



INTEGRATED REPORT

For the year ended 30 September 2022



OCEANA GROUP
— POSITIVELY IMPACTING LIVES —

WHO WE ARE

Incorporated in 1918 and listed on the Johannesburg (JSE) and Namibian (NSX) stock exchanges, Oceana Group is a diversified fish protein company, and an important participant in the South African, Namibian and USA fishing industries. We employ 4 216 people globally, of whom 2 683 are directly employed and 1 533 are indirectly employed. Oceana is a black-owned company and a Level 1 Broad-based black economic empowerment ("B-BBEE") contributor.

WHAT WE DO

Our core fishing business is the catching, procuring, processing, marketing and distribution of canned fish, fishmeal, fish oil, horse mackerel, hake, lobster and squid. The business includes midwater trawling (horse mackerel), deep-sea trawling (hake), and inshore fishing for pelagic fish (anchovy, the Gulf menhaden species, red-eye herring and pilchard), as well as eight production and six cold storage facilities. In addition, we provide refrigerated warehouse facilities and logistical support services.

We process approximately 453 000 tons of fish through our land and sea-based production facilities annually and market and sell these products to consumers across the consumer spectrum, in 45 countries in Africa, North America, Asia, Europe and Australia.

Our theme for the 2022 reporting suite

 **GROWTH**

 **STRENGTH**

 **DETERMINATION**

STATEMENT OF THE BOARD OF DIRECTORS ON OCEANA GROUP LIMITED'S 2022 INTEGRATED REPORT

The Board acknowledges its responsibility of ensuring the integrity of this Integrated Report, which in the Board's opinion, provides a fair and balanced account of the Group's performance on those material matters that it has assessed as having a bearing on the Group's capacity to create value over the short-, medium-, and long-term.

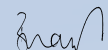
This report has been prepared in accordance with the International <IR> Framework, and complies with the recommendations of King IV, Principle 5. The report, including the Annual Financial Statements of the Group for the year ended 30 September 2022, was approved by the Board of directors on 25 January 2023.



Mustaq Brey
Chairman



Neville Brink
Chief Executive Officer



Ralph Buddle
Interim Chief Financial Officer



Zarina Bassa
Independent
Non-Executive Director



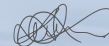
Peter de Beyer
Lead Independent
Director



Nomahlubi Simamane
Independent
Non-Executive Director



Nisaar Pangarker
Non-Executive Director



Lesego Sennelo
Independent
Non-Executive Director



Peter Golesworthy
Independent
Non-Executive Director



Bakar Jakoet
Independent
Non-Executive Director



Thoko Mokgosi-Mwantembe
Independent
Non-Executive Director

OUR 2022 REPORTING SUITE

Our Integrated Report is supplemented by our full suite of online publications that cater for the diverse needs of our broad stakeholder base; these are accessible at www.oceana.co.za.



Integrated Report ("IR")

Targeted primarily at current and prospective investors and government, but of interest to all stakeholders who seek to be informed about our capacity to create value over time.



Annual Financial Statements ("AFS")

Detailed disclosure of our financial results, with audited financial statements, prepared in accordance with IFRS.



Sustainability Report ("SR")

Addresses our most material impacts on the economy, society and the environment, as well as those sustainability issues of interest to a broad range of stakeholders.



Notice of Annual General Meeting ("AGM") and Form of Proxy

The Notice of AGM provides supporting information for shareholders to participate in the AGM.

King IV disclosure report

Detailed disclosure against the King Code as per the King IV Report on Corporate Governance™ for South Africa, 2016*.

UN Global Compact ("UNGC") Communication on Progress

Progress on meeting the 10 principles covering human rights, labour, environmental and anti-corruption issues.

Scientific reports

Status reports for the species of fish harvested by the Group.

CDP (formerly Carbon Disclosure Project)

Overview of our climate change governance, mitigation measures, and the climate change impacts on Oceana.

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THE FOLLOWING ICONS WILL HELP YOU NAVIGATE THIS REPORT:

STRATEGIC IMPERATIVES



SI1: PROTECT AND OPTIMISE OUR QUOTA BUSINESSES



SI2: DELIVER ORGANIC GROWTH



SI3: CREATE SUSTAINABLE EARNINGS THROUGH DIVERSIFICATION

STRATEGIC ENABLERS



SE1: GALVANISE THE WORKFORCE



SE2: ENGAGE STAKEHOLDERS AND MANAGE REPUTATION



SE3: ENSURE GOOD GOVERNANCE AND SUSTAINABILITY

OUR CAPITALS

The resources and relationships on which we depend can be conceived as different forms of 'capital stocks and flows' – the assets we need to protect and enhance to achieve our strategic objectives. We make trade-offs between our capitals, as discussed on pages 33 to 38.



Natural Capital: The long-term sustainability of the marine resources that we harvest is critical to our existence. We measure and manage our impact on the environment in an effort to reduce this to a minimum.



Human Capital: Our performance-driven culture – that positively impacts lives with the correct reward, motivation and development of each employee, and that protects their health, safety and wellbeing – is critical to achieve our purpose.



Social and Relationship Capital: Our relationships with our stakeholders, including the communities in which we operate, are vital in ensuring long-term sustainability of our business. We recognise the role the fishing industry plays in building a thriving society.



Manufactured Capital: Our fleet, processing plants, cold storage and equipment, products and information technology, provide the framework and mechanics of how we do business.



Intellectual Capital: Our brand value, research and development, innovation capacity, reputation and strategic partnerships underpin our organisation. We strive to uphold the highest ethical standards and regulatory compliance.



Financial Capital: Efficient management of our shareholders' equity and funding from investors and lenders to support our business and operational activities, including working capital.

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About this report

SCOPE, BOUNDARY, AND REPORTING CYCLE

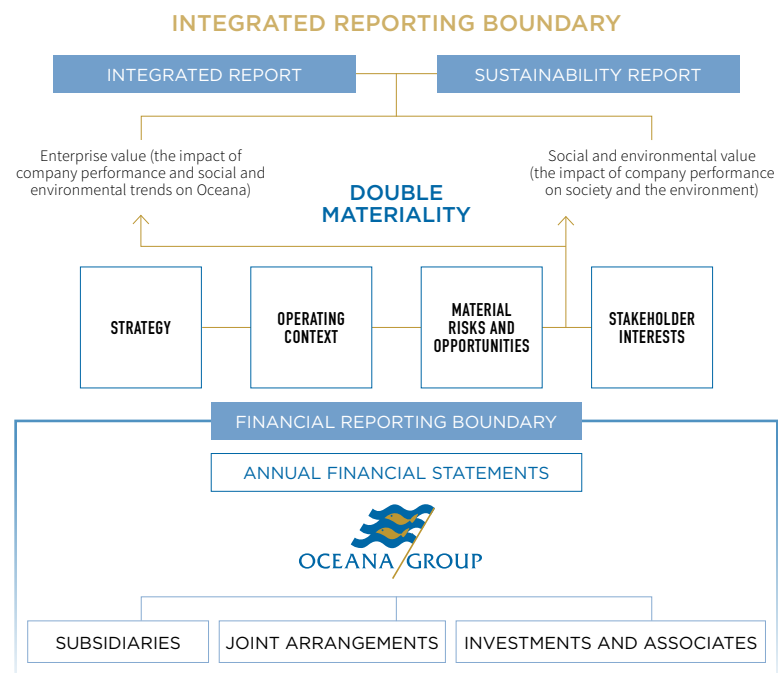
Oceana Group Limited’s 2022 Integrated Report provides material information relating to our strategy over the short-medium-and long-term (page 58), our business model (page 30), operating context (page 42), principal risks and opportunities (page 54), stakeholder interests (page 48), performance and prospects (page 94), and governance (page 110), covering the financial year ended 30 September 2022. We endeavour to provide a concise view of the business by analysing our performance against the Group’s strategic objectives, highlighting successes and challenges experienced this year. It includes reflection on how we have created, preserved, or eroded value over time (page 32).

This report focuses on the main operations and activities (page 6) that contribute to Oceana’s performance. Unless otherwise stated, all performance data is for the 12-month period ended 30 September 2022, and relates to all the Group’s South African, Namibian and USA operations. The B-BBEE assessment, as well as the employment equity statistics, exclude all non-South African companies and operations.

REPORTING PRINCIPLES

This report applies the principles contained in:

- International Financial Reporting Standards (“IFRS”)
- The King Report on Corporate Governance™ for SA 2016 (King IV)
- JSE Listings Requirements
- Companies Act, 71 of 2008, as amended (“Companies Act”)
- The International <IR> Framework



* For a detailed list of entities refer to Note 42 of the AFS.

MATERIALITY PROCESS

This report focuses on those matters that we see as being most material to our capacity to create value, and to delivering on our core purpose. The reporting process starts in July every year and encompasses the following:

- Initial discussions with the IR project team
- Review of analyst reports, investor questions, and sentiment/perception studies on Oceana
- Independent interview process with divisional MDs, Executive Committee (“Exco”), key operational staff, the Chairman and other Board members
- Review of Group strategy, including factors that impact the business, developed by Exco and approved by the Board
- Review of the report by internal stakeholders as well as Board members with oversight by the Audit Committee and ultimate approval by the Board

In assessing the issues that materially impact value creation we have included the significant risks, opportunities and impacts associated with our activities over the short-term (less than 12 months), medium-term (three to five years) and long-term (beyond five years). Additional information that is not considered to be material, but that may be of interest to other stakeholders, is provided in the separate Sustainability Report and other accompanying reports.

TARGET AUDIENCE

This report has been prepared primarily for investors (to support their capital allocation assessments), and for representatives from government and regulatory authorities in South Africa and Namibia (to inform their assessments of our performance), but should be of interest to all stakeholders who seek to be informed about our capacity to create value over time.

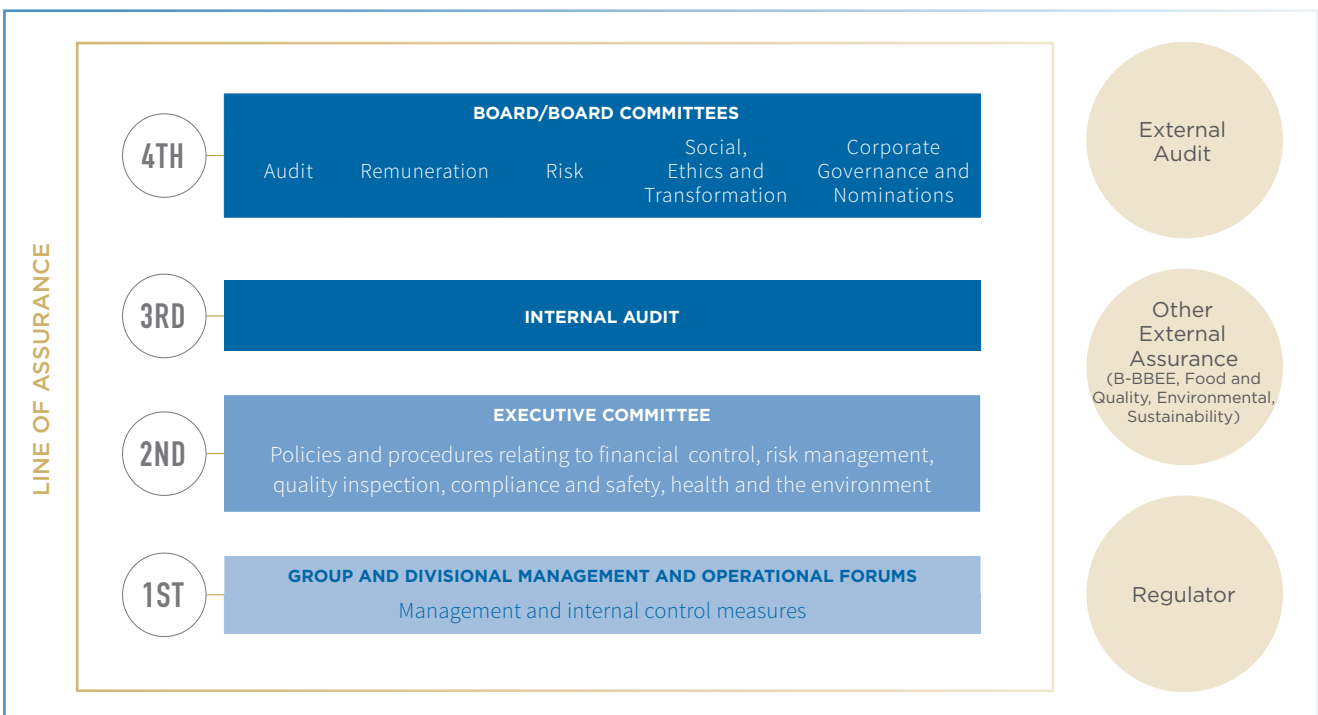
FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements with respect to Oceana’s plans and expectations relating to its future financial condition, performance, operations and results. These statements and forecasts involve risk and uncertainty as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. All forward-looking statements are solely based on the views and considerations of directors.

EXTERNAL AUDIT AND COMBINED ASSURANCE

Oceana has adopted a combined assurance model that facilitates a coordinated approach to all assurance and governance activities. Together with our integrated risk management practices, this enables an effective control environment and supports the integrity of information used by Oceana for internal decision-making and for its external reports.

An independent audit of the Group’s AFS was performed by Mazars. The B-BBEE scorecard information was verified independently by Empowerdex and the greenhouse gas emissions by VerifyCO₂. Risk, environmental, health, and safety compliance was audited by Marsh Risk Consulting. The rest of this Integrated Report has not been subjected to independent audit or review. Information reported, other than that mentioned above, is derived from the Group’s own internal records and from information available in the public domain.





Our Group Profile

OUR CORE PURPOSE

To make a positive impact in society by creating long-term sustainable value for all our stakeholders.

MISSION STATEMENT

To be a diverse, leading global food protein company that promotes food and job security by:

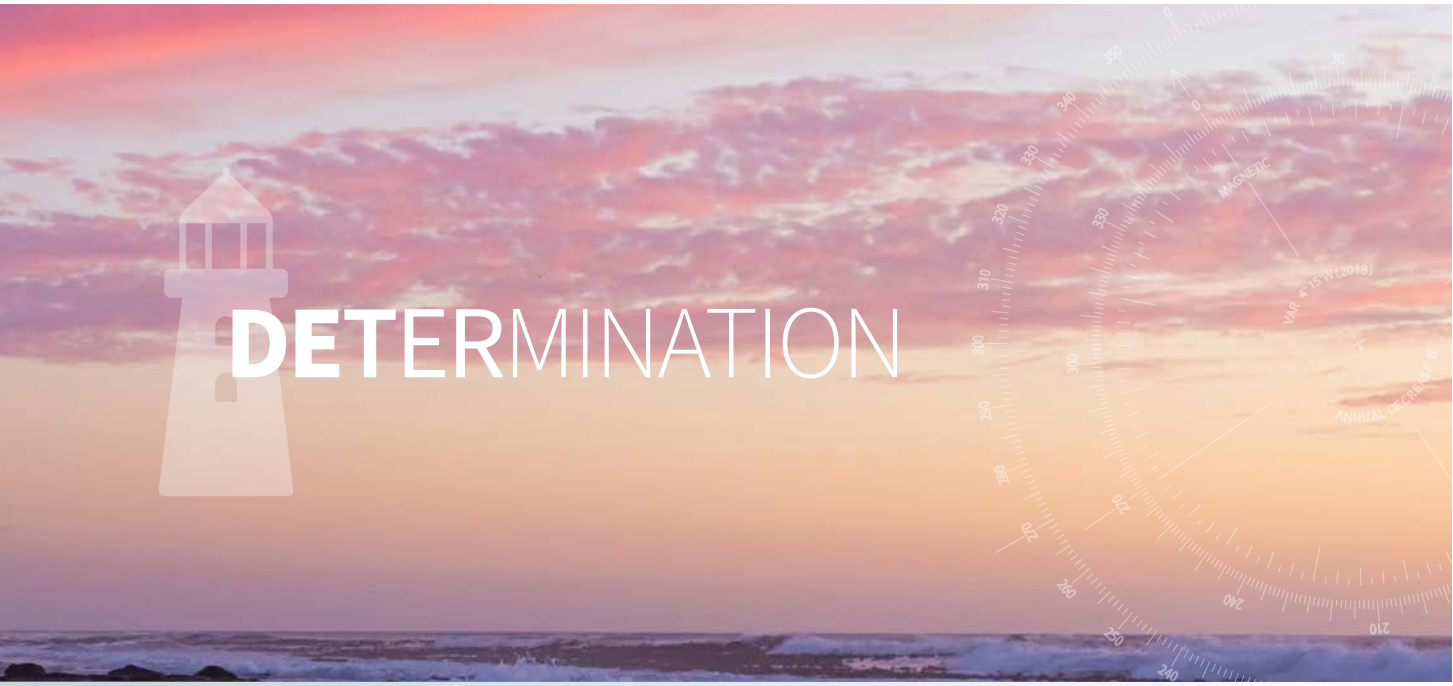
- Responsibly sourcing and converting into value a range of global marine resources through harvesting, farming and procurement.
- Supporting diversity and empowerment.
- Investing in the communities where we operate.
- Actively developing the potential of our employees.

CULTURE AND BEHAVIOURS

We have instilled a purpose-led culture with a meaningful shift towards positively impacting lives. Our actions are based on the premise that we live in an imbalanced society and that it is our responsibility, as a leader in our sector, to contribute to addressing these imbalances in whichever way we can.

The five core values that direct our behaviours and inform our company culture are:

- Teamwork
- Respect
- Accountability
- Courage
- Trust



DELIVERING SOCIETAL VALUE: OUR ALIGNMENT TO THE 2030 UN SDGs

Oceana’s culture is built around positively impacting lives.

We are committed to playing our role, as a private sector company, in the attainment of the following five United Nations Sustainable Development Goals (UN SDGs) that we have prioritised, working alongside government, communities and other businesses.

- 

RESPONSIBLE FISHING
- 

INNOVATING FOR INCLUSIVE DEVELOPMENT/INVESTING IN OUR PEOPLE
- 

FOOD SECURITY: HEALTHY, AFFORDABLE PROTEIN

- 

RESPONDING TO COMMUNITY NEEDS
- 

REDUCED ENVIRONMENTAL IMPACT

Group profile continued

OCEANA'S OPERATIONS ARE SPLIT INTO FOUR DIFFERENT BUSINESS UNITS:

Lucky Star: Canned fish and Fishmeal (Africa); Daybrook Fisheries Inc. (“DFI”): Fishmeal and Fish Oil (USA); Blue Continent Products (“BCP”): Horse mackerel, Hake, Lobster and Squid; and Commercial Cold Storage and Logistics (“CCS”). Except for the USA operation, all other business units have operations in South Africa and Namibia.

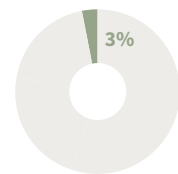
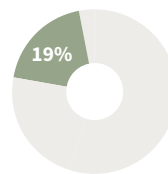
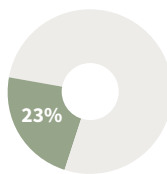
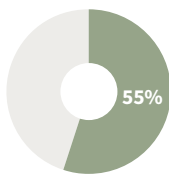


CANNED FISH AND FISHMEAL (AFRICA)

FISHMEAL AND FISH OIL (USA)

BCP: HORSE MACKEREL, HAKE, LOBSTER AND SQUID

COLD STORAGE AND LOGISTICS



Lucky Star primarily harvests, procures and processes small pelagic species into canned fish, fishmeal and fish oil and markets the derived products both locally and internationally. The pelagic business is conducted through Lucky Star and Amawandle Pelagic. Lucky Star, as part of an expanded product portfolio, also now procures and markets canned meat and canned vegetable products. Lucky Star also markets fishmeal and fish oil in South Africa and internationally.

Daybrook is involved in the harvesting and processing of the Gulf menhaden species, and in the marketing and selling of derived fishmeal and fish oil products, including pet food, prime and FAQ (Fair Average Quality) grade fishmeal in the United States and internationally.

Oceana's horse mackerel fishing business is conducted through our subsidiaries BCP in South Africa and Erongo Marine Enterprises in Namibia. Oceana's hake business is conducted through BCP and Amawandle Hake. Our lobster and squid business units are involved in the catching, processing and marketing of West and South Coast rock lobster and squid.

Commercial Cold Storage Group Limited (“CCS”) has a long-standing respected reputation in the primary storage and handling of mainly perishable products on behalf of major manufacturers, exporters and importers.

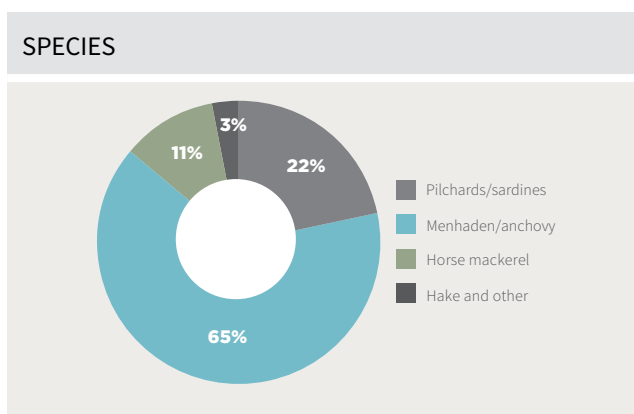
On 4 October 2022, the Group announced that it had entered into transaction agreements to dispose of its interests in CCS for R760 million. The transaction remains subject to regulatory and commercial suspensive conditions being fulfilled by no later than 28 February 2023.

■ Contribution to revenue

OUR MARKET POSITIONING IN CONTEXT

Oceana is a diversified fishing group that harvests and procures fishing resources from four coastlines across five countries. Trading in multiple species with products sold in 45 countries remains one of Oceana’s strengths, providing a natural hedge when environmental conditions change or in the face of market volatility and economic downturns.

<p>R6.9bn market capitalisation</p>	<p>Oceana is Africa’s largest fishing company</p>	<p>5 fishing geographies</p>
<p>45 customer geographies</p>	<p>453 238 tons of fish processed through our land and sea-based production facilities annually</p>	<p>Lucky Star is South Africa’s #1 Kasi Brand¹</p>



Lucky Star is a participant in the South African pelagic fishery and is the market leader in the canned fish category across Southern Africa. It is valued by consumers as a key staple protein and competes in the affordable protein category.

BCP is a rights holder of horse mackerel in South Africa and through various subsidiaries in Namibia, as well as a participant in the South African hake fishery. BCP relies on its commercial fishing rights allocation, as well as the allocation of joint venture partners and

subsidiaries, to maintain sufficient scale to optimise its operations across the value chain. Horse mackerel is exported into Africa, competing against other commodity type products, namely whole fish and other proteins. Hake, lobster and squid are exported to Europe and the Far East (West Coast rock lobster (“WCRL”).

The largest fishery that we operate in, through Daybrook, is the USA Gulf menhaden, which has a total biomass of 2.5 million tons; this is comparable with the Peruvian anchovy biomass of 8 million tons, the largest reduction fishery in the world. Reduction fisheries are fisheries that “reduce”, or process their catch into fishmeal and fish oil. They rely largely on small-and medium-sized pelagic species; that is fish found in the upper layers of the open sea, such as menhaden, anchovy and sardine.

We benchmark our performance internally against best-in-class local and global listed seafood companies. These are reviewed annually by the Board. Oceana remains a top performer against our South African domestic peer group.

¹ Ask Afrika Kasi Star Brands Awards 2022/2023

Group profile continued

OUR KEY VALUE PROPOSITION:

- Our ability to convert fishing resources into value is facilitated by the scale of our business.
- The diversity of operations (species and geographies) and activities within a larger group ensures greater resilience in the context of cyclical fishing patterns and market volatility.
- Our well-resourced and efficient operations facilitate more effective regulatory monitoring and compliance.
- A well-maintained, efficient and reliable fishing fleet, with state-of-the-art equipment, contributes to improved sea days and vessel availability.
- Our ability to procure frozen fish internationally, when cyclical biomass levels of local pilchard resources are low, allows continued processing in South Africa and Namibia, providing job security in a region of the world where unemployment is significantly high.
- Our well-established sales and marketing operations allow us to access larger wholesalers in export markets and commit to consistent monthly volumes at better prices.
- Enhanced efficiencies enable a more cost-effective contribution to food security through the provision of healthy and low-cost protein.

RESPONDING TO CLIMATE RISK AND CARBON NEUTRALITY

As the threat of Covid-19 gave way to awareness of a range of interrelated systemic challenges, climate change has become front of mind. IPCC reports confirm the unequivocal human influence on the warming of the atmosphere, ocean and land. Our climate change risks and opportunities are detailed in Oceana’s annual submission to the CDP Climate Change Programme and in 2023, we will commission a leading fishery scientist to conduct a long-term assessment of the main species we fish and procure.

Following the work of our Energy Resilience Team, we have launched our Carbon Neutrality Project to reduce emissions by 50% by 2030 and target zero emissions by 2050. This includes renewable energy projects on the South African West Coast and the benefits will spill over in support of the communities in which we operate. Ongoing efforts continue to introduce new solutions and optimise the energy landscape across all operations.

For further information on our environmental management performance and carbon neutrality plans refer to the diagram below and SR page 38. To see our response to the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations, see page 168.

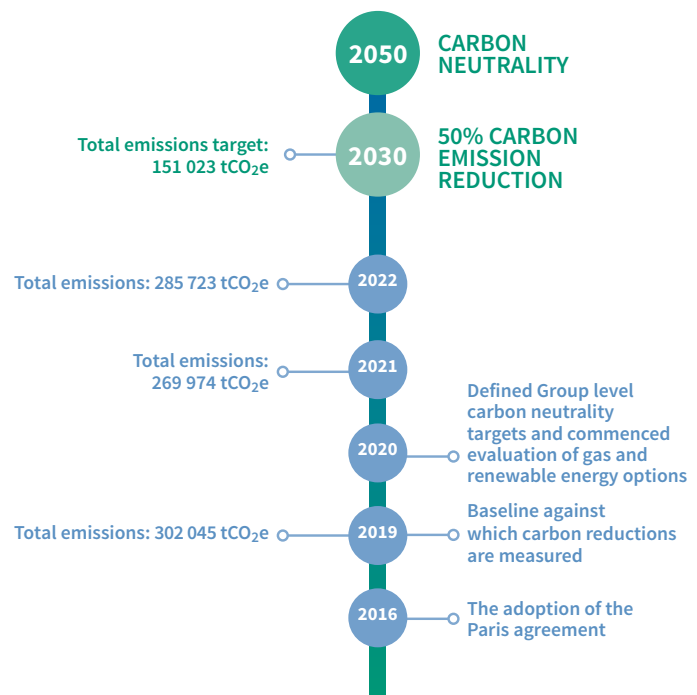


PATHWAYS TO CARBON NEUTRALITY

We aim to achieve carbon neutrality by 2050 through a number of proposed interventions. These interventions are based on feasibility studies we’ve conducted and will be adjusted according to evolving viability and technology:



- Coal conversion to natural gas
- Renewable energy installation
- Refrigerant conversion
- MGO switch to a renewable fuel source
- Diesel switch to a renewable fuel source
- Grid decarbonisation
- Carbon credits
- Hydrogen fuel

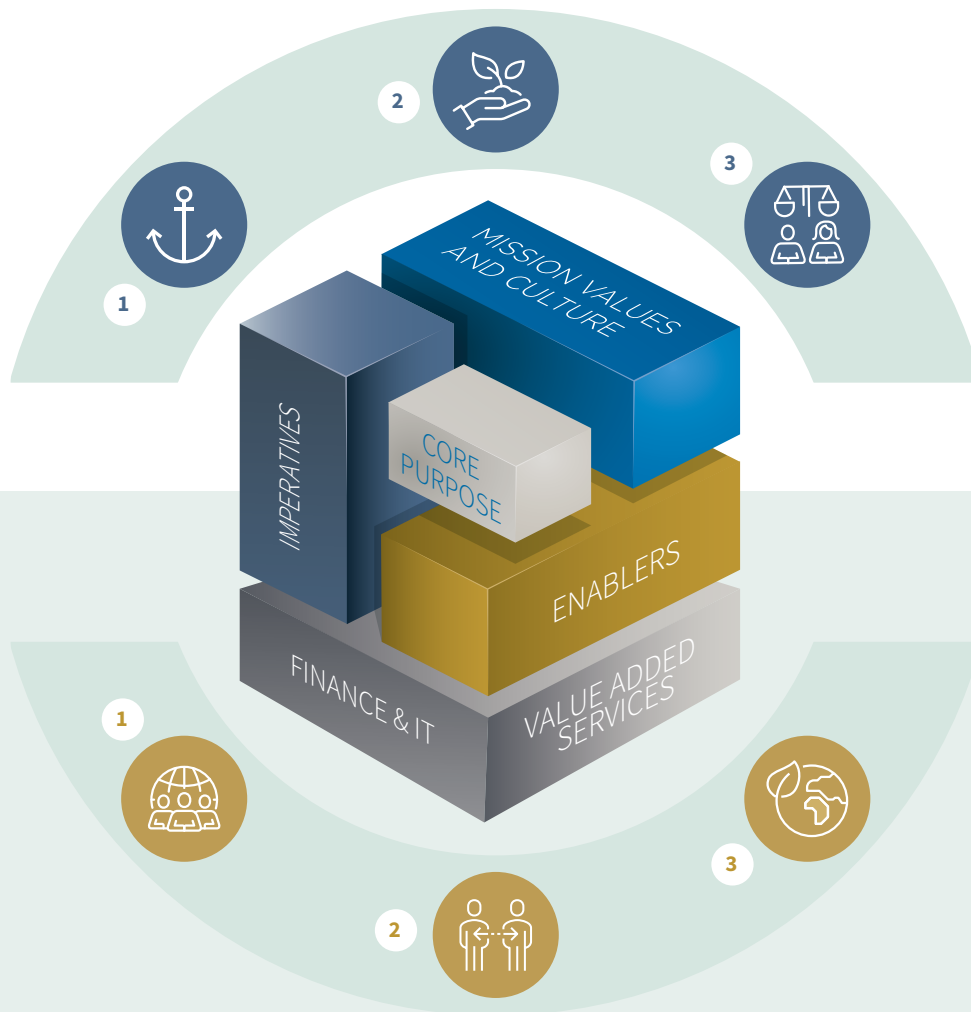
OUR CARBON EMISSIONS AND CARBON NEUTRALITY ROADMAP






OUR STRATEGIC IMPERATIVES AND ENABLERS

Our strategic imperatives focus the Group’s efforts to create shared value:

- 
SI1. Protect and optimise our quota businesses
- 
SI2. Deliver organic growth
- 
SI3. Create sustainable earnings through diversification



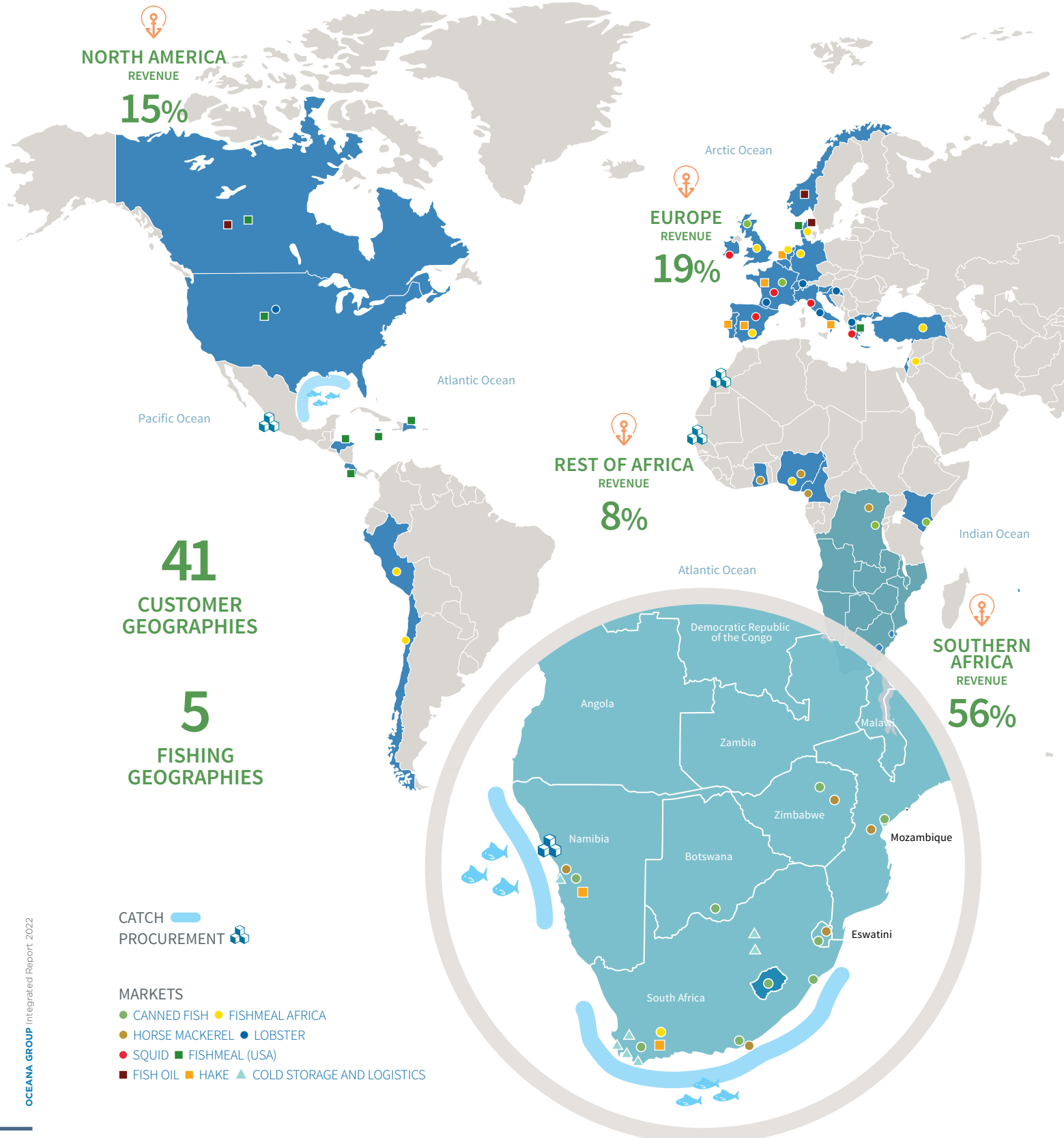
Our strategic enablers protect and enable the delivery of shared value:

- 
SE1. Galvanise the workforce
- 
SE2. Engage stakeholders and manage reputation
- 
SE3. Ensure good governance and sustainability

The Oceana Group at a glance

PRODUCTS AND MARKETS

REGIONAL CONTRIBUTION TO GROUP REVENUE





PRODUCTS AND MARKETS (LUCKY STAR)

Canned pilchards: Multiple pack sizes and flavours.

Other canned fish: Tuna, sardines and mackerel.

Canned foods: Meat, vegetables and soya mince in gravy.

Fishmeal and fish oil: Derived from anchovy, red-eye herring and associated by-catch and cannery offcuts. Sold in Australian, Chilean, Chinese, European, UK and South African markets, primarily for the aquaculture feed and animal feed sectors.

 16	 5	 2 195
VESSLS	PRODUCTION FACILITIES	EMPLOYEES



PRODUCTS AND MARKETS (DAYBROOK)

Fishmeal: Pet food, prime and FAQ grade fishmeal primarily for the speciality pet food, aquaculture and baby pig industries in North America, Europe and China.

Fish oil: Omega-3-rich crude fish oil used by the aquaculture and cattle feed industries sold mainly in Europe and North America.

All products are derived from the Gulf menhaden species.

  48	 1	 406
12 CARRIER VESSELS, 24 PURSE SEINE VESSELS & 12 PLANES*	PRODUCTION FACILITY	EMPLOYEES*

* Includes Westbank Fishing LLC, in which Daybrook has a 25% shareholding.



PRODUCTS AND MARKETS (BCP)

Horse mackerel: Sold in frozen whole form mainly in Southern, Central and West Africa. Catches are processed at sea into frozen packs in the format required by targeted markets.

Hake: Sold headed and gutted (H&G) as well as filleted to the European and South African wholesale and food services market in frozen form.

Live and frozen West Coast rock lobster: Sold to Hong Kong and Japan markets.

Live and tailed South Coast lobster: Sold to USA markets.

Squid: Sold to markets in Europe.


 14	 2	 1 103
VESSLS	PRODUCTION FACILITIES	EMPLOYEES

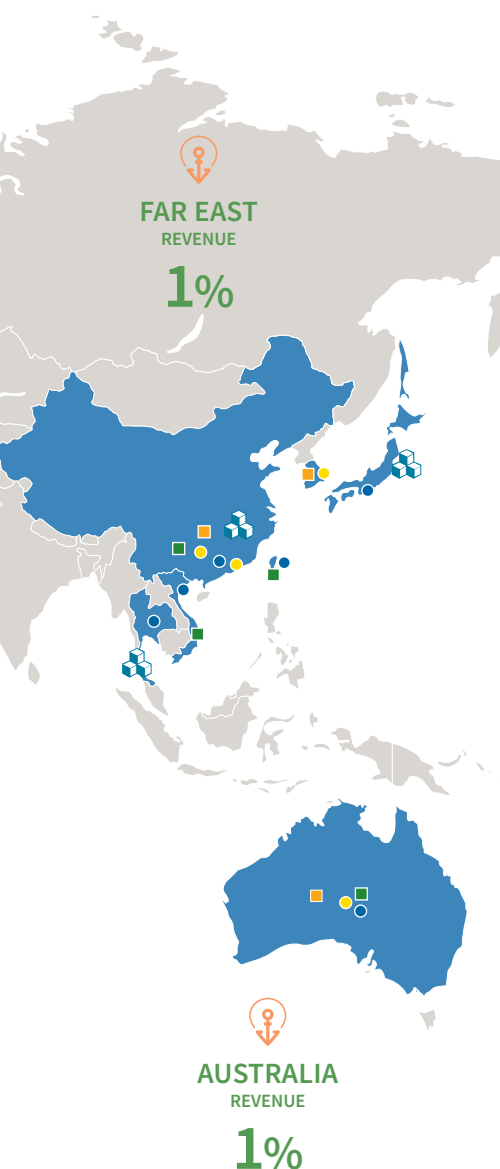


PRODUCTS AND SERVICES (CCS)

Offers cold storage, blast freezing, various value added services and transportation to various end customers.

