015 060</strong></td>
<td><strong>1 222 040</strong></td>
</tr>
<tr>
<td>Effect of exchange rate changes</td>
<td>24 460</td>
<td>25 494</td>
</tr>
<tr>
<td><strong>Net cash and cash equivalents at the end of the year</strong></td>
<td><strong>1 588 036</strong></td>
<td><strong>1 015 060</strong></td>
</tr>
</tbody>
</table>
NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2019

1. BASIS OF PREPARATION

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act, 71 of 2008, applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies and methods of computation applied in the preparation of the consolidated financial statements, from which the summary consolidated financial statements were derived, are in terms of International Financial Reporting Standards and are consistent with those accounting policies and methods of computation applied in the preparation of the previous consolidated annual financial statements except for the adoption of new standards effective during the current financial year.

The consolidated financial statements and summarised consolidated financial statement information was prepared under the supervision of the chief financial officer, E Bosch CA(SA).

The auditors, Deloitte & Touche, have issued their unmodified audit opinion on the consolidated financial statements for the year ended 30 September 2019. The audit was conducted in accordance with International Standards on Auditing. These preliminary summarised financial statements have been derived from the consolidated financial statements, with which they are consistent in all material respects. These preliminary summarised financial statements have been audited by the company’s auditors who have issued an unmodified opinion. Copies of the respective audit reports and the full consolidated financial statements are available for inspection at the company’s registered office. The audit report does not necessarily cover all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor’s work they should obtain a copy of that report together with the accompanying financial information from the company’s website or from the registered office of the company.

Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company’s auditors.

2. ADOPTION OF NEW ACCOUNTING STANDARDS

2.1 EFFECT OF ADOPTING IFRS 15: REVENUE FROM CONTRACTS WITH CUSTOMERS

The standard establishes a five-step model that will apply to revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The group has adopted IFRS 15 and applied it retrospectively to each prior reporting period presented. This resulted in the restatement of the comparative period in the statement of comprehensive income.

Revenue is recognised when the group satisfies performance obligations, transfers control of fish related goods and renders cold storage and logistics services, consistent with the application of IFRS 15.

IFRS 15 requires the group to estimate the value of the Bulk and distribution allowances and recognise the amount against revenue, this was disclosed under selling and distribution under IAS 18.

In terms of IFRS 15, incidental income from customers has been reclassified in the prior period from overheads to revenue.
NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
for the year ended September 2019

2. ADOPTION OF NEW ACCOUNTING STANDARDS (CONTINUED)

2.1 EFFECT OF ADOPTING IFRS 15: REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

The impact of the restatement on the statement of comprehensive income is a reclassification between revenue, sales and distribution expenditure and overhead expenditure with all other line items unchanged. The effect of the restatement is disclosed below:

<table>
<thead>
<tr>
<th>Description</th>
<th>As previously reported year ended 30 Sep 2018 R’000</th>
<th>IFRS 15 restatement 30 Sep 2018 R’000</th>
<th>Restated year ended 30 Sep 2018 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>7 732 692</td>
<td>(75 381)</td>
<td>7 657 311</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(4 823 816)</td>
<td></td>
<td>(4 823 816)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>2 908 876</td>
<td>(75 381)</td>
<td>2 833 495</td>
</tr>
<tr>
<td>Sales and distribution expenditure</td>
<td>(610 553)</td>
<td>110 255</td>
<td>(500 298)</td>
</tr>
<tr>
<td>Marketing expenditure</td>
<td>(55 184)</td>
<td></td>
<td>(55 184)</td>
</tr>
<tr>
<td>Overhead expenditure</td>
<td>(1 068 033)</td>
<td>(34 874)</td>
<td>(1 102 907)</td>
</tr>
<tr>
<td>Net foreign exchange gain</td>
<td>19 248</td>
<td></td>
<td>19 248</td>
</tr>
<tr>
<td>Operating profit before associate and joint venture loss</td>
<td>1 194 354</td>
<td></td>
<td>1 194 354</td>
</tr>
</tbody>
</table>

2.2 EFFECT OF ADOPTING IFRS 9: FINANCIAL INSTRUMENTS

This standard introduces new requirements for classification and measurement, impairment and hedge accounting. It also introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics.

The group has assessed the business model test and cash flow characteristics that apply to financial assets and has classified financial instruments into the appropriate IFRS 9 categories. There has been no change to the group’s financial assets and financial liabilities.

The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. Trade and other receivables do not have a significant financing component as the average credit terms are 30 – 45 days, this will therefore fall within the simplified model. For loans and advances, the group applies the general approach. IFRS 9 requires an allowance to be raised for the full lifetime expected credit loss, on initial recognition, based on history of default and claims. Expected credit losses are reassessed at each reporting date. An assessment has been conducted on provisions carried under IAS 39 as at September 2018 and concluded that there are no material differences to expected credit losses to be recognised under IFRS 9. Accordingly, no restatement to retained earnings is considered necessary.

