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2020
NOTICE OF
ANNUAL GENERAL MEETING
AND FORM OF PROXY

FOR THE YEAR ENDED 30 SEPTEMBER

NOTICE OF ANNUAL GENERAL MEETING

Oceana Group Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1939/001730/06)
JSE share code: OCE
NSX share code: OCG
ISIN: ZAE000025284
(“the company”)

Notice is hereby given that the 103rd annual general meeting (“annual general meeting”) of the shareholders of the company (“Shareholders”) for the year ended 30 September 2020 will be held entirely by electronic communication, as permitted by the Companies Act 71 of 2008, as amended (“Companies Act”), the Listings Requirements of the JSE Limited (“Listings Requirements”) and the company’s Memorandum of Incorporation (“MOI”) on, Wednesday, 24 March 2021, at 14:30 to consider the matters and proposed resolutions (with or without modification), set out below. The virtual annual general meeting will be hosted on an interactive electronic platform, in order to facilitate voting and remote participation by Shareholders. This notice of annual general meeting (“Notice”) is available in English only and copies thereof may be obtained from the registered office of the company at 9th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, or by emailing the Group Company Secretary at adela.fortune@oceana.co.za, from date of issue hereof until the date of the annual general meeting.

IDENTIFICATION

Shareholders are entitled to virtually attend, speak and vote at the annual general meeting. In terms of section 63(1) of the Companies Act, before any person may attend or participate in the annual general meeting (including any representative or proxy), that person must present reasonably satisfactory identification (such as identity documents, driver’s licenses or passports) and the person presiding at the annual general meeting must be reasonably satisfied that the right of the person to participate and vote at the annual general meeting, either as a Shareholder or as a proxy for a Shareholder, has been reasonably verified before they may attend or participate in the annual general meeting.

A Shareholder or its representative or proxy, as the case may be, will be required to provide the company’s transfer secretaries, Computershare Investor Services Proprietary Limited (“Computershare”) with reasonably satisfactory identification as a part of the validation process to participate in the virtual annual general meeting. Failure to do so may mean that the participant is unable to participate in the annual general meeting either at all, or promptly. The company and Computershare shall not be liable for any failure by any Shareholder or its representative or proxy, as the case may be, to timeously deliver the requisite identification as aforesaid.

MEMORANDUM OF INCORPORATION

Any reference in this Notice to the term “MOI” refers to the company’s existing memorandum of incorporation adopted at the annual general meeting held on 14 February 2013, as amended.

The board of directors of the company (the “board” or “directors”) has determined that the record date for the purpose of determining which Shareholders are entitled to receive the Notice is Friday, 15 January 2021, and the record date for purposes of determining which Shareholders are entitled to participate in and vote at the annual general meeting is Friday, 12 March 2021. The last day to trade in the shares of the company in order to participate in and vote at the annual general meeting is Tuesday, 9 March 2021.

Accordingly, only Shareholders who are registered in the securities register of the company on Friday, 12 March 2021, will be entitled to participate in and vote at the annual general meeting.

Each of the ordinary and special resolutions set out below may be proposed and passed, with or without modification, at the annual general meeting or at any postponement or adjournment of the annual general meeting.

The purpose of the annual general meeting is for the following business to be transacted and to consider and, if deemed fit, to pass the resolutions set out below:

1. To present the audited consolidated annual financial statements of the company and its subsidiaries (the “group”) (referred to below as the “AFS”), the directors’ report, the Audit Committee report and the Social, Ethics and Transformation Committee report of the company and the group for the year ended 30 September 2020.

The AFS, directors’ report and the Audit Committee report form part of the Oceana Group Limited Annual Financial Statements 2020 which can be viewed on the company’s website, details of which are contained in the cross-reference table on page 15. A Shareholder who wishes to receive a printed copy of the Oceana Group Limited Annual Financial Statements 2020 should contact the company’s transfer secretaries or the company secretary.

A copy of the complete Oceana Group Limited Annual Financial Statements will be presented at the annual general meeting.

In terms of section 61(8)(a) and regulation 43(5)(c) of the Companies Act, the company must present the Audit Committee report, the directors’ report and the Social, Ethics and Transformation Committee report at the annual general meeting. The directors’ report and the Audit Committee report are set out on pages 6 to 13 of the Oceana Group Limited Audited Annual Financial Statements 2020, available on the company’s website, details of which are contained in the cross-reference table on page 15 below. The Social, Ethics and Transformation Committee report is set out on page 49 of the Oceana Group

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Limited Integrated Report (“Integrated Report”), available on the company’s website, details of which are contained in the cross-reference table on page 15.

2. In terms of clause 20.3 of the company’s MOI the following directors of the company, namely:

Z Bassa, M Brey, N Pangarker and I Soomra retire by rotation and, being eligible, offer themselves for re-election.

In terms of the Listings Requirements, each listed company is required to have an executive financial director (chief financial officer). As announced by the company on 22 July 2020, the board has appointed H Karrim as chief financial officer and also as executive director to the board in order to fill the vacancy of executive financial director. In terms of clause 20.12 of the MOI, H Karrim will cease to be a director on the date of the annual general meeting and must be elected by Shareholders. H Karrim is eligible for election to the board and offers herself for election to the board.

ORDINARY RESOLUTION NUMBERS 1.1 TO 1.5:

Re-election and election of directors

Shareholders are requested to consider and, if deemed fit, elect the directors named above by way of passing the separate ordinary resolutions set out below:

- 2.1. **Ordinary resolution number 1.1:** Election of Z Bassa as director.

“Resolved that Z Bassa, who retires by rotation in terms of clause 20.3 of the company’s MOI, and, being eligible, be and is hereby re-elected as a director of the company.”

- 2.2. **Ordinary resolution number 1.2:** Election of M Brey as director

“Resolved that M Brey, who retires by rotation in terms of clause 20.3 of the company’s MOI, and, being eligible, be and is hereby re-elected as a director of the company.”

- 2.3. **Ordinary resolution number 1.3:** Election of N Pangarker as director

“Resolved that N Pangarker, who retires by rotation in terms of clause 20.3 of the company’s MOI, and, being eligible, be and is hereby re-elected as a director of the company.”

- 2.4. **Ordinary resolution number 1.4:** Election of I Soomra as director

“Resolved that I Soomra, who retires by rotation in terms of clause 20.3 of the company’s MOI, and, being eligible, be and is hereby re-elected as a director of the company.”

Reason for and effect of ordinary resolutions numbers 1.1 to 1.4

Each director who retires by rotation is eligible for re-election at the annual general meeting in terms of section 61(8)(b) of the Companies Act, read with clause 20.3 of the company’s MOI. The elections will be conducted by a series of votes,

each of which is on the candidacy of a single individual to fill a single vacancy, as required under section 68(2) of the Companies Act. Brief curricula vitae of the candidates for election as directors are available on the company’s website, details of which are contained in the cross-reference table on page 15.

The board has considered the performance of the directors standing for re-election and supports their re-appointment. In the case of Z Bassa, who has served as independent non-executive director of the company for more than nine years, the board has, as required by the King IV Code on Corporate Governance for South Africa, 2016 (“King IV”), considered her independence and is satisfied that she exercises objective judgement and has no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.

The effect of passing the above ordinary resolutions will be to elect the persons concerned to the board with effect from the date of the annual general meeting.

- 2.5. **Ordinary resolution number 1.5:** Election of H Karrim as director

“Resolved that H Karrim, who was appointed as director by the board of the company in terms of clause 20.12 of the company’s MOI, be and is hereby elected as a director of the company.”

Reason for and effect of ordinary resolution number 1.5

Each director appointed by the board in terms of clause 20.12 of the company’s MOI (which entitles the board to fill a vacancy on the board on the basis that the appointed director must be confirmed at the following annual general meeting of the company) shall cease to hold office as director at the termination of the annual general meeting of the company following from such appointment, unless that director is elected as director by the Shareholders voting at such annual general meeting.

The election will be conducted by a separate vote on the candidacy of H Karrim to fill a single vacancy, as required under section 68(2) of the Companies Act. A brief *curriculum vitae* of H Karrim is available on the company’s website, details of which are contained in the cross-reference table on page 15.

The board has considered the suitability of H Karrim as a director standing for election, and supports her appointment.

The effect of passing the above ordinary resolution will be to elect H Karrim to the board with effect from the date of the annual general meeting.

3. To appoint PricewaterhouseCoopers Inc. (“PWC”) as the external auditor of the company for the ensuing financial year.

Ordinary resolution number 2: To appoint PWC as external auditor.

“Resolved that PWC, which was appointed as external auditor of the company by the board in terms of section 91(2), is hereby appointed as the external auditor of the company for the ensuing financial year until the date of the next annual general meeting”.

Reason for and effect of ordinary resolution number 2

In compliance with section 91(2)(a) of the Companies Act, if a vacancy arises in the office of auditor of a company, the board of the company must appoint a new auditor within 40 business days, if there was only one incumbent auditor of the company. Pursuant to the resignation of Deloitte & Touche Inc. on 31 December 2020, the board, in terms of section 91(2)(a), filled the vacancy in the office of external auditor to the company by the appointment of PWC on 1 January 2021.

In compliance with section 90(1) of the Companies Act, a public company must each year, at its annual general meeting, appoint an external auditor. The Audit Committee has recommended the appointment of PWC as external auditor of the company, after receiving the information detailed in paragraph 22.15(h) of the Listings Requirements. Section 94(9) of the Companies Act entitles a company to appoint an external auditor at its annual general meeting, other than one nominated by the Audit Committee, but if such an external auditor is appointed, the appointment is valid only if the Audit Committee is satisfied that the proposed auditor is independent of the company. The effect of the passing of this resolution will be to appoint PWC as the company’s external auditor until the date of the next annual general meeting.

4. To elect an Audit Committee to conduct the duties and responsibilities as outlined in section 94(7) of the Companies Act.

Ordinary resolution numbers 3.1 to 3.4: Election of Audit Committee

- 4.1. **Ordinary resolution number 3.1:** Election of Z Bassa as a member of the Audit Committee.

“Resolved that Z Bassa be and is hereby elected as a member of the Audit Committee of the company, subject to her being re-elected as a director of the company.”

- 4.2. **Ordinary resolution number 3.2:** Election of Peter de Beyer as a member of the Audit Committee.

“Resolved that P de Beyer be and is hereby elected as a member of the Audit Committee of the company.”

- 4.3. **Ordinary resolution number 3.3:** Election of S Pather as a member of the Audit Committee.

“Resolved that S Pather be and is hereby elected as a member of the Audit Committee of the company.”

- 4.4. **Ordinary resolution number 3.4:** Election of A Jakoet as a member of the Audit Committee.

“Resolved that A Jakoet be and is hereby elected as a member of the Audit Committee of the company.”

Reason for and effect of ordinary resolutions numbers 3.1 to 3.4

Section 94(2) of the Companies Act requires a public company, at each annual general meeting, to elect an Audit Committee comprising at least three members unless (i) the company is a subsidiary of another company that has an Audit Committee and (ii) the Audit Committee of that other company will perform the functions required under section 94 on behalf of the subsidiary company.

Section 94(4) of the Companies Act, read with King IV, requires, among other things, that each member of the Audit Committee must be an independent non-executive director of the company. Brief *curricula vitae* of the candidates for election to the Audit Committee are available on the company’s website, details of which are contained in the cross-reference table on page 15.

The board has considered and is satisfied that the directors recommended for election as members of the Audit Committee meet the requirements of section 94(4) of the Companies Act and King IV and have the necessary financial literacy, skills and experience to execute their duties effectively.

The effect of passing these resolutions will be to elect the above persons as members of the company’s Audit Committee.

5. Non-binding advisory votes on the remuneration policy and implementation report of the company:

Non-binding advisory votes 1 and 2: Approval of remuneration policy and implementation report

- 5.1. **Non-binding advisory vote 1:** Approval of the remuneration policy.

“Resolved as a non-binding advisory vote that the remuneration policy of the company be and is hereby endorsed through a non-binding advisory vote as recommended in terms of King IV.”

- 5.2. **Non-binding advisory vote 2:** Approval of the implementation report.

“Resolved as a non-binding advisory vote that the implementation report of the company be and is hereby endorsed through a non-binding advisory vote as recommended in terms of King IV.”

Reason for and effect of non-binding advisory votes 1 and 2

In terms of principle 14 of King IV, the company’s remuneration policy and implementation report should be tabled to the Shareholders for separate non-binding advisory votes at the annual general meeting. Accordingly, the Shareholders are

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requested to endorse the company's remuneration policy and implementation report, respectively by way of separate non-binding advisory votes in the same manner as an ordinary resolution.

In the event that either the remuneration policy or the implementation report, or both, are voted against by Shareholders exercising 25% or more of the voting rights exercised at the annual general meeting, the company will engage with the dissenting Shareholders to establish their reasons for voting against the resolution(s) and to appropriately address legitimate and reasonable objections and concerns raised.

The remuneration policy and implementation report of the company are available on the company's website, details of which are contained in the cross-reference table on page 15.

6. Financial assistance to related or inter-related companies and others:

Special resolution number 1: Financial assistance to related or inter-related companies and others

"In terms of, and subject to, the provisions of section 45 of the Companies Act, the Shareholders hereby approve, as a general approval (subject to the requirements of the company's MOI, the Companies Act and the Listings Requirements from time to time), at any time and from time to time, during the period of 2 (two) years commencing on the date of this special resolution, the provision by the company of any direct or indirect financial assistance contemplated in the Companies Act to a related or inter-related company or corporation, or to any 1 (one) or more related or inter-related companies or corporations, or to a member of a related or inter-related corporation and/or to any persons related or inter-related to any such companies, corporations or members, on such terms and conditions as the board, or any one or more persons authorised by the board from time to time for such purpose, deems fit, in the form, nature and extent and for the amounts, that the board, or any one or more persons authorised by the board from time to time for such purpose, may determine from time to time."