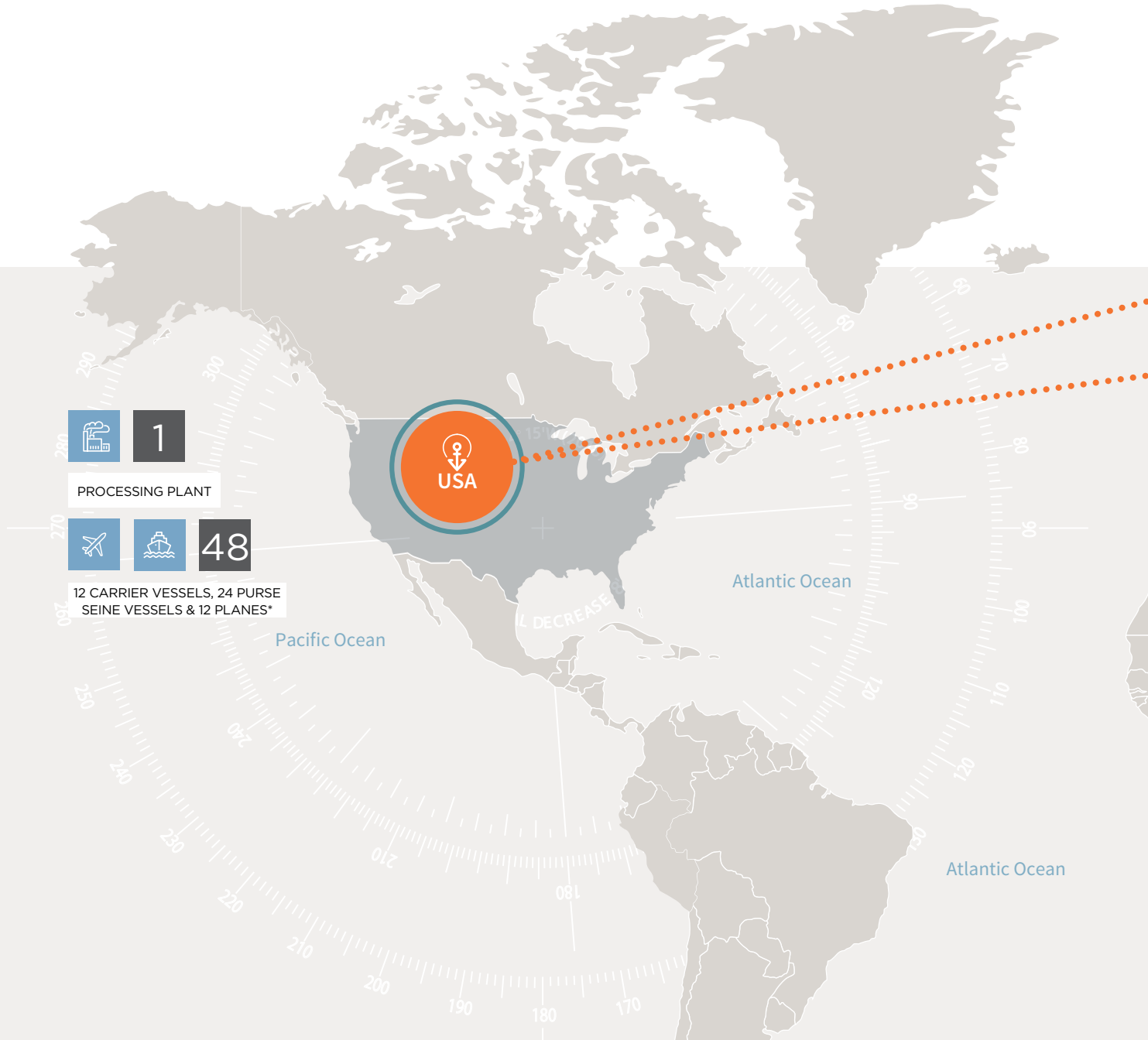
We store a range of products, including fish, poultry, meat, vegetable and fruit concentrate.

 6	 100k	 378
COLD STORAGE FACILITIES	PALLETS	EMPLOYEES



FMO: VALUE CHAIN OVERVIEW

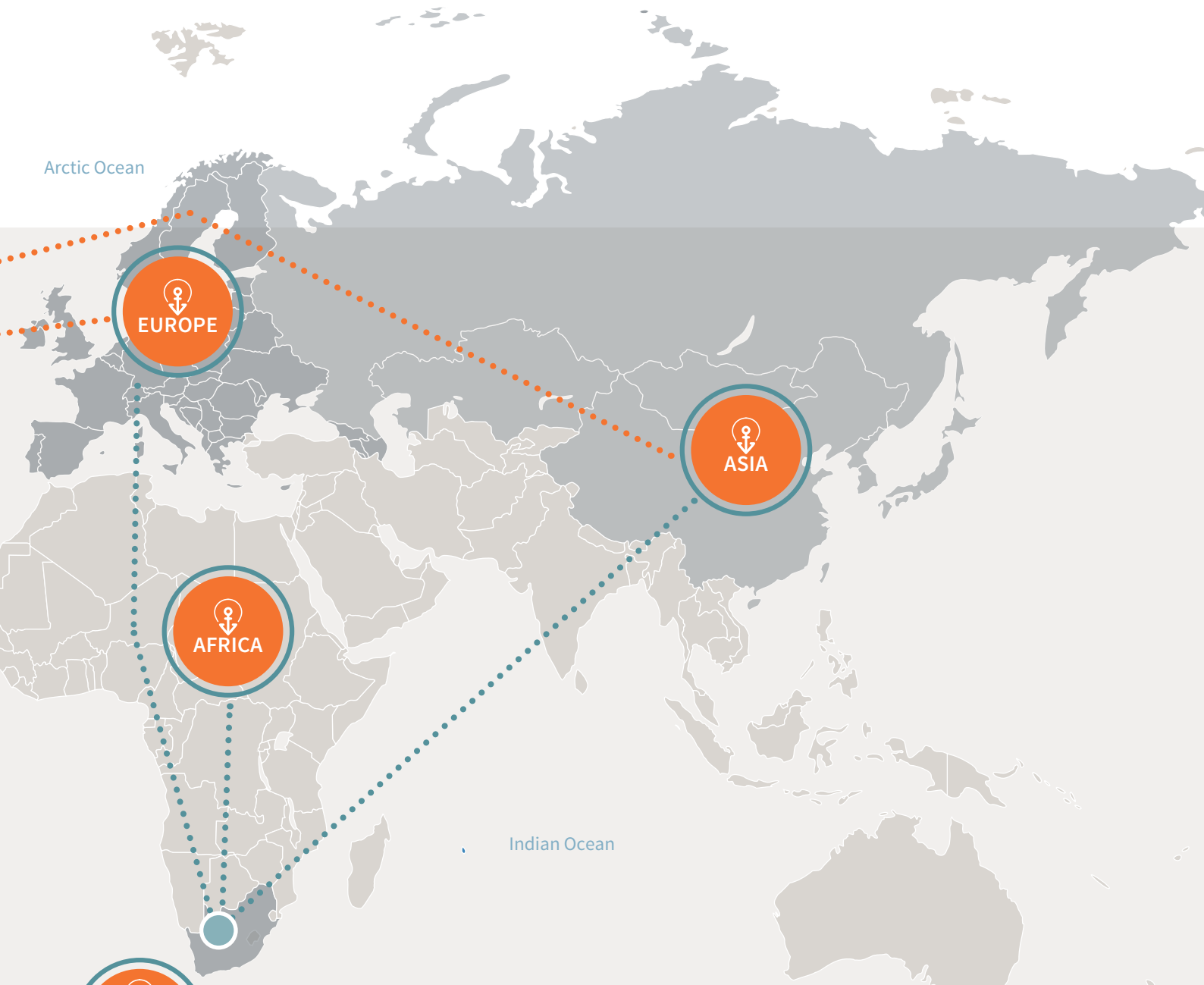
The fishmeal and fish oil ("FMO") businesses delivered a strong performance in the 2022 financial year. This was largely due to improved landings, favourable pricing and good demand. A global overview of our fishmeal and oil value chain is depicted below identifying material export markets.



DAYBROOK FISHERIES INC. (USA)

Catch	Gulf menhaden
Landings	▲ 55%
Production	Fishmeal and fish oil
Price (US\$)	Fishmeal ▲ 8%
	Fish oil ▲ 49%

* Includes Westbank Fishing LLC, in which Daybrook has a 25% shareholding.



 **16**
VESSELS

 **2**
PROCESSING PLANTS

.....
LUCKY STAR (SA)

Catch	Anchovy and red eye
Landings	^ 8%
Production	Fishmeal and fish oil
Price (R)	^ 30%

Our performance and value impact at a glance

REVENUE - TOTAL

R8.44bn
2021: R7.63bn

OPERATING PROFIT - TOTAL

R1.26bn
2021: R1.18bn

HEPS - TOTAL

606 cents
2021: 550 cents

REVENUE*

R8.15bn
2021: R7.30bn

OPERATING PROFIT*

R1.25bn
2021: R1.13bn

HEPS*

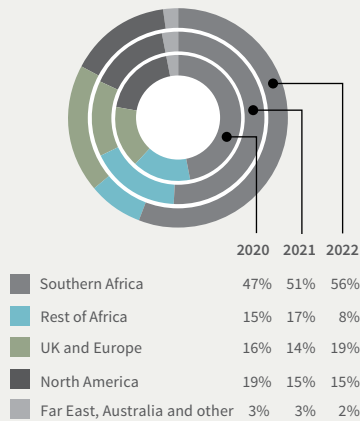
626 cents
2021: 536 cents

* From continuing operations. CCS has been treated as a discontinued operation and classified as held for sale as per IFRS 5.

We prioritise diversity

42.86% BLACK EXECUTIVE MANAGERS **81.44%** OF PROCUREMENT SPEND IS DIRECTED TO B-BBEE SUPPLIERS

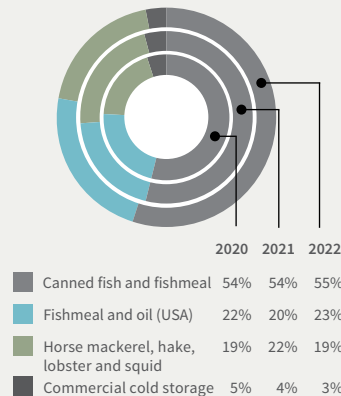
REVENUE CONTRIBUTION BY REGION



Providing healthy, affordable food is our biggest impact

Over **R1bn** distributed to Oceana Empowerment Trust beneficiaries

REVENUE CONTRIBUTION BY SEGMENT



85.06% of fish harvested is SASSI green-listed

Level 1
B-BBEE CONTRIBUTOR

Maintained our **JSE FTSE4Good** rating

LEVERAGE RATIO

1.70 times

2021: 1.50 times

CLOSING STOCK

▲ 72% canned fish

▲ 173% FMO

DPS

346 cents

2021: 358 cents

FMO US\$ PRICING

▲ 52% fish oil

▲ 10% fishmeal

DIVIDEND COVER RATIO

1.75 times

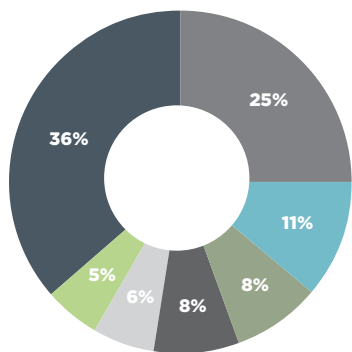
2021: 1.5 times

CASH AND CASH EQUIVALENTS

R486.46m

2021: R827.80m

OWNERSHIP



- Brimstone – 32 734 131 shares
- M&G Investments – 14 319 188 shares
- Coronation Fund Managers – 10 969 173 shares
- PIC – 10 733 578 shares
- Saam-Sonke – 7 825 908 shares
- Camissa – 7 087 809 shares
- Other – 46 762 017 shares

Skills development spend on black employees

R41.7m in 2022

(South Africa and Namibia)

1 092

Hout Bay community and small-scale fishers attended training programmes

R7.2m

invested in fishing communities (South Africa and Namibia)

42.70% FEMALE REPRESENTATION IN SA WORKFORCE OF WHOM 94.18% ARE BLACK

37%

reduction in potable water usage from our baseline of 2018

Excludes Daybrook

75

years listed on the JSE

1

fatality

Lost Time Injury Frequency Rate at 0.93%

In terms of our value creation for our various stakeholder groups refer to page 48.

Our culture journey

IN 2021, WE PUBLISHED OCEANA GROUP'S LEADERSHIP STATEMENT

We have instilled a purpose-led culture with a meaningful shift towards an emerging culture of resilience. Our actions are based on the premise that we live in an imbalanced society and that it is our responsibility, as a leader in our sector, to contribute to addressing these imbalances in whichever way we can.

- We, the Board members, management and staff, positively impact lives
- We embrace a diverse Oceana where people participate, thrive and are celebrated
- We are energised by the joy of service (to the community, environment, society, customers and colleagues)
- We see stakeholders (shareholders, customers, suppliers, staff and communities) as partners in creating shared value
- We are masters of our trade (brilliant at the basics, responsible, focused, diligent and determined)
- We relentlessly drive improvement
- We remain agile in a world of constant change (environment, economy and consumer)



In 2022, we progressed our culture journey by means of a Group-wide engagement survey. Using the Gartner method, we actively engaged 3 000 staff as part of a broader intervention to define, communicate and embed the Group's core values and to measure engagement levels. We see culture work as intrinsic to fulfilling our purpose: by improving team cohesion and creating a sense of commitment in the work place, we help our teams deliver beyond "the numbers".

Participation in the survey was high at 53%, with 65% of those surveyed assessed as being "engaged" or "actively engaged". Given the governance challenges and negative press coverage earlier in the year, we were pleased that 95% of those surveyed felt they could be honest in answering the survey.

We achieved a positive Employee Net Promoter Score ("eNPS"). The eNPS is a measure of employee advocacy for the business as an employer. It asks employees how likely they are to recommend Oceana to other people who currently do not work for the business. The survey also identified key areas for improvement, including recognition and understanding of career paths within the organisation. Each business area will deliver action plans to address engagement issues identified in the survey.

REFINING OUR CORE VALUES

Core company values shape our company culture and impact our business strategy, they help us fulfil our purpose, improve team cohesion, and create a sense of commitment in the workplace.

Through a process of surveys and focus groups, five core values have been determined: **teamwork, respect, accountability, courage** and **trust**. The behaviours that will activate these values will be well articulated and 2023 will see engagement and communication about living the Oceana values to ensure that we create an Oceana where people are treated with dignity, respect and trusted to contribute courageously to the success of Oceana. The participation in this process was positive and overwhelmingly our employees expressed a strong sense of gratitude for having an opportunity to have their say on our values.



TOGETHER WE ACHIEVE MORE



WE TREAT OTHERS THE WAY WE WANT TO BE TREATED



WE ARE RESPONSIBLE FOR OUR WORDS, ACTIONS AND RESULTS



WE HAVE THE STRENGTH TO SAY AND DO WHAT IS RIGHT



WE CHOOSE TO PLACE OUR CONFIDENCE IN THOSE AROUND US



Who governs us

DIRECTORATE

The diversity and experience of our Board underpins our ability to navigate the everchanging operating context. Our Board provides ethical leadership and guidance to deliver long-term value to shareholders and stakeholders and is committed to ensuring that good governance practices are applied throughout all aspects of the business.



Mustaq Brey ⁽⁶⁸⁾
 Chairman, non-executive director
 BCompt (Hons), CA(SA)

28 45



Neville Brink ⁽⁶²⁾
 Chief Executive Officer, executive director
 Marketing Management

25 36



Ralph Buddle ⁽⁵⁶⁾
 Interim Chief Financial Officer, executive director
 CA(SA)

1 36



Peter de Beyer ⁽⁶⁷⁾
 Lead Independent non-executive director
 BBusSc, FASSA

14 45



Zarina Bassa ⁽⁵⁸⁾
 Independent non-executive director
 BAcc, Dip Acc, CA(SA)

11 34



Nomahlubi Simamane ⁽⁶³⁾
 Independent non-executive director
 BSc (Hons)

13 40



Bakar Jakoet ⁽⁶⁶⁾
 Independent non-executive director
 CA(SA)

3 39



Lesego Sennelo ⁽⁴⁵⁾
 Independent non-executive director
 BCompt, BCom Acc (Hons), HDip Auditing, CA(SA)

5 19



Nisaar Pangarker ⁽⁵¹⁾
 Non-executive director
 BBusSc, MBA

5 27



Peter Golesworthy ⁽⁶⁴⁾
 Independent non-executive director
 BA (Hons) Accountancy Studies, CA

2 40



Thoko Mokgosi-Mwantembe ⁽⁶¹⁾
 Independent non-executive director
 BSc, MSc

2 34



Zaf Mahomed ^{(54)*}
 Chief Financial Officer Designate
 BCom, BCom (Hons), CA(SA), MBL

0 29

■ Years of service
 ■ Years of experience

* Will be appointed as an executive director on 1 February 2023

We have a unitary Board with eleven directors, the majority of whom are non-executive directors and a lead independent director (“LID”) to ensure that the necessary independence is maintained in the functioning of the Board.

The Board confirms compliance with the provisions of the Companies Act and/or relevant laws of establishment, specifically relating to its incorporation and furthermore operating in conformity with its MOI and/or relevant constitutional documents.

BOARD DIVERSITY AND INDEPENDENCE

The Board appreciates that it requires an array of knowledge, skills, experience and diversity as well as independence to discharge its governing roles and responsibilities and to remain relevant. Board appointments are made on merit, having due regard for the benefits of diversity in its widest sense. We believe that companies that embrace gender, race and ethnic diversity achieve better financial performance and Oceana has achieved recognition as having one of the most diverse boards on the JSE.

Although the Chairman is not an independent non-executive director, a LID ensures that the necessary independence is maintained in the functioning of the Board. The roles and responsibilities of the Chairman and lead independent director can be found in the Board Charter available on our website at www.oceana.co.za.

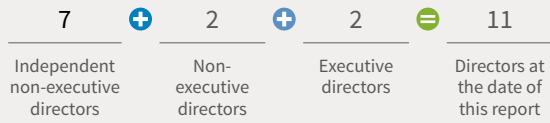
The Board is comfortable that its LID, Peter de Beyer, its independent non-executive directors and its Company Secretary remain independent as required by King IV. The Company Secretary for the period 1 October 2021 to 4 March 2022 was Adela Fortune and Ralph Buddle assumed the role as the interim Company Secretary for the period 9 March to 31 July 2022. Nicole Morgan assumed the role of Company Secretary effective from 1 August 2022. The Board is comfortable that an arms-length relationship existed between the Board, Adela Fortune and Ralph Buddle during the period that they served as the previous Company Secretaries.

The Board is comfortable that an arms-length relationship exists between the Board the Company Secretary, Ms Nicole Morgan. Based on the Board’s assessment of the Company Secretary, the Board confirmed it has received the required guidance on governance and compliance matters, has received timeous communication and is satisfied with the qualifications and expertise of the Company Secretary.

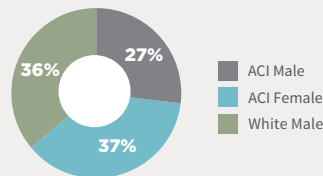
THE FOLLOWING CHANGES TOOK PLACE DURING THE YEAR:

- Imraan Soomra resigned as Chief Executive Officer (“CEO”) and an executive director effective 14 February 2022
- Neville Brink was appointed as Interim CEO on 14 February 2022 and as an executive director of the Board on 21 February 2022. His appointment as CEO was made permanent on 2 June 2022
- Adela Fortune resigned as the Company Secretary on 4 March 2022
- Ralph Buddle was appointed as Interim CFO on 23 February 2022, as interim Company Secretary on 9 March 2022 and as an executive director on 3 June 2022, following the suspension of Hajra Karrim
- Hajra Karrim’s employment as CFO was terminated on 3 June 2022 and her tenure as an *ex-officio* director of the company also ceased on this date
- Nicole Morgan was appointed as Company Secretary on 1 August 2022
- Zafar (Zaf) Mahomed is currently the CFO designate and will assume the role of CFO and executive director of the company on 1 February 2023

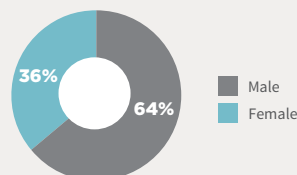
BOARD COMPOSITION



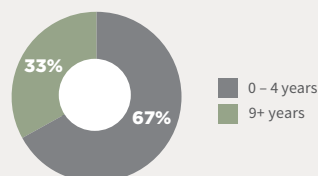
RACE



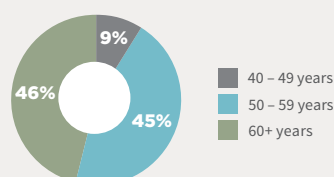
GENDER



TENURE



AGE



SKILLS AND EXPERTISE



Who leads us

EXECUTIVE COMMITTEE

Oceana's Exco comprises a diverse and experienced management team who bring a wealth of knowledge to the Group. Our Exco comprises of 12 individuals. The combined skills and experience of our executives, each with a clearly defined and focused portfolio, has contributed to Oceana delivering sustainable value for all its stakeholders.



Neville Brink (62)
Chief Executive Officer
Marketing Management

26 36

Ralph Buddle (56)
Interim Chief Financial Officer, executive director
CA(SA)

1 36

Trevor Giles (52)
Group Executive: Business Development and Mergers and Acquisitions
BCom (DipAcc), CA(SA)

23 27

Zaf Mahomed (54)
Chief Financial Officer Designate
BCom, BCom (Hons), CA(SA), MBL

0 29



Bronwynne Bester (44)
Chief People Officer
BCom (Hons), MCom

2 18

Zodwa Velleman (46)
Group Executive: Regulatory and Corporate Affairs
BJuris, LLB (Admitted Attorney)

3 19

Jillian Marais (50)
Group Executive: Risk and Compliance
BA LLB (Admitted Attorney)

11 24

Suleiman Salie (55)
Managing director of Lucky Star Operations
BSc Mech Eng

12 32



Bjorn Kwak (43)
President of Daybrook Fisheries
Bachelors in Law

10 19

Lourens de Waal (56)
Managing director of Lucky Star Marketing and Sales
HND in Cost & Management Accounting

10 32

Ina Botha (49)
Managing director of Blue Continent Products
BCom

6 22

Adam Firfirey (47)
Acting Managing director of Commercial Cold Storage
CA(SA)

17 20

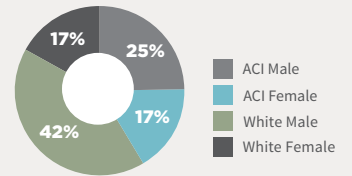
■ Years of service ■ Years of experience

IN ADDITION TO THE EXECUTIVE DIRECTOR CHANGES, THE FOLLOWING EXCO CHANGES OCCURRED:

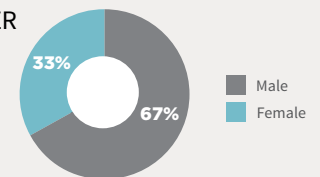
- Jay Erskin resigned as President of DFI effective 30 November 2021
- Bjorn Kwak was appointed as President of DFI effective 1 December 2021
- Ina Botha previously held the position as Managing director of CCS and was appointed as Managing director of BCP on 1 April 2022
- Adam Firfirey was appointed as acting Managing director of CCS on 1 April 2022

EXECUTIVE COMMITTEE COMPOSITION

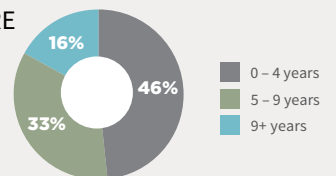
RACE



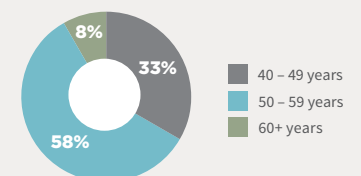
GENDER



TENURE



AGE





Chairman's Report

Overcoming this year and producing a solid set of results is testament to the resilience and strength of Oceana and its people. It has also been a year in which we celebrated being listed on the JSE for 75 years.



Mustaq Brey
Chairman

This has been an unusual year, characterised by two very distinct periods. In the first half of the financial year we experienced significant turbulence, with unexpected changes in our leadership team, a challenging operating environment, high input costs and low opening inventory levels, collectively contributing to a decrease in Group operating profit and headline earnings by 37% and 50% respectively for the 6 months ended 31 March 2022. The second half of the financial year saw a marked turnaround, with very strong performance reflecting the impact of the strengthened team morale under the new leadership team, aided by some positive external tailwinds, resulting in a very pleasing increase in Group operating profit, before other operating items, of 11% for the year to R1.25 billion (from continuing operations).

ADDRESSING THE WHISTLE-BLOWER ALLEGATIONS

As has been reported in some detail in previous disclosures, our financial year got off to a particularly challenging start with an unprecedented whistle-blower incident at the start of the 2022 financial year. This resulted in delays to the publication of our 2021 financial results and annual report and led to the unexpected departure of the previous CEO and Company Secretary respectively, as well as the suspension, in February 2022, of the previous CFO, on a precautionary basis, pending a disciplinary process. As a result of that process, which was chaired by a retired judge of the Supreme Court of Appeal, the contract of employment between the Company and the CFO was terminated in June 2022, based on findings of gross misconduct.

Throughout these leadership changes, the Company has fully respected the rights and privacy of the individuals concerned, despite false and grossly misleading information in the media, and several speculative and inaccurate articles being published. At the outset the Board agreed

it would not name, blame or sacrifice any individuals and would act within the constraints of the law and common decency. We have done so unwaveringly during this year.

The process the Board followed in response to the whistle-blower concerns has been reported at length in our 2021 annual report, as well as in numerous engagements with the JSE, lenders, shareholders and the media, and through regular SENS announcements. A detailed summary of the findings of the forensic investigation was made available on Oceana's website (www.oceana.co.za). As outlined in that summary, the investigation found no evidence of any fraud or criminal conduct, and concluded that none of the matters considered resulted in financial loss to the Company. The investigation did, however, identify certain concerns regarding company culture and leadership behaviour, as well as some technically subjective differences in interpretation of the accounting treatments of certain transactions. Full details of these concerns and our remedial measures are available in last year's annual report. As a result of the whistle-blower allegations and the forensic investigation, the Financial Sector Conduct Authority ("FSCA") initiated a regulatory investigation, the outcome of which is pending. Further information on the FSCA investigation is contained in the Audit Committee report on page 127.

CHANGE IN EXTERNAL AUDITOR

For the reasons outlined in some detail in last year's Audit Committee report, the Committee had some specific concerns with the effectiveness of the newly appointed external auditors, PwC, including the non-adherence to reporting deadlines. There was also a difference in opinion between the Board and PwC regarding how Westbank should be treated in the Group financial statements. Our view on this matter was supported by independent technical advisors and our previous

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STRENGTH

external auditors, Deloitte. On 27 May 2022, PwC announced their resignation as Oceana's external auditors. This announcement came one business day before a planned shareholder consultation to discuss PwC's ongoing appointment given the strained relationship resulting from the unnecessary delays in completing the 2021 audit and the unprecedented low 62% vote in support of their reappointment. The Board supports the principle of mandatory audit firm rotation and recognises the importance of appointing competent and independently minded auditors. Following a thorough independent tender process and on the audit committee's recommendation, the Board appointed Mazars as Oceana's external auditors for the financial year ending 30 September 2022.

CHANGES TO THE BOARD

Following the resignation of Mr Imraan Soomra as executive director and CEO on 14 February 2022, the Group appointed Mr Neville Brink as Interim CEO effective 14 February 2022 and as an executive director effective 21 February 2022. Neville was appointed permanently in the role of CEO on 2 June 2022. He has 35 years of experience in the fishing sector, with 27 years working across Oceana, including 11 years as managing director at one of our larger divisions, BCP.

In February, Mr Ralph Buddle was appointed as Interim CFO, following the suspension of then Group CFO, Ms Hajra Karrim. Ralph continued to serve in this role after the termination of Ms Karrim's contract while the Company completed the process of appointing a new permanent CFO. I am pleased to announce that after an extensive recruitment process, by a selection panel of designated non-executive directors, the Company appointed Mr. Zafar (Zaf) Mahomed as CFO Designate effective from 1 November 2022 and he will assume office as Oceana's CFO and executive director with effect from 1 February 2023, to allow for a smooth transition and handover. Zaf has a proven track-record in the telecommunications, food franchise and furniture retail industries, having served most recently as CFO of Cell C and McDonald's South Africa. The Board extends its sincere thanks and appreciation to Mr. Buddle for stepping in to assist the Board and the Group on an

interim basis and note that he was a significant role-player in driving a positive culture and stabilising the business during recent months.

In line with our internal succession plan and Board rotation process, there have been changes in some of our Board committees. Neville was appointed to the Risk Committee and the Social, Ethics and Transformation Committee, with effect from 1 August 2022, while Mr Aboubakar (Bakar) Jakoet has been appointed to the Corporate Governance and Nominations Committee and took over as Chairman of the Risk Committee, effective from 15 August 2022.

BOARD ASSESSMENT

An independent Board assessment was undertaken in October 2022, which reviewed the composition and performance of the Board. The results of the assessment will be received, reviewed and analysed in the 2023 financial year.

STRONG PERFORMANCE IN THE SECOND-HALF

Reflecting on the Company's overall performance for the year, various highlights stand out. The Lucky Star canned foods business has continued to deliver, with another year of solid sales, as well as increasing market share in overall protein consumption in the country, reflecting the strength of our brand. We also saw a welcomed increase in production and sales volumes in our African fishmeal and fish oil business, with results boosted by strong fish oil pricing and a weaker rand. DFI delivered an excellent performance, with a significant increase in throughput – reflecting healthy fish stocks, favourable fishing conditions and strengthened offloading efficiencies – aided by strong dollar pricing for fishmeal and fish oil.

Performance in our hake and horse mackerel operations has been disappointing, with high fuel and quota costs and poor catch rates offsetting strong demand and pricing. Weather-related disappointing squid landings were mitigated by record price levels. In response to persistent pressure on WCRL, we have closed parts of our West

Chairman's report continued

Coast lobster business, transferring all land-based jobs to Lucky Star Operations; to keep the business viable, we will be collaborating with SMME quota holders. Despite this year's disappointing performance for BCP, the outlook for hake, horse mackerel, South Coast rock lobster ("SCRL") and squid is positive, with generally strong resource stocks, and positive demand as well as price prospects.

On 4 October 2022, we announced that an agreement was reached to dispose of the cold storage business, enabling Oceana to focus on opportunities more aligned to its strategic objectives in the global fish protein sector, and allowing the purchaser to realise its ambitious goals of expanding the CCS footprint across Africa, while securing medium-term cold-storage services for Oceana at market-related rates.

Looking ahead, I remain optimistic that Oceana is well positioned to deliver further growth, notwithstanding significant challenges in our operating environment, both locally and globally. The Company has a diverse portfolio – in geographies, fish stocks, and target markets – that strengthens our resilience in the context of cyclical fishing patterns, dynamic weather conditions and continuing market turbulence. The Company is further diversifying its portfolio in the protein space, harnessing the strength of the Lucky Star brand, and its resources and expertise in canning and supply chain logistics, to deliver exciting new opportunities for organic growth, while continuing to explore compelling opportunities for acquisition.

ACKNOWLEDGEMENTS

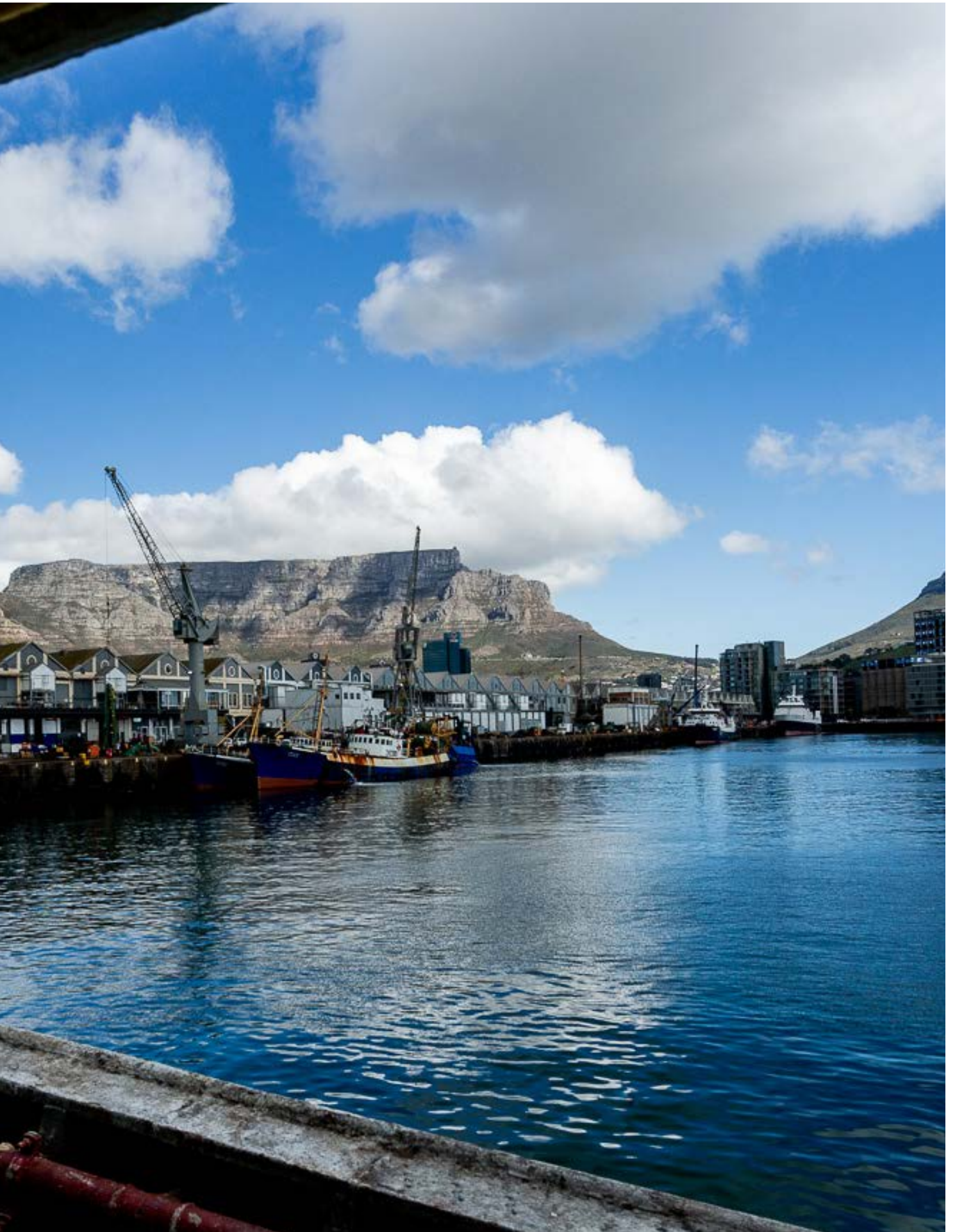
On behalf of the Board, I would like to extend my sincere appreciation to Neville Brink and Ralph Buddle for stepping in as CEO and interim CFO respectively. Neville took on this challenge shortly before his scheduled retirement, and he has done a phenomenal job, along with his leadership team, in settling the ship. Particular thanks are also due to the non-executive directors – and especially our lead independent

director, Peter de Beyer, and Chairs of the Audit and Social, Ethics and Transformation Committees – Zarina Bassa and Nomahlubi Simamane respectively – for their unwavering commitment, professionalism and service in availing themselves diligently and extensively throughout the extremely challenging period from late October 2021 through to the middle of 2022. Their dedication, selfless service and support has been essential in maintaining the integrity of the Group and its governance processes. I wish to extend my sincere appreciation to Zarina Bassa, for her exemplary service to the Group. She served with excellence, integrity and diligence in the demanding role of Audit Committee Chairperson during this difficult period. Zarina will retire as Chairperson of the Audit Committee and as a Non-Executive Director of the Board at the forthcoming AGM and we thank her for her commitment to the Group. Peter Golesworthy will succeed Zarina as the Chairman of the Audit Committee, subject to his re-election as a director at the upcoming AGM.

Finally, I wish also to express our deep appreciation to our management, staff, partners, suppliers, customers, investors and lenders for their patience and understanding throughout the period of uncertainty at the beginning of the year, as well as to the Oceana management team and to all of Oceana's employees for their role in helping Oceana continue to thrive in challenging times. The events over the past year have been challenging, but the Company has risen to the challenge, reflecting the underlying strength of the Company and the resilience of its portfolio. Oceana is one of a handful of local companies to have celebrated a centenary; I have no doubt it has a strong future.



Mustaq Brey
Chairman
25 January 2023



Chief Executive Officer's Report

Looking back on the year, I am very proud of what we were able to achieve as a business. Our people once again proved to be extremely resilient under difficult conditions, and their dedication and commitment to see Oceana succeed is reflected in our performance.



Neville Brink
Chief Executive Officer

A TURNAROUND PERFORMANCE UNDER TOUGH CONDITIONS

It has been a year of two halves that has tested Oceana's resilience and adaptability. We opened the year with very low inventory levels across the Company. This challenge was compounded by a massive cost push due to global pressure on input costs. We saw significant increases in the prices for steel, fuel, freight, and key inputs such as tomato paste, as well as higher wage increases due to inflationary pressures, which we could not recover in a price increase to our customers. Halfway through the year, we reported a 37% decline in operating profit and an 11% drop in revenue.

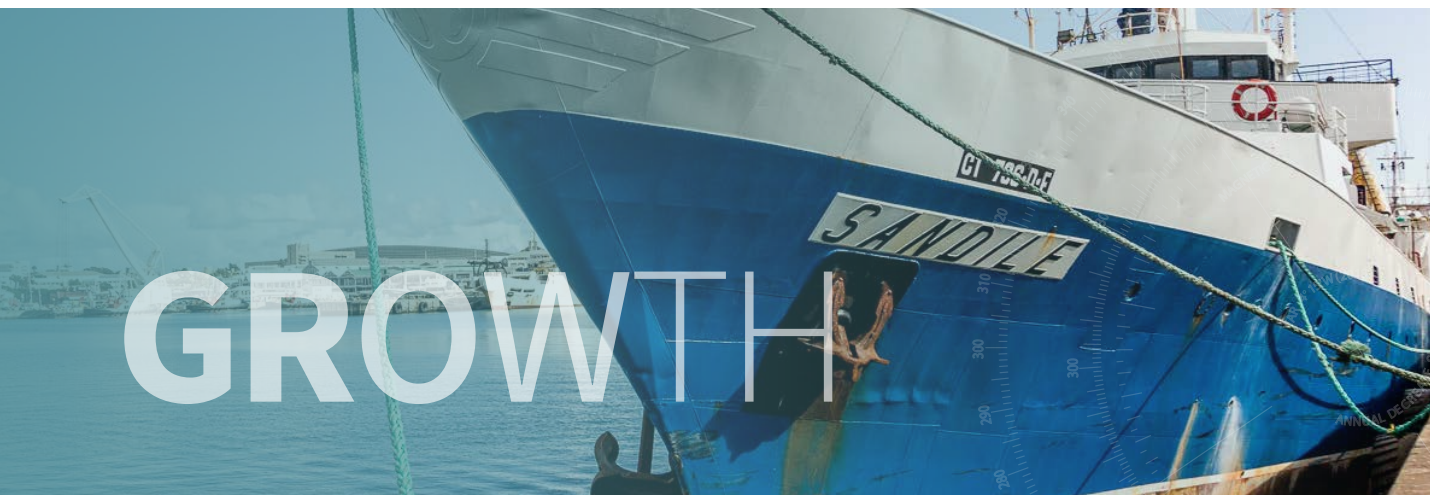
In the last six months of the year, we delivered a pleasing turnaround in performance driven by focused strategy execution aided by improved operating conditions. Results were underpinned by DFI's strong performance, with just over 700 million fish caught and processed this year (55% ahead of last year), as well as the strong demand for affordable fish proteins generally across our markets. Given inflationary pressures for other proteins, our Lucky Star business has been well positioned in terms of pricing. Group revenue this year was up 11% to R8.4 billion, while our Group operating profit before other operating items increased by 6% to R1.3 billion (total operations).