<table>
<thead>
<tr>
<th>Description</th>
<th>Audited Year ended 30 Sep 2019 R’000</th>
<th>Restated Year ended 30 Sep 2018 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4 032 172</td>
<td>3 944 346</td>
</tr>
<tr>
<td>Fishmeal and fish oil (USA)</td>
<td>1 721 044</td>
<td>1 789 118</td>
</tr>
<tr>
<td>Horse mackerel, hake and other</td>
<td>1 504 466</td>
<td>1 467 577</td>
</tr>
<tr>
<td>Rendering of services</td>
<td>371 452</td>
<td>421 396</td>
</tr>
<tr>
<td>Commercial cold storage and logistics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other non-trade revenue</td>
<td>6 368</td>
<td>17 816</td>
</tr>
<tr>
<td>Horse mackerel and hake</td>
<td>9 970</td>
<td>7 290</td>
</tr>
<tr>
<td>Commercial cold storage and logistics</td>
<td>1 943</td>
<td>11 823</td>
</tr>
<tr>
<td>Total</td>
<td>7 647 415</td>
<td>7 657 311</td>
</tr>
</tbody>
</table>

Note:
1. Other non-trade revenue includes commission, quota fees received and rental income.

3. REVENUE

The main categories of revenue are set out below:

**Sale of goods**
- Canned fish and fishmeal (Africa) 4 032 172
- Fishmeal and fish oil (USA) 1 721 044
- Horse mackerel, hake and other 1 504 466

**Rendering of services**
- Commercial cold storage and logistics 371 452

**Other non-trade revenue**
- Canned fish and fishmeal (Africa) 6 368
- Horse mackerel and hake 9 970
- Commercial cold storage and logistics 1 943

Total 7 647 415
### 4. SEGMENTAL RESULTS

#### Operating results

<table>
<thead>
<tr>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canned fish and fishmeal (Africa) R'000</td>
</tr>
<tr>
<td>Fishmeal and fish oil (USA) R'000</td>
</tr>
<tr>
<td>Horse mackerel, hake and other R'000</td>
</tr>
<tr>
<td>Commercial cold storage and logistics R'000</td>
</tr>
<tr>
<td>Financing³ R'000</td>
</tr>
<tr>
<td>Total R'000</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>4 038 540</td>
</tr>
<tr>
<td>1 721 044</td>
</tr>
<tr>
<td>1 514 436</td>
</tr>
<tr>
<td>373 395</td>
</tr>
<tr>
<td>7 647 415</td>
</tr>
</tbody>
</table>

#### Revenue

<table>
<thead>
<tr>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa and Namibia R'000</td>
</tr>
<tr>
<td>Other Africa R'000</td>
</tr>
<tr>
<td>North America R'000</td>
</tr>
<tr>
<td>Europe R'000</td>
</tr>
<tr>
<td>Far East R'000</td>
</tr>
<tr>
<td>Other R'000</td>
</tr>
<tr>
<td>Total R'000</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>4 192 618</td>
</tr>
<tr>
<td>742 597</td>
</tr>
<tr>
<td>1 307 645</td>
</tr>
<tr>
<td>1 179 074</td>
</tr>
<tr>
<td>200 465</td>
</tr>
<tr>
<td>25 016</td>
</tr>
<tr>
<td>7 647 415</td>
</tr>
</tbody>
</table>

#### Non-current assets

<table>
<thead>
<tr>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa and Namibia R'000</td>
</tr>
<tr>
<td>Other Africa R'000</td>
</tr>
<tr>
<td>North America R'000</td>
</tr>
<tr>
<td>Europe R'000</td>
</tr>
<tr>
<td>Far East R'000</td>
</tr>
<tr>
<td>Other R'000</td>
</tr>
<tr>
<td>Total R'000</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>880 117</td>
</tr>
<tr>
<td>5 703 713</td>
</tr>
<tr>
<td>6 583 830</td>
</tr>
</tbody>
</table>
NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
for the year ended September 2019

4. SEGMENTAL RESULTS (CONTINUED)

<table>
<thead>
<tr>
<th>Audited 2018 Segment</th>
<th>Canned fish and fishmeal (Africa) R’000</th>
<th>Fishmeal and fish oil (USA) R’000</th>
<th>Horse mackerel, hake and other R’000</th>
<th>Commercial cold storage and logistics R’000</th>
<th>Financing R’000</th>
<th>Total R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating results</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restated Revenue</td>
<td>3 960 107</td>
<td>1 789 118</td>
<td>1 474 867</td>
<td>433 219</td>
<td>7 657 311</td>
<td></td>
</tr>
<tr>
<td>Operating profit before other operating items</td>
<td>436 710</td>
<td>392 638</td>
<td>287 827</td>
<td>71 732</td>
<td>1 188 907</td>
<td></td>
</tr>
<tr>
<td>Other operating items</td>
<td>(25 588)</td>
<td>3 497</td>
<td>8 000</td>
<td>14 091</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>411 122</td>
<td>389 141</td>
<td>279 827</td>
<td>63 146</td>
<td>1 074 816</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>32 275</td>
<td>1 544</td>
<td>6 942</td>
<td>6</td>
<td>40 767</td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>(226 241)</td>
<td>(99 814)</td>
<td>(5 942)</td>
<td>(535)</td>
<td>(332 532)</td>
<td></td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>242 744</td>
<td>268 780</td>
<td>292 324</td>
<td>79 203</td>
<td>883 051</td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>(68 937)</td>
<td>194 012</td>
<td>(95 338)</td>
<td>(30 547)</td>
<td>(810)</td>
<td></td>
</tr>
<tr>
<td>Profit after tax for the year</td>
<td>173 807</td>
<td>462 792</td>
<td>196 986</td>
<td>48 656</td>
<td>882 241</td>
<td></td>
</tr>
</tbody>
</table>