Reason for and effect of special resolution number 1

The reason for special resolution number 1 is to obtain approval from the Shareholders so as to enable the company to provide financial assistance, when the need arises, in accordance with the provisions of section 45 of the Companies Act. The effect of special resolution number 1 is that the company will have the necessary authority to provide such financial assistance to a related or inter-related company or corporation, or to any 1 (one) or more related or inter-related companies or corporations, or to a member of a related or inter-related corporation and/or to any persons related to any such companies, corporations, or members, as contemplated in special resolution number 1 as and when required to do so. The board undertakes that, insofar

as the Companies Act requires, it will not adopt a resolution to authorise such financial assistance, unless the directors are satisfied that (i) immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the company as referred to in section 45(3)(b)(ii) of the Companies Act.

7. **Special Resolution number 2:** Financial assistance for the acquisition of shares in the company

"In terms of, and subject to, the provisions of section 44 of the Companies Act, the Shareholders hereby approve, as a general approval (subject to the company's MOI, the Companies Act and the Listings Requirements from time to time), at any time and from time to time, during the period of 2 (two) years commencing on the date of this special resolution, the provision by the company of any financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company, on such terms and conditions as the board, or any one or more persons authorised by the board from time to time for such purpose, deems fit, in the form, nature and extent and for the amounts, that the board, or any one or more persons authorised by the board from time to time for such purpose, may determine from time to time."

Reason for and effect of Special Resolution number 2

The reason for special resolution number 2 is to obtain approval from the Shareholders so as to enable the company to provide financial assistance, when the need arises, in accordance with the provisions of section 44 of the Companies Act. The effect of special resolution number 2 is that the company will have the necessary authority to provide such financial assistance to persons (including, without limitation, directors and employees and persons related or inter-related to directors and employees) to acquire shares in the company by the company providing a loan, guarantee or any other security in connection with the subscription of any option to acquire securities or securities. The board undertakes that, insofar as the Companies Act requires, it will not adopt a resolution to authorise such financial assistance, unless the directors are satisfied that immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the company as referred to in section 45(3)(b)(ii) of the Companies Act.

8. Non-executive directors' remuneration

Special resolution number 3: Remuneration of non-executive directors

“Resolved that the annual remuneration of the non-executive directors of the company in their capacity as directors for the period 1 October 2020 to the date of the company’s next annual general meeting, as reflected below, be and is hereby approved.

The fees quoted are VAT exclusive.

OCEANA GROUP LIMITED	R
BOARD OF DIRECTORS	(excl. VAT)
Chairperson	822 700
Lead independent director	388 600
Members	318 680
Audit Committee	
Chairperson	218 510
Members	108 990
Remuneration and Nominations Committee	
Chairperson	149 100
Members	90 195
Risk Committee	
Chairperson	155 500
Members	90 195
Social and Ethics Committee	
Chairperson	149 100
Members	90 195

In addition, that non-executive directors be paid an amount of R2 000 (two thousand Rand) per hour (excl. VAT), in respect of work performed by them as required by extraordinary circumstances, provided that payment in respect of any such additional work is approved by the company’s Remuneration and Nominations Committee and the chief executive officer.”

Reason for and effect of special resolution number 3

The reason for and effect of special resolution number 3 is to approve the annual remuneration of the non-executive directors of the company to be paid for their services in their capacity as directors only and their rate of remuneration for *ad hoc* services in extraordinary circumstances, in accordance with section 66(9) of the Companies Act, for the period commencing on the date following the expiry of the previous authorisation (1 October 2020) and ending on the date of the company’s next annual general meeting.

9. General authority to acquire shares

Special resolution number 4: General authority to acquire the company’s shares

“Resolved that the company hereby approves, as a general approval for purposes of section 48 of the Companies Act, the acquisition by the company or any of its subsidiaries from time to time, of the issued shares of the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the company’s MOI,

the provisions of the Companies Act and the Listings Requirements as presently constituted and as may be amended from time to time, and provided that the company and its subsidiaries shall only be authorised to make a general repurchase or purchase as the case may be, of shares in the company on such terms and conditions as the board may deem fit, provided that the repurchase complies with the Listings Requirements (as they may be amended from time to time). The current requirements to be met in relation to a repurchase for purposes of the Listings Requirements are as follows:

- 9.1. any such acquisition of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- 9.2. any such acquisition of shares is authorised by the company’s MOI;
- 9.3. at any point in time, the company may only appoint one agent to effect any such acquisition(s) on its behalf;
- 9.4. this general authority shall only be valid until the company’s next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- 9.5. a paid press announcement containing full details of the acquisitions (including the number of securities purchased since the most recent announcement, the number of the class of securities that remain outstanding, and when the securities repurchased are to be cancelled and the listing removed, if applicable) will be published not later than 08:30 on the business day following the date on which the company and/or its subsidiaries have acquired shares constituting, in aggregate, 3% (three per cent) of the number of shares of that class in issue at the time of granting of this general authority, and for each 3% (three per cent) in aggregate of the initial number of that class acquired thereafter;
- 9.6. acquisitions by the company of shares in the share capital of the company may not, in the aggregate, exceed in any one financial year 20% (twenty per cent) of the company’s issued share capital or where such acquisitions relate to acquisition/s of shares in the share capital of the company by a subsidiary/ies not more than 10% (ten per cent) of the company’s issued share capital, in aggregate, held by or for the benefit of the company’s subsidiaries;
- 9.7. in determining the price at which the company’s shares are acquired by the company or its subsidiaries in terms of this general authority, the maximum price at which such shares may be acquired may not be greater than 10% (ten per cent) above the weighted average of the market price at which such shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date of the acquisition of such shares by the company or its subsidiaries;

- 9.8. the board by resolution has authorised the acquisition, and that the company and its relevant subsidiaries have passed the solvency and liquidity test, and that since the test was performed there have been no material changes to the financial position of the group;
- 9.9. the company and/or its subsidiaries shall not acquire shares in the company during a prohibited period as defined in paragraph 3.67 of JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) and full details have been submitted to the JSE in writing prior to the commencement of the prohibited period. The company must instruct an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and
- 9.10. any acquisitions are subject to exchange control approval at that point in time."

Reason for and effect of special resolution number 4

The reason for this special resolution is to grant the company a general authority in terms of the Companies Act and the Listings Requirements for the acquisition by the company or any of its subsidiaries of shares issued by the company, which authority shall be valid until the earlier of the next annual general meeting of the company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting. The effect of the passing of this special resolution will be to authorise the company or any of its subsidiaries to acquire shares issued by the company.

The directors are of the opinion that it would be in the best interests of the company to extend the current authority for the repurchase of shares by the company or its subsidiaries, allowing the company or any of its subsidiaries to be in a position to repurchase or purchase, as the case may be, the shares issued by the company through the order book of the JSE, should the market conditions and price, as well as the financial position of the company, justify such action, as determined by the directors.

Repurchases or purchases, as the case may be, will only be made after careful consideration, where the directors consider that such repurchase or purchase, as the case may be, will be in the best interests of the company and its Shareholders.

STATEMENT BY THE BOARD REGARDING SPECIAL RESOLUTION NUMBER 4

Pursuant to and in terms of the Listings Requirements, the board hereby states that:

- a. the intention of the directors is to utilise the general authority to acquire shares in the company if at some future date the cash resources of the company are in excess of its requirements or there are other good grounds for doing so. In this regard the directors will take account of, *inter alia*, an appropriate capitalisation structure for the company, the long-term cash needs of the company, and the interests of the company;
- b. in determining the method by which the company intends to acquire its shares, the maximum number of shares to be acquired and the date on which such acquisition will take place, the directors will only make the acquisition if at the time of the acquisition:
 - the general repurchase has been authorised by the board by resolution;
 - it reasonably appears that the company and the group will satisfy the solvency and liquidity test as set out in section 4 of the Companies Act immediately after completing the general repurchase;
 - the board has acknowledged that it has applied the solvency and liquidity test and reasonably concluded that the company and the group will satisfy the solvency and liquidity test immediately after completing the general repurchase;
 - since the solvency and liquidity test was performed there have been no material changes to the financial position of the group;
 - the company and the group will be able to pay their debts as they become due in the ordinary course of business for the next 12 (twelve) months after the date of the general repurchase;
 - the assets of the company and the group, fairly valued in accordance with the accounting policies used in the latest audited financial statements, will be in excess of the liabilities of the company and the group for the next 12 (twelve) months after the date of the general repurchase;
 - the share capital and reserves of the company and the group will be adequate for ordinary business purposes of the company or any acquiring subsidiary for the next 12 (twelve) months after the date of the general repurchase; and
 - the working capital available to the company and the group will be sufficient for ordinary business purposes for the next 12 (twelve) months after the date of the general repurchase.

For purposes of considering special resolution number 4 and in compliance with paragraphs 11.26(b)(i) and (iii) of the Listings Requirements, the Integrated Report (which is available on the company's website, details of which are contained in the cross-reference table on page 15) provides details of:

- the major Shareholders of the company on page 5 of the Integrated Report;
- an analysis of Shareholders (including beneficial Shareholders who hold 5% or more of the issued share capital of the company – and of which the company is aware, but who are not registered Shareholders) on page 109 of the Integrated Report; and
- the authorised and issued shares of the company in note 61 on page 62 of the AFS which can be found in the Oceana Group Limited Audited Annual Financial Statements 2020, which are available on the company’s website, details of which are contained in the cross-reference table on page 15, or requested from the company’s transfer secretaries or company secretary.

Material changes (paragraph 11.26(b)(ii) of the Listings Requirements):

There have been no material changes to the company and the group’s financial or trading position (other than as disclosed in the accompanying Integrated Report and Oceana Group Limited Audited Annual Financial Statements 2020) since 30 September 2020.

Directors’ responsibility statement (paragraph 11.26(b)(iv) of the Listings Requirements)

For purposes of special resolution number 4, the directors, whose names are given on page 15 of the Integrated Report, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the statement by the board above contains all information required by law and the Listings Requirements.

- Proposed amendments to the company’s MOI

Special resolution number 5: Replacement of the company’s MOI

“Resolved that, in accordance with sections 16(1)(c) and 16(5)(a) of the Companies Act, the existing memorandum of incorporation of the company (“MOI”) be and is hereby amended and substituted in its entirety with a new memorandum of incorporation (“New MOI”), being an amended version of the existing MOI which has been approved by a resolution of the board and initialed by the chairperson of the board for purposes of identification, and which reflects (for reference purposes only) the effective amendment to the existing MOI in tracked text format, with effect from the date on which this special resolution has been adopted and filed in accordance with section 16(9) of the Companies Act.”

Reason for and effect of special resolution number 5

Due to the effluxion of time since the adoption, in 2013, of the existing MOI of the company, the company determined that it was in the best interests of the company, and in line with best corporate governance practice, to perform a review of the

existing MOI to, among other things, ensure that it complies with the Companies Act and the Listings Requirements.

The salient features of the New MOI are set out in an explanatory note to this Notice commencing on page 8. The list of changes to the existing MOI is not exhaustive, but rather only focuses on reasonably substantive or otherwise material changes. This list does not endeavour to record each and every change made to the existing MOI in the New MOI. The complete New MOI, reflecting the amendments made pursuant to this special resolution number 5 (including a version which, for ease of reference, identifies the amendments in tracked text format in the existing MOI) can be viewed on the company’s website, details of which are contained in the cross-reference table on page 15.

- To authorise the directors and company secretary to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the ordinary and special resolutions contained in this Notice:

Ordinary resolution number 4: Authorisation of directors and company secretary

“Resolved that any director of the company or the company secretary be and is hereby authorised to sign all such documentation and to do all such things as may be necessary for or incidental to the implementation of ordinary resolutions 1 to 3 and special resolutions 1 to 5 which are passed by the Shareholders at this annual general meeting.”

- To present the Social, Ethics and Transformation Committee report, referred to under item 1 above, of the company and the group for the year ended 30 September 2020. In terms of regulation 43(5)(c) of the Companies Act, the company must present the Social, Ethics and Transformation Committee report at the annual general meeting of the company. The Social, Ethics and Transformation Committee report is set out on page 49 of the Integrated Report which is available on the company’s website, details of which are contained in the cross-reference table on page 15.
- To transact such other business as may be transacted at an annual general meeting.

The percentage of voting rights of the votes, present in person, represented or by proxy at the annual general meeting, required for the passing of each special resolution proposed above is at least 75% (seventy five per cent) of the voting rights cast on such resolutions and for the passing of each ordinary resolution proposed above is more than 50% (fifty per cent) of the voting rights cast on such resolution.

As the approval of the remuneration policy and implementation report is not a matter that is required to be resolved or approved by Shareholders, no minimum voting threshold is required for the non-binding advisory vote. Nevertheless, for record purposes, the minimum percentage of voting rights that is required in favour of the remuneration policy and implementation report is 50% (fifty per cent) of the voting rights plus 1 (one) vote to be cast.

EXPLANATORY NOTE TO SPECIAL RESOLUTION NUMBER 5

As contemplated by special resolution number 4, it is proposed that the existing MOI be replaced in its entirety with the New MOI. The salient features of the proposed amendments to the existing MOI, as contained in the New MOI, are described in this explanatory note. As indicated above, the below list of changes to the existing MOI is not exhaustive, but rather only focuses on reasonably substantive or otherwise material changes. This list does not endeavour to record each and every change made to the existing MOI in the New MOI, such as those made for the sake of general consistency, definitional and terminological accuracy and consistency, formatting, grammar, logical flow, contemporary legal terminology and modernisation.