Our Lucky Star canned foods business delivered a strong performance in a constrained consumer climate. After a poor first six months due to low opening stock levels, strong demand and supply normalisation in the second half of the year resulted in total sales volumes being on par year-on-year. This equates to 8.8 million cartons sold in 2022, compared to the 8.9 million cartons sold in the prior year. Cost pressures, including

freight costs and the weaker rand against the US dollar effect on the cost of imported fish, were partially mitigated by a 45% increase in local canning production. Lucky Star's performance reflects the underlying category strength of affordable fish protein in a constrained consumer market, as well as the distinct value of the brand. Leveraging the strength of the brand, Lucky Star has broadened its extensive reach by successfully launching a number of new canned foods product offerings during the year. These offerings extend the range of alternative product offerings under the Lucky Star brand and extend the potential of this iconic South African brand.

Our African fishmeal and fish oil operations benefitted from strong fish oil pricing, higher oil yields and the weaker rand against the US dollar, which resulted in a 38% increase in average rand selling prices. The operations further benefitted from higher production and sales volumes of 8% and 6% respectively, driven by strong product demand particularly among aquafeed producers. Our African fishmeal and fish oil operation continued to right-size its fleet and bring it in line with the size of the local fish resource, with a larger component of its fishing fleet now on a variable cost base.

Our US-based fishmeal and fish oil business delivered a great performance and enjoyed significantly improved landings due to a combination of favourable fishing, improved weather conditions, increased vessel capacity and improved vessel technology (resulting in a 55% increase in landings by Westbank), as well as greater offloading

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efficiencies driving a 4% improvement in daily throughput. Strong dollar pricing for fishmeal and particularly fish oil relating to the global commodity price surge due to the Russia-Ukraine war and the effect of the weaker rand on translation further contributed to an improved performance, offsetting the impact of high inflation and input costs. Our focus on the mid-tier pet food customer base in the US, is delivering results, allowing us to secure price premiums.

BCP delivered a disappointing performance this year. Horse mackerel sales volumes decreased by 16% due to lower catch rates in South Africa and Namibia. The lower sales volumes were partially offset by strong demand-led pricing, especially in African export markets. Due to the difficulties in getting containers to Europe, coupled with higher freight costs, we sold more hake locally than in previous years. European demand and pricing remained firm, and we will capitalise on this as we start to export again. Both operations were adversely impacted by high fuel costs, which increased to 40% to 45% of production cost make up in the year compared to 20% to 25% in the prior year. The deep-sea trawl hake resource continues to be well-managed and offers a positive long-term outlook. In the face of ongoing reductions in the offshore commercial TAC for WCRL, compounded by the increasing cost of operations, we decided to consolidate the West Coast Lobster operations with a long-term partner resulting in closing the land based facility. Most affected staff were transferred to Lucky Star Operations ("LSO") division. We are now moving toward a fully variable operating model by collaborating with SMME quota holders and operators to create the necessary volumes to make the business viable. This will enable us to capitalise on persistent demand and prices, particularly in China. Pleasingly, we made a healthy margin on SCRL, and this remains a healthy resource with potential for an increase in TAC. Squid catch rates were very poor throughout the industry due to the La Niña weather conditions, decreasing 64% year-on-year. However, we benefited from the record-high squid price levels due to high demand and limited availability globally.

CCS was negatively impacted by an overall 6% decline in occupancy levels, primarily due to performance in the Western Cape which was negatively impacted by lower import activity, excess market storage capacity and a poor loose fish season. Gauteng similarly delivered a depressed performance, with lower chicken throughput resulting in decreased occupancy. Walvis Bay again delivered a standout performance; aided by good horse mackerel landings. As a result of the lower occupancy and capacity levels after the exit from the Durban store in the prior year and the resultant impact on fixed cost recovery, revenue decreased by 14% and operating profit by 19%. In October 2022 we concluded an agreement to dispose of the CCS business subject to regulatory approvals, in a transaction that will enable us to focus more on our core strategic objectives and strengths in the fish protein sector.

POSITIONING OUR STRATEGIC RESPONSE FOR LONG-TERM GROWTH

I believe our turnaround performance in the face of a tough first six months and incredibly disruptive prior year demonstrates not only that Oceana has the right strategy in place, but also that we can deliver on that strategy.

We are focused on leveraging the strengths of our existing portfolio as well as identifying opportunities for growth and expansion, through three strategic focus areas.

Firstly, Lucky Star provides us with an incredibly strong and iconic branded business, where we are not confined by quota given our strategy to source from a range of resources throughout the world, nor by limitations on market penetration. To ensure a reliable and

Chief Executive Officer's Report *continued*

sustainable supply of affordable protein, Lucky Star is broadening its geographies and bedding down its ability to be more flexible in terms of processing all standards of fish. Building on our strong market share in South Africa as a leading pilchard brand, we see potential to increase consumption by growing in the canned fish category, as well as expanding into the highly attractive canned protein sector. The Lucky Star brand has proven its ability once again to extend outside of canned fish to other types of canned foods and protein. Importantly, we see massive potential to test the true strength and resonance of the aspirational brand, which has not yet been fully explored. I believe that this presents an exciting opportunity.

The second strategic growth area of our business is in our FMO operations, which include DFI in the USA and our local fishmeal plants in South Africa. Fish meal and fish oil are very much commodity markets where we remain price takers. Growth in this business is linked to volumes, which are largely determined by how efficiently we operate. Here, a key differentiator is that we are not limited by quotas in the Gulf menhaden fishery – an effort-based fishery, Total Allowable Effort (“TAE”), that runs from April to October – where “if we are smart we can catch more fish”. While our operations are quota-based in South Africa, we typically only catch between 60% – 70% of the TAC. As we remain a relatively small player, there is therefore potential to invest in the right technology and processes in both operations to ensure we can maximise our catch and optimise value to fully benefit from the massive market opportunity that FMO presents. The massive worldwide growth in aquaculture will continue to push demand for fishmeal and fish oil and should continue to drive price.

The third growth area of our business, BCP, focuses on human consumption of wild caught seafood species. This business remains stable, with solid margin growth. While we are governed by quotas, the resources we catch are high-value species that enjoy demand worldwide and are stable and well managed. We generally catch all of our quota and if we are able to protect our quotas and optimise value, we see potential to grow this business through acquisitions and by leveraging strategic partnerships.

Outside of these three key pillars, we continue to actively explore both the wild capture and aquaculture space for exciting expansion opportunities for Oceana with a focus on ensuring that any opportunity we pursue will further diversify Oceana's portfolio and enable us to compete in the worldwide fish protein sector.

While we enjoyed synergies between CCS and our other operations, we came to recognise that this business is not core to our strategy. As communicated to the market in October 2022, we entered into an agreement to sell CCS for a total consideration of R760 million. We are confident that this transaction will enable us to allocate capital to opportunities more aligned to our strategic objectives and core strengths in the global fish protein sector.

Of course, we recognise that none of this is possible if we do not have a robust, values-driven culture and a strong leadership team supported by engaged and motivated employees. Given the challenges arising from the whistleblower allegations and the consequent negative press coverage earlier in the year, areas of key strategic focus have therefore been our Oceana culture journey and brand rebuild.

We initiated a culture and engagement survey to understand how our employees feel about working at Oceana, the pressures they are facing and what we can do better as a business to deliver on Oceana's long-term growth prospects. Our culture journey is laying the foundation for a values-driven culture and demonstrating the value of engagement. It is also playing a critical role in helping us re-build team morale, break down silos across the business and strengthen cross-departmental effort and collaboration.

Like any business facing scepticism regarding its viability and stability, the best way to rebuild your reputation and reaffirm the strength of your investment case is to deliver a strong performance. I believe Oceana rose to this challenge spectacularly in the second half of the year and I look forward to engaging all our stakeholders on what we are doing to ensure the business keeps moving in the right direction in the year ahead.

Ultimately, we have a diverse portfolio that operates in the global fish protein space and where there is robust demand even in the toughest economic conditions. As someone who has worked in the fishing sector for over 35 years, and in all of Oceana's fishing divisions for 27 years, these fundamentals give me incredible confidence that Oceana is well placed for future growth.

DELIVERING ON OUR PURPOSE

It is with deep sadness that I report that one of our employees, lost his life in a workplace incident during the financial year. We have conveyed our heartfelt condolences to the families and have offered them our support. This incident was fully investigated, and while no negligence was found on the part of Oceana, in line with our commitment to zero harm in the workplace, measures for further improvement have been implemented.

With an overarching commitment to 'Positively Impacting Lives', Oceana's sustainability framework remains unchanged, guiding our focus on four key areas: job security, food security, responsible harvesting, and committing to carbon neutrality.

Job security and empowerment remain principal priorities across our operations and are particularly important in South Africa and Namibia where job security and addressing inequality are national imperatives. To this end, the ongoing implementation of our frozen fish import strategy has been critical to sustain the jobs of more than 2 000 individuals employed at our West Coast facilities. The Oceana Maritime Academy aims to address critical skills shortages in the maritime sector, including the training needs of small-scale fishers (“SSF”). This year, we continued to partner with Department of Forestry, Fisheries and Environment (“DFFE”) to deliver a training programme for SSF that helps them understand how they can manage their businesses better and operate more efficiently and safely. The training reached a further 541 SSFs across South Africa and marks the completion of training to all registered SSF cooperatives in the country.

In addition, we delivered training to the local Hout Bay community. We also continued to find opportunities to work with SMMEs along our value chain either through enterprise development programmes, partnerships or by assisting them with fleet optimisation.

Food security has become a global concern, with the pandemic pushing back gains in alleviating hunger and then the Russia-Ukraine conflict driving food insecurity and rising food prices. This has increased the need and demand for quality, affordable protein and we believe we have an important role to play in delivering healthy affordable food that is responsibly sourced. Canned fish is a particularly cost-effective high-protein option (priced near parity to poultry in South Africa) for economically strained consumers, and we are proud that over four million Lucky Star meals are consumed per day. Looking ahead, many of our products will continue to play a role in supporting food security in South Africa, Namibia and the numerous neighbouring countries we export to.

Responsible harvesting is central to the long-term sustainability and viability of our business, which depends on renewable fishing resources and the health of the broader marine environment. This year, 85.06% (2021: 86.47%) of our harvested commercial fishing rights were on the South African Sustainable Seafood Initiative (“SASSI”) green list. Gulf menhaden remains one of the few reduction fisheries in the world to be MSC certified, while our hake operations also retained its MSC chain of custody certification. Aside from WCRL, our target species are all well managed and harvested within biologically sustainable levels.

Committing to carbon neutrality is one of the most important obligations facing businesses and governments around the world. In 2020, we announced our commitment to a 50% reduction in greenhouse gas emissions by 2030 (on a 2019 baseline) and to carbon neutrality by 2050. We made good progress this year. Our project which includes a license to establish a 10MW solar facility on the West Coast is underway. We will also achieve a major reduction in our emissions by converting freon-based freezing facilities onboard our seven large BCP trawler vessels to carbon-neutral ammonia and other suitable gas-based systems. To better understand the effects of climate change and its related risks, we have commissioned a world-renowned scientist to undertake a long-term assessment of our primary fishing species across our various operating regions. Our South African debt-funding is tied to ambitious environmental and social sustainability goals and we are proactively aiming to meet these targets.

OUTLOOK

The outlook for the year ahead remains cautious as many of the challenges we faced in the past year, such as high inflation, unemployment, supply and demand dynamics, cost pressures and rising input costs, remain. Particularly concerning are how these factors will weigh on consumers and their ability to continue purchasing our products. Against this backdrop, growth will be challenging.

Growing in the face of such pressures and trends requires innovation and agility, particularly in support of volume growth in sustainable fisheries and managing input cost pressures. Spurred by the pandemic and the more recent Russia-Ukraine war, our procurement teams have enhanced their ability to respond to disruption and capitalise on cost savings through better risk management and thinking ahead.

We are exploring adjacent vertical integration opportunities that are complementary to our core business, thereby becoming more effective in our value chain. We are also exploring the application of new technologies in fishing practices that will enable us to maximise fish catch when weather permits.

A major highlight has been our 15-year rights allocation completed for five species, which provides the certainty needed to make investments in our industry. One of our biggest risks is an aging fleet in our hake operations and, over the next three to five years, we will be embarking on a vessel upgrade and renewal programme. We will also look to invest in vessels that can produce a wider range of products to diversify our product offering to meet the shift in consumer markets towards convenience.

Fortunately, the past year demonstrated Oceana’s mettle and ability to navigate uncertainty. Heading into the new financial year, I believe the business has the right mindset to deliver on our key growth objectives: expand our Lucky Star brand and maintain our relative affordability strategy through growing consumption, increase the volumes of our FMO operations, and pursue acquisitive growth in BCP. We also remain well-positioned to cater to lower-end market demand for affordable and healthy protein, which is critical for our customers and contributes to the ongoing strength of our business.

ACKNOWLEDGEMENTS

It is an incredible privilege for me to take on the role of CEO at Oceana, a position that I took on with no hesitancy. On a personal note, I would like to thank the Board, the executive and divisional management teams, and all Oceana employees for placing their trust in my ability to lead the Group. I am immensely honoured and firmly committed to Oceana’s long-term success.

I wish to extend my appreciation to the Oceana team for their determination and for getting behind the business during trying times. Thanks to our partners, suppliers, customers, investors and lenders who continue to support Oceana and work alongside us to take the business forward. Together, I have no doubt that we will find new and innovative ways to deliver on our purpose in the years ahead and to continue to positively impact lives.



Neville Brink
Chief Executive Officer
25 January 2023

Our business model

HOW WE CREATE VALUE

OUR CULTURE AND STRATEGY

Driven by Exco and supported by our Board:

- Positively impacting lives
- Three strategic imperatives
- Three strategic enablers

Read more about our strategy on page 58.

KEY RESOURCES



Reliable access to sustainably managed marine biomass, energy, fuel and water



Experienced, diverse leadership team and skilled employees



Positive relations with all our stakeholders



Integrated, optimised value chain, including fleet and landing capability, processing and logistics capabilities



Iconic Lucky Star brand, reputation and systems to retain confidence in product integrity and safety



Access to financial capital, enhanced through consistent delivery of investor returns and sustained market confidence

Read more about our capital inputs on pages 33 to 38.

KEY RELATIONSHIPS

- Employees and trade unions
- Shareholders, investors and media
- Government and regulatory authorities
- Customers and consumers
- Local communities, SSFs and NGOs/NPOs
- Suppliers and service providers
- Industry organisations, research bodies and business partners

Read more about our stakeholders on page 48.

GOVERNING THE VALUE CREATION PROCESS

The divisional managers oversee the day-to-day operations and activities of the Group whilst our Board of directors are responsible for:

- Steering and setting strategic direction
- Approving policy and planning
- Overseeing and monitoring
- Ensuring accountability

OPERATING CONTEXT

FOR MORE INFORMATION SEE PAGE 42

ISSUES IMPACTING VALUE

- Global supply chain challenges, rising inflation and input costs, and exchange rate fluctuations
- Challenging political context in our operational geographies
- Food security and global growth opportunities
- Fishmeal and fish oil pricing and the continued growth in global aquaculture
- Climate change, temperature shifts and extreme weather events
- Increasing stakeholder demands, with some linked to ESG

SENSITIVITY ANALYSIS

The impact of a change in key profit drivers

FACTOR	EXCHANGE RATE/ MOVEMENT	IMPACT (R'M)
ZAR/US\$	50c	11
Fuel Price	\$5	34

- (+) If the exchange rate weakens by 50c, **Oceana gains R11m**
- (-) If the exchange rate strengthens by 50c, **Oceana loses R11m**
- (+) If the fuel price decreases by US\$5, **Oceana gains R34m**
- (-) If the fuel price increases by US\$5, **Oceana loses R34m**

PRIMARY OPERATIONS AND ACTIVITIES

For more information see page 6

VALUE IN



OUR PROFIT FORMULA

(+) REVENUE DRIVERS

- Sale of fish and canned foods, and fish-derived products in diversified global markets across most consumer segments
- Positive exchange rate impacts

OPPORTUNITIES FOR REVENUE GROWTH AND PROTECTION

- Enhanced opportunities and reduced vulnerability through diversification of targeted species, geographies of operation and markets, and product portfolio
- Expanding market share in existing markets through ability to drive increased frequency of consumption with existing and maintained strong brand
- Positioning product in new markets, building on brand strength
- Positioning canned fish as alternative, more affordable and healthy protein
- Demonstrated ability for product customisation and innovation

VALUE PROPOSITIONS

CUSTOMER VALUE PROPOSITION

Reliable and affordable provision of responsibly harvested and processed products to individuals, retailers, wholesalers, restaurants, food producers, and feed manufacturers in diversified global markets across consumer segments.

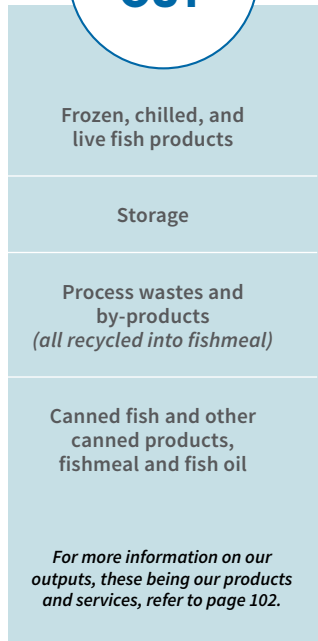
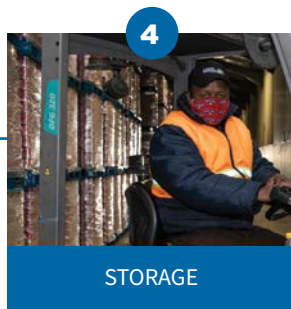
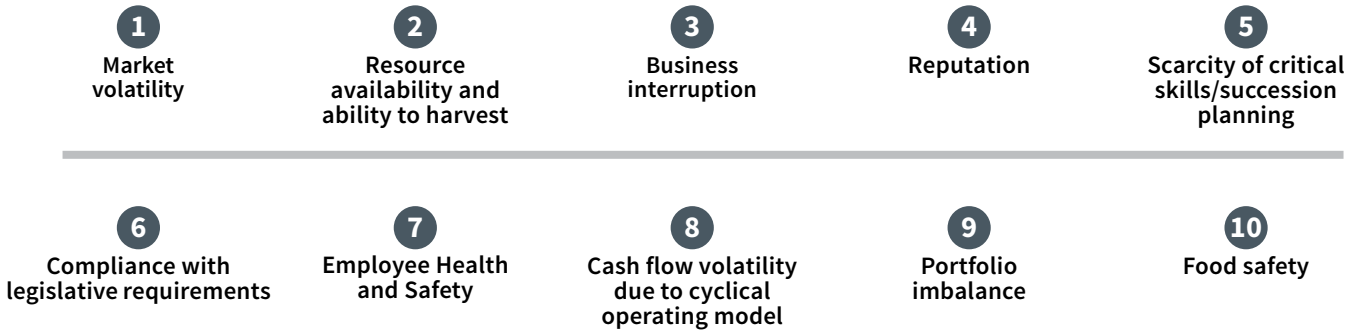
SOCIETAL VALUE PROPOSITION

Efficiently converting global fishing resources into inclusive, affordable and sustainable value for our key stakeholders.

To turn our strategy to action, our business model depicts the process of value creation through the resources and relationships (capitals) on which we depend. Although Oceana is a diversified business, value creation is still impacted by wider issues (page 42), such as volatile weather patterns and fluctuating currency value. Our culture and strategy determine our resilience and ability to create value in the short-, medium- and long-term.

OUR MATERIAL RISKS

FOR MORE INFORMATION SEE PAGE 54



(-) COST DRIVERS

- Investment in growth and diversification
- Purchase and maintenance of fleet, utilities and equipment
- Salaries and employee benefits
- Raw material (procured fish) and utility costs
- Distribution, storage and marketing
- Negative exchange rate impacts
- Regulatory and compliance costs
- Supplier and support services
- Cost of financial capital
- Fuel cost
- Taxation

OPPORTUNITIES FOR COST REDUCTION

- Optimised route to market network, with demonstrated procurement skills, supplier relations, inventory management and distribution systems, reducing supplier volatility and price uncertainty
- Cost efficiencies associated with scale of operation
- Optimised utilisation of world class, well-maintained fleet
- Reduced fixed and variable costs in plants
- Reduced currency, fuel and interest rate exposure due to geographic and product diversification and forward cover positions

EMPLOYEE VALUE PROPOSITION

Learn and earn, innovate and grow, as responsible stewards of fishing resources.

SHAREHOLDER VALUE PROPOSITION

Consistently delivering superior returns from well-managed operations and strategic partnerships, with acquisitive and organic growth in response to market opportunities.



IMPACTS/OUTCOMES

Read more about the outcomes of our value creation and preservation activities on page 32.

Our business model continued

CONVERTING FISHING RESOURCES INTO VALUE: HOW WE CREATE AND SUSTAIN VALUE

Through our people, technology and know-how, our fleet, processing plants, storage and equipment, our financial expertise and resources, and our positive relationships with critical stakeholders, we deliver significant value from a renewable natural resource.

By reinvesting this value in the capitals upon which our business depends, we maintain our capacity to create value into the future.

PRIMARY OPERATIONS AND ACTIVITIES



RELATIONSHIP MANAGEMENT

- Strong focus on maintaining trusted relationships with all critical stakeholders through active engagement and participation
- Seeking and acting on opportunities for acquisitive and organic growth



HARVEST AND PROCURE

- Optimise our operations and fleet to land assigned quota, efficiently and safely
- Maintain and expand own fishing rights, through delivery on government expectations
- Expand rights through partnership and acquisition
- Collaborate in ensuring sustainable fishing practices to maintain biomass
- Source additional raw, frozen, and canned fish through sophisticated supply chain processes



MANUFACTURE AND PROCESS

- Maintain a productive and innovative work environment and culture, attracting, retaining, and developing best talent
- Operate efficient and safe processing and canning operations
- Adhere to strict traceability and product quality and safety standards



STORAGE

- Maintain owned and leased storage, supported by effective supplier relationships



PRODUCT MARKETING, BRANDING AND SALES

- Deliver product to individuals, retailers, wholesalers, importers, exporters, restaurants, food producers, feed manufacturers, and pet owners in diversified global markets across consumer segments
- Ensure competitive pricing, continuity in supply, appropriate product information, and healthy, quality, safe branded products



NATURAL CAPITAL

Generating positive financial and socio-economic benefits through our activities results in unavoidable extraction of fisheries resources, water and energy consumption, waste and atmospheric pollutants. In addition to mitigating the negative impacts of our environmental activities, we seek to offset them through the responsible delivery of socio-economic benefits through our core activities.

COMBINED ASSURANCE:

Fish resources:

- Observers on board large vessels ensure adherence to fisheries rules and total allowable catch (“TAC”)
- Recorded landings signed-off by DFFE in South Africa and MFMR in Namibia
- For smaller species daily landings submitted to DFFE through logbooks
- Oversight of the Gulf menhaden resource by the Gulf States Marine Fisheries Commission
- Annual scientific reports on harvest species commissioned; certification programmes including MSC and MarinTrust

Other environmental issues:

- Control system audits (land-based and vessels) assured through Marsh
- Carbon verification assurance provided through Verify CO₂ Verification Agency

Resource	SASSI listing
PILCHARD (SA)	Orange
PILCHARD (Morocco FAO 34)	Green
ANCHOVY (SA)	Green
WEST COAST LOBSTER	Red
SOUTH COAST LOBSTER	Green
SQUID	Green
HORSE MACKEREL (SA)	Orange
HAKE (SA)	Green



KEY INPUTS (2022)

- Marine biomass: pilchard, Gulf menhaden, anchovy, red-eye herring, horse mackerel, hake, squid, and lobster
- 147 668 tons of fish landed, all within government assigned TAC (2021: 151 253 tons)
- 92 596 tons of frozen fish procured (2021: 63 876 tons)
- 56 442 Mwh electricity purchased (2021: 54 890 Mwh)
- 30 094 047 l fuel used (2021: 30 037 005 l)
- 369 744 kl water used (2021: 307 289 kl)



OUTCOMES OF OUR ACTIVITIES (2022)

- ✓ 85.06% of targeted SA commercial fishing rights on SASSI green list
- ✓ Hake operations and Gulf menhaden retained MSC chain of custody certification
- ✓ MarinTrust accreditation retained for 100% of fishmeal and fish oil operations
- ✓ Independent resource status reports completed for 100% of target species
- ✗ WCRL maintains SASSI red listing
- ✓ GHG emissions decreased by 5.6%, compared to FY2019 baseline
- ✓ Renewable energy projects progressed
- ✓ 30% – 40% absolute water reduction based on 2018 baseline (excludes DFI)
- ✓ Granted coastal water discharge permits in all our facilities
- ✗ Three coastal water discharge permit exceedances for LSO
- ✓ Secured an ESG-linked loan
- ✗ Delay in refrigeration conversion on hake vessels to 2023



CHALLENGES IN SECURING INPUTS:

- Low TAC for local fresh pilchard (offset by expansion in geographies for frozen fish procurement)
- SA horse mackerel resource is in a downward cycle (La Niña effect)
- WCRL TAC declined further and poor catch rates



ACTIVITIES TO PRESERVE AND SUSTAIN VALUE

- Participated in government scientific committees and industry associations for each species of fish harvested
- Engaged with and supported WCRL fisheries conservation plan
- Completed EIA and land re-zoning for solar project on West Coast
- Completed CCS solar pilot project at the Paarden Eiland site
- Implemented water stewardship and energy measures

A review of our activities to reduce our environmental impacts is provided in the following sections of our 2022 reports:

- Integrated environmental management (SR – page 39)
- Responsible fishing (SR – page 25)
- Climate change and marine resources (SR – page 27)
- Protecting the African penguin (SR – page 49)

OUTCOMES KEY

- ✓ Positive outcome (capital creation)
- ✗ Negative outcome (capital erosion)
- = Neutral outcome (capital preservation)

Our business model continued



HUMAN CAPITAL

We rely on the skills, wellbeing and motivation of employees, contractors, and service providers to generate value. Providing a safe working environment, encouraging local employment, investing in training, and ensuring fair labour practices, are critical to maintaining effective employee relationships.

COMBINED ASSURANCE:

Safety:

- External risk and safety control system audits conducted by Marsh on land-based facilities and vessels
- In-house risk and safety audits completed as additional level of assurance
- South African, Namibian and USA fishing regulations mandate crew members to undergo maritime authority safety training courses
- ILO Work in Fishing Convention (No. 188) ensures best practice in occupational safety and health protection, conditions of work on board vessels, working hours, accommodation and food, medical care and social security



KEY INPUTS (2022)

- 4 216 skilled and motivated employees (2021: 4 195)
- Strong and diverse leadership team
- An agile, performance and values-based, purpose-led company culture



OUTCOMES OF OUR ACTIVITIES (2022)

- ✓ R1.2 billion invested in salaries and benefits (2021: R1.0 billion)
- ✓ 7.8 million shares issued to Saam-Sonke Trust
- ✓ Maintained employee motivation, skills, diversity and talent through:
 - R41 million invested in employee skills development (R36 million on black employees)
 - Delivered financial literacy training to employees in SA
- ✓ 3 000 staff actively engaged as part of the Group culture survey (53% participation rate)
- ✓ Positive eNPS
- ✗ 11% staff turnover rate
- ✓ LTIFR of 0.93, lower than threshold of 1.4 (2021: 1.15)
- ✗ One fatality on *Desert Diamond* (BCP)



CHALLENGES IN SECURING INPUTS:

- No challenges this year



ACTIVITIES TO PRESERVE AND SUSTAIN VALUE

- Employee engagement survey and culture drive to define core values
- Visible leadership drive
- Delivered accredited training through Maritime Academy
- Continued emphasis on safety culture
- Wellness initiatives implemented across the business

A review of our activities in these areas is provided in the following sections of our 2022 reports:

- Promoting transformation in South Africa (IR – page 62)
- Galvanise the workforce (IR – page 82)
- Oceana Maritime Academy (IR – page 86)
- Investing in training and skills (SR – page 55)
- Driving transformation (SR – page 33)

OUTCOMES KEY

- ✓ Positive outcome (capital creation)
- ✗ Negative outcome (capital erosion)
- = Neutral outcome (capital preservation)



SOCIAL AND RELATIONSHIP CAPITAL

We strive to maintain positive relations with employees, regulators and other stakeholders through demonstrated performance on transformation and responsible ocean stewardship; minimise negative community relationships associated with odour complaints; and create value for customers and communities through investments in food safety, job security, skills development and food security.

COMBINED ASSURANCE:

- Employment equity and workforce diversity assured through Empowerdex's annual external B-BBEE audit, the Department of Labour and through our internal audit function conducted by BDO



KEY INPUTS (2022)

- Positive customer relationships
- Positive employee relations
- Constructive engagement with government and regulators
- Investor confidence
- Positive media relations
- Positive supplier and partner relations
- Community trust and collaborative partnerships



OUTCOMES OF OUR ACTIVITIES (2022)

- ✓ Customer and consumer loyalty maintained
- ✓ 95% of employees surveyed felt they could be honest in our culture survey; positive eNPS
- ✓ Positive FRAP outcome securing 15-year rights for five species
- ✓ Maintained positive government relations particularly around the SSF programme:
 - R288 million in taxes paid in South Africa, Namibia, and USA (2021: R314 million)
 - Achieved a level one rating in B-BBEE
 - 1 000 SSF trained in partnership with DFFE
- ✓ Retained our top 20 investors
- ✗ Negative sentiment score in media in response to whistleblower allegations and delay in 2021 AFS
- ✓ Positive sentiment score in media towards year-end
- ✓ Supplier and JV relationships strengthened
- ✓ Sustainability questionnaire sent to our top 150 suppliers
- ✓ 1 092 community and SSFs attended training programmes
- ✗ Increase in stakeholder concerns regarding odour from fishmeal plants on the West Coast of South Africa



CHALLENGES IN SECURING INPUTS:

- Negative media coverage (page 85)



ACTIVITIES TO PRESERVE AND SUSTAIN VALUE

- Maintained affordability pricing strategy for canned fish products and utilised informal economy networks to get products to consumers
- Retained land-based employees in other operations with the closure of our WCRL facilities
- Engagement survey and employee focus groups enabled frank feedback and insights into problem areas at work
- Proactive engagement with all major stakeholders following whistle-blower allegations and transparency in forensic investigation outcomes
- Reputational rebuild strategy with media
- Engagement with West Coast stakeholders to resolve challenges
- Delivered training to 1 000 SSF co-operatives in South Africa to date
- Delivered training through the Oceana Maritime Academy for Hout Bay community
- CSI focus on food security maintained

A review of our activities aimed at strengthening stakeholder relations is provided in the following sections of our 2022 reports:

- Engage stakeholders and manage reputation (IR – page 84)
- Fostering an inclusive culture and supporting health and wellness (SR – page 54)

OUTCOMES KEY

- ✓ Positive outcome (capital creation)
- ✗ Negative outcome (capital erosion)
- = Neutral outcome (capital preservation)

Our business model continued



MANUFACTURED CAPITAL

Significant financial investment in the purchase, development and maintenance of property, vessels, plants, storage facilities, and equipment has provided us with the capacity to generate longer-term returns.

COMBINED ASSURANCE:

- Vessel compliance audited through regulatory bodies including SAMSA and DFFE in South Africa and DMA in Namibia
- Marsh conducts grading audits on our vessels and production facilities



KEY INPUTS (2022)

- Optimised fishing fleet (66 fishing vessels and 12 spotter planes)*
- Efficient factory operations:
 - Three canneries
 - Five production facilities
- Well-utilised cold storage facilities (six)
- Head office and support facilities



OUTCOMES OF OUR ACTIVITIES (2022)

- ✓ R259 million capital investment (2021: R295 million)
- ✗ R260 million depreciation, amortisation, and impairment loss (2021: R236 million)
- ✓ Five-year class survey for Namibian vessel achieved
- ✓ Additional vessel in USA enabled much better catch rates*
- ✓ Increased fish oil yields
- ✓ Increased throughputs
 - Daily throughputs increased 5.3% in canneries in Africa
 - Daily throughputs increased 2.0% in fishmeal plants in USA
- ✗ Daily throughputs decreased 5.1% in fishmeal plants in Africa
- ✗ Delayed vessel freon to ammonia conversions
- ✓ Closed WCRL operations and increased business viability through consolidation and collaboration
- ✗ Reduced occupancy levels in CCS stores in the Western Cape and Gauteng
- ✓ Good occupancy in CCS stores in Walvis Bay and increased cold store capacity in Western Cape
- ✓ Solar energy installation at CCS store in Paarden Eiland exceeded investment case

* Includes Westbank Fishing LLC, in which DFI has a 25% shareholding.



CHALLENGES IN SECURING INPUTS:

- Statutory class survey maintenance for our Namibian horse mackerel vessel delayed fishing
- Impacts on occupancy levels in cold storage due to challenging market conditions
- Unscheduled breakdowns in the aging hake fleet



ACTIVITIES TO PRESERVE AND SUSTAIN VALUE

- Right-sized FMO fleet in SA to bring in line with size of local resource
- Maintained our facilities through targeted investment and statutory vessel maintenance
- Vessel upgrade and renewal programme for hake vessels agreed on
- Efficiency and quality initiatives implemented for plant-based operations
- EIA and land re-zoning for solar project in LSO facilities on the West Coast
- Increased CCS capacity in Western Cape presenting opportunities when the market normalises

A review of our activities is provided in the following sections of our 2022 reports:

- Chief Executive Officer's report (IR – page 26)
- Chief Financial Officer's report (IR – page 94)
- Divisional performance reviews (IR – page 104)

OUTCOMES KEY

- ✓ Positive outcome (capital creation)
- ✗ Negative outcome (capital erosion)
- = Neutral outcome (capital preservation)



INTELLECTUAL CAPITAL

The success of our business model is dependent on having the right people, in the right roles, informed by effective management systems and company culture. Investing in these skills and systems and innovative ways of working requires sufficient financial capital and will have a positive impact in developing our people.

COMBINED ASSURANCE:

- All canned fish and fishery products sold by the Group are verified as safe to eat by the National Regulator for Compulsory Specification (“NRCS”) in South Africa, FDA in the USA and NSI (Namibia Standard Institute) in Namibia
- Global compliance, food safety and quality standards include MarinTrust, GMP, British Retail Consortium (“BRC”), HACCP and FEMAS
- All international canned products and ingredient suppliers certified to a Global Food Safety Initiative (“GFSI”) recognised standard (such as FSSC 22 000)
- Trademarks managed by inhouse legal department, assisted by Adams and Adams Attorneys
- Lucky Star consistently recognised as a leading brand in South Africa (Sunday Times Top Brands and *Kasi Star Brands* surveys)



KEY INPUTS (2022)

- Robust governance systems
- Fishing processes
- Well-established supply chain processes
- Service providers delivering on agreed terms
- Robust safety and quality management systems
- Trusted brand and reputation



OUTCOMES OF OUR ACTIVITIES (2022)

- ✓ Higher fish oil yields from cannery offcuts this year (due to fattier fish procured and changed to production process)
- ✓ One new product in the Lucky Star canned food category
- ✓ Achieved FSSC 22 000 certification in canneries and fishmeal plants
- ✓ Maintained BRC certification for hake, an important accreditation for European markets
- ✓ HACCP certification maintained across all our land-based facilities and vessels
- ✗ Damage to the Oceana brand as a result of negative sentiment due to whistle-blower challenges
- ✓ Improved brand and reputation during the year:
 - Lucky Star retained its status as an iconic brand and one of South Africa’s top ten brands
 - Four million Lucky Star meals consumed per day
 - Produced products that were safe, protecting the brand and the Company
 - Experienced zero incidences of critical non-conformance
 - Product recall simulation conducted on an annual basis
- ✗ NRCS downgrades due to poor fish quality from problematic suppliers slowed down processes to rectify situation



CHALLENGES IN SECURING INPUTS:

- Expansion in supply geographies for frozen pilchard has increased quality variability



ACTIVITIES TO PRESERVE AND SUSTAIN VALUE

- Offcuts from canneries used in fishmeal plants in SA
- Product development phase to use a portion of our red-eye herring catch for human consumption (canning)
- Significant investments in product innovation and brand
- Continued progress towards the GFSI-recognised food and feed safety standard, FSSC 22 000
- Continued cross-pollination of ideas between fishmeal and fish oil teams

A review of our activities aimed at enhancing intellectual capital is provided in the following sections of our 2022 reports:

- Delivering on our strategy through our divisions (IR – page 102)
- Compliance (IR – page 88)
- Adhering to strict food safety standards (IR – page 88)
- Ensuring the highest standard of food and feed safety and quality (SR – page 28)

OUTCOMES KEY

- ✓ Positive outcome (capital creation)
- ✗ Negative outcome (capital erosion)
- = Neutral outcome (capital preservation)

Our business model continued



FINANCIAL CAPITAL

Access to financial capital through our shareholders, investors, and lenders with consistent delivery of investor returns and sustained market confidence.