The above profit for the year includes the following:
Depreciation and amortisation 62 465 95 828 88 450 21 963 268 706

Statement of financial position

| Total assets | 2 242 490 | 6 476 246 | 561 678 | 281 922 | 11 371 415 | 10 699 481 |
| Total liabilities | 951 999 | 753 516 | 388 836 | 103 592 | 3 779 569 | 5 977 512 |

The above amounts of assets and liabilities include the following:
Interest in associate and joint ventures 89 258 222 733 1 311 991

<table>
<thead>
<tr>
<th>2018 Region</th>
<th>South Africa and Namibia R’000</th>
<th>Other Africa R’000</th>
<th>North America R’000</th>
<th>Europe R’000</th>
<th>Far East R’000</th>
<th>Other R’000</th>
<th>Total R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restated Revenue 1</td>
<td>3 866 735</td>
<td>778 539</td>
<td>1 199 893</td>
<td>1 161 660</td>
<td>432 238</td>
<td>218 266</td>
<td>7 657 311</td>
</tr>
<tr>
<td>Non-current assets 2</td>
<td>849 191</td>
<td>5 354 713</td>
<td>6 203 904</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The segments have been identified based on both the geographic region of primary group operations and the different products sold and services rendered by the group.

Revenue excludes the following inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation:
Canned fish and fishmeal R1.3 billion (2018: R1.1 billion), horse mackerel, hake and other R44.0 million (2018: R33.2 million) and commercial cold storage and logistics R88.7 million (2018: R78.8 million).

Notes:
1 Revenue per region discloses the region in which product is sold and services rendered.
2 Non-current asset per region discloses where the subsidiary is located, includes property, plant and equipment and intangible assets.
3 Financing includes cash and cash equivalents and loans receivable and payable.
5. OTHER OPERATING (EXPENSE)/INCOME ITEMS

<table>
<thead>
<tr>
<th></th>
<th>Audited Year ended</th>
<th>Audited Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30 Sep 2019</td>
<td>30 Sep 2018</td>
</tr>
<tr>
<td></td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>Transaction costs¹</td>
<td>(25 588)</td>
<td>3 497</td>
</tr>
<tr>
<td>Profit on disposal of fishing vessel</td>
<td>3 303</td>
<td>3 497</td>
</tr>
<tr>
<td>Impairment of loans²</td>
<td>(17 596)</td>
<td>(1 108)</td>
</tr>
<tr>
<td>Impairment of property, plant and equipment</td>
<td>(1 276)</td>
<td>8 000</td>
</tr>
<tr>
<td>Impairment of goodwill</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Loss)/profit on disposal of business³</td>
<td>(770)</td>
<td>8 000</td>
</tr>
<tr>
<td></td>
<td>(17 447)</td>
<td>(14 091)</td>
</tr>
</tbody>
</table>

Notes:
¹ Transaction costs in the prior period relates to the extension of the Westbank Fishing Limited Liability Company ("Westbank") operating agreement and subsequent change of the Westbank majority shareholding.
² Loans impaired pertains to loans with Group’s African Fishmeal and oil joint ventures Oceana Boa Pesca and Oceana Pesche International. The loans exhibited increased credit risk and are deemed to be credit impaired following management’s decision to terminate the operations on the back of the decline in the sardinella resource in Angola.
³ The R0.8 million relates to the loss on sale of the CCS V&A cold stone assets. The R8.0 million in the prior period relates to profit on sale of the CCS Linebooker transport business.

Transactions outside the ordinary course of business that are substantially capital or non-recurring in nature and are identified by management as warranting separate disclosure 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.