The relevant affected clauses and the content of the proposed amendments are set out in the table below:

ITEM NO.	AFFECTED CLAUSE OF THE EXISTING MOI (AS AMENDED)	CONTENT
1.	Cover page	The cover page has been amended to reflect that the existing MOI, adopted by special resolution passed on 14 February 2013, has been substituted with the New MOI by a special resolution passed on 24 March 2021.
2.	Clause 1.2.4	This clause has been amended to remove the wording “ <i>or by whatever other name it may be known from time to time</i> ” as the primary identifier of a company is its registration number.
3.	Clause 1.2.8	This clause has been amended to specifically refer to the applicable provisions in the Companies Act which regulate ineligibility and disqualification of directors.
4.	Clause 1.2.9	This clause has been amended to remove the wording “ <i>or any other name by which it may be known in the future</i> ” as the primary identifier of a company is its registration number.
5.	Clause 1.2.10 (read with clause 14.4)	This clause has been inserted to provide for the concept of a “ <i>Legal Representative</i> ” (i.e. an executor, administrator, curator, guardian, liquidator, business rescue practitioner, judicial manager or any other competent authorized representative), who shall, in terms of the new clause 14.4, be recognised by the company as a holder of securities in a representative capacity. The new clause 14.4 further provides that nothing in the MOI releases the estate of a deceased joint securities holder from any liability in respect of any security jointly held by him or her. The old clause 14.4 has been deleted as it provided for an outdated mechanism for closing the certificated securities register of the company.
6.	Clause 1.10	This clause has been amended to remove the wording “ <i>save to the extent that item 4(4) of Schedule 5 of the Companies Act may permit this MOI to prevail</i> ” as the transitional arrangements set out in schedule 5 of the MOI are no longer applicable by virtue of the two-year period in item 4(4) having lapsed.
7.	Clause 4.1	This clause has been amended to more accurately reflect the contents of section 19(1)(b) of the Companies Act.
8.	Clause 4.2	This clause has been amended to more accurately reflect the contents of schedule 10.3 of the Listings Requirements.
9.	Clause 4.4	This clause has been amended to more accurately reflect the contents of schedule 10.9 of the Listings Requirements.
10.	Clause 5.1	This clause has been inserted to reflect the introductory requirement in schedule 10 of the Listings Requirements that “ <i>All amendments to the MOI of the applicant issuer must be submitted to the JSE for approval before such amendments are submitted to shareholders for approval</i> ”.
11.	Clause 5.2	This clause has been amended to remove the wording “ <i>and 16(4) and a Special Resolution passed by the Holders of the ordinary Shares</i> ” as section 16(1) of the Companies Act already includes reference to both such requirements.
12.	Clause 5.3	This clause has been inserted to reflect the contents of schedule 10.5(d) of the Listings Requirements.

ITEM NO.	AFFECTED CLAUSE OF THE EXISTING MOI (AS AMENDED)	CONTENT
13.	Clauses 5.4, 5.5	These clauses have been inserted to reflect the contents of schedule 10.5(e) of the Listings Requirements.
14.	Clause 5.6	This clause has been inserted to reflect the contents of schedule 10.5(g) of the Listings Requirements.
15.	Clause 7.1	This clause has been amended to more accurately reflect the contents of schedule 10.5(a) regarding the requirement that securities in each class for which listing is applied rank <i>pari passu</i> in respect of all rights. Further, sub paragraphs 7.1.1 to 7.1.5 have been inserted to explicitly record the inherent rights attaching to the ordinary shares in the issued share capital of the company. This is only a recordal of the rights attaching to such shares, and does not in any way amount to a variation of any of the rights, preference, limitations and/or other terms attaching thereto.
16.	Clause 7.2	This clause has been amended to reflect the contents of schedule 10.5(a) regarding the requirement to note that a statement that “ <i>securities in each class rank pari passu</i> ” shall be understood to have the meaning attributed thereto in paragraph 3.29 of the Listings Requirements.
17.	Clause 8.1	The existing clauses 8.1 and 8.2 (prior to the proposed amendments) unnecessarily confused and convoluted issues of shares in terms of sections 41(1) and 41(3) of the Companies Act and section 5.50 of the Listings Requirements (specific issues for cash (section 5.51) and general issues for cash (section 5.52)). Each of these provisions has its own, distinct requirements. Accordingly, these clauses have been removed on the basis that sections 41(1) and 41(3) of the Companies Act and section 5.50 of the Listings Requirements find application to the company and the relevant issues of shares notwithstanding the inclusion of the removed clauses. In their stead, a new clause 8.1 has been inserted in compliance with schedule 10.1 of the Listings Requirements.
18.	Clause 8.2	This clause has been amended to reflect the contents of section 47 of the Companies Act.
19.	Clause 8.3	This clause has been amended to reflect the contents of schedule 10.2(a) of the Listings Requirements.
20.	Clause 8.4	This clause has been inserted as an adapted version of former clause 8.3, to more accurately reflect the contents of schedule 10.10 of the Listings Requirements.
21.	Clause 9.1	This clause has been amended to more accurately reflect the contents of schedule 10.1 of the Listings Requirements.
22.	Clause 10.2	This clause has been removed as it is no longer applicable to the company, by virtue of the securities register having been converted in accordance with its terms.
23.	Clauses 10.6 and 10.7	These clauses have been inserted to offer clarity in relation to the company’s recognition and treatment of joint holders of shares, in substitution of former clause 18.30.
24.	Clause 10.8	This clause has been inserted to confirm the right of the company to treat a registered holder of shares as the absolute owner thereof so that the company is not compelled in any way to recognise any interest in any share, except as provided for in the MOI itself, or any other right in respect of any share except the registered holder’s absolute right to the entirety thereof.
25.	Clause 10.9	This clause has been amended to remove references to “ <i>share warrant to bearer</i> ” as this is an outdated instrument which no longer finds application.
26.	Clause 10.10	This clause has been amended to make provision for uncertificated securities entered in the company’s uncertificated securities register.

NOTICE OF ANNUAL GENERAL MEETING continued

ITEM NO.	AFFECTED CLAUSE OF THE EXISTING MOI (AS AMENDED)	CONTENT
27.	Clause 15	This clause has been replaced in its entirety with a more contemporary provision for the transmission of securities by operation of law, read with the newly-inserted definition of "Legal Representative".
28.	Clause 16.4	This clause has been amended to include explicit reference to the Protection of Personal Information Act, 4 of 2013, which has now come into effect, and any other law in South Africa.
29.	Clause 17.2.1	This clause has been amended to require that the members of the Audit Committee be independent, non-executive directors, as required by section 94 of the Companies Act and paragraph 56, Part 5.3 of King IV.
30.	Clause 18.5	<p>This clause has been amended to remove the wording "<i>or a Shareholder/s holding not less than 10% (ten percent) of the Voting Rights attached to the ordinary Shares</i>" as this right, as provided for in section 61(3), is already reflected in the third sentence of clause 18.5.</p> <p>This clause has further been amended to insert the wording "<i>There shall be no prohibition or restriction on the board from convening a Shareholders Meeting for the purposes of adhering to the Listings Requirements</i>" in compliance with schedule 10.11(d) of the Listings Requirements.</p>
31.	Clause 18.6	This clause has been inserted to reflect the contents of schedules 10.11(c) and 10.11(h) of the Listings Requirements.
32.	Clause 18.9	This clause has been amended to more accurately reflect the contents of schedule 10.11(e) of the Listings Requirements.
33.	Clause 18.11.5.1	This clause has been amended to refer to " <i>up to 2 (two) proxies</i> " in accordance with former clause 18.10.5.3, which has been deleted as it duplicated the contents of the revised clause 18.11.5.1.
34.	Clause 18.17.1	This clause has been amended to more accurately reflect the contents of schedule 10.11(g) of the Listings Requirements.
35.	Former clause 18.22	This clause has been removed as it is contrary to clause 18.18 which provides that " <i>A matter to be decided at the Shareholders Meeting may not begin to be considered unless those who fulfilled the quorum requirements of clause 18.17 continue to be Present.</i> " Clause 18.18 reflects schedule 10.11(g) of the Listings Requirements, which provides that " <i>Once a quorum has been established, all the shareholder of the quorum must be present at the meeting to hear any matter that must be considered at the meeting.</i> "
36.	Clause 18.24	This clause has been amended to more accurately reflect the contents of section 63(7) of the Companies Act.
37.	Clause 18.27	This clause has been amended to reflect consequential changes as a result of the amendments to clause 15.
38.	Clause 18.28	This clause has been amended to more accurately reflect the contents of schedule 10.11(a) of the Listings Requirements in relation to voting support required for the adoption of special resolutions, to correspondingly describe the voting support required for the adoption of ordinary resolutions, and to explicitly record the minimum notice periods applicable to such resolutions pursuant to schedule 10.11(a) and (b) of the Listings Requirements.
39.	Clause 18.30	This clause has been amended to more accurately reflect the contents of schedule 10.5(c) of the Listings Requirements.

ITEM NO.	AFFECTED CLAUSE OF THE EXISTING MOI (AS AMENDED)	CONTENT
40.	Clause 19.3	This clause has been inserted to provide the board with the right to set a record date for determining shareholder rights in terms of section 59(1) in specific instances where the Listings Requirements or rules of the relevant CSDP do not provide a manner for determining the record date.
41.	Clause 20.1	This clause has been amended to reflect paragraph 8, Part 5.3 of King IV, which provides that <i>“the governing body should comprise a majority of non-executive members, most of whom should be independent.”</i>
42.	Clause 20.2	This clause has been inserted to summarily reflect the contents of section 3.84(e) of the Listings Requirements.
43.	Clause 20.4	<p>This clause has been amended to more accurately reflect the contents of schedule 10.16(g) of the Listings Requirements. Notably, the existing wording has been simplified to reflect that one-third of <u>non-executive</u> Directors shall be required to retire, in accordance with schedule 10.16(g) – the wording <i>“provided that in determining the number of Directors to retire no account shall be taken of any Director who has been appointed as the managing director or any other executive Director for a fixed period and his/her contract provides that he/she is not subject to retirement during that fixed period”</i> has been deleted as the reference to “non-executive Directors” renders the aforementioned wording redundant.</p> <p>The wording <i>“If at any annual general meeting, the place of any retiring Director is not filled, he/she shall if willing continue in office until the dissolution of the annual general meeting in the next year, and so on from year to year until his/her place is filled, unless it shall be determined at such Meeting not to fill such vacancy”</i> has been removed as it is inconsistent with schedule 10.16(g).</p>
44.	Clause 20.5	This clause has been amended to reflect section 66(4)(b) of the Companies Act and as a consequence of edits to clause 24.3.
45.	Clause 20.7	<p>This clause has been amended to provide that alternate Directors may only be appointed or elected in respect of executive Directors.</p> <p>The wording <i>“If a Person is an alternate Director to more than 1 (one) Director or if an Alternate Director is also a Director, he/she shall have a separate vote, on behalf of each Director he/she is representing in addition to his/her own vote, if any”</i> has been removed so as to rather cater for the default scenario whereby each Director or alternate Director, as the case may be, shall be entitled to one vote. One person shall not be entitled to act as alternate Director for a number of Directors.</p> <p>The wording <i>“Subject to clause 20.6, the Board shall be entitled to appoint an Alternate Director; provided that such proposed appointee was not previously considered and rejected by Shareholders for appointment as either a Director or Alternate Director”</i> has been inserted to qualify the right of the Board to appoint an alternate Director where the relevant candidate had previously been unsuccessful when put to the vote.</p>
46.	Clause 20.13	This clause has been amended to more accurately reflect the contents of schedule 10.16(d) of the Listings Requirements.
47.	Clause 21.1	This clause has been amended to more accurately reflect the contents of section 71(3) of the Companies Act.
48.	Clause 21.5	This clause has been amended to more accurately reflect the contents of section 71(3) of the Companies Act.

NOTICE OF ANNUAL GENERAL MEETING continued

ITEM NO.	AFFECTED CLAUSE OF THE EXISTING MOI (AS AMENDED)	CONTENT
49.	Clause 21.9	This clause has been inserted to provide that a director shall cease to hold office as such on his/her removal by a court in terms of section 71(5) or (6) of the Companies Act.
50.	Clause 21.10	This clause has been inserted to provide that an <i>ex officio</i> director shall cease to hold office as a director if he/she ceases to hold the office, title, designation or similar status that entitled such person to be an <i>ex officio</i> director (this clause has been inserted to cater for the possible scenario in which the New MOI is amended to make provision for an <i>ex officio</i> director. <i>Ex officio</i> directors are contemplated by section 66(4)(a)(ii) of the Companies Act.
51.	Clause 21.11	This clause has been amended to more accurately reflect the contents of section 71(3) of the Companies Act.
52.	Clause 22	This clause has been amended to more accurately reflect the contents of schedule 10.16(f) of the Listings Requirements.
53.	Clause 22.2	This clause has been amended to clarify that only executive directors may be employed by the group in another capacity.
54.	Clause 24	This clause has been amended to update and clarify the scope of potential recipients beyond that of " <i>wives, widows, families and dependents of such persons</i> ". The scope now extends to " <i>immediately family (including, without limitation, spouses, widows/widowers, children and other family members and dependents)</i> ".
55.	Clauses 24.3 and 24.4	These clauses has been removed and replaced with a new clause 24.3 which provides that the Board must appoint a chief executive officer and chief financial officer (executive financial Director) from amongst the executive Directors, in accordance with sections 3.84(b) and 3.84(f) of the Listings Requirements, read with paragraph 76, Part 5.3 of King IV. The chief executive officer and chief financial officer (executive financial director) shall be <i>ex officio</i> directors and their appointments must be confirmed at the annual general meeting following from such appointments. The categorisation of Directors as executive, non-executive and/or independent takes place by the operation of section 3.84(e) of the Listings Requirements. Further the requirement that executive Director comprise less than half the Board has been simplified and incorporated in clause 20.1 which now provides that " <i>At any given time, a majority of Directors shall be non-executive Directors, most of whom should be independent.</i> "
56.	Clause 25.1	This clause has been inserted to reflect the contents of schedule 10.16(i) of the Listings Requirements.
57.	Clause 25.2	This clause has been inserted to reflect the contents of section 3.84(b) of the Listings Requirements.
58.	Clause 26.2.2	This clause has been extracted from former clause 25.2 and expanded upon in relation to the requisite membership of a risk committee, in accordance with paragraph 64, Part 5.3 of King IV.
59.	Clause 26.2.3	This clause has been extracted from clause 37 for the sake of logical flow, and expanded upon in relation to the requisite membership of a social and ethics committee, in accordance with paragraph 70, Part 5.3 of King IV and regulation 43(4) of the Companies Regulations, 2011.