COMBINED ASSURANCE:

- External assurance providers include Mazars (external auditors) and BDO (internal auditors)
- External assurance of the Saam-Sonke Trust is through Empowerdex



KEY INPUTS (2022)

- Debt and equity financing
- Reinvestment
- Government grants



OUTCOMES OF OUR ACTIVITIES (2022)

- ✓ Revenue up 11% to R8 438 billion (2021: R7 633 billion)
- ✓ R769 million profit after taxation (2021: R719 million)
- ✓ R407 million paid as dividends (2021: R523 million)
- ✗ 1.7 times leverage ratio (2021: 1.5 times)
- ✓ Secured a R500 million, five-year debt-facility, our first sustainability-linked loan
- ✓ Resilient and efficient balance sheet with strong cash flows and limited debt
- ✓ EBIT still healthy at R1.3billion (2021: R1.2 billion)
- ✓ Cash generated from operations: R1 billion (2021: R1.4 billion)
- ✓ R181 million paid to debt funders in interest (2021: R173 million)
- ✗ Dividend per share declared: 346 cents (2021: 358 cents)
- ✓ Headline earnings per share: 606 cents (2021: 550 cents)
- ✗ Debt repaid R220 million (2021: R373 million)
- ✗ Increased pressure on working capital as a result of higher stock levels being a focus area
- ✓ Higher closing stock levels



CHALLENGES IN SECURING INPUTS:

- Input costs and high inflation affecting financial results
- Negative media impact on investor perception and share price



ACTIVITIES TO PRESERVE AND SUSTAIN VALUE

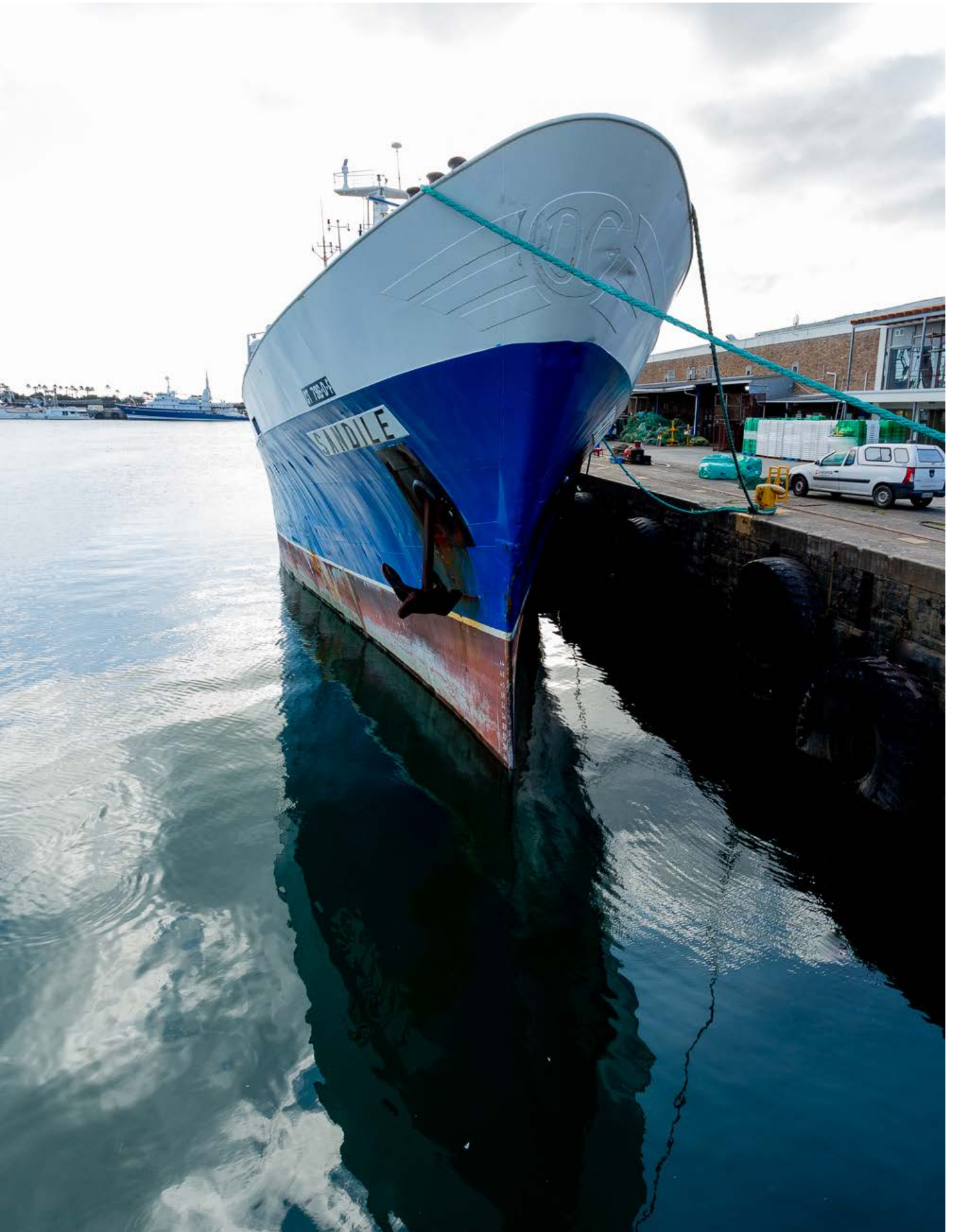
- Regularly engaged with existing and potential investors
- Managed compliance with our covenant levels
- Actively managed cash requirements through generation of 12-week rolling cash flow forecasts

A review of our activities is provided in the following sections of our 2022 reports:

- Chief Executive Officer's report (IR – page 26)
- Chief Financial Officer's report (IR – page 94)

OUTCOMES KEY

- ✓ Positive outcome (capital creation)
- ✗ Negative outcome (capital erosion)
- = Neutral outcome (capital preservation)



Managing trade-offs to deliver long-term value

Our core purpose, and our underlying business model, relates to the efficient conversion of one capital stock (global fishing resources) into value across all six capitals. These capitals are not entirely independent, and the nature of their interaction is a function of organisational focus and beliefs. Optimising value inevitably involves trade-offs in how and when value is shared between different stakeholder groups, and in how that value is created, transformed or depleted across the capitals. Deciding on these trade-offs often involves some difficult decisions, particularly when it is accompanied by some strongly competing stakeholder interests.



We have identified some examples of recent trade-offs undertaken across the Group below, together with an explanation for the decisions that were taken.

-  **Natural Capital**
-  **Human Capital**
-  **Social and Relationship Capital**
-  **Manufactured Capital**
-  **Intellectual Capital**
-  **Financial Capital**







FROZEN FISH PROCUREMENT AND PROCESSING STRATEGY: Increased costs and competition provide supply chain certainty and societal benefits

Given the low total allowable catch of pilchard in South Africa and the longstanding moratorium on pilchard fishing in Namibia, the majority of raw material required for canning at our Lucky Star operations is procured internationally as frozen fish. The procurement strategy has significantly reduced our reliance on the local pilchard resource, which has allowed us to meet growing customer demand and very importantly, provide job security and increased working hours for our people.

Capital depleted

- Greater working capital utilisation 
- Costs incurred with rand depreciation 

Capital increased


- Job security and increased employee earnings 
- Better risk management and building resiliency 
- Higher investment in local infrastructure 
- Improved community and government relations 
- Greater certainty in meeting customer needs  

LUCKY STAR PRICING: Balancing short-term margin gain for long-term customer loyalty




Expanding the geographies from where we source frozen pilchards provides certainty in supply, and becomes one of the key drivers of business growth. The ability to increase raw material supply has further elevated the need to maintain brand loyalty and grow the consumption of canned fish.

The higher costs of imported frozen fish in 2022 was driven by an escalation in shipping costs and the weakening dollar/rand exchange rate. Despite these cost pressures, we made the conscious decision not to pass the full impact onto consumers and thus saw positive sales volume demand in the second half of 2022. Given the increasing pressure on consumers, the relative affordability of canned fish to other proteins will remain core to the Lucky Star strategy to grow canned fish consumption.

Capital depleted

- Reduced margins 


Capital increased

- Increased sales volume 
- Enhanced customer and brand loyalty  



DAYBROOK FACTORY OPERATIONS: Guaranteeing minimum hour work week to retain employees

Most factory workers in our USA operations are paid hourly wages, with longer shifts during the fishing season and shorter shifts off season. Despite this, we still guarantee a minimum of 40 hours per week, instead of a seasonal work model, and this has helped to retain our employees and their skills and expertise.

Capital depleted

- Higher labour costs 

Capital increased

- Job security and increased employee earnings 
- Staff retention 





The external environment

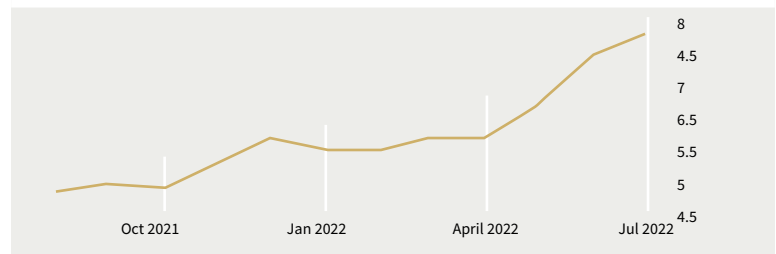
Our external environment can negatively or positively impact our ability to generate value and deliver on our core purpose. This year, we identified and prioritised six issues that materially impact our business model. Our three-year strategic outlook ensures that we are best positioned to seize the opportunities and mitigate the risks associated with each of these issues.

GLOBAL SUPPLY CHAIN CHALLENGES, RISING INFLATION AND INPUT COSTS, AND EXCHANGE RATE FLUCTUATIONS

Covid-19 upended global supply chains and resulted in shipping delays and container shortages that drove low stock levels and difficulties in bringing products to consumers. While these challenges lessened to some degree in the past year, freight costs increased substantially (up 500% in some cases). Logistics challenges were compounded by rising input costs, driven by geopolitical tension and the Russia-Ukraine conflict which negatively impacted global commodity and energy markets, supply chains and inflation. The conflict drove international oil price pressure, which resulted in raised fuel prices. There was also a surge in demand for South African coal in response to Europe's energy security crisis, with European energy prices up 400% year-on-year.

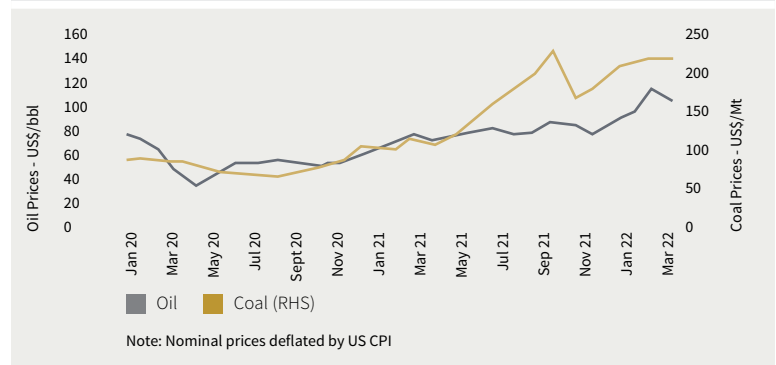
For South Africa, increased energy costs drove higher inflation due to the important role fuel plays in economic growth. This placed pressure on consumer disposable income and GDP growth, with consequent interest rate hikes further burdening an already constrained economy. The USA similarly experienced record-breaking inflation, which peaked at 9.1% in June 2022, the fastest increase since the early 1980s. In addition, the Ukraine conflict substantially increased the risk of stagflation – high global inflation accompanied by tepid growth. This could eventually result in a sharp tightening of monetary policy in advanced economies, leading to financial stress in some emerging markets and developing economies.

SA INFLATION (%)



Commodity prices and foreign exchange markets remained volatile, and the South African rand continued to perform poorly against global currencies. While this created cost pressure and lowered consumer spending power, it provided opportunities for growth as demand for affordable food sources increased.

OIL AND COAL PRICES (REAL)



ZAR VOLATILITY AGAINST THE US\$



The cost of raw materials remained high, with availability of items such as cans and steel greatly reduced due to recurring Covid-19-related lockdowns in China. In South Africa, the production of paper-related products, such as cardboard boxes, was severely impacted by steep energy prices and loadshedding. These factors drove up costs and limited availability.

IMPLICATIONS FOR VALUE

- Freight challenges and supply chain disruptions in the prior year resulted in the business starting the year with significantly reduced stock levels (particularly for canned fish).
- Building up stock for canned fish was challenged by the high exchange rate, freight cost increases, container shortages and shipping delays.
- Fuel prices negatively affected profitability, particularly for our horse mackerel and hake businesses which rely on fuel-intensive deep-sea vessels. Higher fuel prices further increased our operating costs and created cost-push inflationary pressures that could not be fully passed onto consumers.
- High input and freight costs impacted all divisions and placed pressure on margins.
- In tough economic conditions we continue to find strong demand for fish protein. As a major food supplier operating in emerging markets, our strategic focus remains well informed.
- Given the volume of foreign currency-denominated exports – namely fishmeal, fish oil, horse mackerel, lobster and squid, and the impact of the translation of DFI – we remain more predisposed to a weaker currency.

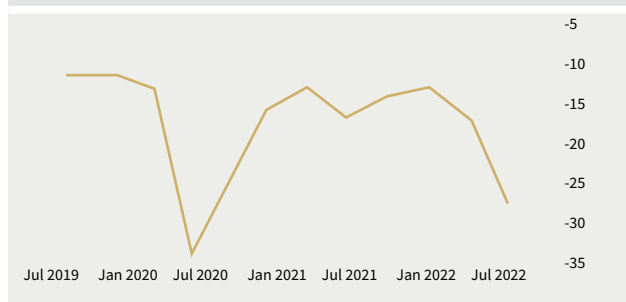
- Building up inventory provides some security against volatility of the rand; Lucky Star will continue to source widely to ensure adequate stock holding and availability throughout the year.
- Our Procurement Risk Forum undertakes a monthly analysis of global supply chain risks and reports these to our Exco. This includes monitoring risks related to the supply of key raw materials, as well as reviewing logistics challenges, which enabled us to ensure adequate forward-planning to mitigate the risks related to reduced coal supplies, among others.
- We are redesigning and reducing our packaging as far as possible to mitigate against the anticipated long-term costs associated with cardboard.

CHALLENGING POLITICAL CONTEXT IN OUR OPERATIONAL GEOGRAPHIES

SOUTH AFRICA

The combination of one of the world’s highest inequality rates with one of the world’s highest unemployment rates has restricted access to economic activity for millions of South Africans. Compounded by high inflation and interest rates, individuals across the country struggle to afford the basics. In addition, South Africa has experienced deteriorating food security, driven by the ongoing impacts of Covid-19 as well as high food prices and general economic decline. Failing national power utility, Eskom, and recurring loadshedding continued to weigh down economic recovery and placed significant pressure on the country’s GDP. Municipal service delivery was an ongoing challenge, with inadequate maintenance leading to ageing of critical infrastructure. As a result, South Africa experienced another year of nation-wide service delivery constraints in key areas such as the provision of reliable water and energy as well as housing and sewerage infrastructure.

SA CONSUMER CONFIDENCE



NAMIBIA

Namibia has continued to navigate the challenges of high unemployment, structural and institutional inequality and pervasive poverty. Food insecurity remained a major concern due to high inflation rates restricting household access to food. Energy security came under threat as energy demand increased significantly due to investment in residential, commercial and industrial development. Action is needed to ensure additional capacity is in place to support forecasted demand. Although the stability of the fishing industry improved following the November 2019 “Fishrot” scandal, some challenges remain. The Ministry of Fisheries and Marine Resources suspended the country’s laws on allocation of fishing quotas to address anomalies encountered during the 2021 fishing season. The country also experienced the mass resignation of fishermen prompted by companies without fishing quota operating at Walvis Bay.

OUR STRATEGIC RESPONSE

- A fuel hedging policy is in place to mitigate market volatility.
- Our strategy of customer and geographic diversification is a natural hedge against market volatility and foreign currency exposure.
- Affordability remains a key strategy for Lucky Star products, and the demand for affordable food sources also creates opportunities to pursue growth in other canned foods.
- Forward cover positions for the procurement of fish and canned products continue to enable us to mitigate negative exchange rate exposure.

The external environment continued

USA

The China-USA trade war continued. Under the Biden administration, USA tariffs on China remained in place and tensions between China and the USA further increased following Russia’s invasion of Ukraine and the ensuing geopolitical fallout. US inflation reached a 40-year record high and in August 2022, the Inflation Reduction Act was signed into law to curb inflation by reducing the deficit. Among other things, the Act aims to increase corporate tax but aimed primarily at large, domestic corporations with a minimum annual profit of US\$1 billion.

IMPLICATIONS FOR VALUE

SOUTH AFRICA

- The constrained environment continues to put pressure on consumers, who remain price-aware and price-sensitive. Spending on essentials continues, but discretionary spending is down due to lower earnings and significantly reduced savings.
- We are seeing a transition out of more expensive proteins towards staples due to affordability.
- Lucky Star products continue to maintain market share, reflecting their positioning as an affordable and consistently priced quality protein. This is underpinned by a visible brand with strong potential to grow brand affinity and loyalty among existing and new consumers, as well as stepping into other protein spaces, producing better-quality products, more affordably.
- Cost, unreliability of electricity, and the fact that Spaza shops don’t carry refrigeration all favour shelf-stable foods. Canned fish remains a very large protein category and competitive as a shelf stable protein, while other categories (including chilled meats and frozen chicken) are perishable.
- Unrealistic input costs cannot be recovered from the consumer and all food manufacturers in South Africa are under severe margin pressure.

USA

- Due to DFI’s domestic market pet food strategy, risks and costs related to tariffs and global sea freight are greatly reduced.
- The USA’s pet food industry continues to grow, and it is anticipated that market growth will accelerate at a Compound Annual Growth Rate (“CAGR”) of between 4%–5% over the next few years.

- Investing in the Lucky Star brand remains a strategy, including a focus on the emotional aspects of the brand and staying relevant with South Africa’s youth.
- Driving mass consumption of affordable proteins, through volumes and efficiencies, rather than increasing margins, remains an important part of our domestic sales strategy.
- We launched another affordable protein category this year (soya) that does not yet exist in a can.
- We continue to progress with solar renewable energy options, while offsetting the biggest impacts of load shedding by using generators as a short-term solution.

NAMIBIA

- We continue to import frozen pilchards to keep the Etosha cannery operational and to sustain the company’s 600 jobs.
- We continue to engage actively with government and regulators to ensure appropriate transformation and localisation activities.

USA

- Continued growth in pet food market share remains a strategic focus with this being the highest margin market.



OUR STRATEGIC RESPONSE SOUTH AFRICA

- We secured jobs this year despite the depressed local environment, with salary and wage increases at or slightly above inflation.
- Long-standing CSI partnerships with NGOs such as Gift of the Givers and FoodForward SA enabled us to support some of South Africa’s most vulnerable local communities.
- Our Maritime Academy remains a significant area of investment and focus for the Group and continues to bring much needed skills for youth and SSFs.
- Enterprise development and CSI remains an important part of Lucky Star’s versatility strategy, helping to grow township businesses and brands.

FOOD SECURITY AND GLOBAL GROWTH OPPORTUNITIES

The world is moving further away from reaching the global goal to end hunger by 2030. It is estimated that the number of people affected by hunger globally rose to as many as 828 million in 2021.* This is a year-on-year increase of 46 million people and is 150 million more people than in 2019. This increase was triggered by the impact of Covid-19 and exacerbated by the Russia-Ukraine conflict, which has driven food insecurity and rising food prices.

Positively, significant growth in aquaculture (particularly in Asia) drove global fisheries and aquaculture production to a record high in 2022. According to the UN FAO's 2022 edition of *The State of World Fisheries and Aquaculture*, aquatic foods are making an increasingly critical contribution to food security and nutrition. What we are seeing in more advanced economy markets is the increase in the importance of traceability and sustainable supply options.

It is expected that aquatic food supply will increase in all regions. However, per capita consumption is expected to decline slightly in Africa, particularly in sub-Saharan Africa, raising food security concerns.

IMPLICATIONS FOR VALUE

- Sustainable hunger alleviation will likely result in an increase in demand for fish protein.
- There is great potential to invest in sustainable freshwater and marine aquaculture across Africa to feed the continent's rapidly increasing population and to meet expected demand growth globally.
- Imports into Africa will continue to rise, primarily for lower value fish, where margins have been good.
- While fish proteins continue to serve as "essentials", protein substitution remains a risk.
- Offering fully traceable and sustainable products will increasingly become a requirement, especially in advanced economy markets.

* United Nations FAO report "The State of Food Security and Nutrition in the world", 2022 (Rome)

- We are seeking to realise the growth opportunities in Africa by expanding our product offerings into these markets, primarily in East and West Africa.
- To meet the growth in demand for marine aquaculture products (especially from the East) we are exploring acquisitions.
- We have full knowledge and control over the source origin of all of our products.

FISHMEAL AND FISH OIL PRICING AND THE CONTINUED GROWTH IN GLOBAL AQUACULTURE

The prices of fishmeal and fish oil (FMO) are determined by global supply and demand dynamics. Global supply is largely determined by the anchovy catch in Peru, which in turn is driven largely by the El Niño/La Niña ocean atmospheric events. In 2022, Peru's North-Central anchovy season was less than prior seasons due to challenging weather and oceanographic conditions, pushing up prices due to reduced supply in the global market.

The global demand for FMO continued to be strongly influenced by the aquaculture and animal feed sectors, where FMO are important high-protein ingredients. Fish and marine products are a natural source of EPA and DHA, the most potent Omega-3s, which are important for a healthy diet. The majority of fishmeal goes into aquaculture in China, while fish oil is an important ingredient in salmon farming in Norway and other Scandinavian countries. According to the UN FAO's 2022 edition of *The State of World Fisheries and Aquaculture*, global aquaculture production in 2020 reached a record 122.6 million tons driven by rising demand for seafood and increased farming of aquatic animals. The global animal feed sector also continued to show sustained growth. In particular, the pet food market remained resilient.

Aquaculture is projected to grow by 70% by 2050. FMO ingredients will remain stable, but with the growth of aquaculture, we will see a growth in novel ingredients (including, for example, single-cell proteins, algae oil and insect feed) developing alongside FMO. A key determinant for feed manufacturing companies will be to ensure the FMO comes from sustainable sources.

IMPLICATIONS FOR VALUE

- The performance of our FMO businesses is strongly impacted by global FMO prices and is dependent on good catch rates to maximise on anticipated improved pricing.
- Given the anticipated substantial growth in aquaculture, fuelled by growing fish consumption and largely static wild capture rates, we anticipate consistent average price growth in FMO.
- The European market for high-grade FMO remains under-served by Peru.
- Rapid humanisation of pets and increased awareness about pet health is driving the growth of the global pet food market and we anticipate that these trends will continue.
- As sustainability and traceability become higher up on the global agenda, feed manufacturers will be under pressure to ensure they are sourcing FMO from sustainable sources.

OUR STRATEGIC RESPONSE

- Continued strategic focus on fish protein is justified given the requirement for healthy and affordable food sources.
- We are actively looking for opportunities to partner with businesses that have access to horse mackerel quota to increase volumes into Africa.
- We are investigating other opportunities to optimally utilise our current catches.
- We launched another affordable protein category this year (soya), adding to the shelf-stable nutritious and high-quality proteins in our offering.

The external environment continued

OUR STRATEGIC RESPONSE

- Targeting higher value FMO markets with quality improvements in South Africa.
- Through shared forecasting we lock in contracts six to nine months ahead to ensure optimal pricing in our USA operations.
- With the bulk of our sales into the pet food market being sold into the USA, DFI has a geographical advantage and can enjoy some relief from heightened freight and shipping costs.
- Although pet food is a key focus market, DFI is increasing participation in other growing markets.
- Producing a boutique ingredient from a commodity-based protein remains a key focus, especially in the USA where we target the pet food sector and have MSC accreditation for Gulf menhaden.
- All our FMO products are derived from fisheries that are highly regulated and well managed, with science-based measures in place to ensure continued sustainability of the resource.



CLIMATE CHANGE, TEMPERATURE SHIFTS AND EXTREME WEATHER EVENTS

We are wholly dependent on natural marine ecosystems, which are increasingly threatened by climate change. It is predicted that climate change will significantly impact fisheries, regional distribution and stocks of fish as well as coastal communities.

According to a 2022 study,* without immediate and strong actions to mitigate climate change, global fish supplies will not be able to recover to sustainable levels. The study further forecasts that climate change will force 23% of fish stocks to move from their historical habitats and migration routes by 2030. Furthermore, the potential increase in intensity and frequency of ocean storms pose a significant risk to operations, particularly our DFI operation in the Gulf of Mexico.

Beyond the impact on marine ecosystems, increasing temperatures, changes in precipitation patterns, changes in extreme weather events and reductions in water availability arising from climate change, are disrupting food availability, reducing access to food and affecting food quality. South Africa – our largest operational base – brought in progressive measures to tax greenhouse gas-emissions. South Africa’s new Carbon Tax Act was signed into law and became effective from June 2019.

IMPLICATIONS FOR VALUE

- South Africa’s small pelagic fish are considered vulnerable to climate change. While anchovy and red-eye herring are in a healthy state, there has been a drastic reduction in pilchard TAC in South Africa in recent years (although the resource is showing slight improvement).
- DFI’s physical infrastructure in the Gulf of Mexico is susceptible to regional adverse weather conditions such as tropical storms and hurricanes.
- Extreme weather conditions in the USA resulted in a significant reduction in tomato crops this year, negatively affecting the availability of tomato paste which is a key ingredient used in the production of our Lucky Star products.
- Combustion emissions, process emissions and fugitive emissions could incur a tax in South Africa depending on the threshold that is applicable. Three Oceana statutory entities are liable for the carbon tax, namely Amawandle Pelagic, Desert Diamond and Lucky Star.

OUR STRATEGIC RESPONSE

- Pilchard raw material for our Lucky Star operations is now almost fully imported and we have expanded the range of geographies from which we source pilchard raw material to ensure a consistent and sustainable supply.
- To better understand the effects of climate change and its related risks for the fisheries where we fish and source from, we will be commissioning a world-renowned scientist to undertake a long-term assessment of these fisheries across our various operating regions.

* *Rebuilding fish biomass for the world’s marine ecoregions under climate change, Global Change Biology, September 2022*

- Recognising that assets are prone to being damaged by extreme weather events – such as cyclones and floods – we continue to invest substantially in maintaining our fishing fleets, processing plants and equipment. This includes investing in innovative technology that enables us to quickly dismantle and reassemble our fishing fleet** in the USA to mitigate against damage.
- We have implemented insurance programmes to adequately cover specific business risks.
- We are working with local government departments in South Africa to understand the risks, restrictions and opportunities related to increasing the local production of tomatoes, with a specific focus on supporting the growth and development of black farmers.
- Our strategic imperative on sustainable earnings through diversification presents an opportunity to diversify operations into other wild catch and aquaculture facilities, mitigating against the uncertainty created by climate change.
- A major reduction in our South African-based emissions will be achieved by converting freon-based freezing facilities onboard our seven large BCP trawler vessels (Hake and HM) to carbon-neutral ammonia and suitable gases, and Lucky Star operations establishing a 10MW solar facility on the West Coast.
- KPIs for carbon emissions reduction are incorporated into the divisional MD's reward programme.
- We finalised our first sustainability-linked loan in October 2021. A significant portion of our SA debt-funding is now tied to ambitious environmental and social sustainability goals.

For an in-depth analysis of the climate-related risks and opportunities facing our Group, refer to our CDP response on our website, www.oceana.co.za.

INCREASING STAKEHOLDER DEMANDS, INCLUDING SPECIFICALLY ON ESG PERFORMANCE

Termed the rise of stakeholder capitalism, businesses are increasingly expected to engage stakeholders on their needs and expectations. This expectation was accelerated by Covid-19 and the growing importance the world is placing on driving sustainable environmental, social and governance ("ESG") change. Similarly, investment managers are increasingly expected to consider the ESG impact of investments alongside risk and return. This is not only driven by some investors' desire to take social return seriously, but also by solid long-term investment criteria of sustainable returns and linking management reward to long-term value creation.

In the past year, Oceana saw increasing stakeholder demands, with some of these demands linked to ESG matters. Key items are unpacked below:

- There have been significant concerns raised by local working groups, NGOs and others regarding the impact of pelagic fishing in the vicinity of islands populated by African penguin colonies. Some have suggested that pelagic fishing is responsible for the ongoing decline in the size of the penguin population due to changes in the abundance of pelagic fish and the possible impact this may have on the feeding and breeding success of penguins using those islands as breeding sites. There are

differences of opinion among the scientific community on what is causing the decline and how best to address it. Ultimately, the conservation status of the African penguin is an urgent concern for us all and we are committed to ongoing engagement with all relevant stakeholders to find a sustainable and appropriate response. The pelagic fishing industry – together with the various working groups and NGOs – has commissioned an international body of scientists to conduct an independent, peer-reviewed assessment on the most effective approaches to preserve the penguin colonies. As an interim measure, Oceana has accepted a limited island radius closure that will affect between 5%–20% of our pelagic fishing grounds, depending on the movements of the resources.

- Several coastal states within the USA are seeing increasing lobbying by recreational fishing and conservation groups that want to establish "exclusion zones" for the commercial fishing of Gulf menhaden along their coastlines. This includes the state of Louisiana, where our Daybrook operation is based. If enacted, these proposals will result in commercial fishing grounds being moved further offshore. While the lobbyist groups have expressed concerns about the impact of commercial fishing on coastal habitats as well as high levels of bycatch, these views are not supported by scientific studies. Rather, studies have indicated that the industry's bycatch is relatively low. Furthermore, commercial fishing of Gulf menhaden accounts for between a very low 2%–5% of the total biomass caught. This is thus a stakeholder concern regarding area of catch, rather than a biodiversity concern. While we recognise the concerns of the lobbyist groups, we believe it is important that these views are balanced with scientific research. We have maintained open and ongoing engagement as we work on an appropriate solution. We are also investigating new methods to extend the catch of Gulf menhaden in deeper waters**.
- The production of fishmeal and fish oil from pelagic fish species is associated with an odour that is generated when the fish is cooked and processed. This odour is not harmful; however, it is unavoidable and can be unpleasant for those living or working in the vicinity of the production site. This remains a challenge worldwide for any business operating a fishmeal factory, and we are aware of the potential reputation risk it presents. With the increase in housing developments along the SA West Coast we have seen greater stakeholder demands for reduced air emissions and associated odours in our St Helena Bay site. Air quality licensing has become significantly more stringent, not due to scientific or legislative changes, but rather stakeholder influence on municipalities. We are taking an active role in engaging with the communities surrounding our St Helena Bay and Laiplek facilities along the West Coast, particularly in response to calls for tightened effluent parameters. We are also engaging with local government to find appropriate solutions that balance community concerns with longer-term job security.

Reputation risk moved from our top 15 to our top 10 risks in 2022 (see page 56). Looking ahead, we will conduct a risk assessment on each stakeholder group, assess the quality of our relationships, and identify where we need to increase our engagement processes.

** Includes Westbank Fishing LLC, in which DFI has a 25% shareholding.

Engaging our stakeholders

ADDRESSING MATERIAL STAKEHOLDER INTERESTS

Understanding and being responsive to the interests of our stakeholders through effective dialogue and engagement is critical to delivering on our core purpose. Our capacity to create value is inextricably linked to the value we create for our stakeholders, society, and the broader environment.

The following table provides a brief review of our key stakeholder groups, our interdependencies in terms of value creation, the most material interests of each group, and how we engage with them to identify and address these interests. We recognise that there is significant diversity within each group, with individual stakeholders often having own differentiated interests. The priority interests listed below are broadly indicative of each stakeholder group’s priorities assessed by the management team based on our ongoing engagements. For details on our performance in relation to key stakeholder issues this year refer to pages 48 – 53.

Our shift towards conscious capitalism is changing the way we think about and engage stakeholders. We remain focused on unlocking the potential in each relationship, particularly where stakeholder insights and perspectives might help us innovate in support of our core purpose. During this period of heightened engagement, many of our key stakeholder relationships have deepened and broadened.

Going forward, we will be assessing the quality of our stakeholder relationships on a regular basis, which may inform an additional key performance indicator (“KPI”) for the Group. This will include an assessment of at least 20 key stakeholders in terms of how our business impacts them, how we engage with them and what more we can do to contribute towards building a mutually beneficial relationship.

The detrimental effect on our public image and reputation that resulted from the whistle-blower allegations at the start of the 2022 financial year remained visible in the media sentiment score, which we conduct quarterly, for the majority of the year. Details are provided on page 85.

Engaging our stakeholders and creating value	Contribution to value creation	How we engage
<p>EMPLOYEES AND TRADE UNIONS</p> <p>R1.2 billion in salaries and benefits (2021: R1.0 billion)</p> <p>7.8 million shares allocated to permanent employees through the Saam-Sonke Trust</p> <p>R41 million invested in employee skills development (2021: R60 million)</p>	<p>Our 1 663 permanent, 1 020 seasonal, 403 contract and 1 130 indirect employees provide the skills, experience, diversity and productivity needed to operate our facilities efficiently and safely.</p>	<p>Internal communication, management meetings, personal interactions and consultative employee forums, CEO breakfasts, leadership forums for senior staff and ‘meet the leadership team’ meetings.</p> <p>58% of employees are unionised, with various representative bodies. South Africa the majority unions are FAWU and SACTWU and in Namibia, the majority unions are NAFUW and NATAU. We strive for conducive relationships with our union partners.</p>
<p>Key engagements in 2022</p>	<p>With the whistleblower challenges experienced, internal communications platforms such as Corporate LAN Advertising (CLA) screens, emails, video messages, posters, WhatsApp messages and Teams were all utilised to keep employees apprised on the challenges faced and our response. CEO and Board Chair communications became the norm; the visible leadership drive created a platform for staff to engage directly with the Exco team. An employee survey as part of the internal culture campaign was launched across the business including the USA and Namibia; roadshows, posters, screen savers, face-to-face engagements were also utilised to promote the employee wellness programme from mental health to cancer awareness. Commenced a s189 consultation with land-based employees following the decision to close the operational parts of our lobster business on the West Coast and for sea-going staff and agreements were reached with the applicable Union at the end of last season (2021).</p>	
<p>Priority interests in 2022</p>	<p>Mental health and wellness; flexible working patterns (white collar workers); job security, satisfaction, and recognition; opportunities for career and personal development.</p>	
<p>Our response</p>	<p>Increased scope of primary health care for factory workers (LSO); hybrid workspace strategy (white collar workers); alternative positions offered for all land-based employees from the WCRL business at LSO operations in St Helena Bay and agreements reached with sea-going staff; financial literacy training; skills training and development initiatives; succession planning; linking core values into managerial performance agreements; equitable ownership through Saam-Sonke Trust; transformation initiatives to maintain diversity in the workplace; execution of a culture survey entitled, <i>Your voice, Our future</i>, which boosts staff morale and ensures longevity by inspiring current and future employees.</p>	

Engaging our stakeholders and creating value	Contribution to value creation	How we engage
<p>SHAREHOLDERS, INVESTORS AND MEDIA</p> <p>R428 million declared in dividends to equity shareholders (2021: R440 million)</p> <p>R181 million paid in interest to debt funders (2021: R173 million)</p> <p>R220m net debt settled (2021: 373 million)</p>	<p>We have 7 327 shareholders who provide the financial capital needed to invest in and sustain growth. Media supports our brand value through reporting, featuring and advertising.</p>	<p>Periodic investor briefings, annual reports, press releases, SENS, websites, media releases, and regular executive team meetings with institutional investors.</p> <p>The Chairman, LID and Audit Committee Chairman met with key stakeholders on a regular basis through the period of the whistleblower allegations.</p>
<p>Key engagements in 2022</p>	<p>Board members actively engaging with investors following the whistle-blower allegations; reputational rehabilitation strategy across our stakeholder base i.e., investors, communities, staff, regulators, media, etc.</p>	
<p>Priority interests in 2022</p>	<p>Clarity on whistle-blower allegations and forensic investigation; providing sufficient information to the market in respect of the accounting treatment of Westbank, operational certainty and maintenance of shareholder value; effective leadership; responsible governance and ESG matters; accessibility in engaging; integrity and promptness in responding to queries; receipt of quality information.</p>	
<p>Our response</p>	<p>Regular updates on key matters related to whistle-blower event; publishing the results of the forensic investigation; providing opinions of the current auditor, previous auditor and other technical experts in respect of the treatment of Westbank; strong Board and executive leadership; continued sound corporate governance and ESG practices; face-to-face engagement; prompt response to queries; targeted press releases around leadership expertise, women in leadership, our overall diversity and operational strength.</p> <p>We are a company that is 104 years old and has been listed on the JSE for 75 years, We therefore have a depth of experience and are a resilient, solid business with over 265 years of collective experience in the leadership team. We harness and develop young talent and support women empowerment.</p>	



Engaging our stakeholders continued

Engaging our stakeholders and creating value	Contribution to value creation	How we engage
<p>GOVERNMENT AND REGULATORY AUTHORITIES</p> <p>4 216 people employed globally (2021: 4 195)</p> <p>Enhanced public finances by R288 million in tax payments (2021: R314 million)</p> <p>86% of historically disadvantaged South Africans and women in management (2021: 84%)</p> <p>R41 million invested in training and development (2021: R60 million)</p> <p>R2.6 million spent on community training and education (2021: R3.2 million) and R1.79 million spent on SSFs training (2021: R1.38 million)</p>	<p>Government and regulators provide us with our fishing and processing permits, and with the regulatory and policy framework that is critical to value creation. Through legislation and policy, they inform what we can do, how we do it, and where we can operate.</p>	<p>We seek to be recognised by our stakeholders as partners for change, growth and shared value. Oceana maintains positive relationships with government officials in each of our regions. Our major stakeholders are the DFFE, the Parliament of the RSA, and various government departments, authorities, and academies including DoE&L, DPW, DTIC, SAMSA, SAIMI, and TETA. We also engage with the National Regulator for Compulsory Specifications (“NRCS”) on food safety matters. In Namibia we engage government on issues in relation to permitting and localisation and continued investment in Namibia. In the USA we engage with agencies that encompass federal, state, and local jurisdictions, including especially the Gulf States Marine Fisheries, which monitors fish resources.</p> <p>The Chairman and Audit Committee proactively interacted exclusively over the past year with the JSE, FSCA and IRBA amongst other regulatory interactions.</p>
<p>Key engagements in 2022</p>	<p>Proactive engagement with the Minister of Forestry Fisheries and the Environment, Parliament of SA, Department of Employment and Labour, The Presidency, the Department of Trade, Industry and Competition, and FishSA, being transparent with all stakeholders and our contribution to the SA economy; proactive engagement with the Department of Employment and Labour, as well as other key stakeholders, to ensure that we comply with the Employment Equity Amendment Bill (once enacted as an Act of Parliament).</p> <p>Engagement with the South African Maritime Safety Authority (“SAMSA”), DFFE and the fishing industry through the National Fishing Association to discuss fishing related qualifications linked to the Oceana Maritime Academy offering; active participation on the South African International Maritime Institute (“SAIMI”) advisory committee in relation to a skills audit being conducted on the entire fishing industry, including SSFs; worked with the Transport Education Training Authority (“TETA”) to develop the content for the “Fishing Hand” learnership, approved by QCTO for accreditation and hope to be one of the first providers to offer it.</p>	
<p>Priority interests in 2022</p>	<p>FRAP applications (which were due in 2021) and Oceana’s contribution to changing the face of the fishing industry through the SSFs skills development focus in collaboration with key stakeholders such as NSRI, DFFE and Dyna-Training, amongst others; our continued contribution to the transformation agenda; development imperatives of food security; job creation, and skills development; compliance with permit and related requirements; responsible fishing; JSE listing requirements on ESG disclosure.</p>	
<p>Our response</p>	<p>Job retention and creation; preferential procurement and transformation, including fishing partnerships with black-female owned businesses, other B-BBEE partners and SMMEs, and investments in enterprise development programmes; support for SSFs through our flagship initiative the Oceana Maritime Academy; regular direct engagement with relevant authorities and stakeholders on strategic matters; ensuring we have formal policies and operating procedures in place to ensure ethical conduct in dealing with all stakeholders; aligning our ESG reporting to the JSE guidance.</p>	