6. TAXATION

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current taxation</td>
<td>208 586</td>
<td>240 950</td>
</tr>
<tr>
<td>Capital gains tax</td>
<td>222 023</td>
<td>254 820</td>
</tr>
<tr>
<td>Withholding tax</td>
<td>9 786</td>
<td>9 943</td>
</tr>
<tr>
<td>Adjustments in respect of previous years</td>
<td>(23 223)</td>
<td>(25 607)</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>40 059</td>
<td>(240 140)</td>
</tr>
<tr>
<td>Current year</td>
<td>37 306</td>
<td>(1 271)</td>
</tr>
<tr>
<td>Adjustments in respect of previous years</td>
<td>2 753</td>
<td>(1 049)</td>
</tr>
<tr>
<td>Adjustments in respect of change in tax rate³</td>
<td>(237 820)</td>
<td>810</td>
</tr>
</tbody>
</table>

|                      |       |
|                      | 248 645 |

Notes:
¹ The adjustment in the prior year relates to a USD18.6 million release in Daybrook Fisheries Incorporated following the reduction in the federal corporate tax rate in the United States of America from 35% to 21%.
NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
for the year ended September 2019

7. DERIVATIVE ASSETS

Non-current

<table>
<thead>
<tr>
<th>Interest rate caps and swaps held as hedging instruments</th>
<th>Audited Year ended 30 Sep 2019 R’000</th>
<th>Audited Year ended 30 Sep 2018 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>17 398</td>
<td>1 837</td>
</tr>
<tr>
<td>Fair value adjustments recognised in profit or loss</td>
<td>(733)</td>
<td>(5 331)</td>
</tr>
<tr>
<td>(ineffective portion)</td>
<td>(19 699)</td>
<td>20 139</td>
</tr>
<tr>
<td>Fair value adjustments recognised in other comprehensive</td>
<td>2 102</td>
<td>207</td>
</tr>
<tr>
<td>income (effective portion)</td>
<td>502</td>
<td>546</td>
</tr>
<tr>
<td>Reclassified from derivative liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing balance</td>
<td>17 398</td>
<td></td>
</tr>
<tr>
<td>Interest rate caps</td>
<td></td>
<td>586</td>
</tr>
<tr>
<td>Interest rate swaps</td>
<td></td>
<td>16 812</td>
</tr>
</tbody>
</table>

Interest rate caps and swaps recorded in the cash flow hedging reserve, derivative assets and derivative liabilities are regarded as level 2 financial instruments. Level 2 fair value measurements are those derived from inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of interest rate caps and swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

Interest rate caps were executed in 2016, with a maturity date of 20 July 2018 and 20 July 2020. Interest rate caps were designated as cash flow hedges and executed to hedge the interest that is payable under various debt facilities with principal values of R1 810 million. The amount of the principal is R390 million (2018: R390 million). Gains or losses on interest rate caps held as hedging instruments in designated and effective hedging relationships are recognised in other comprehensive income and are reclassified to profit or loss in the same period that the hedge cash flows affect profit or loss. The interest rate swap and caps was reclassified to derivative liability during the year.

8. DERIVATIVE LIABILITIES

Non-current

<table>
<thead>
<tr>
<th>Interest rate caps and swaps held as hedging instruments</th>
<th>Audited Year ended 30 Sep 2019 R’000</th>
<th>Audited Year ended 30 Sep 2018 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>6 283</td>
<td>7 803</td>
</tr>
<tr>
<td>Loss/(gain) recognised in other comprehensive income</td>
<td>(203)</td>
<td>(6 148)</td>
</tr>
<tr>
<td>Transferred from profit and loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reclassified from/to derivative asset</td>
<td>2 102</td>
<td>(207)</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>212</td>
<td>72</td>
</tr>
<tr>
<td>Closing balance</td>
<td>10 320</td>
<td></td>
</tr>
<tr>
<td>Interest rate caps</td>
<td></td>
<td>118</td>
</tr>
<tr>
<td>Interest rate swaps</td>
<td></td>
<td>10 202</td>
</tr>
</tbody>
</table>

Current

<table>
<thead>
<tr>
<th>Interest rate caps and swaps held as hedging instruments</th>
<th>Audited Year ended 30 Sep 2019 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>164 181</td>
</tr>
<tr>
<td>Loss recognised in profit or loss</td>
<td>34 577</td>
</tr>
<tr>
<td>Put option exercised</td>
<td>(202 899)</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td></td>
</tr>
<tr>
<td>Closing balance</td>
<td></td>
</tr>
</tbody>
</table>
8. DERIVATIVE LIABILITIES (CONTINUED)

The notional principal amount of the US interest rate swaps at 30 September 2019 amounts to R1 712 million (2018: R1 471 million). This comprises hedges on the term debt of R1 712 million (2018: R1 471 million). The swap is to hedge the interest that is payable under the debt facility. An interest rate swap was executed on 9 March 2017 with an effective date of 31 August 2018 and a maturity date of 22 July 2020 at a swap fixed rate of 2.175%. The interest rate swap was reclassified from derivate assets during the year.

In May 2019, interest rate swaps on South African debt were executed with a maturity date of 20 July 2021 and 20 July 2022. The notional principle amounts to R920 million, this comprises term debt of R482 million at a swap rate of between 7.05% and 7.09%.

Gains and losses on the interest rate swaps held as a 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. During the year, a fair value loss of R7.8 million (2018: gain R6.1 million) was recognised in other comprehensive income.

The carrying amounts of all other financial assets and liabilities approximate their fair values at year end.