ITEM NO.	AFFECTED CLAUSE OF THE EXISTING MOI (AS AMENDED)	CONTENT
60.	Former clause 25.4	This clause has been deleted so as to ensure the continued separate function of each of the existing committees. Apart from the risk committee, each committee is specifically required as a separate committee under section 3.84(c) of the Listings Requirements. In the interest of good corporate governance, the separation of function and the principles of King IV, the risk committee is intended to remain separate from the audit committee.
61.	Clause 27	This clause has been amended to more accurately reflect the contents of section 75 of the Companies Act.
62.	Clause 28.1	This clause has been amended to more accurately reflect the contents of section 73(1) of the Companies Act.
63.	Clause 28.9:	This clause has been amended to provide clarity to the previously unclear wording of this clause. As amended, the clause provides that, in the event of a tied vote, the chairperson shall not have a second or casting vote. . Former clause 27.10 has been deleted as a necessary consequence of the edit to clause 28.9.
64.	Clause 28.14	This clause has been replaced to reflect the contents of schedule 10.16(j) of the Listings Requirements.
65.	Clause 30.4	This clause has been amended to reflect the contents of section 89(1) of the Companies Act.
66.	Clause 31.1	This clause has been inserted to reflect the contents of schedule 10.8 of the Listings Requirements.
67.	Former clause 31.2	This clause has been amended to remove the reference to payment of distributions by cheque, and to rather provide for payment by electronic funds transfer by default (with consequential edits to clause 31.3), or as otherwise specified in the resolution declaring the distribution. The wording <i>“In respect of Distributions to Holders of Securities listed on the JSE, payments to such Holders must be provided for in accordance with the Listings Requirements to the extent applicable and must not provide that capital shall be repaid on the basis that it may be called up again”</i> has been inserted to reflect the contents of schedule 10.8 of the Listings Requirements.
68.	Former clause 32.7	This clause has been removed as the matter of electronic communication and the genuineness thereof falls to be regulated by the Electronic Communications and Transactions Act, 25 of 2002.
69.	Clause 34.3.1	This clause has been amended to more accurately reflect the contents of section 78(7)(a) of the Companies Act.
70.	Clause 36.5	This clause has been amended to reflect the contents of regulation 122(3)(b).

GENERAL INSTRUCTIONS AND INFORMATION

All Shareholders are encouraged to virtually attend, speak and vote at the annual general meeting and are entitled to appoint a proxy to virtually attend, participate in and vote at the annual general meeting in the place of the Shareholder, or to appoint two or more proxies concurrently. The proxy duly appointed to act on behalf of a Shareholder need not also be a Shareholder.

On a show of hands, every Shareholder virtually present in person or represented shall have 1 (one) vote only. On a poll, every Shareholder virtually present in person, by proxy or represented shall have 1 (one) vote for every share held.

If you hold certificated shares (i.e. have not dematerialised your shares in the company) or are registered as an own-name dematerialised Shareholder (i.e. have specifically instructed your Central Securities Depository Participant ("CSDP") to hold your shares in your own name on the company's sub-register), then:

- you may virtually attend and vote at the annual general meeting; alternatively
- you may appoint a proxy (who need not also be a Shareholder) to virtually represent you at the annual general meeting by completing the attached form of proxy and, for administrative reasons, returning it to the company's transfer secretaries, Computershare, in South Africa, at its physical office at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, by post to Private Bag X9000, Saxonwold, 2132 or by email to proxy@computershare.co.za by no later than 14:30 on Tuesday, 23 March 2021 (being not less than 24 hours before the time appointed for the holding of the annual general meeting (excluding Saturdays, Sundays and public holidays), provided that, should you not return such form of proxy to the transfer secretaries within the time stipulated above, you shall nevertheless be entitled to email the form of proxy to the company via Computershare at proxy@computershare.co.za any time before or during the annual general meeting, provided that this must take place before the appointed proxy exercises any of your Shareholder rights at the annual general meeting (or any postponement or adjournment of the annual general meeting). Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy as stipulated in section 58(3)(b) of the Companies Act. Unless revoked before then, a signed proxy form shall remain valid at any adjournment or postponement of the annual general meeting and the proxy so appointed shall be entitled to vote, as indicated on the proxy form, on any resolution (including any resolution which is amended or modified) at such annual general meeting or any adjournment or postponement thereof.

Please note that if you are the owner of dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, Strate Limited ("Strate")), held through a CSDP or broker and are not registered as an "own name" dematerialised Shareholder, you are not a registered Shareholder of the company, but appear on the sub-register of the company held by your CSDP. Accordingly, in these circumstances subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to virtually attend the annual general meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively
- if you are unable to attend the annual general meeting but wish to be represented at the annual general meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the annual general meeting and/or request them to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by them. CSDPs, brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares held on behalf of an investor/ beneficial owner in terms of Strate may, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the company, vote by either appointing a duly authorised representative to virtually attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and, for administrative reasons, returning it to the company's transfer secretaries, Computershare, in South Africa, at its physical office at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, by post to Private Bag X9000, Saxonwold, 2132 or by email to proxy@computershare.co.za by no later than 14:30 on Tuesday, 23 March 2021 (being not less than 24 hours before the time appointed for the holding of the annual general meeting (excluding Saturdays, Sundays and public holidays) provided that, should the relevant CSDP, broker or its nominee, as the case may be, not return such form of proxy to the company's transfer secretaries within the time stipulated above, it shall nevertheless be entitled to email the form of proxy to the company via Computershare at proxy@computershare.co.za any time before or during the annual general meeting, provided that this must take place before the appointed proxy exercises any of the Shareholder rights of the relevant CSDP, broker or its nominee, as the case may be, at the annual general meeting (or any postponement or adjournment of the annual general meeting).

Note that voting will be performed by way of a poll so that each Shareholder virtually present or represented by way of proxy will be entitled to vote the number of shares held or represented by them. Shareholders which are companies and wish to participate in the annual general meeting may authorise any person to act as their representative at the annual general meeting.

ELECTRONIC PARTICIPATION

THE VIRTUAL ANNUAL GENERAL MEETING

- Shareholders or their proxies who wish to participate in the virtual annual general meeting via electronic communication (participants), must apply to the company's meeting scrutineers, Computershare, to do so by delivering the form below (the application) to the physical office of Computershare at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or by post to Private Bag X9000, Saxonwold, 2132 by no later than 14:30 on Tuesday, 23 March 2021.
- Shareholders or their proxies may also submit their application forms to Computershare via email to proxy@computershare.co.za, or may register at www.smartagm.co.za.
- Shareholders who have dematerialised their shares, other than those Shareholders who have dematerialised their Shares with "own-name" registration, should contact their CSDP or broker in the manner and time stipulated in their agreement with their CSDP or broker:
 - o to furnish them with their voting instructions; and
 - o in the event that they wish to attend the meeting, to obtain the necessary authority to do so.
- Participants will be able to vote during the virtual annual general meeting through an electronic participation platform. Such participant, should they wish to have their vote(s) counted at the virtual annual general meeting, must provide Computershare with the information requested below, by either submitting the below application form to Computershare as described above or registering on www.smartagm.co.za.
- Each Shareholder provides the requisite information by submitting the below application form to Computershare as described above or registers on www.smartagm.co.za, will be contacted by no later than 19:00 on 23 March 2021 via email/cellphone with a unique link, meeting id, username and password to allow them to participate in the virtual annual general meeting.
- The cost of the participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone or internet service provider.
- The cut-off time, for administrative purposes, to submit the below application form to Computershare as described above or register on www.smartagm.co.za in order to participate in the virtual annual general meeting will be 14:30 on Tuesday, 23 March 2021.
- The participant's unique access credentials will be forwarded to the email address/cell number provided below.

Application form contained on next page.

CROSS-REFERENCE TABLE

The below listed documentation has been incorporated by reference in this Notice. Such documentation shall be available for inspection at no charge and during business hours, at the company's registered office from the date of this Notice until 24 March 2021. Such documentation can also be accessed on the website as per the links specified below:

DOCUMENT	WEBSITE LINK
Oceana Group Limited Annual Financial Statements 2020	http://oceana.co.za/investors/financial-results
Integrated Report	http://oceana.co.za/investors/integrated-reports
Brief curricula vitae of the candidates for election and re-election as directors reports	http://oceana.co.za/investors/integrated-reports
Brief curricula vitae of the candidates for the Audit Committee	http://oceana.co.za/investors/integrated-reports
Remuneration policy and implementation report	http://oceana.co.za/investors/integrated-reports
Oceana Group Limited new memorandum of incorporation	http://oceana.co.za/investors/integrated-reports

By order of the board

OCEANA GROUP LIMITED

per: A Fortune
Company secretary
20 January 2021

APPLICATION FORM

Name of Shareholder: _____

Name and surname of Shareholder proxy/representative (if applicable): _____

ID number of participant: _____

Email address of participant: _____

Cell number of participant: _____

Telephone number of participant: _____

Name of CSDP or broker (if Shares are held in dematerialised format): _____

Share certificate account number or broker account number: _____

Number of shares: _____

By signing this form I agree and consent to the processing of my personal information above for the purpose of participation in the virtual annual general meeting.

- The cost of dialing in using a telecommunication line/webcast/web-streaming to participate in the virtual annual general meeting is for the expense of the participant and will be billed separately by the participant's own telephone or internet service provider.
- The participant acknowledges that the telecommunication line/website/web-streaming are provided by a third party and indemnifies the company, the JSE and Computershare and/or its third-party service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication line/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the company, the JSE and/or Computershare and/or its third-party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication line/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication line/webcast/web-streaming and connections linking the telecommunication line/webcast/web-streaming to the virtual annual general meeting.
- Participants will be able to vote during the virtual annual general meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the virtual annual general meeting, must act in accordance with the requirements set out above.
- Once the participant has received the link, the onus to safeguard this information remains with the participant.
- The application will only be deemed successful if this application form has been fully completed and signed by the participant and delivered to Computershare at its physical office at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, by post to Private Bag X9000, Saxonwold, 2132 or by email to proxy@computershare.co.za.

Signature of participant: _____

Date: _____

FORM OF PROXY

ANNUAL GENERAL MEETING WEDNESDAY, 24 MARCH 2021

Oceana Group Limited
(Incorporated in the Republic of South Africa)
(Registration number 1939/001730/06)
JSE share code:
OCE NSX share code:
OCG ISIN: ZAE000025284
("the company")

For use at the annual general meeting of shareholders of the company ("Shareholders") to be held virtually on Wednesday, 24 March 2021, at 14:30 ("annual general meeting") and at any adjournment or postponement thereof.

Not to be used by beneficial owners of shares who have dematerialised their shares ("dematerialised shares") through a Central Securities Depository Participant ("CSDP") or broker, as the case may be, unless they are recorded on the sub-register as "own-name" dematerialised Shareholders ("own-name dematerialised Shareholders"). Generally, a Shareholder will not be an own-name dematerialised Shareholder unless the Shareholder has specifically requested the CSDP to record the Shareholder as the holder of the shares in the Shareholder's own name in the company's sub-register.

Only for use by certificated, own-name dematerialised Shareholders and CSDPs or brokers (or their nominees) registered in the company's sub-register as the holder of dematerialised shares.

Each Shareholder entitled to virtually attend and vote at the meeting is entitled to appoint one or more proxies (none of whom need be a Shareholder) to virtually attend, speak and vote in place of that Shareholder at the annual general meeting and any adjournment or postponement thereof.

Please note the following:

- the appointment of a proxy will be suspended at any time and to the extent that a Shareholder chooses to act directly and in person in the exercise of his/her rights as a Shareholder at the annual general meeting;
- the appointment of the proxy is revocable;
- a Shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the company; and
- unless revoked before then, a signed proxy form shall remain valid at any adjournment or postponement of the annual general meeting and the proxy so appointed shall be entitled to vote, as indicated on the proxy form, on any resolution (including any resolution which is amended or modified) at such annual general meeting or any adjournment or postponement thereof.

Please note that any Shareholder of the company which is a company may authorise any person to act as its representative at the annual general meeting. Please also note that section 63(1) of the Companies Act, 71 of 2008, as amended ("Companies Act") requires that persons wishing to participate in the annual general meeting (including the aforementioned representative) provide satisfactory identification before they may so participate.

Note that voting will be performed by way of a poll so that each Shareholder present or represented by way of proxy will be entitled to a number of votes equal to the number of shares held or represented by them.

My/our proxy may delegate to another person his/her authority to act on my behalf at the annual general meeting, provided that my/our proxy:

- may only delegate his/her authority to act on my behalf at the annual general meeting to a director of the company;
- must provide written notification to the transfer secretaries of the company in South Africa, namely Computershare Investor Services Proprietary Limited, of the delegation by my/our proxy of his/her authority to act on my behalf at the annual general meeting by no later than 14:30 on Tuesday, 23 March 2021, being 24 hours before the annual general meeting to be held at 14:30 on Wednesday, 24 March 2021; and
- must provide to his/her delegate a copy of his/her authority to delegate his/her authority to act on my/our behalf at the annual general meeting.