Engaging our stakeholders and creating value	Contribution to value creation	How we engage
<p>CUSTOMERS AND CONSUMERS</p> <p>Lucky Star product consumed by over four million people daily</p> <p>48 390 tons of horse mackerel sold to markets across Africa (2021: 57 347 tons)</p> <p>11 687 tons of hake sold to Europe (2021: 12 559 tons)</p> <p>100 000 pallet spaces in South Africa and Namibia (2021: 100 000 pallet spaces)</p>	<p>Delivering an effective customer value proposition is the basis for all other value generated and shared. We have a significantly diverse range of customers, from wholesale and retail operations to individual consumers across a range of income groups in 45 customer geographies.</p>	<p>The nature of the engagement varies depending on the type of customer. We strive to engage regularly and be responsive to customer interests across our value chain, seeking feedback through individual engagements, as well as broader market and customer surveys and research. Providing a quality product, reliably and affordably is the basis of our continued growth. Group and divisional websites provide product information, contact details and helpline numbers.</p>
<p>Key engagements in 2022</p>	<p>Large-scale survey of customers, including Spaza shops, saw Lucky Star nominated as the top Kasi brand in South Africa; evolving our Lucky Star advertising strategies to be more current through in-show marketing and brand ambassadors.</p>	
<p>Priority interests in 2022</p>	<p>Safe, quality products at good price; affordable protein options; continuity of supply; product information.</p>	
<p>Our response</p>	<p>Launch of a new affordable protein category under Lucky Star; expanding frozen pilchard sourcing from multiple geographies to ensure availability; regular contact with major customers; independent audit and checking of processes and quality; prompt follow-up of enquiries and complaints.</p>	



Engaging our stakeholders continued

Engaging our stakeholders and creating value	Contribution to value creation	How we engage
<p>LOCAL COMMUNITIES, SMALL-SCALE FISHERS AND NGOS/NPOS</p> <p>21 352 cans of Lucky Star product donated to vulnerable communities (2021: 38 012 cans)</p> <p>Invested R1.79 million in training SSFs (2021: R1.38 million)</p> <p>541 SSFs trained (2021: 295)</p> <p>Long-standing partnership with PSFA provides daily meals to learners</p> <p>Solidifying relations with NSRI and Gift of the Givers and FoodForwardSA</p> <p>Total global CSI spend: R7.5 million (2021: R6.8 million)</p>	<p>These stakeholders are key in holding us true to our commitment to positively impact lives. Through these relationships, we are better able to know areas of need and focus in supporting the communities we work with.</p>	<p>We engage with community representatives through our CSI activities in the main regions in which we operate. We have seen growth in the roll out of the SSF initiative in the Eastern Cape, KwaZulu-Natal, and Northern Cape – all outside our key communities of operations. Our partnerships with NGOs and NPOs such as Peninsula School Feeding Association (“PFSA”), Gift of the Givers, FoodForward SA, WWF-SA and the NSRI, provide an important platform for collaboration, not just on community empowerment and support, but also on environmental sustainability and maritime safety. In Hout Bay we engage with local communities and other stakeholders through our Hout Bay Stakeholder Engagement Forum and via communications issued under the Oceana Maritime Academy.</p>
<p>Key engagements in 2022</p>	<p>Active engagement with local municipality in response to stakeholder concerns regarding odours from our West Coast fishmeal plants; addressing recreational fisher concerns in the USA.</p>	
<p>Priority interests in 2022</p>	<p>Engaging on odour concerns from fishmeal plants on the West Coast due to more stringent air emissions standards being implemented; requests for expansion of recreational fishing catch areas for Gulf menhaden in the USA; investment in local communities by positively impacting lives through CSI, societal support, empowerment and hunger relief.</p>	
<p>Our response</p>	<p>Strengthened consultation and communication with local communities, municipalities and other forums; demonstrated commitment to finding long-term beneficial solutions; support for SSFs through the Oceana Maritime Academy; Corporate Sense project implemented for co-ops, effective coordination of our CSI initiatives with a focus on hunger relief; and active participation by LSO employees in food parcel distribution in impoverished communities of the West Coast.</p>	

Engaging our stakeholders and creating value	Contribution to value creation	How we engage
<p>SUPPLIERS AND SERVICE PROVIDERS</p> <p>R5.6 billion procurement on goods and services (2021: R5.1 billion)</p> <p>92 596 tons of frozen fish purchased (2021: 63 876 tons)</p> <p>R1.9 billion spent with black-female owned businesses over the past three years</p> <p>R54.9 million invested in qualifying supplier and enterprise development programmes (2021: R50.7 million)</p>	<p>Ensuring positive supplier relationships, based on mutual respect, enables us to deliver our customer value proposition efficiently and effectively.</p>	<p>We engage regularly with our major suppliers to ensure a mutually beneficial relationship. We conduct regular audits of key suppliers to ensure adherence with our food safety standards and other company requirements.</p>
<p>Key engagements in 2022</p>	<p>Sustainability questionnaire with the top 150 suppliers covering environmental and human rights policies.</p>	
<p>Priority interests in 2022</p>	<p>Joint growth opportunities; favourable terms; timely payment; B-BBEE procurement; sustainable business relationships; responsible supply chains.</p>	
<p>Our response</p>	<p>Regular direct communication with major suppliers; preferential procurement and investments in enterprise development programmes; enhanced focus on supply chain innovation; supplier policies, code of business conduct and ethics of the Group constantly emphasised.</p>	
<p>INDUSTRY ORGANISATIONS, RESEARCH BODIES AND BUSINESS PARTNERS</p> <p>Assisting partners to successfully renew FRAP allocations</p> <p>Evaluating and setting up strategic partnerships</p>	<p>Engaging with these organisations is key to driving business best practice, identifying new opportunities, and creating a conducive long-term business environment.</p>	<p>We are active participants in numerous scientific working groups and industry associations, including (but not limited to): Responsible Fisheries Alliance (“RFA”); South African Deep Sea Trawling Industry Association (“SADSTIA”); South African Mid-water Trawling Association; South African Pelagic Fishing Industry Association (“SAPFIA”); West-Coast Rock Lobster Association (“WCRLA”) and the South-Coast Rock Lobster Traceability Task-Force; FishSA; Menhaden Advisory Committee to the Gulf States Marine Fisheries Commission; the International Fishmeal and Fish Oil Organisation, the South African Bureau of Standards (“SABS”) technical committee on food safety; the National Business Initiative (“NBI”); and the Consumer Goods Council of SA (“CGCSA”).</p> <p>JVs are important stakeholders in our business model and we value the mutually beneficial relationships.</p>
<p>Key engagements in 2022</p>	<p>Collaborating with black-female owned business to secure enough volume for WCRL to keep the operations viable, exiting the operational side of the business and outsourcing production to our partner; working with SADSTIA to conduct scientific peer reviewed research to identify the drivers of the declining penguin colonies on the West Coast supporting SAPFIA and responding to stakeholder concerns.</p>	
<p>Priority interests in 2022</p>	<p>Harnessing our relations to be mutually beneficial; collaboration; changing the face of the fishing industry; responsible fishing and conservation of endangered species; food safety; societal responsibility; contributing to the collective business voice.</p>	
<p>Our response</p>	<p>Dedicated time resources allocated towards scientific working groups and associations; active participation in, support and funding of research; partnerships deepened with our SMME and B-BBEE JV partners; increased opportunities for ownership amongst business partners.</p>	

Managing our material risks

Oceana has a well-managed and effective enterprise risk management approach, which is embedded throughout the Group. Material risks are identified and managed across the Group in alignment with the strategy of the organisation. The principal risks that have a material impact on Oceana’s ability to create value are outlined in the heat maps and table below.

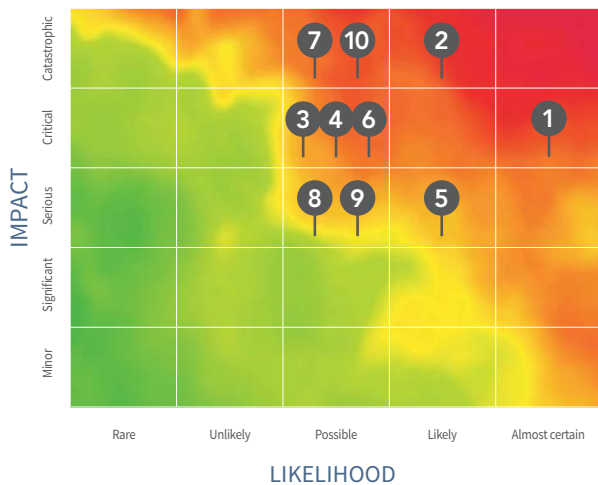
ROLE OF THE BOARD AND RISK COMMITTEE

The Board provides oversight over Oceana’s risk framework, policies and processes. While it delegates these matters to the Risk Committee it remains ultimately responsible for the development and implementation of the risk management strategy and plan. The Board formally assesses the effectiveness of Oceana’s risk management

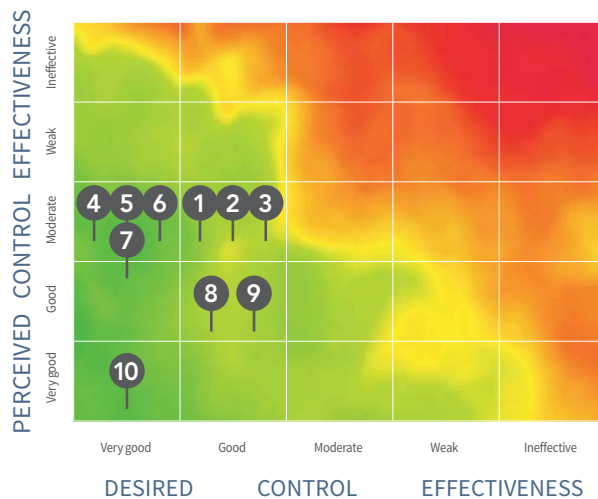
process at year-end, both for disclosure purposes and to provide a basis for updating the risk management plan. As part of the Internal Audit plan, BDO performed a review of the control design adequacy and operating effectiveness of the Enterprise Risk Management strategy and framework and annual risk management plan for the Oceana Group. BDO was able to provide reasonable assurance that the control environment is adequately designed and operating effectively based on the key controls tested during the review.

The Oceana Group Risk Management Policy and Framework aims to provide stakeholders with the assurance that all material risks across the Group have been properly identified, assessed, mitigated, tolerated and monitored. The Board is satisfied that the Group’s risk management processes are effective.

INHERENT RISK EXPOSURE



RESIDUAL RISK EXPOSURE



RANKING	RISK CONTEXT	IMPACT ON VALUE	RISK MITIGATION ACTIONS
1 MARKET VOLATILITY (2)	<ul style="list-style-type: none"> Leveraged balance sheet Increase in interest rates Increase in US dollar/euro price for fuel Weakening ZAR impacts US price for fuel Weakening ZAR impacts US dollar imports of frozen and raw fish Sensitivity to fishmeal and oil price to global supply and demand dynamics Political and social unrest Inflationary pressures globally Macro and micro economic conditions globally Global supply chain challenges including freight costs 	<ul style="list-style-type: none"> Inability to maintain margins Cost increases Decline in earnings Impede capital raising ability Trading losses due to forex movements 	<ul style="list-style-type: none"> Execute hedging policy Natural business hedge, with both imports and exports Fixed interest rate Strict repayment of debt and covenant compliance Negotiate lower US dollar prices, hedge against currency, fuel and interest rate movements Diverse customer base in different geographic locations Security response protocols

Opportunity: Diverse operating geographies offer optimal natural hedge

Risk area: Strategic & Financial

Strategy: Sustainable earnings through diversification

Speed of impact: Rapid

RANKING	RISK CONTEXT	IMPACT ON VALUE	RISK MITIGATION ACTIONS
2 RESOURCE AVAILABILITY AND ABILITY TO HARVEST (3)	<ul style="list-style-type: none"> Reduction in pilchards and anchovy (SA and Namibia) beyond normal cyclicalities Decrease in TAC of certain species where resource appears under pressure e.g. WCRL Changes in ecosystem from various environmental factors adversely impacting catch rates, sizes, etc. 	<ul style="list-style-type: none"> Loss of revenue and increased marginal costs reducing profitability Under-utilisation of assets (factories/ vessels) Closure of operations with resulting socio-economic impacts 	<ul style="list-style-type: none"> Participate in and exert a positive influence on resource management initiatives with industry, government and scientific working groups in the USA, SA and Namibia Comply with regulations and responsible fishing practices Utilise own resources to support scientific surveys and provide input to government Diversify targeted species Stakeholder engagement

Opportunity: Deliver organic growth

Risk area: Strategic

Strategy: Protect and optimise our quota business; engage stakeholders and manage reputation; and ensure good governance and sustainability

Speed of impact: Slow

3 BUSINESS INTERRUPTION (1)	<ul style="list-style-type: none"> Disruption at own facilities and vessels as a result of pandemic, technical breakdown, utilities failure, fire or flooding, political, social or labour unrest, interruption in IT systems, electrical disruption, inconsistent water pressure/supply Inability to settle wage negotiations in unionised environment 	<ul style="list-style-type: none"> Inability to continue operations, catch, process and trade resulting in loss of market share Increase in processing costs and reduced profits Under-utilisation of labour/loss of earnings Looting resulting in loss of product Inability to access ports Supply chain disruptions 	<ul style="list-style-type: none"> Pandemic risk mitigation strategy and SOP in place Health, Environment, Safety (HES) and work from home policies in place Business interruption insurance in place Business continuity process complete and in place Power outage, maintenance and site safety procedures in place and audited Standard operating procedures in the event of labour unrest in place Communications strategy (internal/ external) in place IT disaster recovery plan in place Enhanced security response plans and protocols
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Opportunity: Building an agile and resilient business and best product offering for customers.

Risk area: Operational

Strategy: Deliver Organic Growth

Speed of impact: Very rapid

() Refers to previous risk rating

Managing our material risks continued

RANKING	RISK CONTEXT	IMPACT ON VALUE	RISK MITIGATION ACTIONS
4 REPUTATION (PREVIOUSLY IN TOP 15)	<ul style="list-style-type: none"> Negative media coverage Regulatory scrutiny 	<ul style="list-style-type: none"> Adverse perception of Oceana Negative impact on share price Loss of investor confidence Inability to attract, develop and retain talent 	<ul style="list-style-type: none"> Good governance Stakeholder engagement

Opportunity: Enhance value proposition underpinned by Oceana’s reputation as a well governed corporate with strong ESG credentials

Risk area: Strategic

Strategy: Deliver organic growth and diversification

Speed of impact: Rapid – Slow

5 SCARCITY OF CRITICAL SKILLS/ SUCCESSION PLANNING (4)	<ul style="list-style-type: none"> Inadequate pipeline of skills to lead new business opportunities, support current business operation, or replace retiring personnel Challenges in attracting, developing and retaining best talent 	<ul style="list-style-type: none"> Inability to sustain current business model and growth strategy Impact on employment equity targets Inability to fill key positions 	<ul style="list-style-type: none"> Recruitment and selection strategy Implement policies and guidelines for talent and recruitment management, remuneration, skills development and succession planning Leadership and Management Advancement Programmes
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Opportunity: Build a resilient and agile workforce

Risk area: Human Resources

Strategy: Deliver organic growth

Speed of impact: Very rapid

6 LEGISLATIVE NON-COMPLIANCE (10)	<ul style="list-style-type: none"> Need to maintain systems and skills to track, interpret and ensure effective compliance with often-changing legislative requirements in a highly regulated industry 	<ul style="list-style-type: none"> Damage to the brand and reputation Fines and penalties Administrative cost of implementation Loss of current and future fishing rights 	<ul style="list-style-type: none"> Comprehensive legislative compliance, monitoring, training and auditing systems in place Ongoing engagement with regulators directly and through industry associations
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Opportunity: Enhance value proposition, underpinned by Oceana’s reputation as a well governed corporate with strong ESG credentials

Risk area: Compliance/legal

Strategy: Deliver organic growth

Speed of impact: Rapid – Slow

7 EMPLOYEE HEALTH & SAFETY (PREVIOUSLY IN TOP 15)	<ul style="list-style-type: none"> Land-based and vessel operations requiring intensive work to be performed within required safety protocols. Negative impacts on mental health 	<ul style="list-style-type: none"> Injury or fatalities Business Interruption Non-compliance consequences (e.g. fines or penalties) Reputational damage 	<ul style="list-style-type: none"> Safety protocols – (policies, standards, processes and training) 1st, 2nd and 3rd line assurance Incident reporting system Wellness programmes Safety awareness campaigns
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Opportunity: Provide a safe working environment and ensure business continuity

Risk area: Operational

Strategy: Deliver organic growth and diversification

Speed of impact: Rapid – Slow

RANKING	RISK CONTEXT	IMPACT ON VALUE	RISK MITIGATION ACTIONS
8 CASH FLOW VOLATILITY DUE TO CYCLICAL OPERATING MODEL (6)	<ul style="list-style-type: none"> Off-take below sales targets resulting in increased stock levels, and negatively impacting cash flow Procurement of large volumes of frozen fish by Lucky Star 	<ul style="list-style-type: none"> Liquidity strain Financial loss Inability to meet financial debt covenants or repay interest and capital on term loans Delayed creditor payments 	<ul style="list-style-type: none"> Weekly review of cash flow forecast Rigorously reviewed capital and major maintenance expenditures Timely enforcement of terms with regards to collection of debtors Proactive engagement with banks and lenders

Opportunity: Business remains optimally positioned to respond to supply chain and market disruptions, and to potential growth opportunities

Risk area: Financial

Strategy: Deliver organic growth and sustainable earnings through diversification

Speed of impact: Rapid

9 PORTFOLIO IMBALANCE (7)	<ul style="list-style-type: none"> Concentration of earnings in a particular unit or product exposes the Group to greater earnings volatility 	<ul style="list-style-type: none"> Increased volatility of earnings 	<ul style="list-style-type: none"> Business strategy focused on growth and diversification of portfolio Business expansion into aquaculture
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Opportunity: Business remains optimally positioned to respond to growth opportunities

Risk area: Strategic

Strategy: Sustainable earnings through diversification

Speed of impact: Rapid – Slow

10 FOOD SAFETY (8)	<ul style="list-style-type: none"> Potential deviation from quality or safety standards with own and third-party (local and foreign) producers and suppliers Mismanagement of non-conforming product by traders Increase in counterfeit product and sabotage Possible negative publicity including through social media 	<ul style="list-style-type: none"> Consumers falling ill in large numbers Damage to brand and reputation Loss of market share Product recall and liability claims Negative impact on insurance renewal terms, rates and policy limits 	<ul style="list-style-type: none"> Internal technical department and third-party auditors to ensure compliance with standards Product recall processes and insurance cover in place Adhere to best practices hygiene and quality standards, with HACCP accreditation Introduction of FSSC 22 000 Proactive media engagement strategy
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Opportunity: Stringent quality and safety assurance to preserve customer confidence

Risk area: Operational

Strategy: Deliver organic growth and ensure good governance and sustainability

Speed of impact: Very rapid

() Refers to previous risk rating

OUR STRATEGY AND OUTLOOK

Our strategy, KPIs and performance

Our strategy for long-term growth enables ownership of the business objectives and alignment of targets across the Group. Having a unified approach with a single agenda and mission builds consensus. Our strategic planning sessions enable us to reflect on our ability to deliver on ambitions and the phased approach in which to achieve them.

Oceana's business framework focuses on three strategic growth areas:



LUCKY STAR AS A BRANDED BUSINESS

– this is no longer limited to the pilchards sector but also competes more broadly in the protein sector, with a proven ability to extend outside of canned fish to other types of canned foods



OUR FISHMEAL AND FISH OIL (FMO) BUSINESS

– a commodity product that includes our DFI operations in the USA and our two local fishmeal plants on the West Coast of South Africa



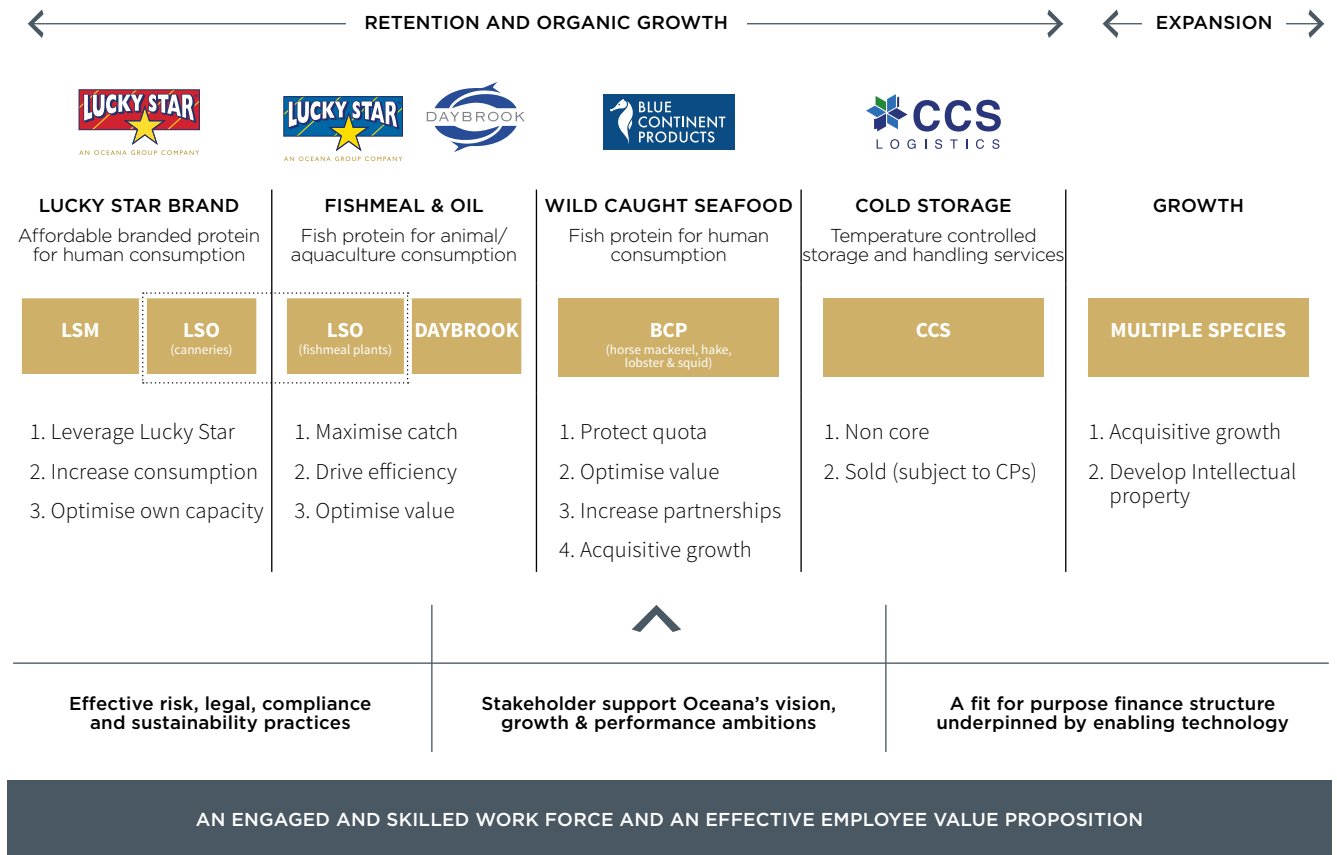
OUR HUMAN CONSUMPTION WILD CAUGHT SEAFOOD BUSINESS

– operated by BCP, including horse mackerel, hake, lobster, squid, monk, and kingklip, all relatively high valued species that are in demand worldwide, but limited by how much quota we can access

NON-CORE | DISCONTINUED OPERATION

CCS has allowed us to capitalise on synergies, particularly with respect to storage of imported canned or frozen pilchards for local canneries. However, it has never been a core business for the Group. Our revised strategic framework focuses on expansion opportunities that are core to our business, with the further prospect of acquisitive growth.

STRATEGY OVERVIEW: 2023-2025



From 2023 onwards this reflects our key operating segments. BCP will be referred to as wild caught seafood segment.

Each of these areas represents an opportunity for Oceana's growth ambitions and as such are key **strategic imperatives** for the business. They are **enabled** by an engaged and skilled workforce, supportive stakeholders, and effective risk, legal, compliance and sustainability governance. Our imperatives and enablers are underpinned by sound financial and information technology functions. While our strategic imperatives focus the Group's effort to create shared value, our strategic enablers protect and enable the delivery of shared value.

Exco undertakes an annual review of the strategy over a three-month period, with every member provided an opportunity to challenge and interrogate the strategies of other divisions. Revised strategic plans are presented to the Board, where budgets and long-term forecasts are approved. Performance against the strategy is reviewed at Board meetings on a quarterly basis.

Monthly performance alignment engagements are held with all executives to solicit feedback on key initiatives and agreed KPIs. The Exco meets regularly to discuss the overall performance of the business, progress on strategic initiatives and top risks.

Looking to 2023 and beyond, our strategic review has maintained its people focus to create a business where people are treated with dignity and respect, and are trusted to contribute courageously to the success of the Group.

We will also drive an education and communication process to embed and ensure buy in of our core values. Reputation has become an important focus area; to rebuild our reputation and restore confidence, we will ensure visible leadership and engagement with all our stakeholders.

We continue our organic growth approach:

- In our Lucky Star branded business our focus is to grow brand extension into canned foods, grow market share through innovation in other canned fish products, and directly invest in the canned foods supply chain.
- In our FMO business our focus is to identify key solutions to increase annual catch, and increase the value of raw materials through other products.
- In our wild caught seafood business our focus is to upgrade the hake fleet to suit the new 15-year rights, and develop long-term partnerships with smaller rights holders.
- In our cold storage business, CCS, our focus has been to sell the business and allocate capital to opportunities more aligned to our strategic objectives and core strengths in the global fish protein sector.
- We remain committed to expansion and will evaluate opportunities both in South Africa and globally to acquire intellectual property and to evaluate and explore adjacent (vertically integrated) investment opportunities.

Our strategy, KPIs and performance continued

DELIVERING ON OUR PURPOSE TO POSITIVELY IMPACT LIVES

Through our core business of responsibly harvesting, procuring and processing a diverse range of global marine resources, we are making a significant contribution to national and global developmental objectives. The United Nations Sustainable Development Goals (“UN SDGs”) provide the best articulation of what sustainable value should look like, setting a clear long-term agenda to end poverty, protect the planet and ensure prosperity for all by 2030. We have identified and prioritised five SDGs, where we believe we can have the most meaningful impact (see page 5). Ensuring our business is environmentally sustainable and that we manage our reputation through impactful initiatives to enhance food security, grow the workforce, develop inclusively, source locally and respond to community needs, supports our long-term growth strategy.

Our strategic sustainability focus is driven by where we have potential for scaled positive impact. This is through both core activities and collaborative efforts, working alongside government, communities and other businesses, and is aligned with the direction promoted by the SDGs. This work builds on our longstanding commitment to the UN Global Compact and its 10 principles.

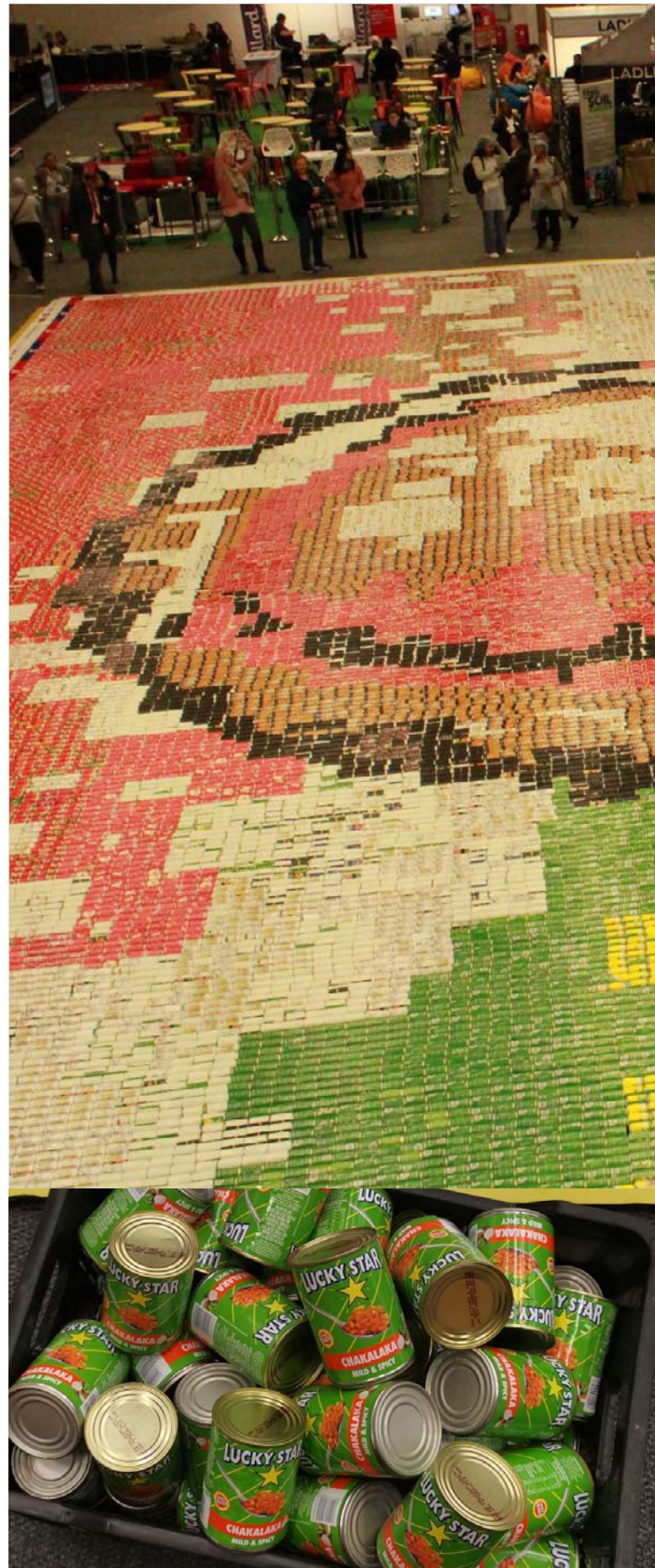
We are seeing increasing congruence between our growth opportunities and our sustainability imperatives:

- Our growth beyond fish into the affordable protein market enhances our contribution to food security
- Our ability to leverage scale and manage input costs makes it possible to keep margins low for consumers in the face of unemployment and inflation
- Our ability to source fish from across the world has made it possible to sustain jobs in our canneries while reducing pressure on South African fish stocks
- Our efficiency and optimisation drives support increased energy resilience and carbon reduction.

Effective risk, legal, compliance and sustainability practices are recognised as critical enablers in our business strategy. These practices apply across each strategic pillar.

An engaged and skilled work force is a further key enabler of our business strategy, highlighting the role played by Oceana people and the culture that shapes the way we work. Our Culture Journey (see page 16) is laying the foundation of values and demonstrating the value of engagement. Values and engagement are the bedrock of effective and accountable decision-making.

Our approach on delivering on these goals is reviewed in detail in our SR.





During the 2022 Mandela Day celebrations, Oceana contributed to breaking 2 world records with the Ladles of Love team in Cape Town and Johannesburg.

In Johannesburg we donated more than 7 000 chakalaka and bean cans which were used for the green and red parts of a massive mosaic of the South African flag.

And in Cape Town we contributed more than 1 000 cans of chakalaka which were used to fill in the green parts of a mosaic of Nelson Mandela's face. In total more than 100 000 food cans were used in the mosaics, all of which will be donated to the more than 200 Ladles of Love soup kitchen beneficiaries around the country.



Strategic Imperatives



Protect and optimise our quota businesses



Driving inclusive development in our core areas of operation is a strategic imperative that has a direct impact on our ability to secure our commercial rights, protect our business and the jobs it creates.

Oceana has consistently been recognised for its commitment, vision and leadership in promoting broad-based transformation in South Africa, and localisation in Namibia. Demonstrating this leadership is not only a fundamental part of our core purpose, but is also crucial to secure long-term fishing rights. As a B-BBEE Level 1 contributor with a 95% black workforce, with 41% HDI representation being women, the Group will continue to invest in the transformation and true empowerment of its workforce.

PROMOTING TRANSFORMATION IN SOUTH AFRICA

We continue to closely monitor legislative and policy developments, and to engage with regulators, to ensure that our long-standing empowerment commitments have been clearly communicated and that our ongoing transformation activities are sufficiently aligned with applicable legislation. To ensure that transformation is embedded in our day to day operations, we strive to:

- Eliminate all forms of unfair discrimination in the recruitment, selection and placement of candidates
- Ensure that all employees are given equal opportunity to learn and enhance their skills
- Enforce Oceana’s commitment to fostering a procurement system that is fair, transparent, equitable, competitive, ethical and cost effective
- Increase our focus on CSI projects within the communities that host our operations, with a particular focus in fishing communities where the need for increased social investment is highest.

Our Group Transformation and Localisation Manager works closely with employees involved in reporting on B-BBEE within the business. We continued to drive our transformation strategy by conducting gap analyses on all B-BBEE elements per division and setting targets with each divisional MD, delivering refresher training across the Group, reporting and tracking progress through our quarterly Transformation Forums, and conducting quarterly audits on B-BBEE elements.

A summary review of our performance against the full B-BBEE Codes of Good Practice scorecard is provided on our website.

SOUTH AFRICAN FISHING RIGHTS

B-BBEE ownership is one of the important factors in the fishing rights allocation process (“FRAP”). We believe Oceana’s current black ownership holds us in a strong position in the industry. We have also made significant investments in the industry through our Oceana Maritime Academy and support for SSFs, creation and retention of jobs and our responsible fishing practices.

We were pleased with the conclusion of the 2021/2022 FRAP announced on 28 February 2022. The outcome secures the Group’s rights in five key species (hake deep-sea trawl, squid, SCRL and small pelagic rights for anchovy and pilchard) for the next 15 years and ensures that current South African fishing operations will continue to retain jobs in the sector and create new potential opportunities. Appeals to the FRAP had to be submitted by 29 April 2022 and although the final outcome has not been announced, we are hopeful that our allocation remains intact. Our rights for horse mackerel and hake inshore have been allocated to 31 December 2031, and WCRL to 31 July 2032.

Following the FRAP process, there have been some new entrants, and we are positioned to partner with them. Oceana has for many years worked closely with SMMEs, in partnerships that have been mutually beneficial. Our focus this year has been to continue engaging with parties that we have a relationship with and to identify potential long-term partners, bringing them into our operations.

PIONEERING SHARED OWNERSHIP

The Group is committed to empowering our employees and SMMEs in our sector. Building on the success of our first ownership scheme, Oceana launched its second employee share scheme, the Oceana Saam-Sonke Trust, in September 2021. This trust is driving ownership by the wider workforce: all employees working permanently for Oceana in South Africa qualify as beneficiaries, irrespective of race, job grade or years of service. A total of 7.8 million shares were issued to the Saam-Sonke Trust, representing 6% of issued Oceana shares, with a transaction value of R530 million. The shares are allocated equitably among an estimated 2 263 beneficiaries.

The Saam-Sonke Trust will be in place for ten years, with a third equally vesting in years eight, nine and ten.

OUR 2022 PERFORMANCE

SOUTH AFRICA

- ✓ Over a period of ten years, we have improved our B-BBEE rating from a level 3 to a level 1, having had a Level 1 B-BBEE rating for the fifth year in a row. This achievement has been supported by the excellent work of our transformation forum committee that comprises leadership across the business, achieving a score of 105.1 points out of 111.
- ✓ Maintained our black-owned and black-controlled shareholding with two main shareholders: Brimstone Investment Corporation and the Saam-Sonke Trust; we had a total black ownership holding of 81.2%.
- ✓ Achieved approximately 80% in respect of points for management control, and we continued to make reasonable progress in transforming our senior, middle and junior managerial ranks.
- ✓ Continued to invest in developing our employees against the backdrop of the scarcity of skills in our sector, investing R50 million in training black employees this year.
- ✓ We continued to support unemployed youth (between the ages of 18-35); 5.3% of our workforce is on a learnership, apprenticeship and internship programme.
- ✓ Achieved a procurement recognition level of 135% in respect of B-BBEE compliant suppliers, proactively ensuring that procurement is redirected towards SMMEs, black owned, black female owned and black designated group suppliers.
- ✓ Supported 30 black-owned small enterprises in neighbouring communities through our enterprise development and supplier development programme in the West Coast for Lucky star operations and Amawandle pelagic and partnered with a black female-owned SMME to implement the programme. Lucky Star also progressed with its flagship Lucky Chow enterprise development initiative (see SR for case studies).
- ✓ Continued to support SSFs through the Oceana Maritime Training Academy (see page 86), which addresses the scarcity of critical skills within the industry, and to work with SMMEs through joint ventures with smaller fishing companies and suppliers that are critical to our business.
- ✗ While our recruitment policy focuses on B-BBEE candidates more actively, it remains a key challenge to employ and retain African black individuals in management levels.