<table>
<thead>
<tr>
<th>Audited Year ended 30 Sep 2019</th>
<th>Audited Year ended 30 Sep 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>R’000</td>
<td>R’000</td>
</tr>
</tbody>
</table>

9. DISPOSAL OF BUSINESSES

9.1 V&A Cold Storage (CCS)

The group disposed of the V&A cold store assets within the commercial cold storage and logistics segment on the 11 January 2019 and 28 February 2019.

Assets disposed
- Property, plant and equipment: 8 270
- Release of goodwill: 10 000

Proceeds received
- Net loss on disposal of non-current assets held for sale: (770)

9.2 Linebooker transport business (CCS)

In the prior year group disposed of the commercial cold storage Linebooker transport business.

Proceeds received: 8 000

10. DEBT REFINANCED

During the year the US term facility was refinanced and increased to USD 118 million. The facility has been structured as amortisation payment facility repayable in quarterly instalments with the final payment due on 30 September 2024. During the prior year a R1 420.0 million term facility was refinanced in terms of which R500.0 million was restructured as an amortisation payment facility maturing in 5 years, R738.0 million was restructured as a bullet payment facility maturing in 4 years and R182.0 million as a bullet payment facility maturing in 3 years. Debt refinancing cost of R15.8 million (2018: R2.2 million) was incurred.

11. NET CASH AND CASH EQUIVALENTS

Cash and cash equivalents

In the prior year Daybrook Fisheries Incorporated (“Daybrook”) received $17.3 million (net of legal costs) in the year following a Federal Court settlement in relation to Daybrook’s 2006 Deepwater Horizen oil spill law suit. In terms of the 2015 stock purchase agreement entered into with the selling Daybrook stockholders, all risks and rewards relating to the Deepwater Horizen oil spill law suit were excluded from the transaction and the purchase consideration. The settlement proceeds received, net of any taxation and legal costs, are accordingly due and payable to the Stockholder Representative on behalf of the selling shareholders. At 30 September 2018, these restricted funds (R246.4 million) were held in cash and cash equivalents with a corresponding liability in accounts payable as the funds had not yet been remitted to the Stockholder Representative. The funds were settled in full to the Stockholder Representative on 4 February 2019.
# Notes to the Summarised Consolidated Financial Statements (Continued)

for the year ended September 2019

## 12. Determination of Headline Earnings

<table>
<thead>
<tr>
<th>Description</th>
<th>Audited Year ended 30 Sep 2019</th>
<th>Audited Year ended 30 Sep 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit after taxation attributable to shareholders of Oceana Group Limited</td>
<td>617 616</td>
<td>857 831</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment of capital loans</td>
<td>7 887</td>
<td></td>
</tr>
<tr>
<td>Impairment of property, plant and equipment and intangibles</td>
<td>2 384</td>
<td></td>
</tr>
<tr>
<td>Headline earnings adjustments – joint venture</td>
<td>7 903</td>
<td>(72)</td>
</tr>
<tr>
<td>Loss/(profit) on disposal of business</td>
<td>770</td>
<td>(8 000)</td>
</tr>
<tr>
<td>Net profit on disposal of property, plant and equipment and intangible assets</td>
<td>(3 040)</td>
<td>(3 491)</td>
</tr>
<tr>
<td>Total non-controlling interest on above</td>
<td>74</td>
<td>(3)</td>
</tr>
<tr>
<td>Total tax effect of adjustments</td>
<td>2 772</td>
<td>2 793</td>
</tr>
</tbody>
</table>

**Headline earnings for the year**

<table>
<thead>
<tr>
<th>Description</th>
<th>Audited Year ended 30 Sep 2019</th>
<th>Audited Year ended 30 Sep 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headline earnings per share (cents)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Basic</td>
<td>544.3</td>
<td>727.1</td>
</tr>
<tr>
<td>– Diluted</td>
<td>500.9</td>
<td>667.7</td>
</tr>
</tbody>
</table>

## 13. Dividends

<table>
<thead>
<tr>
<th>Description</th>
<th>Audited Year ended 30 Sep 2019</th>
<th>Audited Year ended 30 Sep 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated dividends declared after reporting date</td>
<td>280 710</td>
<td>355 300</td>
</tr>
<tr>
<td>Dividends per share (cents)</td>
<td>363.0</td>
<td>416.0</td>
</tr>
<tr>
<td>Number of shares in issue net of treasury shares</td>
<td>116 962</td>
<td>116 875</td>
</tr>
</tbody>
</table>