Refer to notes that follow the resolutions.

To be returned to the transfer secretaries of Oceana Group Limited, namely:

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

or

Private Bag X9000
Saxonwold
2132

or

proxy@computershare.co.za

to be received, for administrative reasons, not later than 24 hours before the annual general meeting, but which may be emailed to the company via Computershare at [HYPERLINK "mailto:proxy@computershare.co.za" proxy@computershare.co.za](mailto:proxy@computershare.co.za) any time before or during the annual general meeting, provided that this must take place before the appointed proxy exercises any of your Shareholder rights at the annual general meeting (or any postponement or adjournment of the annual general meeting).

I/we (full names) _____
 of (address) _____
 Telephone: _____
 Work _____
 Cell _____ Home _____
 being a shareholder(s) of the company, holding _____
 shares in the company hereby appoint (refer note 1): _____
 or failing him/her, _____
 or failing him/her, _____

or failing him/her the chairman of the annual general meeting as my/our proxy to act for me/us on my/our behalf at the aforementioned virtual annual general meeting of Shareholders which will be held for the purpose of considering and, if deemed fit, passing the resolutions to be proposed thereat with or without modification or amendment, and at any adjournment or postponement thereof and to vote for or against such resolutions or to abstain from voting and to vote for or against any motions to postpone or adjourn the annual general meeting or to abstain from voting, in respect of the shares in the issued capital of the company registered in my/our name/s, in accordance with the following instructions:

Insert an "X" in the relevant spaces according to how you wish your votes to be cast. If you wish to cast less than all the votes in respect of the shares held by you, insert the number of shares in respect of which you desire to vote (see note 2). Unless otherwise instructed my/our proxy can vote as he/she deems fit.

		Votes		
Resolution		For	Against	Abstain
1.1	Ordinary resolution number 1.1: Re-election of Z Bassa as director			
1.2	Ordinary resolution number 1.2: Re-election of M Brey as director			
1.3	Ordinary resolution number 1.3: Re-election of N Pangarker as director			
1.4	Ordinary resolution number 1.4: Re-election of I Soomra as director			
1.5	Ordinary resolution number 1.5: Election of H Karrim as director			
2.	Ordinary resolution number 2: Appointment of PWC as external auditor			
3.1	Ordinary resolution number 3.1: Election of Z Bassa as Audit Committee member			
3.2	Ordinary resolution number 3.2: Election of P de Beyer as Audit Committee member			
3.3	Ordinary resolution number 3.3: Election of S Pather as Audit Committee member			
3.4	Ordinary resolution number 3.4: Election of A Jakoet as Audit Committee member			
4.1	Non-binding advisory vote 1: Approval of remuneration policy			
4.2	Non-binding advisory vote 2: Approval of implementation report			
5.	Special resolution number 1: Approve and authorise the provision of financial assistance by the company to related or inter-related companies and others			
6.	Special resolution number 2: Approve and authorise the provision of financial assistance for the acquisition of shares in the company or related or inter-related company			
7.	Special resolution number 3: Approve the non-executive directors' remuneration in their capacity as directors only			
8.	Special resolution number 4: General approval and authorisation for the acquisition of the company's shares by the company or its subsidiaries			
9.	Special resolution number 5: Replacement of the company's MOI			
10.	Ordinary resolution number 4: Authorisation of the directors and company secretary			

Signed at _____ on this _____ day of _____ 2021

Signature _____

Assisted by (where applicable) signature _____

Name of signatory _____ Name of assistant _____

Capacity _____ Capacity _____

(Authority of signatory to be attached if applicable – see note 6)

SUMMARY OF SHAREHOLDERS' RIGHTS IN RESPECT OF PROXY APPOINTMENTS AS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

Please note that in terms of section 58 of the Companies Act:

- this proxy form must be dated and signed by the Shareholder appointing the proxy;
- you may appoint an individual as a proxy, including an individual who is not a Shareholder, to participate in and speak and vote at the annual general meeting on your behalf and may appoint more than one proxy to exercise voting rights attached to shares held by you;
- your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form;
- this proxy form must be delivered to the company, by the time specified in this proxy form via the transfer secretaries of the company in South Africa, namely Computershare Investor Services Proprietary Limited, before your proxy exercises any of your rights as a Shareholder at the annual general meeting;
- the appointment of your proxy or proxies will be suspended at any time and to the extent that you choose to act directly and virtually in the exercise of any of your rights as a Shareholder at the annual general meeting;
- the appointment of your proxy is revocable unless you expressly state otherwise in this proxy form;
- as the appointment of your proxy is revocable (except if you expressly state otherwise in this proxy form), you may revoke the proxy appointment by (i) cancelling it in writing or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to the company via the transfer secretaries. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the company and the proxy as aforesaid;
- if this proxy form has been delivered to the company via the transfer secretaries, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to you will be delivered by the company to you or your proxy or proxies, if you have directed the company to do so, in writing and paid any reasonable fee charged by the company for doing so;
- your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the annual general meeting, but only as directed by you on this proxy form; and
- the appointment of your proxy remains valid only until the end of the annual general meeting or any adjournment or postponement thereof or for a period of one year, whichever is shortest, unless it is revoked by you before then on the basis set out above.

The proxy form shall be valid and shall apply to any adjournment or postponement of the annual general meeting to which it relates and shall apply to any resolution proposed at the annual general meeting to which it relates and to such resolution as modified or amended including any such modified or amended resolution to be voted on at any adjourned or postponed meeting of the annual general meeting to which the proxy relates, unless before the adjourned or postponed meeting the appointment of the proxy is revoked.

Please also read the notes overleaf.

NOTES RELATING TO FORM OF PROXY

1. A certificated or own-name dematerialised Shareholder or a CSDP or broker, or its nominee, as the case may be, registered as a Shareholder in the company's sub-register may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the Shareholder. The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow thereafter. If no proxy is inserted in the spaces provided, then the chairman shall be deemed to be appointed as the proxy.
 2. A Shareholder's instructions to the proxy must be indicated in the appropriate space provided. If there is no clear indication as to the voting instructions to the proxy, the proxy will be deemed to be authorised to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable by the Shareholder.
 3. Proxy forms should be lodged with the company's transfer secretaries in South Africa, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, posted to Computershare Investor Services Proprietary Limited at Private Bag X9000, Saxonwold, 2132 or emailed to Computershare Investor Services Proprietary Limited at proxy@computershare.co.za. Forms of proxy should, for administrative reasons, be received by or lodged with the company's transfer secretaries by no later than 24 hours (excluding Saturdays, Sundays and public holidays) before the annual general meeting (i.e. by 14:30 on Tuesday, 23 March 2021) provided that, should the form of proxy not be received by the transfer secretaries within the time stipulated above, the relevant certificated or own-name Shareholder or CSDP or broker (or its nominee), as the case may be, shall nevertheless be entitled to email the form of proxy to the company via Computershare at proxy@computershare.co.za any time before or during the annual general meeting, provided that this must take place before the appointed proxy exercises any of the Shareholder rights of the relevant certificated or own-name Shareholder or CSDP or broker (or its nominee), as the case may be, at the annual general meeting (or any postponement or adjournment of the annual general meeting).
 4. The completion and lodging of this proxy form will not preclude the relevant Shareholder from virtually attending the annual general meeting (or any adjournment or postponement thereof) and speaking and voting in person thereat to the exclusion of any proxy appointed in terms of this proxy form.
 5. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of Shareholders, will be accepted.
 6. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the company's transfer secretaries or waived by the chairman of the annual general meeting if he/she is reasonably satisfied that the right of the representative to participate and vote has been reasonably verified.

CSDPs or brokers, or their nominees, as the case may be, registered as Shareholders in the company's sub-register voting on instructions from owners of shares registered in the company's sub-register, are requested to identify the owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the company's transfer secretaries together with this form of proxy.
 7. Any alteration or correction made to this proxy form must be initialled by the signatory/ies, but will only be validly made if such alteration or correction is accepted by the chairman of the annual general meeting.
 8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company's transfer secretaries.
 9. Certificated Shareholders which are a company or body corporate may by resolution of their directors, or other properly authorised body, in terms of section 57 of the Companies Act, authorise any person to act as their representative.
 10. The chairman of the annual general meeting may, in his/her discretion, accept or reject any form of proxy which is completed other than in accordance with these notes.
 11. If required, additional forms of proxy are available from the company's transfer secretaries or the registered office of the company.
 12. If you are the owner of dematerialised shares held through a CSDP or broker (or its nominee) and are not an own name dematerialised Shareholder, then you are not a Shareholder of the company, but appear as the holder of a beneficial interest on the relevant sub-register of the company held by your CSDP. Accordingly, in these circumstances, do NOT complete this proxy form subject to the mandate between yourself and your CSDP or broker:
 - if you wish to virtually attend the annual general meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them; alternatively
 - if you are unable to virtually attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the annual general meeting and/or request them to appoint a proxy. You must not complete the attached form of proxy. Your instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be.
- CSDPs, brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of Strate should, when authorised in terms of their mandate or instructed to do by the person on behalf of whom they hold the dematerialised shares, vote by either appointing a duly authorised representative to virtually attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the company's transfer secretaries to be received, for administrative reasons, not less than 24 hours prior to the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays), provided that, should the form of proxy not be received by the transfer secretaries within the time stipulated above, the relevant CSDP, broker, or its nominee, as the case may be, shall nevertheless be entitled to email the form of proxy to the company via Computershare at proxy@computershare.co.za any time before or during the annual general meeting, provided that this must take place before the appointed proxy exercises any of the Shareholder rights of the relevant CSDP, broker, or its nominee, as the case may be, at the annual general meeting (or any postponement or adjournment of the annual general meeting).

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000	% Change
Revenue	3	8 308 341	7 647 415	9
Cost of sales		(5 338 068)	(5 026 779)	6
Gross profit		2 970 273	2 620 636	13
Sales and distribution expenditure		(461 095)	(433 951)	6
Marketing expenditure		(59 993)	(59 045)	2
Overhead expenditure		(1 082 222)	(976 556)	11
Net foreign exchange (loss)/gain		(3 146)	30 093	(110)
Operating profit before associate and joint venture profit/(loss)		1 363 817	1 181 177	15
Associate and joint venture profit/(loss)		18 462	(5 852)	415
Operating profit before other operating items		1 382 279	1 175 325	18
Other operating income/(expense) items	5	17 188	(17 447)	199
Operating profit		1 399 467	1 157 878	21
Interest income		18 383	33 681	(45)
Interest expense		(271 959)	(294 547)	(8)
Profit before taxation		1 145 891	897 012	28
Taxation expense	6	(329 740)	(248 645)	33
Profit after taxation		816 151	648 367	26
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Movement on foreign currency translation reserve		524 635	292 221	
Movement on foreign currency translation reserve from associate and joint ventures		31 643	16 963	
Movement on cash flow hedging reserve		(69 609)	(23 951)	
Movement on cash flow hedging reserve from associate		(2 120)	(3 880)	
Income tax related to loss recognised in equity		11 208	5 276	
Other comprehensive income, net of taxation		495 757	286 629	
Total comprehensive income for the year		1 311 908	934 996	40
Profit after taxation attributable to:				
Shareholders of Oceana Group Limited		760 635	617 616	23
Non-controlling interests		55 516	30 751	81
		816 151	648 367	26
Total comprehensive income for the year attributable to:				
Shareholders of Oceana Group Limited		1 256 361	904 245	39
Non-controlling interests		55 547	30 751	81
		1 311 908	934 996	40
Earnings per share (cents)				
Basic		650.9	528.3	23
Diluted		603.3	486.1	24

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2020

	Notes	Audited 30 Sep 2020 R'000	Audited 30 Sep 2019 R'000
ASSETS			
Non-current assets		7 847 728	7 042 312
Property, plant and equipment		1 856 973	1 697 221
Right-of-use assets		173 507	
Goodwill and intangible assets		5 388 881	4 886 609
Deferred taxation		20 793	26 567
Investments and loans		407 574	431 915
Current assets		4 204 233	3 757 887
Inventories		1 695 975	1 852 707
Accounts receivable		1 271 898	1 243 324
Taxation		23 663	73 820
Cash and cash equivalents	9	1 212 697	588 036
Assets held for sale	10	19 420	
Total assets		12 071 381	10 800 199
EQUITY AND LIABILITIES			
Capital and reserves		5 979 935	5 121 727
Stated capital		1 200 493	1 193 473
Foreign currency translation reserve		1 352 491	796 213
Cash flow hedging reserve		(76 223)	(15 671)
Share-based payment reserve		99 066	93 406
Distributable reserve		3 221 312	2 943 871
Interest of own shareholders		5 797 139	5 011 292
Non-controlling interests		182 796	110 435
Non-current liabilities		3 908 692	3 840 143
Liability for share-based payments		7 919	6 044
Long-term loans		3 069 338	3 298 904
Lease liabilities		204 457	
Derivative liabilities	7	85 721	10 320
Deferred taxation		541 257	524 875
Current liabilities		2 182 754	1 838 329
Accounts payable and provisions		1 717 300	1 480 502
Current portion - long-term loan		383 688	351 258
Current portion - lease liabilities		45 006	
Taxation		36 760	6 569
Total equity and liabilities		12 071 381	10 800 199

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Balance at the beginning of the year		5 121 727	4 721 969
Attributable to:			
Shareholders of Oceana Group Limited		5 011 292	4 625 348
Non-controlling interests		110 435	96 621
Adjustment to balance at the beginning of the year			
IFRS 16 leases transition adjustment:	2	(53 680)	
Attributable to:			
Shareholders of Oceana Group Limited		(50 084)	
Non-controlling interests		(3 596)	
Adjusted balance at the beginning of the year		5 068 047	
Attributable to:			
Shareholders of Oceana Group Limited		4 961 208	
Non-controlling interests		106 839	
Total comprehensive income for the year		1 311 908	934 996
Profit after taxation		816 151	648 367
Movement on foreign currency translation reserve		524 635	292 221
Movement on foreign currency translation reserve from associate and joint ventures		31 643	16 963
Movement on cash flow hedging reserve from associate		(2 120)	(3 880)
Movement on cash flow hedging reserve		(69 609)	(23 951)
Income tax related to loss recognised in equity		11 208	5 276
Decrease in treasury shares held by share trusts		1 105	1 335
Increase in treasury shares held by subsidiary		(16 878)	
Share-based payment expense		14 309	12 298
Share-based payment exercised		(2 024)	(6 771)
Gain on disposal of shares distributed to deceased employee beneficiaries of Oceana Empowerment Trust		1 265	1 677
Issuance of shares to non-controlling interest**		44 636	
Oceana Empowerment Trust dividend distribution		(21 312)	(27 685)
Dividends paid		(421 121)	(516 092)
Balance at the end of the year		5 979 935	5 121 727
<i>Comprising:</i>			
Stated capital*		1 200 493	1 193 473
Foreign currency translation reserve		1 352 491	796 213
Cash flow hedging reserve		(76 223)	(15 671)
Share-based payment reserve*		99 066	93 406
Distributable reserve		3 221 312	2 943 871
Shareholders of Oceana Group Limited		5 797 139	5 011 292
Non-controlling interests		182 796	110 435
Balance at the end of the year		5 979 935	5 121 727

* R6.6 million (2019: R2.7 million) was transferred between stated capital and share-based payment reserve during the year.