Looking ahead to 2023

Value creation targets

We will:



Protect the African quota-reliant businesses through transformation and localisation credentials



Achieve at a minimum an independently accredited B-BBEE level 1 rating in South Africa



Continue to invest in skills development and job security in the countries in which we operate

- Maintain our black shareholding and level 1 B-BBEE rating and focus on recruiting African management
- Leverage our fishing and processing assets to establish long-term partnerships with SMMEs/new entrants
- Extend the Oceana Maritime Academy services to external businesses in the industry
- Engage further with B-BBEE non-compliant suppliers to provide support
- Investigate flagship Group-wide Enterprise and Supplier Development (“ESD”) programme
- Broaden the SSF training to include mentorship and coaching
- Continue to build strong communication plan with key role players in government, industry, labour, and business coalitions

Deliver organic growth



Deliver organic growth

We are exploring opportunities to achieve organic growth in the Group's core businesses.

Following is a brief overview of our performance this year on our strategic imperative to deliver organic growth, as well as a succinct review of our divisional business models, material risks and divisional strategies for 2023. A more detailed review of performance across our divisions is provided on pages 102 to 109.

stock holding position in comparison to the 2021 financial year. The significant deterioration in the dollar/rand exchange rate impacted on margins in the last quarter of the financial year, but the impact was largely offset by the recovery and growth in sales volumes. Product availability and affordability will remain key to the Lucky Star strategy.

Our wider canned foods strategy, in addition to our canned fish strategy, was a key focus in the year and included the launch of a brand new canned protein category. We also continued to gain positive traction in the canned meat and canned vegetable category in various markets. In canned fish the focus on product versatility worked particularly well with increased category participation amongst higher LSMs. The marketing emphasis placed on innovation and new recipes played an important role in the increased participation.

The Lucky Star brand received several accolades in 2022, and moving into 2023, brand investment will further increase. Leveraging our iconic brand strength and depth of distribution across existing and new product categories, will continue. This will be supplemented by selected supply chain investments to optimise processes for cost efficiency and sustainability.

LUCKY STAR CANNERY PERFORMANCE AND OUTLOOK

An increase in frozen fish supply, coupled with similar fresh fish volumes to last year, led to higher production output in 2022. We bedded down our ability to be more flexible in terms of processing all standards of fish. The challenges presented by significant increases in input costs, most notably, packaging and energy, were addressed through a continued focus on processing efficiencies and improvements in raw material utilisation.

Looking ahead, key focus areas will be canned fish volume growth, affordability and cost management and we will continue to maximise opportunities for local catch.

CANNED FISH



LUCKY STAR MARKETING (BRAND) PERFORMANCE AND OUTLOOK

Coming into 2022 with low inventory, the sales volume performance in the first half of the financial year was impacted by the inability to meet normal customer demand. Recovering to optimum stock levels was further delayed by world-wide supply chain disruptions. Normalisation in supply and growing canned fish demand delivered a significant improvement in sales volume in the second half of the financial year. The result was that the sales volume shortfall in the first half was more than offset by the volume recovery in the second half. We are now better positioned from a closing



CANNED FISH BUSINESS MODEL

	Value drivers	Context and outlook
REVENUE DRIVER (VOLUME)	Reliable local supply and landing of pilchard (SA and Namibia) <ul style="list-style-type: none"> Local pilchard biomass Allocated quotas 	<ul style="list-style-type: none"> Industry catches of South African pilchards remained similar to last year, on a similar TAC; remains SASSI orange listed; less than 10% of our overall supply Positive FRAP outcome with very small reduction The South African resource is improving. In Namibia the moratorium remains in place From an affordability perspective, any increase in local resource would be margin enhancing
	Security through procurement <ul style="list-style-type: none"> Local and global pilchard supply (five fishing geographies) 	<ul style="list-style-type: none"> Started the year with less inventory – a component of supply but also due to the looting in KZN in 2021, which severely impacted inventory levels Continued to optimise geographies and suppliers (expanded further in 2022), underpinned by good supplier relations and efficient procurement practices Supply pricing pressure continues to increase due to higher demand Increased our presence in remote sourcing countries to actively inspect quality Will continue to source widely to ensure unlimited availability
REVENUE DRIVER (PRICE)	Demand for canned fish products <ul style="list-style-type: none"> Consumer disposable income for protein Positioning of Lucky Star in canned fish sector and beyond Demand for canned fish relative to other proteins 	<ul style="list-style-type: none"> The majority of Lucky Star’s revenue is generated in South Africa and followed by cross-border markets and then other African markets and Europe High volume consumers in lower LSM continue to be impacted by a tough consumer environment and it remains critical to maintain relative affordability within canned fish, but also in relation to other low-cost proteins such as chilled meats and chicken Canned fish remains a very large protein category and competitive as a shelf stable protein Stretching into canned foods beyond fish through emulation and innovation Investing in the brand remains a critical outlook including a focus on the emotional aspects of the brand, driving versatility, and staying relevant with the youth of South Africa Enterprise development and CSI remains an important part of our versatility strategy helping to grow township businesses and brands
	Material cost efficiencies <ul style="list-style-type: none"> Efficiencies in own fishing and canning operations Input costs 	<ul style="list-style-type: none"> Ample excess cannery capacity in South Africa (25%) to optimise on affordability in a normalised environment Flexibility to process any standard of pilchard is now embedded in our canneries (e.g., scale-on) Strong efficiencies drive in canneries and to continue prioritising savings South African carbon tax liability on production remains Significantly higher base in freight rates, raw material costs, packaging costs and tomato paste costs, with slight improvements in second half of the year Commodities likely to increasingly come under pressure typically at the beginning side of the supply chain (e.g., packaging suppliers, fuel suppliers, shipping lines and logistics providers) that are not customer or consumer facing Manufacturers, distributors, retailers and wholesalers that understand the bigger picture will continue to keep margins compressed
COST DRIVER		<ul style="list-style-type: none"> Procurement efficiencies
		<ul style="list-style-type: none"> Cost efficiencies around logistics through creating consistency for the shipping lines helped to achieve better rates Centralised procurement continues to deliver sustained cost savings Expansion in geographies to secure frozen fish
	Rand/dollar exchange rate <ul style="list-style-type: none"> Weaker rand increases import costs, impacting margins and profits 	<ul style="list-style-type: none"> The weaker rand towards the end of the year saw margin squeeze Forward cover policy caters for possible pressure on the rand

SI 2

STRATEGIC IMPERATIVES

Deliver organic growth continued

Material risks



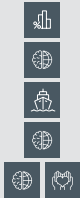
- Weakening rand increasing import cost, negatively impacting margin and profitability
- The reduced disposable income levels of consumers
- Inability to secure global raw material supply to sustain and support the growth and affordability strategy



- Supply chain disruptions and current cost levels with high costs of inputs continuing
- Inability to recover cost push from consumers given the importance of affordability and the increased pressures on consumers

Looking ahead to 2023

VALUE CREATION TARGETS



- Grow canned fish consumption within the total protein category
- Actively grow our share in the wider canned foods category by leveraging the Lucky Star brand
- Improve raw material utilisation of canned fish
- Deliver on product innovation and product versatility
- Optimise supply chains with a particular focus on our affordability strategy

Lucky Star brand will grow canned fish volumes through its affordability, availability, versatility and innovation strategy.

In terms of **availability**, we will:

- Support raw fish suppliers and all supply geographies consistently and expand in-country presence
- Maintain cost effective flexibility and capability to process all types of fish in all canneries
- Optimise procurement in seasonal peaks
- Evaluate additional local or international supply chain investments to secure supply

In terms of **affordability**, we will:

- Drive unlimited supply and ‘size of category’ awareness with customers
- Maximize customer investment in shelf price, shelf space and inventory
- Optimise route to market and depth of distribution
- Further expand the use of additional fish species for canning.
- Optimise production efficiencies

In terms of **innovation**, we will:

- Deliver on new products, packaging and flavours

Lucky Star brand will gain meaningful share in canned foods through brand stretch, cost optimisation and innovation:

- Establish and grow all canned food products (and canned fish products) in existing markets and establish market share by leveraging our brand
- Build sustainable supply partners for canned foods and directly invest in the supply chain where feasible or essential (cost benefit or supply stability)
- Introduce canned soya mince in various flavours as a brand-new volume category for mass consumption

Lucky Star brand investment strategy will:

- Reaffirm the brand’s iconic status
- Unlock different consumption occasions
- Deliver meal inspiration to drive frequency
- Future proof the brand

Looking ahead to 2023 *continued*

Lucky Star cannery will reduce cost and maximise capacity utilisation to support the canned fish affordability strategy:

- Increase fish mince production
- Maximise catch of allocated quota
- Develop alternative suppliers for key input raw materials to ensure cost-effective and sustainable supply
- Reduce energy costs through renewable energy initiatives
- Introduce new products to increase production volumes

Lucky Star cannery will also:

- Continue to maximise the value extracted from raw materials

LEVERAGING THE BRAND



SI 2

STRATEGIC IMPERATIVES

Deliver organic growth continued

FISHMEAL AND FISH OIL



FISHMEAL AND FISH OIL (AFRICA) PERFORMANCE AND OUTLOOK

Landings of anchovy and red eye herring were marginally up in 2022, and we continued to benefit from strong pricing for both fishmeal and fish oil and the strong demand for our product. The weak exchange rate worked in our favour, as we sell in US dollars.

We continued to right-size our fleet and bring it in line with the size of our local fish resource, as well as having a larger component of our fishing fleet on a variable cost base. We have sold some of our vessels to third parties, mainly to SMMEs, some of which are 100% black-owned. Depending on the catch rates in any one season we can now tailor our fixed costs better according to the available resource.

We have also partnered with SMMEs to maintain our access to quota following FRAP.



We continue to invest significantly behind reducing any negative impacts we may have on the natural environment, particularly in areas of the quality of air-emissions and waste water.

An emerging risk flagged this year relates to the proposed closures of fishing areas around six islands in the Western and Eastern Cape to protect the African penguin breeding colonies around those islands. Historical data shows that this could impact between 5%-30%

in terms of our area of catch, which could be material, depending on the movement of the fish.

Looking ahead, key focus areas will be how we catch our allocated quotas of fish to maximise opportunities and grow volumes. We are also looking at directing more of our catch into fish for direct human consumption. We are currently in product development phase to use a portion of our red-eye herring catch for canning, in line with government policy.

FISHMEAL AND FISH OIL (AFRICA) BUSINESS MODEL

Value drivers		Context and outlook	
REVENUE DRIVER (VOLUME)	Reliable availability and landings of species (SA) and fish oil yields <ul style="list-style-type: none"> • Health of biomass • Allocated quotas • Weather patterns 	<ul style="list-style-type: none"> • TAC remained similar to last year, indicating stable biomass health • SASSI green listing of anchovy and red-eye herring • Positive FRAP outcome for anchovies with very small reduction; ability to make that reduction up through partnerships with other successful applicants (“SMMEs”) • Weather and environmental conditions contribute to the cyclical nature of the resources with 2022 being an average year • Island closures to protect the feeding grounds of the African penguin breeding colonies came into effect on 1 September 2022 and will run until 23 January 2023 	
	Fishmeal and fish oil pricing Market demand <ul style="list-style-type: none"> • Global supply dynamics • Global demand dynamics • Export to Europe and Far East 	<ul style="list-style-type: none"> • Strong pricing for both fishmeal and fish oil targeting higher value markets with quality improvements • Demand anticipated to remain strong (with a drive from aquafeeds); prices anticipated to increase over the longer term • Supply Chinese market with feed for shrimp and other aqua species • Primarily supply product for aquaculture, particularly for Southern Europe 	

Value drivers		Context and outlook	
REVENUE DRIVER (PRICE)	Rand/dollar exchange rate	<ul style="list-style-type: none"> Weaker exchange rate increases rand denominated revenue resulting in improved margins 	<ul style="list-style-type: none"> Weaker exchange rate favours our export market
	COST DRIVER Material cost efficiencies	<ul style="list-style-type: none"> Efficiencies in own fishing and canning operations Input costs 	<ul style="list-style-type: none"> Quota, fish, vessels and plants available to maximise catch Impact of any anticipated increases in fuel prices dependent on location of fish landings Increase in coal prices (used for steam generation) could influence processing costs Carbon tax liability remains

Material risks

- Underperformance of industrial fish resources, relative to projected catch over next five years
- World market prices for fishmeal and oil not reaching forecasted average levels
- Increased pressure from regulators and other stakeholders around improving compliance with environmental license conditions and going beyond them

Looking ahead to 2023

VALUE CREATION TARGETS

- Improve raw material utilisation of fishmeal production
- Increase fishmeal volumes by enhancing the production process and investing in facilities improvement
- Enhance harvested volumes by improving fleet capacity and availability
- Deliver on product innovation and service offerings
- Leverage the skill set of USA and SA teams to maximise shared knowledge

In **South Africa**, we will drive consistent performance by maximising production capacity and improving product quality:

- Increase onsite oil storage capacity to align with higher oil extraction initiatives
- Improve offloading system at St Helena Bay to reduce damage to fish
- Replace steam generation plant to convert to higher value steam dried fishmeal
- Drive fleet and plant efficiencies to increase volumes by 30%, off a 2021 base year
- Experimental trawling for red-eye to increase catch volumes
- Leverage fishmeal plants and market access to attract new entrants; secure sufficient quota from existing and new rightsholders, particularly in low TAC seasons
- Optimal mix of owned and third-party vessels to reduce fixed costs in poor fishing seasons

SI 2

STRATEGIC IMPERATIVES

Deliver organic growth continued

FISHMEAL AND FISH OIL CONTINUED



FISHMEAL AND FISH OIL (USA) PERFORMANCE AND OUTLOOK

Landings improved significantly in 2022, partly due to less severe weather and storm events, but also from an operational perspective, with DFI continuing to improve efficiencies in offloading vessels, resulting in 15%-20% higher throughputs, the highest on record. This increased volume into the plant and improved turnaround time offloading the vessels, allowed the vessels to land more fish. Global commodity pricing was up due to global demand and supply dynamics (see page 42), which was very positive for our fishmeal and fish oil prices.

This year we had access to a full season of 12 carrier vessels* (compared to 11 in the previous year). The additional vessel was the best performing in the fleet, and made a significant contribution to the season's landings. Lower Covid-19 infection rates also resulted in fewer lost fishing days compared to last year.

We continued to sell the majority of our fishmeal product into the US pet food market, which remains a growing market, in both volume and value. The US petfood market experienced higher than expected growth over the last few years as pet adoption increased during the pandemic.

With US inflation at a 40-year record high, key input costs have been 10-15% higher than in the previous year. Coming into the year with less carry-in stock (due to the poor fishing season in the previous year), volumes were down but offset by higher pricing. Going forward, with the improved landings this year, we will carry more stock into the next financial year.

Looking ahead, our strategic focus areas are to continue improving plant efficiencies including investments in additional land-based fish storage and water processing capacity to further enhance vessel utilisation. We will also focus on product innovation and optimising our outbound supply chains.



FISHMEAL AND FISH OIL (USA) BUSINESS MODEL

Value drivers		Context and outlook	
REVENUE DRIVER (VOLUME)	Availability and accessibility of Gulf menhaden species	<ul style="list-style-type: none"> Accessibility and ability to land volumes (allocated on an effort basis) – impacted inter alia by fish distribution, fleet efficiency and weather 	<ul style="list-style-type: none"> Gulf menhaden maintained MSC certification indicating healthy biomass and good long-term outlook Fishing season runs from April to October, with inventory carrying us through the off season Challenges with recreational fishing demands from the Coastal Conservation Association (“CCA”) may impact fishing areas
	Nature of fishmeal and fish oil yields	<ul style="list-style-type: none"> Gulf menhaden typically have fish oil yields of around 10%, a function of fish resource movements and feed patterns Landings and size of the fish 	<ul style="list-style-type: none"> Oil yields for menhaden (10%-12%) vs Peru anchovy and other species (4%-6%) Plant improvements will ensure optimal oil extraction

* Includes Westbank Fishing LLC (“Westbank”), in which DFI has a 25% shareholding





Value drivers		Context and outlook	
REVENUE DRIVER (PRICE)	Fishmeal and fish oil pricing and demand	<ul style="list-style-type: none"> Global supply dynamics 	<ul style="list-style-type: none"> Stable global supply of fish oil from Peru is expected
		<ul style="list-style-type: none"> Global demand dynamics 	<ul style="list-style-type: none"> Global fishmeal and fish oil volume demand is expected to remain strong in the short-to medium-term but pricing likely to come under pressure as global commodity prices weaken
		<ul style="list-style-type: none"> Sold for use in pet food, aquaculture and cattle feed industry 	<ul style="list-style-type: none"> Outlook is a consistent 4%-5% growth in the pet food industry (highest margin market) Pet food sales contracted six to nine months ahead ensuring optimal pricing DFI has good carry-in stock to 2023
COST DRIVER	Material cost efficiencies	<ul style="list-style-type: none"> Efficiencies in landing, processing and distribution Input costs 	<ul style="list-style-type: none"> Bailing speeds, throughput, oil and meal yields all showing improvements Increase of barrel price doubled fuel costs, but some offset because of a proactive hedging policy being in place Inflation across the board in terms of key costs – chemicals, materials and equipment The reinsurance market rates continue to increase given disaster-prone area of operation and recent years of hurricane activity

Material risks

- Inability to optimise fishing and land projected volumes due to adverse weather conditions
- Fluctuations in international supply and demand for fishmeal and fish oil, which affects global pricing
- Continued inflation and high commodity prices impacting on demand domestically
- Pressure from recreational fishing associations to further limit fishing areas for harvesting menhaden resource

Looking ahead to 2023

VALUE CREATION TARGETS

-  Enhance the production process and investing in facilities improvement to increase processing capacity
-  Increase harvested volumes by improving fleet capacity and availability*
-  Deliver on product innovation and service offerings
-  Leverage the skill set of USA and SA teams to maximise shared knowledge

In the **USA**, DFI will maximise production capacity and quality, increase presence in high margin consumer markets and diversify product offering:

- Maintain improved bailing speeds, throughput and yields
- Enhance the profile of menhaden fishmeal in domestic US market
- Explore alternative market opportunities
- Continued focus on operational excellence – increase raw box capacity and plant water handling capacity
- Further optimise outbound supply chain

Westbank* will implement fishing improvements through fleet optimisation and innovation

- Enhance public relations resource capacity and pro-menhaden lobbying
- Continue net design improvements and implement sonar technology
- Introduction of jet-engine purse boats to vessels within the fleet

* Includes Westbank Fishing LLC ("Westbank"), in which DFI has a 25% shareholding

SI 2

STRATEGIC IMPERATIVES

Deliver organic growth continued

BLUE CONTINENT PRODUCTS



HORSE MACKEREL (SOUTH AFRICA) PERFORMANCE AND OUTLOOK

Horse mackerel catches were down in the 2022 financial year, and operations were heavily impacted by fuel price increases, but the market remained strong, especially in Africa with pricing at record high levels.

HORSE MACKEREL (NAMIBIA) PERFORMANCE AND OUTLOOK

Namibia catch rates were better than in South Africa, but were lower than in the previous financial year. Fuel prices had a significant impact and, going forward, this will impact further as we move towards a low-sulphur fuel requirement, with the exemption having expired at the end of the financial year.

Looking ahead, the horse mackerel businesses are expected to face various cost pressures. This, coupled with the lower catch rate, as experienced in the current year, could create a trade-off between cost recovery and price increases.



HORSE MACKEREL BUSINESS MODEL

Value drivers		Context and outlook	
REVENUE DRIVER (VOLUME)	<p>Reliable supply and landing of horse mackerel (SA and Namibia)</p> <ul style="list-style-type: none"> Health of horse mackerel biomass in SA and Namibia Own quota allocation vs contracted quota Efficient landing of available allocation 	<ul style="list-style-type: none"> The SA resource is in a downward cycle (La Niña effect) but remains SASSI green listed We share 32% ownership (directly or through joint ventures) of the SA quota and contract the remaining requirements to operate our vessel Challenged DFFE on methodology of rights review allocation process from 2016 and won the case, government reviewing allocation process Fisheries policy in Namibia under development with new fisheries Minister, 2/3 of quota is allocated to rights holders and 1/3 is auctioned back to rights holders. In 2022, our TAC reduced when compared to the previous year The latest acoustic survey done in September 2022 indicates that there is pressure on the Namibian resource which may affect the 2023 TAC 	
REVENUE DRIVER (PRICE)	<p>Market demand and pricing rand/dollar exchange rate</p> <ul style="list-style-type: none"> Sold (frozen whole) mainly in Southern, Central and West Africa Weaker exchange rate increases rand denominated revenue resulting in improved margins (offset by fuel and dollar denominated labour costs) 	<ul style="list-style-type: none"> Demand for larger-sized SA horse mackerel in West Africa and Mozambique has been very strong with price conscious consumers Demand and pricing for smaller-sized Namibian horse mackerel in SADC countries (mainly SA, DRC and Zambia) has remained strong, as consumers turn to more affordable proteins in challenging economic environments Weaker rand this year improved margin performance due to significant exports Products are mainly sold in informal markets For the foreseeable future, value for money proteins will be in strong demand 	
COST DRIVER	<p>Material cost efficiencies</p> <ul style="list-style-type: none"> Efficiencies and speed of catch rates Input costs 	<ul style="list-style-type: none"> Consistency in catch rates is important in managing overall costs High sulphur fuel is in the process of being phased out with a move to more expensive low-sulphur fuel from October 2022 in Namibia Fuel accounts for 39% of total production costs in SA and 33% in Namibia Increased barrel price for fuel doubled fuel costs, but some offset with a proactive hedging policy being in place 	

Material risks

- South African and Namibian horse mackerel catch rates
- Procurement cost of Namibian horse mackerel quota becomes commercially unviable
- Refrigeration conversion of vessels
- The cost of fuel, including the move to low-sulphur fuel
- Inability to pass on the costs to end consumer

SI 2

STRATEGIC IMPERATIVES

Deliver organic growth continued

BLUE CONTINENT PRODUCTS

CONTINUED

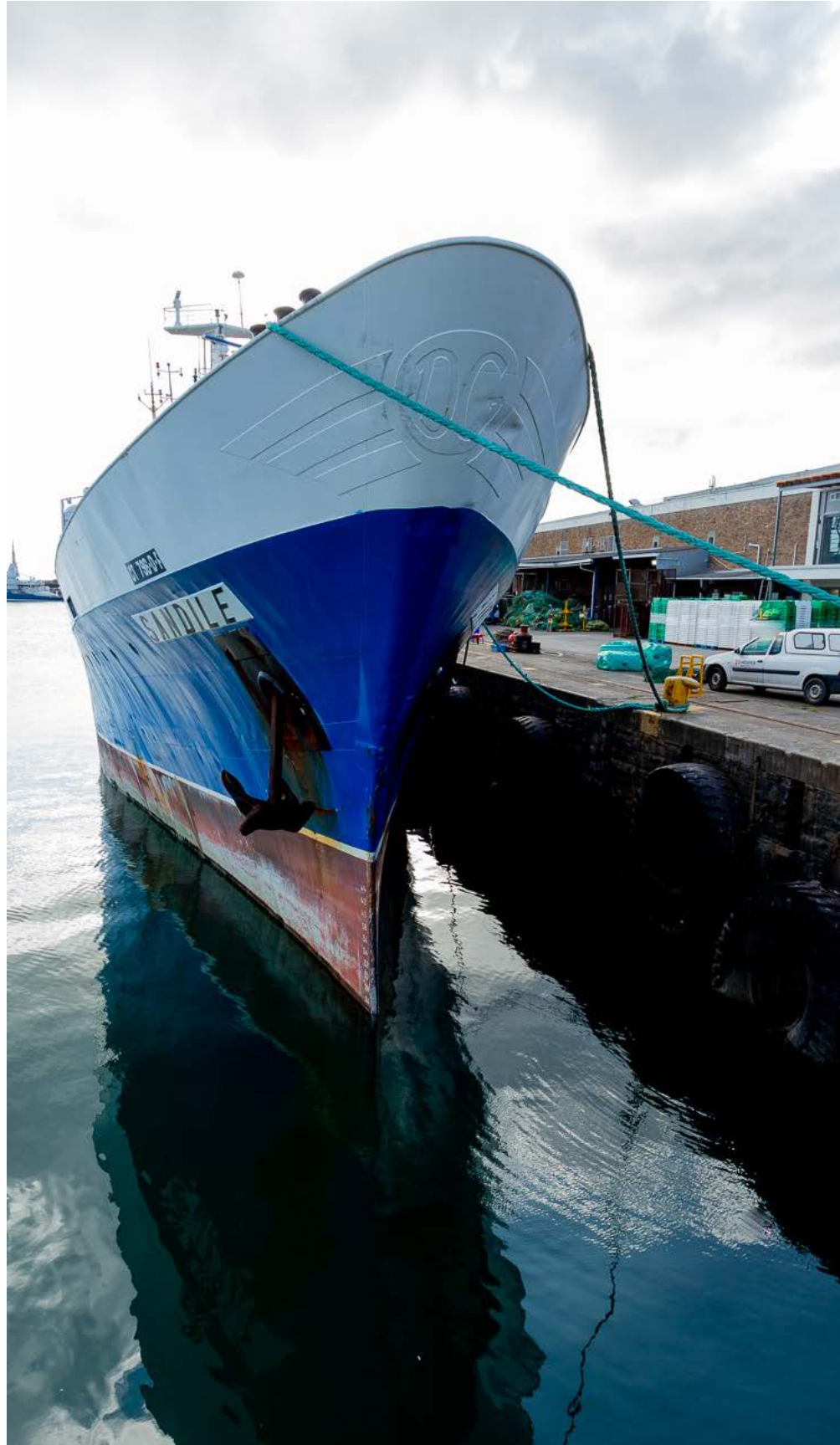


HAKE PERFORMANCE AND OUTLOOK

Catch rates improved marginally in 2022, but our bottom line was significantly impacted by the higher fuel prices. Due to the difficulties in getting containers to Europe during the first eight months of the year, coupled with higher freight costs, we sold more hake locally than in previous years. Despite pricing in Europe being better than normal, it still worked in our favour to sell locally. With further weakening in the exchange rate, we increased the level of exports during the last four months of the year.

A major highlight has been our 15-year rights allocation completed for Hake Deep Sea Trawl, which provides the certainty needed to make investments in our industry. One of our biggest risks is an aging fleet and, over the next three to five years, we will be embarking on a vessel upgrade and renewal programme. We will also look to diversify our product offering to meet the shift in consumer markets towards convenience.

Our refrigeration conversions on vessels have been pushed out and will happen in the next two to three years.



HAKE BUSINESS MODEL

	> Value drivers	> Context and outlook
REVENUE DRIVER (VOLUME)	Reliable supply and landing of hake <ul style="list-style-type: none"> • Health of hake biomass • Own quota allocation vs contracted quota • Efficient landing of allocated quota • Input costs 	<ul style="list-style-type: none"> • Reasonable catch rates; resource remains relatively stable • The long-term outlook for biomass remains positive. With MSC certification in place and SASSI green listing, there may be an increase in TAC for 2023 • The FRAP process was finalised in March 2022 and Oceana subsidiaries received largely the same allocation as previously held • Sea frozen production maximises revenue and profit, moving away from land-based processing
	Pricing in international markets <ul style="list-style-type: none"> • Demand in new and traditional markets 	<ul style="list-style-type: none"> • A premium is paid in Europe for the larger size fish while prices for smaller fish sold in SA are maximised • Pricing in Europe was better than normal, but it was more cost-effective to sell locally
REVENUE DRIVER (PRICE)	Market demand and pricing <ul style="list-style-type: none"> • Sold (headed and gutted – H&G) to European and SA wholesale and food services market and retailers 	<ul style="list-style-type: none"> • Dynamics of buying patterns and pricing have negatively impacted European demand for H&G; home consumption and generational change favours convenience • Fundamentals for hake remain strong.
	Rand/euro exchange rate <ul style="list-style-type: none"> • Weaker exchange rate increases rand denominated revenue resulting in improved margins 	<ul style="list-style-type: none"> • With the further weakening of the rand, exports became more viable
COST DRIVER	Material cost efficiencies <ul style="list-style-type: none"> • Efficiencies and speed of catch rates • Input costs 	<ul style="list-style-type: none"> • Consistency in catch rates is important in managing overall costs; an aging fleet poses risks • Increased barrel price for fuel doubled fuel costs, but some offset with a proactive hedging policy being in place • Carbon tax liability while freon used in vessel refrigeration systems

Material risks

- An aging fleet that requires investment
- The high cost of fuel
- Inability to pass on the full impact of fuel price increases onto customers
- Scarcity of critical vessel skills

SI 2

STRATEGIC IMPERATIVES

Deliver organic growth continued

BLUE CONTINENT PRODUCTS

CONTINUED



LOBSTER PERFORMANCE AND OUTLOOK

WCRL resource continues to be under threat from poaching and catches were again poor this year. Given the drastic cuts in the TAC over the past four years, coupled with the increasing costs of operations, inflation and economic downturn, the business, as it was structured, was no longer economically viable. Towards the year-end, we decided to close the operational parts of our WCRL business and commenced a s189 consultation with the impacted employees as is required

by legislation. Alternative positions have been offered at Lucky Star Operations (“LSO”) in St Helena Bay to all land-based employees. LSO took over the operations of the lobster factory and merged this facility into its operations from 1 October 2022.

We consolidated the WCRL business by collaborating with SMME quota holders and operators to create the necessary volumes to make the business viable.

SCRL continued to make a healthy margin with good demand in the USA. It remains a strong resource, the TAC increased by 5% and catches were good. With the positive FRAP outcome, whereby our quota allocation increased marginally, we are looking to grow the business through either acquiring or entering joint venture partnerships with other SCRL rights holders.

SQUID PERFORMANCE AND OUTLOOK

Industry-wide catch rates were extremely poor, but we started to see improvements towards the end of the financial year. Tailwinds included record high squid price levels due to the high demand for the product and the limited availability of squid resources globally.

The fuel price impacts were not as severe as with our hake or horse mackerel businesses due to less available fishing days.

In the year ahead we will invest in reverse osmosis technology for vessels given that most of the squid catches take place near Gqeberha, which is a water restricted area. By desalinating sea water, there will be no need to return to land, which will have both cost reduction and environmental benefits.

Our joint venture in the Eastern Cape with our B-BBEE partner continues to work well and culturally has been a good fit for our business, with potential for further growth. The outlook is very positive as we work on our partnership to be more efficient.

LOBSTER AND SQUID BUSINESS MODEL

Value drivers		Context and outlook	
REVENUE DRIVER (VOLUME)	Reliable supply <ul style="list-style-type: none"> Own and contracted quota allocation Health of biomass (SCRL and squid) 	<ul style="list-style-type: none"> Secured 15-year rights for WCRL in 2017, but the TAC has been cut drastically over the past four years (400 tons to 50 tons) and we expect a further cut of 21.4% for the 2022/2023 season WCRL resource remains under pressure due to unchecked poaching (SASSI red listed since 2017) The FRAP process was finalised in March 2022 and Oceana received largely the same allocation as previously held for SCRL and squid SCRL considered a stable biomass, small resource yet very well managed (SASSI green listed) Squid considered a healthy biomass (SASSI green listed) 	
	Harvesting of the lobster and squid biomass (SA) <ul style="list-style-type: none"> Availability of lobster and squid biomass 	<ul style="list-style-type: none"> Squid is a fairly short-lived species (two years) and very susceptible to changes in the environment Unusually warm water (La Niña effect) on the East Coast which happens periodically affected the squid resource, but started to improve towards year-end Based on catches over the last two months, we are expecting a reasonable catching season for the new financial year 	

Value drivers		Context and outlook	
REVENUE DRIVER (PRICE)	<p>Market demand and pricing rand/dollar and rand/euro exchange rate</p> <ul style="list-style-type: none"> • Live and frozen WCRL sold to Far East markets • Live and tailed SCRL sold to European and USA markets • Squid sold to markets in Europe • Weaker rand increases ZAR export earnings 		<ul style="list-style-type: none"> • Chinese market disruptions have recovered, and demand and pricing remain strong (trade war between China and Australia has played in our favour) • USA economy has opened up and demand has been strong; SCRL is a small part of the business but healthy margin; looking to grow the business • Strong demand and stable pricing likely to be sustained for squid • Weaker rand this year affected performance with favoured products being export dominated
COST DRIVER	<p>Efficient/effective harvesting of the lobster and squid biomass (SA)</p> <ul style="list-style-type: none"> • Consolidation and rationalisation of operations (lobster) • Efficiencies in landings and processing 		<ul style="list-style-type: none"> • Stable earnings to be sustained, supported by continued focus on live lobster sales • Considering partnerships with others in the industry

Material risks

- Sustainable catch rates for all three resources

Looking ahead to 2023

VALUE CREATION TARGETS



- Enhance harvested volumes by improving fleet capacity and availability
- Collaborate and partner with quota holders to be efficient in all species, maximising utilisation of the full capacity of our vessels
- Secure sufficient quota at viable levels in Namibia to maximise vessel capacity via government auctions or quota purchases;
- Influence Namibian ministry to ensure regular scientific research is undertaken to ensure a sustainable horse mackerel biomass and engage with SA scientific working group on by-catch limitations
- Increase focus on localisation and skills transfer in Namibia
- Invest in digitisation and SHEQ integration in operations (SA and Namibia)
- Invest and upgrade fleet to suit the new 15-year rights allocation
- Continue with hake frozen H&G strategy with options of product diversification within three years
- Explore acquisition to grow white fish business
- Efficient refrigeration conversion of the fleet (horse mackerel and hake) to other suitable gases in South Africa and Namibia
- Optimise quota for WCRL by leveraging growth through a partnership and a fully variable operating model
- Secure the optimal license allocation for squid through a partnership and utilise laid up vessels for SSFs
- Explore acquisition to grow squid or SCRL business

SI 2

STRATEGIC IMPERATIVES

Deliver organic growth continued

COMMERCIAL COLD STORAGE



CCS PERFORMANCE AND OUTLOOK

We were down to three operating regions in 2022, after our Durban business was sold in 2021.

With this year being the first full year of the lease, Walvis Bay performed exceptionally well, outperforming 2021 with good storage demand and the seafood industry contributing to most of the profits. Gauteng had a depressed year due to losing a major customer (replacement took six months) and a change in the chicken industry towards

fresh and just-in-time production, with an uptick in freezing product again from June given the scale of the local production.

In the Western Cape, we extended the Epping store capacity to over 27 000 pallet positions, which were available for utilisation from February 2022 and we have an opportunity to take in more capacity for the future. We also won the 10-year bid for the Duncan Dock lease, effective from 1 October 2022. This is the only store in the Western Cape that stores loose fish, which will be an important part of our strategy going forward.

The solar energy installation in Paarden Eiland exceeded our investment case. We will extend this to our Epping and City Deep stores and potentially to Walvis Bay in the near future.

In October 2022, Oceana entered into agreements to sell its interests in CCS, with transaction to be implemented by the end of February 2023 should all regulatory approvals be obtained timeously. This will allow Oceana to focus on investing in and expanding its core fishing business and will provide CCS with access to the capital it needs to remain competitive and grow. This includes modernising its infrastructure and expanding regionally and into Africa, where cold-storage infrastructure is under-developed. Oceana will continue to use CCS as a service provider and as part of the transaction has entered into a three-year storage and handling contract. Oceana will also continue providing various transitional services to CCS for a period of up to one year from implementation.

CCS BUSINESS MODEL

	> Value drivers	> Context and outlook
REVENUE DRIVER (VOLUME)	<p>Occupancy rates</p> <ul style="list-style-type: none"> Nature of frozen food market (predominantly fish and poultry) Ability to integrate services cost-effectively into the outbound supply chain of customers Availability of alternative cold stores through competitor pressure 	<ul style="list-style-type: none"> Increased freight and container prices affected customer storage Depressed market in the Western Cape also due to high costs of imports, resulted in less stock for storage, but an increase in storage demand for fruit concentrate which was destined for fresh fruit export (usually exported to Ukraine/Russia) Good storage demand in normalised year in Gauteng following strong demand in prior year Namibia, particularly from the seafood industry market saw good horse mackerel landings and increase in demand for storage, a positive effect of Covid-19 Duncan Dock lease secured, securing our services to customers in that region 20% additional capacity in the Western Cape in 2022 increasing competitor pressure Western Cape lowest storage rates in two years, with Lucky Star frozen fish being the biggest fixed reservation Our customer base is extremely reliant on containers, which were impacted by Covid-19 Potential for improved occupancies in Gauteng as a result of a shortage in cold storage space in Durban created by the looting FSSC 22000 certification enhances our food safety credentials; five stores are now certified, leading to efficiencies in customer audits

Value drivers		Context and outlook	
COST DRIVER	Material cost efficiencies	<ul style="list-style-type: none"> The ability to reduce costs, significant in a largely fixed-cost structure 	<ul style="list-style-type: none"> Cost implications of loadshedding particularly in the Gauteng region, with generators required for longer periods Very high fixed cost base requires high occupancy levels Biggest cost for cold storage is electricity hence the move towards solar energy and energy management systems
	Leased vs owned cold store facilities	<ul style="list-style-type: none"> Leased assets typically offer lower margins, and reduced long-term certainty 	<ul style="list-style-type: none"> Optimising existing site capacity in Walvis Bay, Gauteng and Western Cape (stores in Epping, Paarden Eiland and Duncan Dock)

Material risks

- The inability of importers to secure affordable containers and shipping lines
- Impact of increasing fuel and commodity prices on customers
- Cyclical nature of consumer segments services may create volatility in earnings
- Increasing energy and labour costs erodes margins
- Increased capacity and competition placing the South African market under pressure

Looking ahead to 2023

- On 4 October 2022, Oceana announced that it had entered transaction agreements to dispose of its interest in CCS for R760 million. The transaction remains subject to regulatory and commercial suspensive conditions being fulfilled by no later than 28 February 2023.



Create sustainable earnings through diversification

SI 3

To supplement organic growth with strategic growth that helps to enhance earnings, increase diversification, and reduce portfolio imbalance.

Acknowledging the very challenging start to the year which included changes within our executive team, our acquisition strategy was understandably put on hold. In 2021 we had identified a few exciting opportunities, but we did not pursue anything actively, particularly from a global perspective. The focus has instead been on finalising negotiations and agreement with regard to the disposal of the CCS business, which remain subject to regulatory approval. Additionally, strategic focus shifted to shorter term deliverables including delivering a strong second half operating performance and enhancing Oceana's reputation and culture.

From an acquisition perspective, we continue to monitor and evaluate opportunities and to build a pipeline that meets our investment criteria. In the short to medium future, large scale acquisitions are unlikely. We remain open, however, to smaller, bolt on acquisitions particularly in the BCP division that can increase our access to quota. We also continue to search for smaller opportunities in the aquaculture space. In South Africa this was limited to farmed abalone. Most of our domestic competitors have investments in abalone production and from a product value perspective this certainly remains an interest. There are also other global opportunities that would help to increase our geographic and species diversification, and we continue to look at these, but with nothing imminent at this point.