## 14. Supplementary Information

<table>
<thead>
<tr>
<th>Description</th>
<th>Audited Year ended 30 Sep 2019</th>
<th>Audited Year ended 30 Sep 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortisation</td>
<td>39 443</td>
<td>59 315</td>
</tr>
<tr>
<td>Depreciation</td>
<td>170 950</td>
<td>209 391</td>
</tr>
<tr>
<td>Operating lease charges</td>
<td>105 821</td>
<td>110 400</td>
</tr>
<tr>
<td>Share-based expenses</td>
<td>10 891</td>
<td>9 958</td>
</tr>
<tr>
<td>Cash-settled compensation scheme</td>
<td>(1 407)</td>
<td>(2 498)</td>
</tr>
<tr>
<td>Equity-settled compensation scheme</td>
<td>12 298</td>
<td>12 456</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>228 146</td>
<td>163 742</td>
</tr>
<tr>
<td>Replacement</td>
<td>228 146</td>
<td>163 742</td>
</tr>
<tr>
<td>Budgeted capital commitments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracted</td>
<td>26 822</td>
<td>23 218</td>
</tr>
<tr>
<td>Not contracted</td>
<td>348 649</td>
<td>294 868</td>
</tr>
</tbody>
</table>
15. ELIMINATION OF TREASURY SHARES
Weighted average number of shares in issue
Less: Weighted average treasury shares held by share trusts
Less: Weighted average treasury shares held by subsidiary company
Weighted average number of shares on which basic earnings per share and basic headline earnings per share are based
Weighted average number of shares on which diluted earnings per share and diluted headline earnings per share are based

<table>
<thead>
<tr>
<th></th>
<th>Audited number of shares '000</th>
<th>Audited number of shares '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average</td>
<td>135 526</td>
<td>135 526</td>
</tr>
<tr>
<td>number of shares in</td>
<td>(13 522)</td>
<td>(13 654)</td>
</tr>
<tr>
<td>issue</td>
<td>(5 094)</td>
<td>(5 094)</td>
</tr>
<tr>
<td></td>
<td>116 910</td>
<td>116 778</td>
</tr>
<tr>
<td></td>
<td>127 043</td>
<td>127 164</td>
</tr>
</tbody>
</table>

16. RELATED-PARTY TRANSACTIONS
In the prior year Makimry Patronus Limited Liability Company (“Makimry”), a U.S. company majority owned and controlled by Mr Francois Kuttel (the former Chief Executive Officer of Oceana Group Limited (“Oceana”)), acquired a 75% interest in Westbank Fishing Limited Liability Company (a company 25% owned by Daybrook Fisheries Incorporated). The requisite majority of Oceana shareholders were required to vote in favour of the arrangement in terms of section 10.1(a) of the Listings Requirements of the JSE due to the deemed related party nature of certain of the agreements. The respective resolutions were passed by the requisite majority of shareholders present in person or by proxy at the general meeting held on 13 April 2018. Oceana received dispensation from the JSE for the requirement to obtain a fairness opinion in terms of section 10 of the Listings Requirements.

The group entered into various other transactions with related parties in the ordinary course of business, on market related terms. The nature of these related-party transactions is consistent with those reported previously.

17. CONTINGENT LIABILITIES AND GUARANTEES
The group has given cross suretyships in support of bank overdraft facilities of certain subsidiaries and the company.

During the prior reporting period a customer of the Commercial Cold Storage Proprietary Limited sent a letter of demand for alleged damages suffered to their products. The amount claimed in the letter of demand is R24.4 million. The claim was settled out of court on commercially favourable terms in the current reporting period.

18. EVENTS AFTER THE REPORTING DATE
No events occurred after the reporting date that may have an impact on the group’s reported financial position at 30 September 2019 or require separate disclosure in these financial statements.
FINANCIAL RESULTS

The group has delivered a solid operating performance for the year in the face of tough global economic conditions and environmental headwinds. Strong demand for canned fish, horse mackerel and hake resulted in good performance in these segments while reduced landings due to adverse weather conditions curtailed the performance of our fishmeal and fish oil segment in both South Africa and the United States of America (USA).

Group revenue remained flat for the year at R7 647 million (2018: R7 657 million). Revenue from Africa operations increased by 1.0%, underpinned by volume growth of 8% in canned fish and 8% increase in horse mackerel and hake pricing. This growth was negatively impacted by a decline in South African fishmeal and oil revenues due to lower landings. The Daybrook operations in the USA delivered a 3.8% decline in revenue impacted by a slow start to the 2019 fishing season mitigated by improved pricing for the year. US Dollar revenue for 2019 was converted at an average exchange rate of R14.60/USD compared to R13.42/USD for the comparative year.

Group operating profit before other operating items decreased by 1.1% to R1 175 million (2018: R1 189 million). Africa operations delivered a 2.5% increase in operating profit before other operating items arising from the volume and price growth in canned fish, growth in pricing for horse mackerel and hake, the impact of operational efficiencies on production costs together with a favourable movement in net foreign exchange gains from R19 million in 2018 to R30 million this year.

Total costs remained flat year on year as a direct result of focused initiatives to lower our cost base. Improved production efficiencies in our canneries and fishmeal operations, increased procurement savings and the effects of centralisation of key services have delivered strong returns for the year.

Other operating expenses of R17 million (2018: R14 million) relate mainly to impairment of loans and assets in relation to the Angolan Operations that have been mothballed (R20 million) offset by profit on disposal of assets.

Net interest expense related to finance costs on facilities and long-term borrowings has reduced by 10.6% for the year to R261 million (2018: R292 million). The average interest rate for all debt is currently 6.8% (2018: 7.2%).