** Amawandle Pelagic Proprietary Limited, a 75% held subsidiary of Oceana Group Limited, issued new shares to shareholders in the proportion to their respective shareholding, of which an amount of R44.6 million was allocated to non-controlling interests. The allocation to non-controlling interest was settled through right of set-off against a long-term loan.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Cash flow from operating activities			
Operating profit before associate and joint venture profit/(loss)		1 363 817	1 181 177
Adjustment for non-cash and other items		291 707	203 640
Cash operating profit before working capital changes		1 655 524	1 384 817
Working capital changes		427 107	(342 291)
Cash generated from operations		2 082 631	1 042 526
Investment income received ²		32 047	54 789
Interest paid		(269 456)	(285 447)
Taxation paid		(235 069)	(262 713)
Dividends paid		(442 433)	(543 777)
Cash inflow from operating activities		1 167 720	5 378
Cash outflow from investing activities		(170 641)	(217 141)
Replacement capital expenditure on property, plant and equipment		(222 457)	(228 146)
Replacement capital expenditure on intangible assets			(26 033)
Expansion capital expenditure on property, plant and equipment		(17 401)	
Proceeds on disposal of property, plant and equipment	8	18 497	5 554
Proceeds on disposal of fishing rights		2 016	
Proceeds on disposal of intangible assets	8	30 114	
Proceeds on disposal of business			17 500
Decrease in loans receivable to business partners		18 931	13 984
Increase in shareholding in other investments		(341)	
Cash outflow from financing activities		(428 278)	(239 721)
Proceeds from issue of share capital		2 370	3 012
Short-term borrowings repaid		(365 583)	(392 782)
Lease liabilities repaid ³		(38 816)	
Repurchase of treasury shares ¹		(16 879)	
Long-term borrowings raised			172 658
Equity-settled share-based payment ⁴		(9 370)	(6 771)
Costs associated with loan refinancing			(15 838)
Net increase/(decrease) in cash and cash equivalents		568 801	(451 484)
Cash and cash equivalents at the beginning of the year		588 036	1 015 060
Effect of exchange rate changes		55 860	24 460
Cash and cash equivalents at the end of the year	9	1 212 697	588 036

¹ Repurchase of treasury shares held by Lucky Star Limited (5 094 350 shares).

² Investment income for the group includes interest received of R18.4 million (2019: R33.7 million) and dividends received from an associate of R13.6 million (2019: R21.1 million).

³ Payments on lease liabilities excludes interest paid.

⁴ Acquisition of shares to settle employee equity share based scheme.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 statements information were prepared under the supervision of the interim chief financial officer, T Giles CA(SA).

The auditors, Deloitte & Touche, have issued their unmodified audit opinion on the consolidated financial statements for the year ended 30 September 2020. 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 9: HEDGE ACCOUNTING

The group adopted IFRS 9 – Financial instruments (“IFRS 9”) in the prior financial year, but elected to apply hedge accounting under IAS 39 – Financial Instruments: Recognition and Measurement (“IAS 39”). In the current financial year the group has elected to adopt the hedge accounting requirements of IFRS 9 prospectively. There were no changes to equity reported in the prior financial year. IFRS 9 aligns hedge accounting more closely with the entity's risk management strategy.

The group uses derivative financial instruments, such as forward exchange contracts and interest rate caps and swaps, to hedge its foreign currency risks and interest rate risk. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value.

2.2 EFFECT OF ADOPTING IFRS 16: LEASES

IFRS 16 – Leases (“IFRS 16”) sets out the principles for the recognition, measurement, presentation and disclosures of leases for both parties to a contract, i.e. the customer (“lessee”) and the supplier (“lessor”). IFRS 16 replaces existing leases guidance, including IAS 17– Leases, IFRIC 4 – Determining whether an Arrangement contains a Lease, SIC-15 – Operating Leases – Incentives and SIC-27 – Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The group has elected to apply IFRS 16 using the modified retrospective approach whereby the cumulative effect of initial application is recognised in retained earnings at 1 October 2019, with no restatement of comparative information. The group has re-assessed all leases to determine if they meet the definition of a lease in terms of IFRS 16. Judgement has been applied to determine the discount rate where the rate implicit in the lease cannot be determined. At transition date, lease liabilities have been discounted using an incremental borrowing rate of 9% in South Africa and 5.5% in the United States (USA). Post transition date, lease liabilities of new leases have been discounted using an incremental borrowing rate of 9% in South Africa and 4.7% in the USA. The group uses judgements when determining the borrowing rate (at and post the transition date) by taking the following assumptions into account such as duration, country and jurisdiction, currency and inception of the lease. At the transition date, the lease liabilities were measured at the present value of the remaining lease payments, using a discount rate, applied to a portfolio of leases pertaining to land and buildings within a particular jurisdiction, where funding is sourced centrally. The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. Post transition date the rate for each new lease is assessed at its inception taking the preceding factors into account.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED SEPTEMBER 2020

2. ADOPTION OF NEW ACCOUNTING STANDARDS continued

2.2.1. Practical expedients and exemptions applied

The group has elected the following practical expedients for leases in which it was the lessee at 1 October 2019:

- Leases with lease terms ending within 12 months have been accounted for as short-term leases and not capitalised.
- Leases of office equipment and computer equipment are not capitalised if they are considered to be low-value items.
- Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.
- Initial direct costs have been excluded from the measurement of the right-of-use asset at the date of initial application.
- Hindsight and judgement were applied in determining the lease terms where contracts contain options to extend or terminate the lease.

2.2.2. Summary of new accounting policies regarding leases

The group has applied the following accounting policies from the date of initial application, upon adoption of IFRS 16:

- Recognised right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;
- Recognised depreciation on right-of-use assets on a straight-line basis over the shorter of the lease term or useful life of the underlying asset and interest on lease liabilities using the effective interest rate method in profit or loss;
- Lease payments are presented within financing activities in the consolidated statement of cash flows;
- For short-term leases (lease term of 12 months or less) and leases of low-value assets, the group has opted to recognise a lease expense as permitted by IFRS 16;
- Right-of-use assets are tested for impairment in accordance with IAS 36 – Impairment of Assets; and
- Extension options are only included in the lease term if the lease is reasonably certain to be extended.

2.2.3. Judgements applied by management with regards to IFRS 16

The group is required to make judgements that affect the valuation of the lease liabilities and the valuation of the right-of-use assets. This includes determining whether a contract meets the requirements of a lease, the lease term applicable and the interest rate used for discounting of future cash flows. In determining the lease term, the group considers all facts and circumstances that create an economic incentive to exercise an extension option. Factors considered include how far in the future an option occurs, payment amounts in the optional period, future plans of the group for use of the asset as well as historic past practice of renewing leases. Extension options are only included if the lease is reasonably certain to be extended. Lease payments are discounted using a rate applied to a portfolio of leases pertaining to land and buildings within a particular jurisdiction, where funding is sourced centrally. Judgement has been applied to determine the discount rate where the rate implicit in the lease cannot be determined.

Where the contract has a right to extension beyond the current contract terms, the group has assessed whether the extension of the contract is reasonably certain. In regards the lease of land and buildings which house significant group operations, it was assessed, based on history of extensions, the potential cost of relocating operations and the extent of operations incurred at these sites, the group has determined that it was reasonably certain that the agreement would be extended. A further 20 years was applied to the extension of the lease of property used in the canned fish and fishmeal (Africa) segment.

Management have applied their judgement regarding a contract for the supply of material handling equipment (MHE) and have determined that the MHE falls outside the scope of IFRS 16 due to the supplier having a substantive right of substitution in terms of the contract. The following factors have been taken into consideration in arriving at this determination:

- The supplier has a large pool of similar type of equipment which for all practical reasons are substitutable and interchangeable;
- The supplier monitors fleet profitability and optimisation on a regular basis and based on this assessment has the substantive right, and discretion to replace the equipment; and
- The supplier benefits economically from substituting the equipment.

Accordingly, the expenditure relating to this contract has been expensed in the statement of comprehensive income as incurred.

The group uses judgements when determining the borrowing rate (at and post the transition date) by taking the following assumptions into account such as duration, country, currency and inception of the lease.

2. ADOPTION OF NEW ACCOUNTING STANDARDS continued

2.2.4. Adjustment recognised on adoption of IFRS 16: Leases

The effect of the adoption of IFRS 16 as at 1 October 2019 (transition date) and as at 30 September 2020 is as follows:

	Audited year ended 30 September 2020 R'000	Audited at transition date 1 October 2019 R'000
Statement of financial position		
Assets		
Right-of-use assets – land and buildings	173 507	185 002
Total assets	173 507	185 002
Liabilities		
Lease liabilities	249 463	265 569
Deferred taxation	(20 555)	(21 840)
Accounts payables and provisions	(5 047)	(5 047)
Total liabilities	223 861	238 682
Equity		
Distributable reserve	(47 921)	(50 084)
Non-controlling interests	(2 433)	(3 596)
Total equity	(50 354)	(53 680)
Statement of comprehensive income (post transition date)		
Depreciation	34 009	
Lease rentals	(62 386)	
Interest expense	23 570	
Taxation expense	1 517	
Lease modification gain	(37)	
Profit after taxation	3 327	

2.2.5. Reconciliation of the undiscounted operating lease commitments as at 30 September 2019 to the lease liability recognised as at 1 October 2019 in terms of IFRS 16:

	Audited at transition date 1 October 2019 R'000
Operating lease commitments as at 30 September 2019	303 799
Discounted using the incremental borrowing rate at 1 October 2019	(212 432)
Less: Short-term and low value leases not recognised as liabilities	(45 950)
Add: Extension in lease term applied	220 152
Lease liabilities recognised as at 1 October 2019	265 569
Represented by:	
Non-current portion – lease liabilities	222 701
Current portion – lease liabilities	42 868

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED SEPTEMBER 2020

2. ADOPTION OF NEW ACCOUNTING STANDARDS continued

2.2.6. Impact on segment disclosures

Segment assets and liabilities as at 1 October 2019 (transition date) increased as a result of the adoption of IFRS 16: Leases as follows:

R'000	Segment assets	Segment liabilities
Canned fish and fishmeal (Africa)	80 040	106 516
Fishmeal and fish oil (USA)	13 672	14 050
Horse mackerel, hake, lobster and squid	22 225	29 097
Commercial cold storage and logistics	69 065	89 019
	185 002	238 682

Net profit for the year ended 30 September 2020 and segment assets and liabilities as at 30 September 2020 increased as a result of the adoption of IFRS 16: Leases as follows:

R'000	Net profit after tax	Segment assets	Segment liabilities
Canned fish and fishmeal (Africa)	(477)	71 048	97 997
Fishmeal and fish oil (USA)	40	27 190	27 529
Horse mackerel, hake, lobster and squid	209	18 010	24 675
Commercial cold storage and logistics	3 555	57 259	73 660
	3 327	173 507	223 861

3. REVENUE

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
The main categories of revenue and the segment to which they relate are set out below:		
Sale of goods		
Canned fish and fishmeal (Africa)	4 468 561	4 032 172
Fishmeal and fish oil (USA)	1 905 553	1 721 044
Horse mackerel, hake, lobster and squid	1 519 159	1 504 466
Rendering of services¹		
Commercial cold storage and logistics	383 704	371 452
Other non-trade revenue²		
Canned fish and fishmeal (Africa)	3 275	6 368
Horse mackerel, hake, lobster and squid	26 830	9 970
Commercial cold storage and logistics	1 259	1 943
	8 308 341	7 647 415

¹ Storage, handling and other minor services R362.3 million (2019: R354.1 million) and income from transportation services R21.4 million (2019: R17.4 million).

² Quota fees R19.3 million (2019: R1.2 million); commission R2.8 million (2019: R3.1 million) and factory processing and other minor recoveries R9.3 million (2019: R14.0 million).