A new strategic direction this year has been to explore adjacent vertical integration opportunities that are complementary to our core business and to potentially sell these products to the greater consumer market. These ideas remain in early stages of development.

Our 2022 performance:

- ✓ We pursued and successfully concluded a divestment opportunity this year, entering into agreements to sell our interests in CCS for R760 million, with transaction implementation by the end of February 2023, pending regulatory approval. The buyers are a consortium comprising: African Infrastructure Investment Managers, Bauta Logistics and Mokobela Shakati.
- ✓ We identified opportunities in terms of existing farmed abalone businesses, and one greenfield abalone opportunity.
- ✓ Continued to explore other aquaculture opportunities, such as tilapia production in Africa, but given competition from the East, we decided it was not feasible at this point.
- ✓ We started to explore opportunities in the Lucky Star value chain to acquire production processes.

Looking ahead to 2023

VALUE CREATION TARGETS



- Grow and diversify through targeted acquisitions that meet investment criteria.
- Successfully complete earnings enhancing, portfolio diversifying opportunities.

We will:

- Continue to evaluate opportunities to invest in a local vertically integrated business.
- Evaluate vertically integrated investment opportunities in global white fish businesses, local squid and SCRL businesses.
- Explore adjacent vertical integration opportunities that are complementary to our core business.
- Implement a long-term operating model that supports our expansion strategy.



Strategic enablers

SE 1

GALVANISE THE WORKFORCE

Effective people delivery is premised on exceptional management of our talent. It is our goal to attract and grow the right people, reward them appropriately, and create effective spaces for development, engagement, and delivery in a high-performance environment.



Coming out of the Covid-19 pandemic, employee wellness remained a key focus area. Another key focus was on rebuilding teams following the challenging internal circumstances at the start of 2022. Through visible leadership and an effective internal communications drive, where transparency and openness were key, the executive team pulled together and took the reins to lead the Oceana Group through to the next phase of the business. The focus was on performance, our culture, building back team morale, breaking down silos, retention and promotion of staff, and alignment to the new leadership and their vision.

JOB SECURITY, SKILLS TRANSFER AND OUR EMPOWERMENT TRUSTS

With some of the highest unemployment rates in the world, job security and job creation are not only national imperatives for both South Africa and Namibia – they are also significant innovation challenges.

Beyond job security and skills training, and in alignment with our belief that staff are core stakeholders to our business, our empowerment trusts are important mechanisms for our employees to grow with the Company.

- Despite the challenges brought by the Covid-19 pandemic and increasing economic pressures, Oceana has sustained its levels of employment over the last three years.
- The continuation of our frozen fish import strategy enables us to continue to provide regular work scheduling and thus a stable income for our seasonal employees in Namibia and South Africa, where high unemployment remains a serious social challenge.
- Given that our industry is affected by quota limits, there are times when certain facilities cannot operate. In such instances, we attempt to redeploy staff across the business, wherever feasible.
- The Oceana Maritime Academy offers a wide range of training programmes to both internal and external stakeholders and is the first training academy of its kind in South Africa that focuses specifically on the needs of the fishing industry.
- We continue to work with government and other stakeholders to support government's efforts to responsibly develop SSFs, through our SSF programme.
- The Oceana Saam-Sonke Trust, our second employee share scheme, has allocated a total of 7.8 million shares to 2 263 beneficiaries, representing 6% of issued Oceana shares, with a transaction value of R530 million.

OUR 2022 CULTURE JOURNEY

Culture has been an ongoing focus at Oceana and this year we ran a Group-wide employee engagement survey as part of a broader journey to define, communicate and embed the Group's core values and to measure engagement levels. We see this as intrinsic to fulfilling our purpose, improving team cohesion and creating a sense of commitment in the workplace. Participation in the survey was high at 53%, with 65% of those surveyed assessed as being "engaged" or "actively engaged". Given the governance challenges and negative press coverage earlier in the year, we were pleased that 95% of those surveyed felt they could be honest in answering the survey.

Having identified five values for the organisation – teamwork, respect, accountability, courage, trust – we are now working in focus groups to define the behaviour that would see those values being enacted. Once finalised, this will be followed by a launch, education and communication process to embed and ensure buy-in.

Looking ahead, the engagement survey will become part of the tools we use to engage our staff, using the results from this year as a baseline to track improvement year-on-year.

Our 2022 performance:

- ✓ Looked at how to improve utilisation of traditional employee wellness tools and relaunched the tools with a new service provider, delivered through a series of roadshows and live sessions with staff, as well as a virtual offering; staff participation rates were pleasing.
- ✓ Continued to manage mental health issues using external providers to deliver sessions on working from home and re-entering the workspace, as we move to a hybrid workspace strategy.
- ✓ Rolled out an enhanced primary health care service for LSO workers, partnering with state facilities to bring these services closer to the worker, reducing employee sick leave.
- ✗ Course corrected on our plans to roll out a primary health care service across the Group.
- ✓ Delivered a Group-wide employee engagement survey using the Gartner

methodology, surveying 3000 staff through various channels, and started the process of running smaller focus groups with 10% of the employee population, to help define value behaviours.

- ✓ Output from the engagement process showed a positive eNPS¹ score of 9.
- ✓ Delivered financial literacy training to employees in South Africa, partnering with one of our banks to deliver on this.

- ✓ Delivered the first distributions to participants of the Oceana Saam-Sonke Trust, our second empowerment scheme, that provides an opportunity to drive ownership from the wider workforce with greater emphasis on equality.
- ✓ Concluded the Oceana Management Advancement Programme (“OMAP”), considered to be a great success with valuable projects implemented across the business tackling key concerns, such as waste issues.

- ✓ Made good progress on our succession planning and talent management initiatives, seeing a number of promotions within the Group, many being graduates of Oceana Leadership Advancement Programme and OMAP.
- ✓ The Oceana Maritime Academy offered a wide range of training programmes, many SAMSAC-accredited, to both internal and external stakeholders (see our SR for details); we saw a significant number of disabled learners trained through the academy this year.

TRAINING SPEND	2022	2021	2020
Total amount invested in skills development	R41.7m	R60.0m	R60.9m
Total spent as a % of leviabile payroll on black employees	3.6%	3.5%	3.3%
Total spent on black employees as a % of total amount invested in skills development	86.3%	83.0%	80.0%
Total spent on disabled employees as a % of total amount invested in skills development	6.0%	7.1%	8.2%
Total spent as a % of leviabile payroll on black disabled employees	0.2%	0.3%	0.3%

Looking ahead to 2023

VALUE CREATION TARGETS



- Deliver talent management initiatives that support the implementation of the business strategy and growth plans



- Deliver programmes to nurture a healthy organisation
- Define, communicate and embed Oceana Group’s core values and measure engagement levels.

We will deliver on the promise of Our People, Our Priority by:

- Continuing to deliver bespoke development programmes, pipelines for leadership as well as critical and scarce skills; future fit/future ready the workforce through integrated and optimised talent acquisition
- Delivering an integrated offering through the Maritime Academy across the business and secure accreditation for the Academy; focus on development of A-C level staff, vessel training plans and career paths; and explore commercialisation of training offering
- Ensuring employee understanding of total reward model and compensation structures
- Developing a consistent and robust approach to union and employee engagement
- Continuing to deliver activities that support the behaviours needed to allow Oceana Group’s core values to flourish
- Ensuring the focus on wellness remains firmly intact through a holistic and integrated health programme
- Continuing hybrid remote working policy (white collar workers) to allow for flexibility and ongoing remote work where appropriate, while still encouraging collaborative workdays

¹ The eNPS is a measure of employee advocacy for the business as an employer. It asks employees how likely they are to recommend Oceana to other people who currently do not work for the business

Engage stakeholders and manage reputation

SE 2

Understanding and being responsive to the interests of our stakeholders through effective dialogue and engagement is critical to delivering on our strategic imperatives.



Seeing stakeholders as partners in creating shared value is firmly embedded into our culture. It is our objective to create a conducive environment where stakeholders support Oceana’s vision, growth, and performance ambitions.

Addressing the detrimental effect on our public image and reputation that resulted from the whistle-blower allegations at the start of the 2022 financial year remained a top priority, with engagement efforts across all our key stakeholder groups to address this. The impact remained visible in the media sentiment score which we conduct quarterly, but this showed improvements towards the year-end.

For details on our key stakeholder groups, their most material interests, and how we engaged with them in 2022 see page 48.

Our 2022 performance:

- ✓ Achieved a positive outcome on FRAP 2021/2022 with no material change to the Group’s previous rights.
- ✗ Negative media coverage during the year resulted in adverse media sentiment which impacted the share price (see details on page 85).
- ✓ Pleasing performance positively impacted share price towards the end of the year.
- ✓ Kept stakeholders close during the whistle-blower challenges, with little fallout from the event. Active measures taken as part of our reputational rebuild included:
 - Letters from the Board Chairman and CEO sent to the Minister offering an opportunity to engage on the matter and address any areas of concern the DFFE may have had;
 - Regular updates and governance roadshows with our investors, SENS announcements and publishing the results of the forensic investigation by ENSafrica Forensics on the Oceana website;
 - Delivered a reputational rehabilitation strategy with all our key stakeholders;
 - Active engagement between the CEO and FishSA continue as it is regarded as a constructive and collaborative partner in the industry;
 - Commenced engagement with the Finance Minister and Premier’s Office on job security;
 - Utilised internal communications platforms to keep employees apprised on the issues, with communications from the CEO and Board Chair becoming the norm;
 - Distributed hard copies of the Oceana Sustainability Report to 40 key stakeholders with a cover note from the CEO offering to meet each when the time allows to discuss matters of mutual interest; and
 - Invited stakeholders to get closer to the Lucky Star brand purpose by joining the Blisters for Bread Walk sponsored by Lucky Star.
- ✓ Maintained our top 20 investors with an increase in shareholding, an indication there was confidence and comfort from an investor sentiment perspective.
- ✓ Worked closely with the human resources team to deliver the first phase of the employee culture and values engagement campaign, with plan to develop the visual language for the five values identified.
- ✓ Delivered CEO breakfasts and Exco team site visits to factories and vessels to enable learning and closer engagement across the business.
- ✓ Strengthened consultation and communication with local communities, municipalities and other forums in response to stakeholder concerns related to odour and air emissions from fishmeal plants on the West Coast of South Africa, and recreational fisher concerns over catch areas in the USA (see Our Operational Context on page 47).
- ✓ Worked with SADSTIA to conduct scientific peer reviewed research to identify the drivers of the declining penguin colonies on the West Coast and to deliver the annual SADSTIA report.
- ✓ Successfully delivered SSF/co-operative training to another 541 SSFs, adding to the 289 SSFs trained in 2021, with the average attendance rate increasing to 89%. To date all registered co-ops in the fishing sector across the country have been trained on Corporate Sense.
- ✓ Engaged with DFFE to assess the impact of the SSF programme and plan next steps for focused growth, formalising our relations with a Memorandum of Understanding (“MOU”).
- ✓ Through the Oceana Maritime Academy, continued to work with the fishing community in Hangberg delivering training on firefighting and business acumen, and upskilled members of the community in sea safety and other courses, significantly increasing their chances of employment in the maritime space.
- ✓ Provided focused support to communities through our CSI initiatives in collaboration with the Gift of the Givers, Food ForwardSA and the PFSA (see our SR for a detailed overview of our CSI strategy).

NATURAL CAPITAL AND OCEAN STEWARDSHIP

The success of our business depends ultimately on the long-term viability of the fish biomass that we access. Oceana is fully committed to protecting the integrity of marine ecosystems and is one of the founding members of the Responsible Fisheries Alliance. Promoting an ecosystem approach to fishing, ensuring full legal compliance within our highly regulated operating environment and driving responsible fishing practices across our supply chain remain fundamental business imperatives.

We observe the South African Sustainable Seafood Initiative (“SASSI”) assessments on seafood for our target species, a credible rating methodology overseen by WWF South Africa.

We can trace all our procured fish back to fisheries level and catch method.

We invest in certification programmes for the products we harvest and source, including the Marine Stewardship Council (“MSC”) standard – considered the best accreditation one can achieve for the sustainability of wild catch – and the MarinTrust (formally IFFO-RS) certification for our fishmeal and fish oil. Gulf menhaden is one of the few reduction fisheries in the world to be MSC certified.

We have achieved a 90% reduction in accidental seabird mortalities in our hake operations since 2011.

We have one of the highest participation rates in the Responsible Fisheries Alliance (RFA) training conducted by WWF South Africa, with 60% of our seagoing personnel having undergone the training.

We enable DFFE to conduct scientific surveys and monitor the health of the local biomass

using our vessels, which helps to inform the appropriate setting of permit requirements.

We engage with regulators, scientists, NGOs, industry associations and other stakeholders to fund research and participate in workshops to support an ecosystem approach to fisheries management.

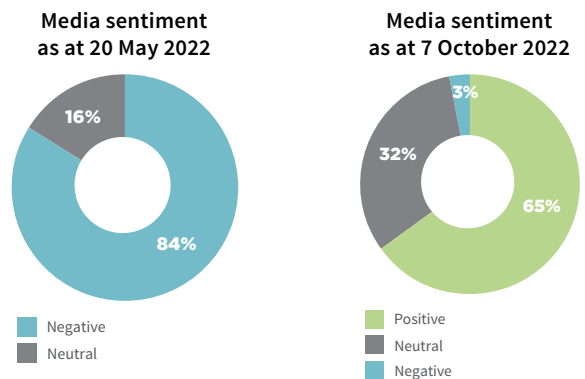
We address the skills gaps in the industry, making it possible for SSFs and the industry at large to grow their capacity in responsible harvesting through the Oceana Maritime Academy.

For further information on our responsible fishing commitments and practices refer to our SR page 25.

MEDIA SENTIMENT SCORE IN RELATION TO WHISTLE-BLOWER CHALLENGES

Negative media coverage relating to the business challenges faced at the beginning of the 2022 financial year resulted in a largely negative media sentiment for the majority of the year. Topics of focus included the results delay, the accounting treatment of Westbank Fishing, the CFO suspension, the CEO and Company Secretary resignations, the FSCA investigation, the ENS report and the mid-year Trading Statement. This negative sentiment also impacted on our share price.

We saw positive sentiments picking up again towards year-end, driven by our CSI awareness days, CFO appointment, CCS disposal transaction and other positive narrative that we shared with the media. As soon as sentiment turned, we saw a slight improvement in share price



SE 2

Engage stakeholders and manage reputation continued

OCEANA MARITIME ACADEMY

- Highest standard of learning in partnership with maritime and logistics experts, STC-SA, and has South African Maritime Safety Authority (“SAMSA”) accreditation to run Standards of Training, Certification and Watch-keeping (“STCW”) courses for the maritime sector.
- 5 000+ learners per annum.
- State-of-the-art classrooms, computer training rooms, 85-seat auditorium.
- World class maritime skills and training facilities.

Based in Hout Bay harbour, Cape Town, the Oceana Maritime Academy is the first training academy of its kind in South Africa that focuses specifically on the needs of the fishing industry. It provides Oceana with a platform to drive the development and accreditation of industry-relevant programmes.

The Academy offers a wide range of training programmes to Oceana employees, the Hout Bay community, and the SSF fishing community. Much of the training is accredited by the SAMSA and is making great strides towards developing an ecosystem that promotes life-long learning and inclusion.

Our work with small-scale fishers (“SSFs”)

A major part of our contribution to changing the face of the fishing industry has been through the delivery of our SSF programme, pioneered and developed by Oceana in partnership with DFFE, DYNA Training, NSRI and a leading South African banking institution. We worked with DFFE for two years to ascertain the needs of the SSF community, and insights were primarily drawn from the fishing rights application progress. Major needs included business acumen skills, logistics of catching and selling, and constitutional training. Our ‘co-operative sense’ training programme has been rolled out to all the registered co-operatives in the country including in the Eastern Cape, KZN and the Northern Cape, where we have trained almost 1 000 people in the SSF community. The NSRI focused on sea safety training, teaching preventative safety protocols and how to manage emergencies. Our programme is ongoing, and the next phase will be to complete training in the Western Cape once the co-operatives have been registered. The programme has been very well received by DFFE and the communities, and we have committed to continue via an MOU to take this forward. We will be conducting a formal impact assessment in 2023.

Other stakeholders who have indicated interest in collaborating with us on the programme include SAMSA and WWF.

Details on other training programmes delivered through the Academy can be reviewed in our SR.

Looking ahead to 2023

Value creation targets



- To get closer to the sentiments of our key stakeholders.
- Encourage proactive engagement with key stakeholders and decision-makers.
- Play a proactive and positive role in the determination of policy for fishing quotas.

We will:

- Deliver a shareholder survey
- Deliver a galvanised workforce that is able to support delivery of the business strategy and growth plans:
- Continue to proactively engage with all our stakeholders and promote Oceana’s commitment to ‘Positively Impact Lives’.
- Support a Group wide embrace of the Saam-Sonke Employee Trust.
- Continue to develop meaningful partnerships with government to support SSF and National Development Plan imperatives through the Oceana Maritime Academy.
- Deliver training to the remaining SSF cooperatives in the Western Cape.
- Continue to build Oceana corporate brand awareness through online visibility, media presence, thought leadership and sponsorship of select events.
- Continue to drive the three internal communication pillars – to inform, engage and inspire – to build a strong emotional affiliation to the brand and support a galvanised workforce.

LUCKY STAR BRAND ACCOLADES

Awards

Activity

ICON BRANDS AWARDS

Ask Africa Kasi Brands
2022/2023



KASI BRANDS AWARDS

Ask Africa Kasi Brands
2022/2023



ICON BRANDS AWARD



31 Graduates - 2022 EDP



Ensure good governance and sustainability

SE 3

To secure and enable growth by providing professional frameworks and trusted advice that assure good governance in areas of corporate governance, compliance, risk and sustainability.

accounting treatment of our US subsidiary remain ongoing topics and these have been comprehensively dealt with in the Audit Committee report on page 123.

OUR 2022 PERFORMANCE:

- ✓ Continued to drive compliance awareness within the divisions; this will remain a focus area across all our operational geographies.
- ✓ Continued with the implementation of the new reporting software and system – an electronic governance, risk, and compliance (GRC) tool – to support our compliance and our ‘Good Catch’ campaign.
- ✓ Developed a ‘speak up’ policy and will run an awareness campaign on this on an annual basis.
- ✓ Received 7 whistle-blower reports that have been investigated and closed out. Whistle-blower concerns included governance, theft, and fraud related issues and key learnings have been applied.

OUR 2022 PERFORMANCE:

- ✓ Established a central cyber security operations centre (“SOC”) to monitor, detect and report on security related threats thereby strengthening the organisation’s security posture.
- ✓ Introduced regular cyber security simulations to improve employee awareness of cyber threats and continued with cyber security awareness training.
- ✓ Empowered our end-users to work securely from anywhere.
- ✓ Successfully migrated our US-based IT infrastructure to the cloud keeping business continuity intact.
- ✓ Reviewed our ERP support services by introducing flexible and focused support structures.
- ✓ Continued with the implementation of a software defined wide-area network for increased flexibility and improved security.

COMPLIANCE

We continued to drive a culture of excellence in risk management and compliance across the business with the support of the governance department. This has enabled alignment and increased governance focus on the core areas of food and feed safety, occupational health and safety, legislative compliance, environmental management and our supply chain. This structure ensures enhanced Group oversight on compliance matters and robust reporting back to the Board.

Our compliance forum, comprising senior executives across the Group, continued to deliver results by enabling advanced interaction and learning across the divisions. The forum continued to meet every second month to report on compliance issues, lessons learnt and to develop improvement plans, and featured guest speakers on notable compliance topics.

The whistle-blower incident initiated in October 2021 has largely been addressed through the ENSafrica Forensic investigation, a thorough independent investigation of the matters raised, and findings have been made available to the public. A FSCA investigation, that started in January 2022, and the

TECHNOLOGY AND INFORMATION GOVERNANCE

Oceana remains committed to the highest level of information and technology governance helping to ensure the integrity of Information Technology (“IT”) operations. Oceana’s IT is fully integrated into the strategic planning process within the Company, ensuring the consideration of business process improvements, strategic, tactical and operational alignment in the achievement of business objectives. Relevant IT best practices related to IT operations, cyber security and business process improvements have been adopted to support IT governance processes.

The three-year IT strategy defines our multi-year digital journey and ensures our approach is aligned to our strategic objectives and is cohesive across the Group. Key elements of this strategy include modernising our ERP System, strengthening cyber security defences, cloud adoption, enhanced data analytics and embracing collaboration tools.

ADHERING TO STRICT FOOD SAFETY STANDARDS

Our food safety systems, which extend along the full supply chain from ‘ocean to plate’, are founded on internationally recognised technical regulations and standards aimed at protecting public health. We have a legal obligation to provide our markets with products that are safe and to the highest level of quality consistent with consumer expectations. Each division has a documented food safety management system in place overseen by food and feed safety and quality departments.

In terms of our fish canning operations, high input costs in 2022 led to an increase in alternative raw material suppliers that required extensive vetting and testing of products before being onboarded. Canned fish manufacturing is a highly regulated industry that requires extensive stakeholder engagement with NRCS and other stakeholders, which can delay the implementation of change and new projects. Maintaining consistency and quality throughout the supply chain, considering the significant increase in geographical areas and suppliers from where we procure raw

material, will remain an ongoing challenge. Continuous engagement with relevant stakeholders to proactively mitigate potential risks will be a major focus area.



INCREASING FOOD SECURITY

The Covid-19 pandemic, coupled with the Russia-Ukraine conflict, has pushed back gains made in food security over the past decade. Unless major shifts take place, the world will not meet SDG commitments to end hunger by 2030. One-third of these hungry people are in Africa, requiring a renewed collective effort at unprecedented scale. We believe we have an important role to play on this issue, through the provision of affordable, quality fish protein.

Being 'brilliant at the basics', we acknowledge the depth of capabilities needed to balance increased supply with responsible harvesting, ensuring enhanced availability with enhanced affordability. Our teams test and learn constantly: optimising harvesting and procurement in seasonal peaks, and logistics across the value chain; resisting the rush to margin to recover costs; and exploring new protein solutions that can feed the underserved.

- Providing healthy, affordable food is one of our biggest impacts. Lucky Star's iconic pilchard brand is enjoyed by over four million people daily and offers extensive health benefits being high in Omega-3 fatty acids and essential minerals and vitamins.
- Lucky Star brand's extension into other canned food innovations has maintained affordability and high volumes as key growth imperatives.
- Horse mackerel is in high demand as an important source of affordable protein in Southern, Central and West Africa with our products mainly sold in informal markets.
- Fishmeal and fish oil are important high protein ingredients for the aquaculture and animal feed sectors.
- For the foreseeable future, value for money proteins will be in strong demand, with consumers turning to more affordable proteins in challenging economic environments. Our 'brilliant basics' will inform the innovation that will enable delivery on our purpose and mission.

See page 23 in our SR for further details on how we provide nutritious and affordable food in our key markets.

OUR 2022 PERFORMANCE:

- ✓ There were no incidents of critical non-conformances that required us to implement a product recall.
- ✓ Audits at all Lucky Star supplier processing plants were conducted as per documented schedule, with physical audits in Thailand re-introduced and implemented from August 2022. Virtual audits will continue for our Chinese canner and key ingredients suppliers, until there are no longer restrictions in place for visiting China.

- ✓ Where appropriate, food safety related questionnaires were sent to suppliers for completion and the feedback received was assessed for any potential risks, of which none were identified.
- ✓ Ensured that the necessary processes and procedures were in place to best guarantee that any new canned food products introduced, are safe and also meet documented quality requirements.
- ✓ From a feed safety perspective, we maintained the MarinTrust (formally IFFO-RS) certified accreditation for 100% of fishmeal and fish oil operations.
- ✓ FSSC 22000 certification achieved for LSO canneries on the West Coast.
- ✓ Maintained HACCP certification across all our land-based facilities and vessels.
- ✗ NRCS downgrades due to poor fish quality from problematic suppliers slowed processes down to sort through fish and improve quality.

ADHERING TO THE BEST OCCUPATIONAL HEALTH AND SAFETY STANDARDS

To mitigate the inherent health and safety risks associated with our land- and sea-based activities, we implement safety monitoring, training and enforcement programmes, provide relevant PPE, ensure effective incident tracking and investigation, and undertake periodic safety audits on all sites and vessels.

The managing directors ("MDs") of all operating divisions are responsible for ensuring full compliance with relevant occupational health and safety legislation, and that the required structures are in place. Lost Time Injury Frequency Rate ("LTIFR") is included as a KPI in the MDs' reward programme. We have seen a growing maturity in our safety culture across all our operating divisions, with the delivery of programmes around non-conformance and near-miss training.

OUR 2022 PERFORMANCE:

- ✓ Continued to provide on-site clinics and rapid Covid-19 test kits for staff; our rigorous testing regime helped to identify people at risk and minimise cases.
- ✓ Continuation of emergency drills, reviewing standard operating procedures, and ensuring relevance for different types of vessels.
- ✓ All crew members underwent maritime authority safety training courses in line with fishing regulations in the respective jurisdiction.
- ✓ The Group's LTIFR of 0.93 was once again below the Group margin ceiling of 1.4
- ✓ Continued to comply fully with the ILO's Work in Fishing Convention (No. 188), which addresses labour and safety issues for fishing vessels.
- ✗ One occupational fatality this year on *Desert Diamond*.
- ✗ Slightly over our target LTIFR at Lucky Star operations, mainly driven by low vessel manhours, with efforts to improve conditions at plants, including extension of the Good Catch campaign principles of reporting near-misses.

SE 3

STRATEGIC ENABLERS

Ensure good governance and sustainability continued

ENVIRONMENTAL MANAGEMENT

Our quarterly sustainability forums bring together key functional and divisional senior members to develop strategy, assess progress on energy and water conservation projects, waste management and our KPI's on climate change. These forums enable learning to be shared and initiatives to be driven as a collective.

Our CEO has ultimate responsibility for the Group's environmental policy and ensuring investments made available are sufficient to mitigate risks. Divisional MDs and Executives have applicable carbon emissions reductions KPIs included in their reward programme. Our Energy Resilience Team made progress on our long-term project for renewable energy developments on the West Coast, which will supply 100% of the electricity requirements of our two canneries and fishmeal plants, with the first phase to be completed in early 2023. This will significantly contribute to achieving our roadmap to reduce absolute reduction in GHG emissions by 50% by 2030 (on a 2019 baseline), to achieve independence from third party non-renewable electricity supply by 2040, and carbon neutrality across our operations by 2050. It also aligns to the South African Integrated Resource Plan renewable energy targets and the Paris Agreement.

OUR 2022 PERFORMANCE:

- ✓ Completed the environmental impact assessment and land rezoning process for a 10MW solar facility on the West Coast.
- ✓ The CCS solar PV roof-top project (480kWh) provided 100% of daytime electricity needs for the Paarden Eiland store. CCS operations are highly reliant on electricity supply to meet cold storage requirements.
- ✓ Reduced land-based GHG intensity by 16%.
- ✓ Granted coastal water discharge permits in all our facilities.
- ✓ Achieved a 37% absolute reduction in our municipal water against a 2018 baseline, through our desalination and reverse osmosis plants and water-use efficiency measures (excluding DFI).
- ✓ Achieved our target of ensuring that no food, including all fish off-cuts, fit for human or animal consumption was sent to landfill, and instead directed to our fishmeal processing facilities.

- ✓ Implemented a new LTI scheme for Exco and level below to reward for performance against ESG targets.
- ✗ Lucky Star and Amawandle Pelagic had a carbon tax payable on 30 July 2022 associated with coal used during the 2021 calendar year, amounting to R1.7 million.
- ✗ Three notices received in terms of LSO's coastal water discharge permit exceedances, that have subsequently been resolved with an improvement plan put in place.
- ✗ Air emissions concern identified at Lucky Star plant
- ✗ Increased energy usage by 16%, as a result of increased production in SA and the US.

SUSTAINABLE MANAGEMENT OF MARINE RESOURCES

We have a zero-tolerance approach to illegal, unreported and unregulated ("IUU") fishing. This undermines fish stocks, negatively impacts food security and ultimately reduces social and economic opportunities.

We commission fisheries resource reviews on an annual basis on each targeted species that we catch in South Africa. Except for lobster, we are committed to sourcing from fisheries that are considered low risk, well managed, or undergoing fisheries improvement. Our latest scientific study findings are provided on our website www.oceana.co.za.

We are able to trace all of our fish procurement down to the fisheries level, and as we expand our sourcing geographies further, maintaining control over where and how the fish is caught will remain a key focus area for our Lucky Star canning business. For a detailed overview of our fish raw material supply in terms of species, areas of catch, and catch methods, refer to our SR on page 25.

OUR 2022 PERFORMANCE:

- ✓ Most of our harvested commercial fishing rights (85.06%) were on the SASSI green list.
- ✓ Maintained MSC certification for Gulf menhaden and hake, and MarinTrust (formally IFFO-RS) certified accreditation for 100% of fishmeal and fish oil operations.

- ✓ Continued to upgrade our waste management systems on board vessels, with all plastic recycled; an incentive scheme to reward crew for waste collection will be put in place in 2022.
- ✓ Vessel nets that are beyond repair are donated to schools to use as soccer nets.
- ✓ Signed a new 5-year agreement with the Responsible Fisheries Alliance
- ✗ WCRL remains SASSI red-listed, but we are an active stakeholder in the traceability taskforce to enhance the traceability of WCRL.

SUPPLY CHAIN

Our global procurement policy covers all suppliers across the Group and our procurement forum, which meets once a month and involves representatives from all business divisions, focuses on procurement KPIs, working capital, savings, and supply chain risks. Our central procurement team works closely with other departments and forums, including the sustainability forum, and all RFPs require a cross-functional team.

Growing in the face of sustainability pressures and trends requires innovation and agility, particularly in support of volume growth in sustainable fisheries and managing input cost pressures. Spurred by the pandemic and the more recent Russia-Ukraine war, our procurement teams have enhanced their ability to respond to disruption. Through our procurement forum we are developing sensing mechanisms and this enables us to plan in advance.

OUR 2022 PERFORMANCE:

- ✓ Continued to display agility in response to crises and quick response times; enhanced procurement risk management through our procurement forum and monthly EXCO reporting enabled the company to capitalise on lower coal prices and secure enough supply ahead of major price increases, creating competitive advantage.
- ✓ Local sourcing targets set in all three operating locations continue to ensure localisation is universally applied.
- ✓ Anti-bribery and zero tolerance for corruption adhered to, with zero incidences of irregular business.
- ✓ Sustainability questionnaire sent to our top 150 suppliers to assess policies and measures on human rights, carbon emissions reduction, water and energy conservation, and waste management. The information gathered will be used to establish a benchmark of our suppliers' ESG risks and inform Oceana's future engagement.

Looking ahead to 2023

Value creation targets



- Fully comply with laws and regulations of all countries where we harvest and transact
- Adhere to strict food and feed safety standards and the best health and safety standards

- Monitor, manage and mitigate the Group's impact on the environment:
 - Manage odour and stack emissions through continued audits and engagement with communities
 - Reduce the usage of potable water through desalination initiatives
 - Drive energy efficiency, reduce atmospheric emissions and achieve carbon neutrality by 2050.
- Continue to engage with regulators, scientists and other stakeholders to promote responsible fisheries management across species



- Enhance and leverage the benefits extracted from Group procurement, centralisation of services and the enterprise resource planning system.

We will execute effective risk, legal, compliance and sustainability governance across the Group:

Risk, legal and compliance

- Drive a culture of excellence in risk management and compliance by expanding risk monitoring capability and increasing compliance training via online system
- Run an awareness campaign on our 'speak up' policy
- Conduct risk assessments on each major stakeholder to sense check quality of relationship
- Run legal and insurance awareness programmes and develop a legal management system.

OHS

- Align Health and Safety Campaigns across the Group
- Develop and implement lead indicator reporting.

Food and feed safety

- Align food and feed safety and quality with best practice, maintain FSSC 22000 status and roll out updated food and feed safety policy
- Actively work on improving the food and feed safety culture of the plants, introduce digital audit capture and non-conformance management systems, and implement improved change management tracking system to better manage change in the plants
- Initiate a fishmeal focused improvement project to improve quality and identify high priority areas and equipment for capital expenditure spend (in South Africa).

Sustainability governance

- Continue to deliver on West Coast solar project
- Conduct scientific assessment of the climate change risks and opportunities associated with all our targeted species and fish supplies
- Conduct a sustainability materiality process and align outcomes with our ESG disclosure.

Supply chain governance

- Deepen supplier relationships that are considered strategic through our supplier relationship management
- Redesign our carton boxes (used in Lucky Star and BCP operations) to address the long-term costs in cardboard (reducing where possible)
- Explore technologies for innovation in production systems to reduce environmental impacts and explore value chain opportunities to enhance resilience against supply chain disruptions
- Work with local industry and the DTI to identify opportunities to develop suppliers locally as part of our near-shoring and localisation plan
- Continue to detect out early detection in our supply chain risks.

Further details on our food safety and occupational health and safety-related activities, environmental management and sustainable fisheries performance are provided in our SR.

SE 3

STRATEGIC ENABLERS

Ensure good governance and sustainability continued

OUR ESG PERFORMANCE AT A GLANCE

OUR VALUE ADDED (R'000)	Measurement	2022	2021	2020
Revenue		8 438 118	7 633 416	8 308 341
Paid to suppliers for materials and services		5 680 427	5 086 707	4 979 972
Income from investments		40 452	9 023	41 306
Total wealth created		2 798 143	2 555 732	3 369 675
Employees (salaries, wages & other benefits)		1 267 264	1 100 550	1 595 461
Shareholders		406 681	522 967	442 434
Lenders (interest)		213 407	209 823	295 256
Government (central and local) ¹		271 814	274 090	321 698
Reinvested in the Group to maintain and develop operations:				
Depreciation, amortisation and impairment loss		260 042	236 324	333 067
Retained surplus ²		362 057	195 533	373 717
Deferred taxation		16 878	16 445	8 042
Total wealth distributed		2 798 143	2 555 732	3 369 675
Employees				
Direct	Number	2 883	2 840	3 005
Indirect ³	Number	1 533	1 355	1 445
Industrial action at our operations	days	–	10	–
Unionised workforce	%	58	64	61
Investments in employee skills development ⁴	R million	42	60.0	60.9
Group safety				
Fatalities	Number	1	0	0
Lost-time injury frequency rate		0.93	1.15	1.34
Environmental performance				
Absolute GHG emissions (Total scope 1, 2 and outside of scopes) (other direct emissions)	tCO ₂ e	286 430	266 988	312 753
Municipal Potable water consumption	Kilolitres	369 744	307 289	370 505
Water consumption rate	Kilolitres per ton of product produced or stored and handled	0.4	0.4	0.4
Waste recycled	Tons	3 922	2 986	2 110
Solid waste disposal to landfill (including hazardous waste)	Tons	7 951	5 870	9 491
Corporate social investment				
South Africa	R million	4.7	6.3	7.4
Namibia	N\$ million	2.5	0.5	1.8
USA	US\$'000	4.8	9.8	9.5

¹ This includes Company taxation, skills development levy net of refunds, rates and taxes paid to local authorities, customs duties, import surcharges and excise taxes, and withholding taxes. It excludes amounts collected by the Group on behalf of the government for VAT (net amount refunded), PAYE and SITE (withheld from remuneration paid) and UIF (contributions withheld from employees' salaries).

² This includes Group profit after taxation less dividends paid

³ Indirect employment includes JV staff and employment through labour brokers.

⁴ In South Africa and Namibia.

OUR PERFORMANCE REVIEWS



Chief financial officer's report

The Group delivered excellent results for the year, recovering strongly in the second half after a first half impacted by low opening inventory levels. There was continued strong demand and price improvements for most of our products and favourable fishing conditions in the United States.



Ralph Buddle

Interim Chief Financial Officer

OVERVIEW

The Group delivered excellent results for the year, recovering strongly in the second half after a first half impacted by low inventory levels carried forward into the year. There was continued strong demand and price improvements for most of our products, particularly fishmeal and fish oil. The canned fish business recovered well in the second half after supply was normalised following global supply chain disruptions and civil unrest in the previous year. Favourable fishing conditions in the United States resulted in good landings by Westbank*, which led to our fishmeal and fish oil processing subsidiary, DFI, delivering record second half earnings.

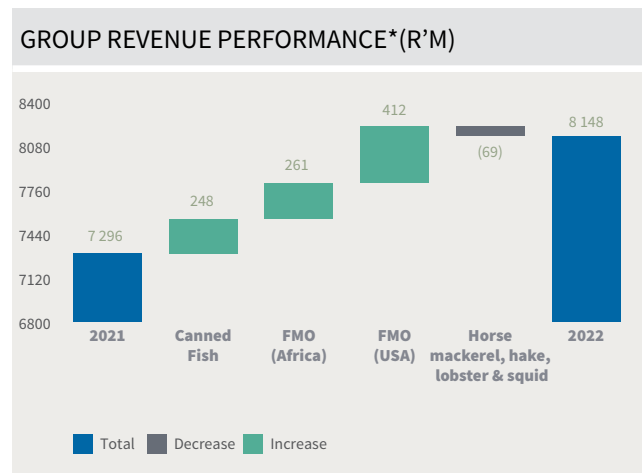
All comparative information has been restated for:

- (i) the reversion in the accounting treatment of the Group's 25% investment in Westbank from a joint operation to that of an associate and
- (ii) the treatment of the CCS business as a discontinued operation for reporting purposes following the announcement on SENS on 4 October 2022 relating to the disposal of this business.

* DFI has a 25% shareholding in Westbank, and Westbank has subsequently been treated as an associate for IFRS purposes

FINANCIAL PERFORMANCE

Group revenue from continuing operations grew by 12% to R8 148 million (2021: R7 296 million) as a result of higher fishmeal and fish oil sales, positive pricing across most products and the benefit of a weaker exchange rate on export and US-dollar-translated revenue. Group revenue from total operations including CCS increased by 11% to R8 438 million (2021: R7 633 million).



* From continuing operations. CCS has been treated as a discontinued operation having met disposal conditions of IFRS 5

Group operating profit before other operating items from continuing operations increased by 11% to R1 250 million (2021: R1 128 million) and by 6% to R1 256 million (2021: R1 183 million) from total operations. Profit from joint ventures and associates of R18 million was largely due to the performance of Westbank (2021: loss of R10 million).

Gross margin from continuing operations increased to 30.8% (2021: 30.0%) due to the strong fishmeal and fish oil pricing in US dollar terms as well as the benefit of the weaker rand on export revenue.