Group profit before taxation increased by 1.6% to R897 million (2018: R883 million).

TAXATION

Taxation expense of R248 million for the year is materially higher than the comparative year (2018: R0.8 million). The 2018 financial year included a once-off release of deferred taxation of USD18.6 million (R238 million) following the reduction in the federal corporate tax rate in the United States of America from 35% to 21%, effective after 31 December 2018.

HEADLINE EARNINGS AND DIVIDEND

Primarily as a result of the once-off deferred tax adjustment, headline earnings for the year decreased by 25.1% compared to the prior year. Excluding the effect of the once-off deferred tax adjustment in the prior year, headline earnings increased by 4.1%.

A final dividend of 240 cents (2018: 304 cents) per share has been declared which together with the interim dividend of 123 cents (2018: 112 cents) per share brings the total dividend for the year to 363 cents (2018: 416 cents) per share.

FINANCIAL POSITION AND CASH FLOW

Notwithstanding the year-on-year decline in cash generated from operations to R1 042 million (2018: R1 303 million) overall cash performance remained relatively strong. At year-end the group had positive cash balances of R588 million (2018: R1 015 million) of which R515 million (2018: R681 million) is held in dollar denominated accounts including USD26 million (R395 million) being held in the USA.

In September we refinanced and increased our US term facility to USD118 million (2018: USD113 million). The facility was refinanced as a 5 year, amortisation facility with final settlement due on 30 September 2024. Improved terms and conditions were negotiated, and the refinance also provided a more favourable pricing margin range.
REVIEW OF OPERATIONS

Canned fish and fishmeal (Africa)

Due to strong demand and favourable pricing, sales volumes in the canned fish business increased to 9.5 million cartons (2018: 8.8 million cartons). This was achieved primarily in the Southern African market which consumes approximately 96% of all volumes and achieved 8% volume growth for the year.

Due to a continued reduction in the SA pilchard Total Allowable Catch (TAC) and a moratorium on pilchard fishing in Namibia, canned fish production was primarily driven by supply of imported frozen fish from various geographies. For the year under review we procured 106 224 tons of frozen fish (2018: 103 490 tons) resulting in consistent supply to own and third-party canneries.

Driving cannery and supply chain efficiencies continues to be a focal point, resulting in increased throughput, improved labour productivity and overall cost containment. These production savings mitigated the impact of the weaker exchange rate on the cost of imported frozen fish.

Operating performance in the canned fish segment increased significantly.

Extended winter weather patterns affected landings of industrial fish to the group’s fishmeal plants in South Africa resulting in a volume decline of 20% on the prior year. In Angola the continued challenging catch rates, location of the resource and difficult operating environment resulted in a decision to mothball the operation for the 2019 fishing season resulting in impairment which affected profitability for the year.

Fishmeal and fish oil (USA)

As a result of historically high rainfalls in the US Mid-West prior to the start of the fishing season, fresh-water levels in our traditional fishing grounds were substantially higher than normal, negatively impacting early landings of Gulf Menhaden. A strong mid-season aided by good plant capacity resulted in an improvement in overall landings to 685 million fish for the season, in line with the five year average and well above our original investment case assumptions. These volumes are, however, down by 14% on the prior year.

An increase in capital investment in the 2019 closed season has resulted in significant improvements in plant capacity and volume throughput. During this season the highest recorded week improved by 7% on the prior year and overall production capacity has increased by 20%.

Daybrook production of 51 605 tons fishmeal (2018: 63 966 tons) and 16 746 tons fish oil (2018: 23 650 tons) for the year resulted in a combined production yield of 33.4% (2018: 34.8%). Oil yields at 8.2% (2018: 9.5%) have not yet restored to historical averages due to the impact of higher water levels on access to larger fish.

Sales prices achieved by Daybrook have improved over the year with our US petfood strategy, yielding improved margins and reduced exposure to price volatility. Global demand remains positive over the longer term but has been suppressed in the current year due to the negative impacts on pork farming consumption caused by the Swine Fever outbreak in China.

The overall positive operational performance of Daybrook was muted by the reduction in landed volumes. As a result revenue declined by 4% to R1 721 million (2018: R1 789 million) and operating profit decreased to R359 million (2018: R367 million).

During the year the Gulf Menhaden Fishery received the Marine Stewardship Council (MSC) certification in acknowledgement of the sound management and sustainability of the Gulf Menhaden resource.

Although Daybrook has had a challenging year from a volume point of view the business continues to deliver healthy operating margins with consistent cash generation.
Horse mackerel, hake, lobster and squid

Our horse mackerel segment delivered good growth for the year aided by strong demand and the positive impact of a weaker exchange rate.

In South Africa, the Precautionary Maximum Catch Limit (PMCL) for targeted catch of horse mackerel increased by 9% to 27,760 tons (2018: 25,500 tons). Quota available to Oceana through own and joint venture allocations remained in line with 2018. Subsequent to the outcomes of appeal process published in terms of the 2016 SA Horse Mackerel Fishing Rights Application Process (FRAP), Oceana together with other industry players has decided to challenge the quantum allocation methodology.