4. SEGMENTAL RESULTS

Audited 2020 Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel, hake, lobster and squid R'000	Commercial cold storage and logistics R'000	Financing ³ R'000	Total R'000
Statement of comprehensive income						
Revenue*	4 471 836	1 905 553	1 545 989	384 963		8 308 341
Operating profit before other operating items	522 077	424 796	353 749	81 657		1 382 279
Other operating items	14 053		3 135			17 188
Operating profit	536 130	424 796	356 884	81 657		1 399 467
Interest income	11 107	3 364	3 781	131		18 383
Interest expense	(170 085)	(86 079)	(4 721)	(11 074)		(271 959)
Profit before taxation	377 152	342 081	355 944	70 714		1 145 891
Taxation	(129 869)	(69 896)	(103 473)	(26 502)		(329 740)
Profit after taxation	247 283	272 185	252 471	44 212		816 151
The above profit after taxation includes the following:						
Depreciation and amortisation	43 566	116 680	75 694	26 814		262 754
Statement of financial position						
Total assets	1 655 257	7 417 237	1 171 318	594 079	1 233 490	12 071 381
Total liabilities	1 196 289	299 946	410 587	190 341	3 994 283	6 091 446
The above amounts of assets and liabilities includes the following:						
Interest in subsidiaries, associate and joint ventures	72 228	250 435	1			322 664

2020 Region*	South Africa and Namibia R'000	Other Africa R'000	North America R'000	Europe R'000	Far East R'000	Other R'000	Total R'000
Revenue¹	4 232 729	884 869	1 597 974	1 304 953	262 941	24 875	8 308 341
Non-current assets²	1 051 684		6 367 677				7 419 361

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED SEPTEMBER 2020

4. SEGMENTAL RESULTS continued

Audited 2019 Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel, hake, lobster and squid R'000	Commercial cold storage and logistics R'000	Financing³ R'000	Total R'000
Statement of comprehensive income						
Revenue*	4 038 540	1 721 044	1 514 436	373 395		7 647 415
Operating profit before other operating items	450 591	359 102	303 172	62 460		1 175 325
Other operating items	(14 293)		(1 108)	(2 046)		(17 447)
Operating profit	436 298	359 102	302 064	60 414		1 157 878
Investment income	12 579	13 362	7 459	281		33 681
Interest expense	(207 830)	(80 435)	(5 970)	(312)		(294 547)
Profit before taxation	241 047	292 029	303 553	60 383		897 012
Taxation expense	(77 471)	(56 151)	(87 034)	(27 989)		(248 645)
Profit after taxation	163 576	235 878	216 519	32 394		648 367
The above profit after taxation includes the following:						
Depreciation and amortisation	35 634	95 258	65 250	14 251		210 393
Statement of financial position						
Total assets	2 429 690	6 982 621	579 020	220 846	588 022	10 800 199
Total liabilities	951 875	625 703	346 375	92 635	3 661 884	5 678 472
The above amounts of assets and liabilities includes the following:						
Interest in subsidiaries, associate and joint ventures	72 731	229 323	1			302 055

2019 Region*	South Africa and Namibia R'000	Other Africa R'000	North America R'000	Europe R'000	Far East R'000	Other R'000	Total R'000
Revenue¹	4 192 618	742 597	1 307 645	1 179 074	200 465	25 016	7 647 415
Non-current assets²	880 117		5 703 713				6 583 830

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

* Aggregation has been applied where the geographic regions of the primary operations have similar economic characteristics with regards to the nature of the products and services, production process, methods used to distribute products or render services, and are managed as a single segment.

Revenue excludes inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation as follows: Horse mackerel, hake, lobster and squid R47.4 million (2019: R44.0 million) and commercial cold storage and logistics R98.8 million (2019: R88.7 million).

Notes:

¹ Revenue per region is classified based on the region in which product is sold and services are rendered.

² Non-current assets per region is allocated based on where the subsidiary is located and includes property, plant and equipment, right-of-use assets, goodwill and intangible assets and excludes assets held for sale.

³ Financing includes cash and cash equivalents and loans receivable and payable.

5. OTHER OPERATING INCOME/(EXPENSE) ITEMS

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Profit on disposal of fishing vessel		3 303
Profit on disposal of property ¹	11 799	
Profit on disposal of property, plant and equipment	750	
Profit on disposal of intangible assets ²	22 107	
Impairment of loans in joint venture ³	(9 716)	(17 596)
Impairment of property, plant and equipment	(1 006)	(1 108)
Impairment of goodwill		(1 276)
Loss on disposal of business ⁴		(770)
Gain on deregistration of foreign subsidiary ⁵	3 414	
Foreign exchange loss on translation of impaired loans with joint venture ³	(10 160)	
	17 188	(17 447)

Notes:

¹ The disposal of property relates to land and buildings that are surplus to operational requirements.

² During the current financial year, Lucky Star Limited disposed of the Glenryck UK trademark.

³ Loans impaired pertains to loans with the group's African fishmeal and fish oil joint ventures Oceana Boa Pesca Limitada 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.

⁴ The R0.8 million in the prior year relates to the loss on sale of the Commercial Cold Storage and Logistics: V&A cold store assets.

⁵ The gain on deregistration of the Interpesca International group of companies, relates largely to a release of the foreign currency translation reserve.

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.

Based on management's assessment, no transactions have arisen for the current year that warrant further disclosure.

6. TAXATION EXPENSE

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Current taxation	321 698	208 586
Current year	290 853	222 023
Withholding tax	21 638	9 786
Capital gains tax	5 763	
Adjustments in respect of previous years	3 444	(23 223)
Deferred taxation	8 042	40 059
Current year	13 164	37 306
Adjustments in respect of previous years	(5 122)	2 753
	329 740	248 645

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED SEPTEMBER 2020

7. DERIVATIVE LIABILITIES

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
DERIVATIVE LIABILITIES		
Non-current		
Opening balance	10 320	
Transferred (to)/from profit and loss	(118)	203
Loss recognised in other comprehensive income	74 642	7 803
Reclassified from derivative assets		2 102
Foreign currency translation adjustment	877	212
Closing balance	85 721	10 320
Interest rate caps		118
Interest rate swaps	85 721	10 202

Interest rate caps and swaps recorded in the cash flow hedging reserve 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 2020. Interest rate caps were designated as cash flow hedges and executed to hedge interest payable under various South African debt facilities. The designated hedged item with a principle value of R267 million (2019: R390 million) was early settled on 31 December 2019 resulting in the discharge of the interest rate cap.

In May 2019, interest rate swaps on South African debt were executed with a maturity date of 20 July 2021 and 20 July 2022. This comprises term debt of R482 million at a swap rate of between 7.050% and 7.094%.

Interest rate swaps were executed in 2018 with a maturity date of 22 July 2020 at a swap fixed rate of 2.175%. The interest rate swaps were designated cash flow hedges and executed to hedge interest payable under US debt facilities. The designated hedged item with a principle value of R1 819 million (2019: R1 712 million) matured on 22 July 2020. The interest rate swap was reclassified from derivative assets during the prior year.

Further interest rate swaps were executed to hedge interest payable under US debt facilities on the 4 October 2019 and 29 April 2020 respectively with a maturity date of 27 September 2024. This comprises term debt of R1 919 million at a swap rate of between 0.349% and 1.473%.

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 R74.6 million (2019: loss R7.8 million) was recognised in other comprehensive income.

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

8. DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Profit on sale of property, plant and equipment		
Proceeds on disposal of property, plant and equipment	18 497	
Net book value of property, plant and equipment disposed	(6 991)	
Profit on sale of property, plant and equipment ¹	11 506	
Profit on disposal of intangible assets		
Proceeds on disposal of intangible assets	30 114	
Net book value of intangible assets disposed	(10 457)	
Profit on sale of intangible assets ²	19 657	

¹ Included in the profit on sale of property, plant and equipment is an amount for the sale of land and buildings surplus to the group's operating requirements relating to the Hout Bay Fishmeal plant for the value of R11.8 million.

² Included in profit on sale of intangible assets is a profit on the sale of the Glenryck UK trademark for the value of R22.1 million.

9. NET CASH AND CASH EQUIVALENTS

Cash and cash equivalents	1 212 697	588 036
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Daybrook Fisheries Incorporated ("Daybrook") received USD1.2 million (net of legal costs) in the year following a Federal Court settlement in relation to Daybrook's 2006 Deepwater Horizon 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 Horizon oil spill law suit were excluded from the transaction and the purchase consideration. The settlement proceeds received from Transocean, 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 2020, these restricted funds (R20.4 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 12 November 2020.

10. ASSETS HELD FOR SALE

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is reasonably certain and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. These assets may be a component of an entity, a disposal group or an individual non-current asset. Upon initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell. Remeasurements from carrying amount to the lower of fair value less costs are recognised in profit or loss, in the statement of comprehensive income, upon initial classification as held for sale.

The Bayhead cold storage facility operated by the Commercial Cold Storage and Logistics division has been designated as held for sale following the conclusion of an agreement of sale of the business.

During the prior year, the company and group's investment in Oceana Boa Pesca Limitada was impaired following a decision to mothball all operations following a decline in the Sardinella resource in Angola. During 2020, Oceana entered into an agreement to dispose of its interest in Oceana Boa Pesca Limitada to its joint venture partner.

Accordingly the Investment and related loans in Oceana Boa Pesca Limitada have been designated as held for sale.

Both transactions are expected to be concluded by 31 January 2021.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED SEPTEMBER 2020

10. ASSETS HELD FOR SALE continued

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Reclassification of assets to assets held for sale		
Cold storage assets held for sale (Commercial cold storage and logistics segment)		
Reclassified from plant and equipment and vehicles	6 749	
Reclassified from land and buildings	691	
Reclassified from intangible assets	63	
	7 503	
Oceana Boa Pesca Limitada joint venture interests held for sale¹ (Canned fish and fishmeal (Africa) segment)		
Reclassified from loans and investments with joint ventures and associates	11 917	
Carrying amount of assets held for sale at 30 September 2020	19 420	

¹ The investment and long-term interest is designated held for sale and has been reclassified from loans and investments with joint ventures and associate at a carrying amount of R11.9 million.

11. DETERMINATION OF HEADLINE EARNINGS

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Profit after taxation attributable to shareholders of Oceana Group Limited	760 635	617 616
Adjusted for:		
Impairment of capital loans	4 047	7 887
Impairment of property, plant and equipment and intangible assets	1 006	2 384
Joint venture: Reversal of impairment of property, plant and equipment		7 903
Joint venture: Profit on disposal of vessels	(710)	
Loss on disposal of business		770
Gain on deregistration of foreign subsidiary	(3 414)	
Profit on disposal of intangible assets	(22 107)	
Insurance proceeds received	(2 576)	
Net profit on disposal of property, plant and equipment	(12 548)	(3 040)
Total non-controlling interest in above	200	74
Total tax effect of adjustments	9 885	2 772
Headline earnings for the year	734 418	636 366
Headline earnings per share (cents)		
– Basic	628.4	544.3
– Diluted	582.5	500.9

12. DIVIDENDS

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Dividend declared after reporting date	342 068	280 710
Dividend per share (cents)	393.0	363.0
Number of shares in issue net of treasury shares (in millions)	116 747	116 962

13. SUPPLEMENTARY INFORMATION

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Amortisation	38 956	39 443
Depreciation of property, plant and equipment	189 789	170 950
Depreciation of right-of-use assets	34 009	
Operating lease charges		105 821
Expenditure on low value and short term leases	42 810	
Share-based expenses	20 492	10 892
Cash-settled compensation	1 883	(1 407)
Equity-settled compensation	18 609	12 298
Capital expenditure (property, plant and equipment and intangible assets)	239 858	254 179
Replacement	222 457	254 179
Expansion	17 401	
Budgeted capital commitments	448 093	375 471
Contracted	101 651	26 822
Not contracted	346 442	348 649

14. ELIMINATION OF TREASURY SHARES

	2020 Audited number of shares '000	2019 Audited number of shares '000
Weighted average number of shares in issue	130 432	135 526
Less: Weighted average treasury shares held by share trusts	(13 450)	(13 522)
Less: Weighted average treasury shares held by subsidiary company	(119)	(5 094)
Weighted average number of shares on which basic earnings per share and basic headline earnings per share are based	116 863	116 910
Weighted average number of shares on which diluted earnings per share and diluted headline earnings per share are based	126 087	127 043

Oceana Group Limited's ("Oceana's") wholly owned subsidiary Lucky Star Limited ("Lucky Star") held 5 094 350 ordinary shares of no par value which were acquired in terms of specific authorisation to repurchase shares in 2007. Oceana repurchased the 5 094 350 shares of no par value as announced on the JSE Limited's Stock Exchange News Service on 30 March 2020. The subsequent delisting and cancellation of the 5 094 350 ordinary shares, as approved by the JSE Limited, was effected on 30 March 2020.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED SEPTEMBER 2020

14. ELIMINATION OF TREASURY SHARES continued

A total of 288 400 shares were repurchased on the open market, during the year by Lucky Star Limited, for the purposes of the group's forfeitable share plan allocation. The shares were repurchased at an average price of R58.32 per share.

The Oceana Empowerment Trust lock-in period will expire in January 2021 and the trust will then commence with its unwinding process in terms of the trust deed. The participation rights of employee beneficiaries in the Oceana Empowerment Trust represent restricted equity instruments given that employee beneficiaries cannot freely dispose of any participation rights until the expiration of the lock-in period.

15. RELATED-PARTY TRANSACTIONS

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

16. CONTINGENT LIABILITIES AND GUARANTEES

Oceana Group Limited ("the company") and its subsidiaries have given cross suretyships in support of bank overdraft facilities of certain subsidiaries and the company. Further the company and six of the group subsidiaries have guaranteed rand-denominated term loans of R1 533.1 million (2019: R1 874.8 million).