Landings of South African Horse Mackerel were impacted by poor winter catch rates and fewer available fishing days due to scheduled dry-dock repairs. Demand remains strong reducing the impact on performance of lower sales volumes.

Our hake segment delivered a stellar performance for the year. The 2019 hake offshore TAC increased by 10% to 122,423 tons (2018: 111,294 tons). Revenue and operating profit increased significantly driven by improved vessel utilisation, larger size mix and strong demand for MSC certified hake further supported by a weaker exchange rate.

The 2019 TAC for West Coast Rock Lobster (WCRL) reduced substantially to 1,084 tons (2018: 1,924 tons), in response we reduced the number of fishing vessels and operational sites and actively pursued third party quota for catching, processing and marketing. The full 2019 quota allocation was harvested this year.

The squid business reported a significant decline in catch levels this year versus the previous four consecutive strong years’ negatively impacting operational efficiencies. Sales pricing remained favourable and benefited from a weaker exchange rate.

Commercial cold storage and logistics (CCS)

The CCS business played a critical role in enabling the supply of frozen fish to Lucky Star resulting in higher occupancies in the Western Cape region but reduced third party sales, impacting margins for the segment.

On an overall basis the business continued to experience the effect of a subdued local economy, low occupancy levels in Walvis Bay, and the closure of Angolan operations following increased government import duties.

DIRECTORATE CHANGES

Mr Aboubakar Jakoet was appointed as a non-executive director with effect from 14 November 2019. The board wishes Aboubakar well in his new role. Aboubakar is a qualified Chartered Accountant with vast experience in the private sectors, spanning over many years. He has diverse professional experience in auditing, finance management, corporate governance and strategy development and implementation.

He serves as a Non-Executive Director (“NED”) for the Pick n Pay Stores Limited.

PROSPECTS

In our canned fish segment the focus will remain on driving production efficiencies while continuing to seek volume growth, by maintaining supply and affordability.

In the US and Africa fishmeal and oil businesses our focus will be on ensuring improved utilisation of fleet and land based facilities to help improve catch rates, while increasing sales pricing through a global sales and distribution strategy. In the US specifically, during the course of next season, we expect to add an additional vessel and commence fishing on weekends. We maintain our demand assumptions for fishmeal and oil over the longer term.

In South Africa and Namibia there will be continued engagement with regulators in both countries to ensure that ongoing transformation activities are sufficiently aligned with government expectations. Oceana has recently received the accolade of most empowered food producer on the JSE. As a level 1 B-BBEE contributor we are proud of this achievement which will help further enhance our credentials for strong quota renewal in the 2021 FRAP process. In Namibia we have recently concluded the sale of 30% of our cold storage facility to our Namibian staff trust in a transformational transaction for the Namibian fishing sector.

On 8th September 2019 the Ministerial Cabinet took a decision to extend the fishing rights allocation process (FRAP 2020) in the 12 commercial fishing sectors, which includes the SA small pelagic, Hake Deep Sea trawl, Squid and South Coast Rock Lobster sectors by a year to 31 December 2021. Information relating to the above is expected to be communicated to the industry in due course.

Any forward-looking statements set out in this announcement have not been reviewed or reported on by the auditors.

On behalf of the board

MA Brey
Chairman (non-executive)
Cape Town
14 November 2019
CASH DIVIDEND DECLARATION

Notice is hereby given of dividend number 151. A gross final dividend amounting to 240 cents per share, in respect of the year ended 30 September 2019, was declared on Thursday, 14 November 2019, 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 192 cents per share.

The number of ordinary shares in issue at the date of this declaration is 135,526,154. The company’s tax reference number is 9675/139/71/2. Relevant dates are as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last day to trade cum dividend</td>
<td>Tuesday, 17 December 2019</td>
</tr>
<tr>
<td>Commence trading ex dividend</td>
<td>Wednesday, 18 December 2019</td>
</tr>
<tr>
<td>Record date</td>
<td>Friday, 20 December 2019</td>
</tr>
<tr>
<td>Dividend payable</td>
<td>Monday, 23 December 2019</td>
</tr>
</tbody>
</table>

Share certificates may not be dematerialised or rematerialised between Wednesday, 18 December 2019, and Friday, 20 December 2019, both dates inclusive.

A Fortune
Company secretary
14 November 2019
DIRECTORATE AND STATUTORY INFORMATION

Directors: MA Brey (chairman), I Soomra* (chief executive officer), E Bosch* (chief financial officer) ZBM Bassa, PG de Beyer, S Pather, NA Pangarker, L Sennelo, NV Simamane, A Jakoet (*Executive)

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

Transfer Secretaries: Computershare Investor Services Proprietary Limited

Sponsor – South Africa: The Standard Bank of South Africa Limited

Sponsor – Namibia: Old Mutual Investment Services (Namibia) Proprietary Limited

Auditors: Deloitte & Touche

Company Secretary: A Fortune

JSE share code: OCE

NSX share code: OCG

ISIN: ZAE000025284