17. EVENTS AFTER THE REPORTING DATE

At the date of this report, the Covid-19 pandemic has had no further significant effect on the operations of the group since the year-end. The group continues to monitor the potential outcomes of the Covid-19 pandemic and maintains sufficient liquidity to withstand any foreseeable disruptions. Other than the dividend that has been declared (refer to Note 12) after the reporting period, no further events occurred after the reporting date that may have an impact on the group's reported position at 30 September 2020 or require separate disclosure in these summarised consolidated financial statements.

COMMENTS

OVERALL RESULTS

Oceana has delivered an exceptional performance for the year ended 30 September 2020, with after tax profit growth of 26%, amidst challenging economic conditions, logistics and supply constraints compounded by Covid-19 restrictions and protocols. The group and its operations were classified as an essential service provider in all geographies in which it operated during the peak Covid-19 lockdown periods and was accordingly able to continue operating with all employees abiding by stringent procedures and protocols to safeguard their health and well-being.

On an overall basis the strong performance can be attributed primarily to the rallying of our workforce in heeding the call to provide continuous supply of product and aid food security for our consumers, supported by the continued demand and firm pricing for our range of products which are predominately consumed in-home.

REVENUE

Group revenue increased by 9% to R8 308 million (2019: R7 647 million) driven by increased fishmeal sales volumes, consistent supply and sustained demand for canned fish together with favourable pricing across most products which was further enhanced by the benefit of a weaker exchange rate on export revenue.

OPERATING PROFIT

Group operating profit before other operating items increased 18% to R1 382 million (2019: R1 175 million). In addition to the benefit of strong revenue growth, operating costs remained well controlled during the year, supported by production efficiencies in our canneries and fishmeal operations, improved occupancies in the commercial cold storage business and further aided by the closure of underperforming operations in the prior year.

The group remains favourably disposed to a weaker Rand aided by the USD earnings of our Daybrook operations. Our Africa operations offered a natural Rand hedge over the financial period with procurement of raw materials and fuel in foreign currency approximately matched by export revenues, primarily from our fishmeal, horse mackerel and hake businesses.

COVID-19 IMPACT

In order to provide a safe working environment at both our land and sea-based operations the group incurred costs of R50 million in the provision of personal protective equipment, dedicated staff transport, food parcels and staff recognition bonuses for frontline workers. In addition to the fortitude demonstrated by our workforce this resulted mainly in continuous harvesting, processing and supply of product.

Notwithstanding this level of resilience, our fishing operations suffered intermittent disruptions due to Covid-19 infections during the year. This resulted in approximately 10% of harvesting time lost, particularly in our USA and Namibian operations. We estimate earnings lost as a consequence of these disruptions at R75 million.

OTHER ITEMS

The group adopted the IFRS 16: Leases (IFRS 16) standard which was effective for the accounting period commencing 1 October 2019 and replaces IAS 17: Leases. The group implemented the standard using the modified retrospective approach.

Other operating items include profit on the disposal of non-core land and buildings and the Glenryck UK trademark, reduced by an increased loan impairment and related exchange rate losses on the mothballed Angolan operation.

Net interest expense of R254 million (2019: R261 million) includes R24 million in finance charges arising from the adoption of IFRS 16. Net interest expense, excluding the lease related interest charge, reduced by 12% primarily due to the settlement of R278 million of South Africa (SA) debt in the year, strong working capital management over the year and lower interest rates in both SA and the United States (USA). The average interest rate for all debt is currently 5.1% (2019: 6.8%).

TAXATION

The taxation expense of R330 million (2019: R249 million) includes dividend withholding tax of R21.6 million (2019: R9.8 million) accrued on dividends declared by foreign subsidiaries and capital gains tax of R5.8 million (2019: R nil) on capital gains realised.

HEADLINE EARNINGS

Headline earnings after minority interests and headline earnings adjustments improved by 15.4% from R636 million to R734 million. The increase in profit attributable to minority interests to R56 million (2019: R31 million) is primarily driven by the improved performance in the SA fishmeal and hake segments which directly benefited black owned minority shareholders in these segments.

COMMENTS continued

CASH FLOW AND FINANCIAL POSITION

Management adopted a defensive approach in view of the uncertainties brought on by the Covid-19 pandemic, immediately introducing proactive measures to strengthen the balance sheet and optimise cashflow management including a reassessment of planned capital expenditure.

Strong cash generation, close monitoring of working capital utilisation favourably impacted by lower inventory levels and improved supplier terms contributed to significantly improved cash balances of R1 212 million (2019: R588 million).

In addition to planned debt reduction, this contributed to a material improvement of 27% in net debt levels to R2 240 million (2019: 3 062 million) reducing the group's Net Debt to EBITDA ratio to 1.4 times (2019: 2.2 times).

DIVIDENDS

After due consideration and evaluation of our prospects and liquidity for the immediate future, the Board declared a final dividend of 293.0 cents (2019: 240.0 cents) per share which together with the interim dividend brings the total dividend for the year to 393.0 cents (2019: 363.0 cents) per share.

REVIEW OF OPERATIONS

Segmental Results	Revenue			Operating profit before other operating items		
	2020 R'000	2019 R'000	% change	2020 R'000	2019 R'000	% change
Canned fish and fishmeal (Africa)	4 471 836	4 038 540	11	522 077	450 591	16
Fishmeal and fish oil (USA)	1 905 553	1 721 044	11	424 796	359 102	18
Horse mackerel, hake, lobster and squid	1 545 989	1 514 436	2	353 749	303 172	17
Commercial cold storage and logistics	384 963	373 395	3	81 657	62 460	31
	8 308 341	7 647 415	9	1 382 279	1 175 325	18

CANNED FISH AND FISHMEAL (AFRICA)

Canned fish demand remained resilient in an environment where the disposable income of consumers was under considerable pressure. Canned pilchard sales volumes increased by 1% to 9.1 million cartons (2019: 9.0 million cartons) largely driven by increased in-home consumption of the 400g (talls) canned pilchard category and feeding scheme volumes. Revenue growth was attributable to a 4% price increase implemented in November 2019 aligned with our affordable protein strategy.

Our canneries in both SA and Namibia continued to deliver production and supply chain efficiencies along with increased throughputs, driven by strong workforce attendance ensuring continued cost containment and consistent availability of product on shelf.

In light of the continued slow recovery of the local pilchard resource in both SA and Namibia, supply of raw material for our canned fish product is predominantly from frozen fish imported from other geographies. During the year overall procurement levels and pricing of raw materials improved but was insufficient to offset the negative impact of a weaker Rand. Production efficiencies and improved throughputs have enabled this segment to maintain operating margins at attractive levels.

The group's African fishmeal and oil segment has delivered a stellar performance supported by a healthy anchovy biomass in SA and strong adherence to Covid-19 protocols which ensured harvesting and processing continuity during peak periods of the fishing season. A 20% increase in landings and consistent demand for fishmeal in our key geographies contributed to strong revenue growth for the year. The rightsizing of our SA fleet and elimination of operating losses following the closure of our Angolan factory have further enhanced financial performance for the year.

FISHMEAL AND FISH OIL (USA)

Our USA business delivered a solid set of results with an improvement in operating profit in both local currency and SA Rands in addition to strong cash generation and reduction of debt.

Operating conditions this season were severely hampered by a combination of Covid-19 disruptions and an abnormally active hurricane season which contributed to a reduction in overall fishing days for the season. Covid-19 disruptions were experienced primarily at the commencement of the season due to staffing capacity and availability and further exacerbated by additional virus exposure subsequent to national holidays in June and July.

Notwithstanding this impediment, which led to approximately 25% downtime, strong catch rates supported by a healthy biomass resulted in a 17% reduction in landings to 567 million fish (2019: 685 million fish) and an improvement in the fish oil yield to 10.0% (2019: 8.2%). This season also enjoyed the successful trials of a run-boat concept and experimental weekend fishing.

Revenue for the year was supported by strong demand for menhaden fishmeal in the US pet food sector due to increased lockdown related consumption by American households with pets. Steady fishmeal demand in other sectors and increased fish oil pricing in European markets further contributed to positive earnings growth.

The business has embarked upon extensive procurement efficiencies during the year which will continue to benefit operating margins going forward.

HORSE MACKEREL, HAKE, LOBSTER AND SQUID

This segment delivered 17% growth in operating profit before other operating items, driven by strong performances from both the horse mackerel and hake businesses.

Horse mackerel operations remained resilient during the year with quota levels in both SA and Namibia materially unchanged. Demand for fresh fish protein, particularly in Southern Africa, contributed to strong pricing during the second half of the year. Lower fuel prices and the effect of the weaker Rand contributed further to an improvement in performance. Notwithstanding a 10% reduction in fishing days due to Covid-19 disruptions which impacted volumes negatively, this segment delivered a significant increase in operating profit for the year.

The 2020 Hake offshore TAC remained in line with the prior year. A strong improvement in revenue and operating profit for this business resulted from continued European demand for products consumed in-home, supported by a weaker exchange rate and lower fuel prices, but marginally curtailed by Covid-19 disruptions to fishing days.

Profitability in the lobster segment was negatively impacted by the closure of the Chinese market for live lobster following the Covid-19 outbreak. In response, fishing was slowed down and product frozen for sale into other geographies at lower margins. Lower industry wide catches resulted in a reduction of sales volumes and lower profitability in the squid segment.

COMMERCIAL COLD STORAGE AND LOGISTICS (CCS)

The CCS business delivered a significantly improved performance with operating profit before other operating items increasing 31%. Occupancy levels at most stores improved as a direct result of Covid-19 resulting in longer storage periods and contracting with new customers. Increased fixed reservation contracts in the Western Cape and Gauteng regions contributed further to revenue and operating profit growth. The CCS business continued to play a critical role in enabling the supply of frozen fish to Lucky Star resulting in stable occupancies in the Western Cape region.

The strong performance was further driven by reduced operational costs following right sizing of cold storage capacity and the non-recurrence of once-off costs incurred in the prior year. Operating profit was, however, negatively impacted by higher staff expenditure directly related to Covid-19 precautionary measures.

DIRECTORATE CHANGES

Hajra Karrim was appointed as the group's Chief Financial Officer effective from 1 November 2020. Hajra takes over the role from Trevor Giles who was appointed as Interim Chief Financial Officer from 11 February 2020. The Board extends its gratitude to Trevor for the exemplary manner in which he fulfilled the responsibilities of the role and furthermore wishes Hajra well and much success in her new role.

PROSPECTS

Covid-19 continues to bring uncertainty in all the geographies in which we operate. Our performance in 2020 was underpinned by in-home consumption of most of our products, matched with consistent supply brought about by the adoption of strong safety protocols across our workforce. We believe that this will continue to drive our activity and performance in the short term.

Over the medium term we anticipate that our diverse operations will continue to offer risk mitigation. Our product offerings remain attractive despite the continued effects of the pandemic and we will look to drive volume growth particularly in the canned fish and fishmeal segments.

We remain cautious, however, about the evolving impact of the Covid-19 pandemic on the global macroeconomic environment, the effect on consumer spending and the impact on the pace of economic recovery. We will continue to evaluate the group's prospects against this backdrop, and in particular the possible emergence of a vaccine when evaluating future capital allocation and dividend decisions.

In SA, updated timelines for the 2021 Fishing Rights Allocation Process have been published. It is currently anticipated that applications and allocations will be concluded during November 2021. We remain confident of an objective and transparent policy setting, application and adjudication process. As a level-1 B-BBEE contributor with over 70% black ownership and the honour of being the most empowered food producer on the JSE, Oceana believes it is well placed to strongly contest for the renewal of its fishing rights. The group intends to replace its current staff empowerment scheme, which vests in January 2021, subject to shareholder approval. An announcement in this regard will follow in due course.

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

COMMENTS continued

NOTE OF APPRECIATION

Oceana is exceptionally proud of all its employees for their committed diligence, care and professionalism in continuing to deliver excellence and essential products during this most trying of times. Our ability to heed the call to deliver food security for our consumers is testament to our strong desire to play a meaningful role in the betterment of society.

We are particularly grateful to the regulators in all the geographies in which we operate for their support during the peak of the pandemic. In SA, Minister Barbara Creecy and her team, through engagement with industry associations, were instrumental in providing much needed clarity and guidance which in turn enabled us to provide continuity of job and food security.

On behalf of the Board

MA Brey
Chairman (non-executive)
3 December 2020

I Soomra
Chief executive officer

CASH DIVIDEND DECLARATION

Notice is hereby given of dividend number 153. A gross final dividend amounting to 293.0 cents per share, in respect of the year ended 30 September 2020, was declared on Thursday, 3 December 2020, 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 234.4 cents per share.

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

Last day to trade <i>cum</i> dividend	Monday, 28 December 2020
Commence trading <i>ex</i> dividend	Tuesday, 29 December 2020
Record date	Thursday, 31 December 2020
Dividend payable	Monday, 4 January 2021

Share certificates may not be dematerialised or rematerialised between Tuesday, 29 December 2020 and Thursday, 31 December 2020, both dates inclusive.

By order of the Board

A Fortune
Company secretary
3 December 2020

DIRECTORATE AND STATUTORY INFORMATION

Directors:	MA Brey (chairman), I Soomra* (chief executive officer), E Bosch (resigned 31 January 2020), H Karrim* (appointed 1 November 2020), ZBM Bassa, PG de Beyer, A Jakoet (appointed 14 November 2019), S Pather, NA Pangarker, L Sennelo, NV Simamane. (*Executive)
Prescribed Officer:	T Giles (Interim chief financial officer)
Registered Office:	9th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001
Transfer Secretaries:	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61051, Marshalltown, 2107)
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