CLICK TO WATCH: Annual Results Webcast 2022



Sales and distribution expenditure from continuing operations increased by 31% to R479 million (2021: R365 million) mainly due to increased freight and container costs and the effect of the weaker rand on US-dollar translated costs.

Overhead expenditure from continuing operations increased by 10% to R816 million (2021: R740 million) and included additional legal, audit and other related costs of R50 million related to the delay in the completion of the September 2021 year end audit. Excluding the effect of these costs, overhead expenditure increased by 4%.

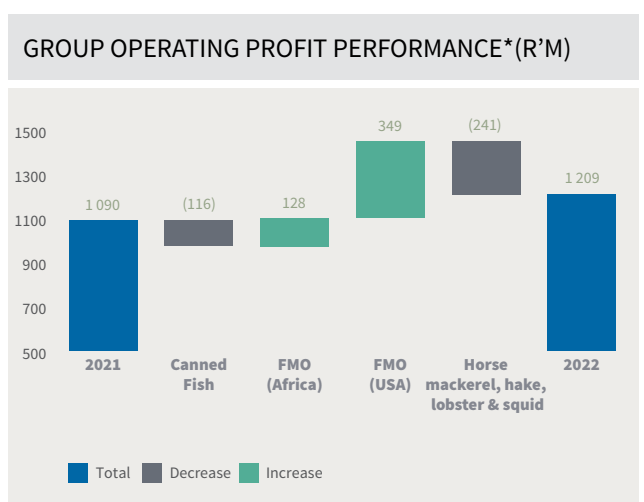
Other income from continuing operations includes insurance proceeds of R87 million relating to Hurricane Ida (R63 million) and the civil unrest in KZN (R14 million), both events occurring in the prior year. (2021: included insurance claims for business interruption following engine damage to the midwater trawler, the *Desert Diamond* (R28 million), and Covid-19 costs (R30 million)).

Net interest expense from continuing operations reduced to R180 million (2021: R181 million) with further debt repayment on term debt of R235 million (2021: R282 million). Unhedged interest rate increases, the translation of US-dollar interest at a weaker exchange rate and lower cash balances due to increased working capital levels mitigated the reduction in the net interest expense during the year.

The effective tax rate from continuing operations reduced to 25.6% (2021: 27.8%) due to the improved performance of DFI, which is taxed at a lower rate.

Headline earnings from continuing operations increased by 20% to R760 million (2021: R635 million) and headline earnings per share improved 17% to 626.0 cents per share (2021: 536.2 cents per share). Headline earnings from total operations increased by 13% to R736 million (2021: R652 million) and headline earnings per share increased 10% to 606.2 cents per share (2021: 550.0 cents per share).

The Board declared a final dividend of 291 cents (2021: 248 cents) per share, which together with the interim dividend, brings the total dividend for the year to 346 cents (2021: 358 cents) per share. The increase in the dividend cover from 1.5 times to 1.75 times reflects the increase in the Group’s focus on prudent cash management given the requirement for optimal working capital levels and appropriate capital investment.



* From continuing operations. CCS has been treated as a discontinued operation having met disposal conditions of IFRS 5.

Chief financial officer’s report continued

Segmental operating profit before other operating items

Segmental Results	Revenue			Operating profit		
	2022	2021	%	2022	2021	%
	R'm	restated R'm	change	R'm	restated R'm	change
Canned fish and fishmeal (Africa)	4 611	4 101	12	475	463	3
Fishmeal and fish oil (USA)	1 946	1 533	27	584	235	149
Horse mackerel, hake, lobster and squid	1 592	1 661	(4)	150	392	(62)
Total continuing operations ¹	8 149	7 295	12	1 209	1 090	11
Commercial cold storage and logistics ¹	290	338	(14)	39	110	(65)
Total	8 439	7 633	11	1 248	1 200	4

¹ Operating profit for total continued operations as well as CCS is before the respective elimination of intercompany revenue and support services expenditure between continuing and discontinued operations of R34.3 million (2021: R27.5m). Refer to Note 4 of the AFS for further detail

CANNED FISH AND FISHMEAL (AFRICA)

Consumer demand for affordable protein and the relative value that Lucky Star provides compared to competing proteins ensured a strong recovery in sales in the second half, after stock constraints hampered the first-half performance. Sales volumes in the second half increased by 8%, accompanied by an 8% price increase.

Total canned fish sales volumes for the year decreased by 1% to 8.8 million cartons (2021: 8.9 million cartons), impacted by stock availability in the first half.

Procurement of frozen fish increased by 45% during the year to replenish low opening stock levels resulting from global supply chain disruptions and stock lost during the KwaZulu-Natal unrest in the previous year. Canned fish inventory levels closed 72% higher than the prior year, planned to ensure continuity of supply to meet ongoing demand into the new year.

Cost pressures, particularly freight and tin cans, as well as the weaker rand which made it more expensive to import frozen fish, contributed to reduced margins. A 45% increase in local production to 4.6 million cartons (2021: 3.2 million cartons) partially mitigated the impact.

Despite the low opening inventory levels African fishmeal and fish oil sales volumes were up by 6% to 26 691 tons (2021: 25 174 tons) driven by an increase in anchovy landings, increased pilchard offal volumes resulting from the higher local canning production, and an improved oil yield.

Global feed ingredient shortages and lower Peruvian production drove prices up by an average 30% in US dollar terms. Inventory levels closed marginally higher than in the prior year due to unfavourable weather conditions impeding late-season landings.

FISHMEAL AND FISH OIL (USA)

Favourable fishing and weather conditions in the United States resulted in Westbank increasing its landings by 55%. However, sales volumes were down by 10% due to the low opening inventory levels resulting from prior year’s Hurricane Ida in August 2021.

Inventory levels closed 207% higher than the previous year ensuring customer requirements will be well served into the new financial year, ahead of the 2023 fishing season.

On average, fishmeal prices improved by 8% and fish oil prices by 49% (in US dollars terms) given global supply and demand dynamics. However, rising US inflation together with higher fuel and gas prices put pressure on operating costs.

The Hurricane Ida business-interruption insurance claim of R63 million was recognised in this year’s results, partially offsetting its adverse impact on opening stock levels.

High fat content fish and improvements in processing produced oil yields exceeding 10% during the year.

The translation of US dollar earnings at the weaker exchange rate further contributed to DFI’s strong performance and the increase in its operating margin to 30.0% (2021: 15.4%) – its best performance since the business was acquired in 2015.

HORSE MACKEREL, HAKE, LOBSTER AND SQUID

Horse mackerel performance benefitted from continued strong demand for affordable protein, as well as a weaker rand. Sales volumes, however, declined 16% due to lower catch rates (in both Namibia and South Africa) and scheduled vessel maintenance in Namibia.

Significantly higher fuel and Namibian quota fees increased operating costs, with fuel costs increasing by approximately R100 million.

In the hake business, low vessel utilisation as a result of breakdowns, and an increase in fuel costs of approximate R30 million contributed to lower performance. A 7% decrease in sales volumes was partially offset by a 4% improvement in pricing in Euros, albeit offset by a stronger rand.

The WCRL total allowable catch ("TAC") was reduced further given the impact of poaching on the resource. Squid catch rates, lower across the industry, declined by 64% although demand and pricing remained strong for both lobster and squid.

COMMERCIAL COLD STORAGE

Occupancy levels declined to 77% (2021: 83%) mainly due to reduced imports in the Western Cape and lower chicken volumes in Gauteng. Pricing pressure in the Western Cape resulting from increased competition, as well as reduced pallet capacity resulting from the closure of two cold stores in the prior year further affected performance. Several cost-saving initiatives were implemented to mitigate the impact of lower occupancy levels. The Namibian cold storage division however continued to perform well.

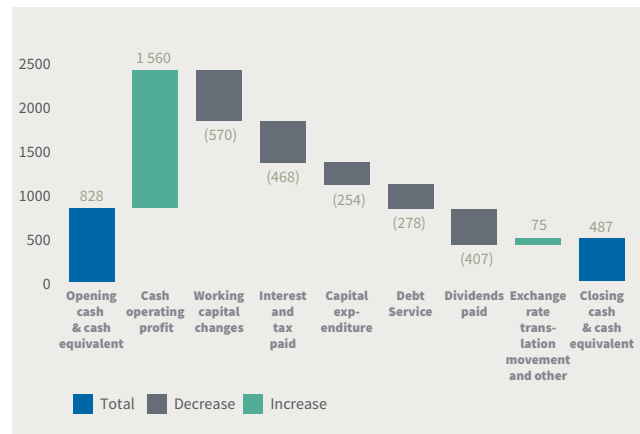
CCS has been treated as a discontinued operation for reporting purposes having met the IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, reporting conditions. Refer to note 9: Assets held for Sale, in the Condensed Consolidated AFS for further detail.

CASH FLOW AND FINANCIAL POSITION

The Group's cash flow conversion remained strong with cash operating profit before working capital changes increasing by 7% to R1.6 billion (2021: R1.5 billion).

The increase in net working capital was driven by the normalisation of inventory and debtors in both imported fish (raw material) and canned fish (finished goods) in Africa, and in fishmeal and fish oil in the US. Creditor balances from imported raw fish procurement were also higher as new supply opportunities were exploited.

GROUP CASH FLOW PERFORMANCE (R'M)



Notes:

1. Capital expenditure is net of proceeds on disposal of assets of R8m
2. Debt service includes R43 million lease liability repayment
3. From continuing operations. CCS has been treated as a discontinued operation having met disposal conditions of IFRS 5

Cash generated from operations decreased by 33% to R990 million (2021: R1 484 million), largely as a result of the normalisation of working capital.

Capital expenditure decreased by 12% to R259 million (2021: R295 million) as focus was placed on replacement capex. Prior year spend included the expansion of the CCS Epping cold store of R60 million.

The Group ended the year with net debt of R2 573 million (2021: R2 127 million) mainly due to the effect of the higher working capital and the translation of US-dollar debt at a weaker exchange rate. Net Debt to EBITDA increased to 1.7x (2021: 1.5x). Gross debt reduced by 6% in South Africa and by 7% in US in dollar terms. US\$ denominated debt increased on translation due to the weaker exchange rate. The Group complied with all lender covenant requirements relating to both its SA and US debt.

Chief financial officer's report *continued*

PRIOR PERIOD RESTATEMENTS

In the previous year, the Board explained the circumstances under which it had adopted the accounting treatment of Westbank Fishing. Westbank was classified as a joint operation, with 100% of the assets, liabilities, revenues and expenses recognised together with a liability to the joint operator of 75%, representing the share of the net assets to which the Group was not entitled. In the current year, and after the Board obtained two accounting opinions that independently concluded that the appropriate accounting treatment was to classify Westbank as an associate, Oceana has reverted to the equity accounting method for the investment in Westbank. Please refer to Note 2 of the AFS for a detailed explanation of the assessment factors and the judgment applied in reaching this conclusion and Note 14 for the financial impact of the adjustment. The change has no effect on headline earnings or net asset value per share, and has no impact on Westbank's fishing operations.

FOREIGN CURRENCY, INTEREST RATE AND FUEL COST HEDGING

The Group has consistently applied its hedging policy in the current financial year. Hedging instruments are used to manage the Group's exposure to volatility in foreign currency, interest rates and fuel costs. The Group will not use hedging instruments to speculate on the movement of prices or to create leverage. The Group recognises that the prudent and selective use of derivatives may help it to mitigate exposure to market price movements and to increase its income or lower its operating costs.

Foreign currency: The Group adopts a medium risk tolerance approach to foreign currency exposure, covering this exposure primarily through CFC accounts, forward exchange contracts and currency swaps.

Interest rate: The Group adopts a medium risk tolerance approach to interest rate exposure, covering this exposure primarily through interest rate swaps. At least 50% of the Group's overall long-term debt exposure to interest rate volatility is required to be hedged.

Fuel cost: The Group adopts a high-risk tolerance to fuel cost exposure and hedging of fuel is not mandatory. Typical fuel hedging instruments would include swaps.

OUTLOOK

Higher opening inventory levels of canned fish, fishmeal and oil will benefit 2023's first half performance. A weaker average rand exchange rate will support the export and US-dollar denominated businesses, while higher fuel costs will negatively affect the performance of the deep-sea and midwater trawling units.

Demand for low-cost protein is expected to continue to drive sales volumes of canned fish despite the constrained consumer environment. Cost pressures, most notably the effect of the weaker exchange rate on imported raw materials, will put pressure on canned fish margins, which may necessitate further price increases.

Positively, freight costs are normalising, and the Group will continue to drive efficiencies and cost improvements to maintain relative affordability of canned fish. Growing the Lucky Star brand into new canned food categories remains a key focus area.

In the US, projects to enhance raw fish storage capacity and fish oil production technology will be undertaken during the closed season which commenced on 1st November 2022.

Maximising available fishing days in the hake and horse mackerel fleet will be a key operational focus area. Market demand and pricing is expected to remain firm in both our African and European markets.

Forward-looking statements set out in this report have not been reviewed or reported on by the Group's auditors.



Ralph Buddle
Interim Chief financial officer

25 January 2023



Statistical and financial data

		Restated ¹				
	Notes	2022 R'000	2021 R'000	2020 R'000	2019 R'000	2018 R'000
Statement of comprehensive income						
Total revenue	2	8 438 118	7 633 416	8 308 341	7 647 415	7 657 311
Revenue by segment						
Canned fish and fishmeal (Africa)		4 610 597	4 101 483	4 471 836	4 038 540	3 960 107
Fishmeal and fish oil (USA)		1 945 817	1 533 381	1 905 553	1 721 044	1 789 118
Horse mackerel, hake, lobster and squid		1 592 052	1 661 022	1 545 989	1 514 436	1 474 867
CCS		289 652	337 530	384 963	373 395	433 219
Operating profit	3	1 248 252	1 199 588	1 382 653	1 157 878	1 174 816
Operating profit by segment						
Canned fish and fishmeal (Africa)		475 394	463 477	522 077	436 298	436 710
Fishmeal and fish oil (USA)		583 821	234 882	425 170	359 102	367 050
Horse mackerel, hake and other		150 188	391 518	353 749	302 064	291 324
CCS		38 849	109 711	81 657	60 414	79 732
Operating profit						
Investment income		22 340	19 270	41 306	55 573	40 767
Interest expense		(213 160)	(209 823)	(295 256)	(316 438)	(332 532)
Profit before taxation		1 057 432	1 009 035	1 128 703	897 013	883 051
Taxation		(288 693)	(290 535)	(329 740)	(248 645)	(810)
Profit after taxation		768 739	718 500	798 963	648 368	882 241
Attributable to non-controlling interests		36 421	42 220	55 516	30 751	24 410
Net profit attributable to shareholders of Oceana Group Limited		732 318	676 280	760 635	617 617	857 831
Headline earnings		736 152	651 737	734 418	636 366	849 058
Key performance indicators						
Operating margin	4	14.8%	15.7%	16.6%	15.1%	15.3%
Canned fish and fishmeal		10.3%	11.3%	11.7%	10.8%	11.0%
Fishmeal and fish oil (USA)		30.0%	15.3%	22.3%	20.9%	20.5%
Horse mackerel, hake and other		9.4%	23.6%	22.9%	19.9%	19.8%
CCS		13.4%	32.5%	21.2%	16.2%	18.4%
EBITDA		1 508 294	1 435 912	1 732 908	1 380 656	1 443 522
Africa operations		830 112	1 105 881	1 120 745	926 296	980 644
US operations		678 182	330 031	612 163	454 360	462 878
Tax rate		27.3%	28.8%	29.2%	27.7%	0.1%
Headline earnings per share – basic (cents)		606.2	550.0	628.4	544.3	727.1
Headline earnings per share – diluted (cents)		605.8	512.3	582.5	500.9	667.7
Earnings per share – basic (cents)		603.0	570.7	650.9	528.3	734.6
Earnings per share – diluted (cents)		602.6	531.6	603.3	486.1	674.6
Dividends per share (cents)	5	346.0	358.0	393.0	363.0	416.0
Headline dividend cover (times)		1.8	1.5	1.6	1.5	1.8

Notes:

1. Restated for reclassifications and prior period errors. Reclassifications and prior period errors includes the change in accounting treatment of Westbank from a joint operation to an equity accounted associate.
2. Total Revenue is before intercompany eliminations between continuing and discontinued operations.
3. Operating profit for total continued operations as well as Commercial cold storage and logistics is before the respective elimination of intercompany eliminations between continuing and discontinued operations.
4. Operating profit expressed as a percentage of revenue.
5. Dividends declared after reporting date are included.

	Notes	Restated ¹				
		2022 R'000	2021 R'000	2020 R'000	2019 R'000	2018 R'000
Statement of financial position key items						
Property, plant and equipment		1 865 386	1 876 934	1 835 473	1 697 221	1 586 626
Intangible assets		5 846 044	4 901 110	5 438 294	4 886 609	4 617 278
Net current assets	6	1 901 734	1 638 418	1 960 913	1 331 522	840 439
Net cash and cash equivalents		486 462	837 796	1 200 568	588 036	1 015 060
Long-term debt		2 686 000	2 663 792	3 039 810	3 298 904	3 339 750
Statement of cash flows key items						
Cash generated from operations		990 439	1 483 704	2 251 847	1 042 526	1 302 893
Working capital changes		(569 757)	27 869	478 751	(342 291)	(189 366)
Investment income received		13 976	12 973	41 306	54 789	41 607
Interest paid		(193 811)	(212 800)	(286 933)	(285 447)	(296 845)
Taxation paid		(288 216)	(314 428)	(234 751)	(262 713)	(217 036)
Dividends paid		(406 681)	(522 967)	(442 433)	(455 693)	(162 013)
Net cash inflow from operating activities		115 707	446 482	1 329 036	5 378	668 606
Cash outflow from investing activities		(255 498)	(253 180)	(278 098)	(217 141)	(180 928)
Cash (outflow)/inflow from financing activities		(285 041)	(480 262)	(436 677)	(239 721)	(720 152)
Net (decrease)/increase in cash and cash equivalents		(424 832)	(286 920)	614 261	(451 484)	(232 474)
Key performance indicators						
Return on average net assets	7 and 8	13	13	14	14	15
Current ratio (:1)		1.8	1.5	1.8	2	1.9
Return on average shareholders' funds	9	12	11	13	13	21
Net Debt to EBITDA		1.2	0.9	1.4	2.2	1.8
Net Debt to Equity		0.49	0.44	0.42	0.60	0.59
Share performance						
Market price per share (cents)						
Year-end		5 326	6 654	6 200	6 925	8 247
Highest		6 855	7 847	7 501	8 850	9 400
Lowest		4 300	5 674	4 148	6 700	6 750
Price earnings ratio	10	8.8	12.1	9.9	12.7	11.3
Number of transactions	11	77 861	97 619	125 254	99 504	33 759
Number of shares traded ('000)	12	44 083	35 772	47 549	52 097	15 805
Value of shares traded (R'000)	11	2 473 190	2 368 122	3 026 302	3 720 460	1 313 588
Volume of shares traded as a percentage of total issued shares	11	33.8	27.4	36.5	38.4	11.7
Market capitalisation (R'000)						
JSE food producers and processors index	12	6 946 798	8 678 932	8 086 772	9 385 186	11 176 842
JSE industrial index		77.54	64.50	67.40	72.93	84.79
Oceana Group share price index		73.95	72.76	55.79	91.71	106.15
		64.58	80.82	54.38	71.84	85.55

Notes:

6. Net current assets comprises current assets less cash and cash equivalents and current liabilities.
7. Profit before taxation and other operating items (but excluding interest paid) expressed as a percentage of average net assets.
8. Net assets comprise total assets less non-interest-bearing liabilities.
9. Headline earnings as a percentage of average shareholders' funds.
10. Market price per share at year-end divided by HEPS.
11. Figures based on JSE transactions only.
12. Value of ordinary shares in issue at year-end price including treasury shares held by share trusts and subsidiary company.

Delivering on our strategy through our divisions

Oceana’s diversified fishing and production businesses allow for diversified earnings across species, services and geographies. Given the diversified nature of the businesses, a set of KPIs unique to each business has been agreed with divisional management to promote the achievement of our strategic objectives. KPI targets are critically reviewed and amended annually to take account of changing business and operational requirements.

DIVISION	LONG-TERM DIVISIONAL OBJECTIVE
Canned fish	We will optimise and improve operating margins by robust supply chain and logistics services. <ul style="list-style-type: none"> • We will deliver positive volume and earnings growth by: • Growing canned fish volumes in existing and new markets • Becoming a globally competitive canned fish processor
Fishmeal and fish oil	AFRICA We will deliver positive volume and earnings growth by: <ul style="list-style-type: none"> • Implementing efficiency improvement projects in fishmeal, fish oil, fishing fleet and facilities
	USA We will ensure full and efficient utilisation of the available/allocated fish resource by: <ul style="list-style-type: none"> • Optimising plant efficiency and throughput rates, while retaining quality and environmental standards • Increasing sales volumes and price realisation as part of a global Group-wide sales and distribution strategy • Realising opportunities to further increase our catch rate by improving our fleet and fishing technique • Identifying and realising vertical integration/downstream expansion opportunities should they arise
Horse mackerel, hake, lobster and squid	We will protect and optimise the business, and grow earnings and profitability by: <ul style="list-style-type: none"> • Continuing to drive empowerment in our South African operations • Enhancing localisation in Namibia • Being the preferred partner for new quota holders in both SA and Namibia • Improve fleet availability and utilisation to enhance catch rates and drive efficiencies We will drive value creation in the division by: <ul style="list-style-type: none"> • Optimising efficiencies, leveraging off infrastructure and synergies in the horse mackerel and hake businesses • Working with government and other stakeholders to pursue appropriate opportunities to support government’s efforts to responsibly develop SSFs
CCS*	We continue to ensure the effective performance of CCS until such time as the disposal of CCS is finalised. The following KPIs will be undertaken in the year for as long as the CCS remains part of the Oceana Group. <ul style="list-style-type: none"> • Leveraging our port operations where we have a location advantage and customer base • Reducing our Gauteng market exposure, where we lack competitive advantage • Maintaining strong customer focus and driving operational efficiencies • Realising growth opportunities in other African markets, should they arise

* The disposal was published on SENS on 4 October 2022

● KPI achieved ● KPI not achieved ● KPI partially achieved

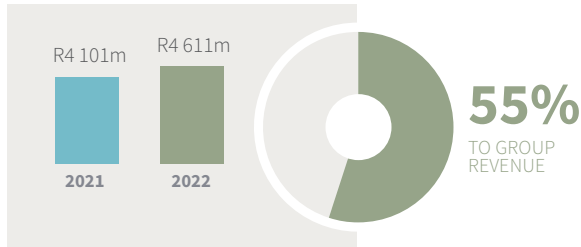
KPIs	2022	2021	2020	2022 EXPECTED PERFORMANCE AGAINST KPIs
CANNED FISH <ul style="list-style-type: none"> Real volume growth Cost per carton Daily throughput cartons/day 	<ul style="list-style-type: none"> ● ● ● 	<ul style="list-style-type: none"> ● ● ● 	<ul style="list-style-type: none"> ● ● ● 	<ul style="list-style-type: none"> Growth targeted Further efficiencies expected Maximum capacity utilisation and producing at a relatively affordable and competitive cost
AFRICA <ul style="list-style-type: none"> Catch volume Plant throughput Average fishmeal price Average fish oil price 	<ul style="list-style-type: none"> ● ● ● ● 	<ul style="list-style-type: none"> ● ● ● ● 	<ul style="list-style-type: none"> ● ● ● ● 	<ul style="list-style-type: none"> Volume growth subject to availability of fish resource and strong biomass should help improve volumes Investment in capital expenditure to achieve increased throughput Prices expected to be stable Prices expected to be stable
USA <ul style="list-style-type: none"> Catch volume Average fishmeal price Average fish oil price Plant throughput 	<ul style="list-style-type: none"> ● ● ● ● 	<ul style="list-style-type: none"> ● ● ● ● 	<ul style="list-style-type: none"> ● ● ● ● 	<ul style="list-style-type: none"> Volume growth subject to availability of fish resource and strong biomass should help improve volumes Investment in capital expenditure to achieve increased throughput Prices expected to be stable Prices expected to be stable
HORSE MACKEREL (SA) <ul style="list-style-type: none"> Catch rate per day Cost per ton 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> Expected to normalise Inflationary growth expected (excluding fuel)
HORSE MACKEREL (NAM) <ul style="list-style-type: none"> Catch rate per day Cost per ton 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> Expected to normalise Inflationary growth expected (excluding fuel)
HAKE <ul style="list-style-type: none"> Fleet utilisation Cost per ton 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> Expected to be similar to 2022 Inflationary growth expected (excluding fuel)
LOBSTER <ul style="list-style-type: none"> Catch rate Cost per kg 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> Expect SCRL to be consistent and WCRL to decrease Inflationary growth expected
SQUID <ul style="list-style-type: none"> Catch rate Vessel cost 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> ● ● 	<ul style="list-style-type: none"> Catch rate expected to normalise Inflationary growth expected
CCS <ul style="list-style-type: none"> Occupancy level Price per pallet Total overheads per pallet 	<ul style="list-style-type: none"> ● ● ● 	<ul style="list-style-type: none"> ● ● ● 	<ul style="list-style-type: none"> ● ● ● 	<ul style="list-style-type: none"> Target increase occupancy in coastal with inland consistent to prior year Inflationary growth expected Inflationary growth expected on normalised overheads

Canned fish and Fishmeal (Africa)

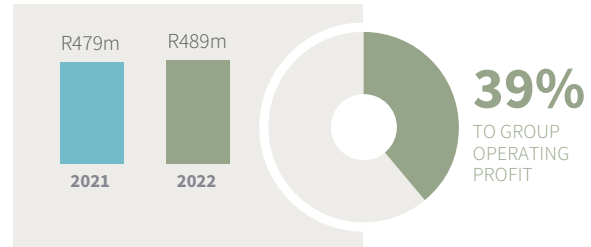


OUR 2022 PERFORMANCE

REVENUE



OPERATING PROFIT*



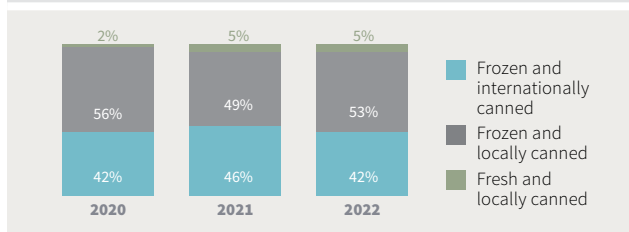
* Operating profit before other operating items

CANNED FISH PERFORMANCE SUMMARY

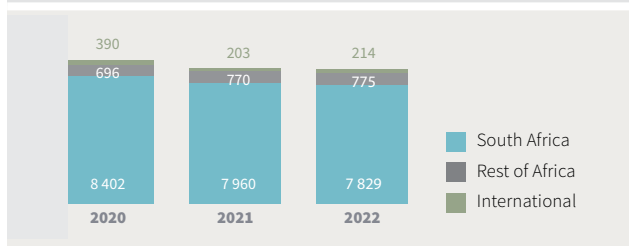
	2022	2021
Revenue % (VAR)	↑7%	↓2%
Sales volumes (cartons)	↓1%	↓6%
Frozen fish procurement (tons)	↑45%	↓32%
Average price movement (R/carton)	↑8%	↑4%
Overall production cost (R/carton)	↑5%	↑12%
Operating profit margin % (VAR)	↓3%	↑3%
Closing stock (cartons)	↑72%	↓43%

■ Positive ■ Negative ■ Neutral

CANNED FISH SUPPLY



TOTAL CANNED SALES (CARTONS '000)



LUCKY STAR BRAND

- ✓ Sales volume shortfall in first half of year was more than fully recovered in second half, finishing with volumes in line with last year.
- ✓ While the business remains largely concentrated in canned fish, we continued to stretch the brand, intellectual property, and supply chain into non-canned fish products and finished the year with the launch of a new canned protein category. The innovation focus remains on products with the potential for high volume mass consumption.
- ✓ Continued our innovation within the canned fish category by canning additional fish species and adding new flavours.
- ✓ Investments in brand mediums have evolved to be more current with in-show marketing, cooking shows, celebrity chefs, and brand ambassadors with significant social media followings.
- ✓ Lucky Star brand received several accolades during 2022, including recognition as South Africa's number one Kasi/township brand.
- ▬ Worked with customers and retailers to keep our canned products affordable to consumers thus maintaining a long-term view in our bid to grow the canned foods category.
- ✗ Low opening inventory levels negatively impacting sales volumes, due to our inability to meet normal demand in the first half of the year.
- ✗ Weaker dollar/rand exchange rate and increases in freight rates, raw material and other input costs, resulted in overall production cost increase of 5%.

LUCKY STAR CANNERY

- ✓ We did well on production volumes with the increase in available frozen fish supply.
- ✓ We bedded down our ability to be more flexible in terms of processing all standards of fish.
- ✓ Improved the utilisation of our raw fish.
- ▬ Fresh fish volumes were similar to what we caught last year.
- ✗ Significant input costs (tin cans, tomato paste and coal for energy production) and variable quality/sizes of fish given expansion in sourcing geographies presented challenges.

Canned fish and Fishmeal (Africa)



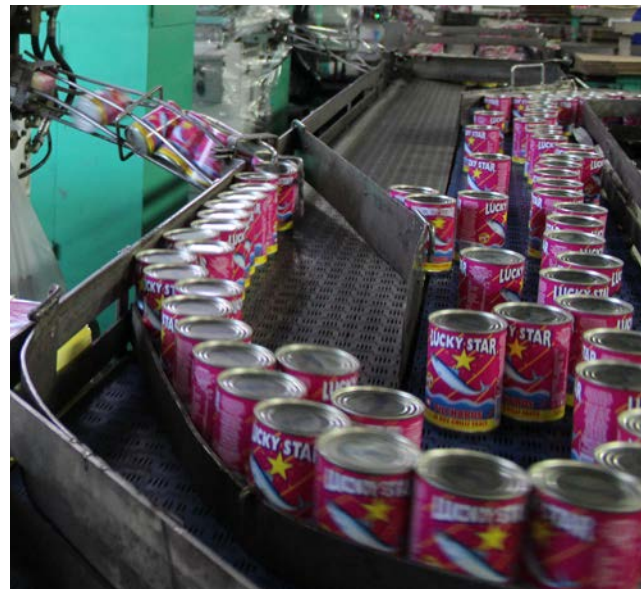
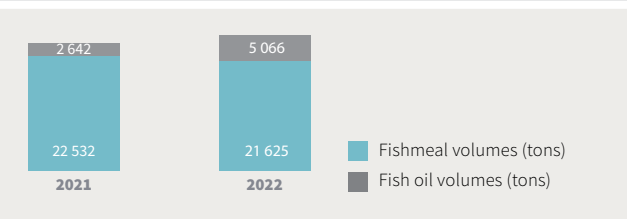
OUR 2022 PERFORMANCE

FISHMEAL AND FISH OIL (AFRICA) PERFORMANCE SUMMARY

	2022	2021
Revenue % (VAR)	↑47%	↓35%
Landings (tons)	↑8%	↓40%
Average fishmeal sales price (US\$/ton)	↑13%	↑9%
Operating profit margin % (VAR)	↑11%	↓13%
Closing stock (tons)	↑8%	↓55%

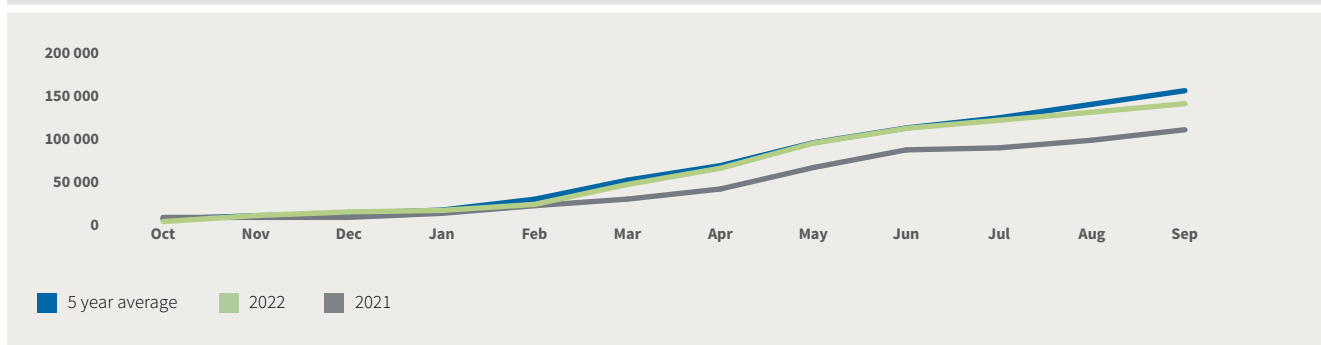
■ Positive
 ■ Negative
 ■ Neutral

FMO (AFRICA) SALES



- ✓ Positive FRAP outcome with a very small reduction in our quota and successfully partnered with SMMEs to keep quota in line with 2021.
- ✓ Continued to right size our fleet and bring it in line with the size of our local fish resource, with a larger component of our fishing fleet on a variable cost base.
- ✓ Continued to benefit from strong pricing in the markets for both fishmeal and fish oil.
- ✓ On site laboratory commissioned in the second half of the financial year, which will help to meet the requirements of our air emissions licenses; real time sample testing will also enhance in-process quality management.
- ✓ Plants performed reasonably well.
- ⊞ Slight improvement in catches from prior year.
- ✗ Input costs, particularly for fuel and coal supply, have increased.

INDUSTRIAL FISH LANDINGS (TONS)

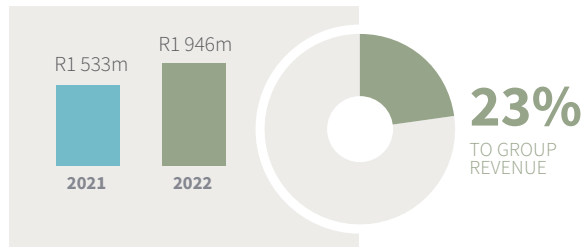


Fishmeal and fish oil (USA)

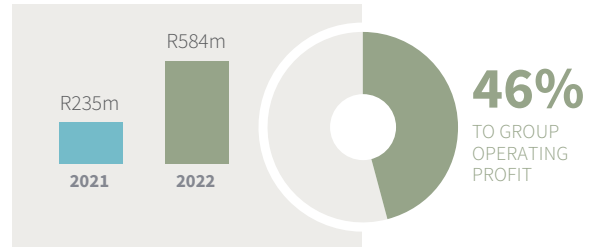


OUR 2022 PERFORMANCE

REVENUE



OPERATING PROFIT*



* Operating profit before other operating items

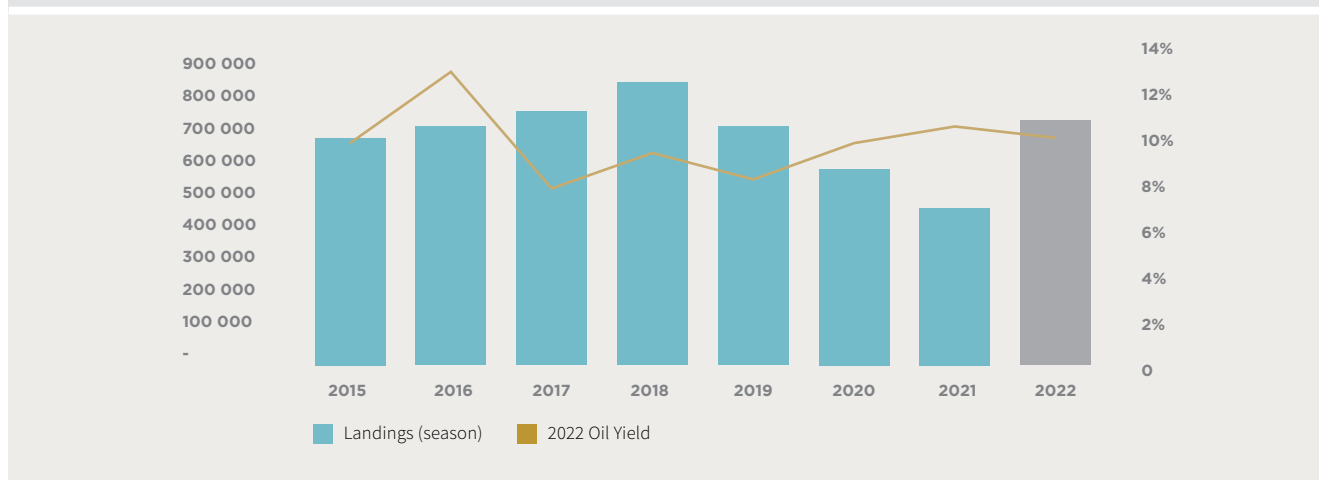
FISHMEAL AND FISH OIL (USA) PERFORMANCE SUMMARY

	2022	2021
US\$ Revenue % (VAR)	↑13%	↓10%
Landings (Millions fish)	↑55%	↓20%
Fishmeal volumes sold (tons)	↓17%	↓13%
Fishmeal price (US\$/ton)	↑8%	↑2%
Fish oil price (US\$/ton)	↑49%	↑5%
Operating profit margin % (VAR)	↑15%	↓6%

■ Positive ■ Negative

- ✓ Low carry-in stock resulted in lower sales volumes but offset by significantly improved pricing.
- ✓ Improved landings, offloading efficiencies, throughput and less plant downtime.
- ✓ Improved plant efficiencies and enhanced vessel utilisation
- ✓ Sales focused on pet food market ensuring premium and stable pricing.
- ✗ Inflation across the board on key costs.

LANDINGS AND OIL YIELD

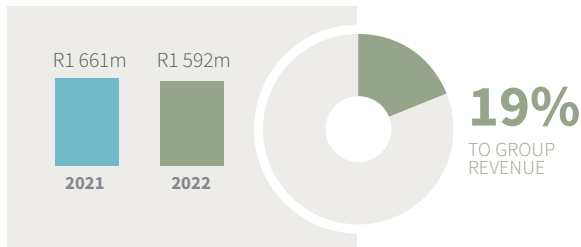


Horse mackerel, hake, lobster and squid

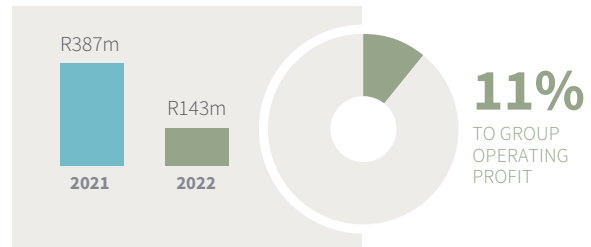


OUR 2022 PERFORMANCE

REVENUE



OPERATING PROFIT*



* Operating profit before other operating items

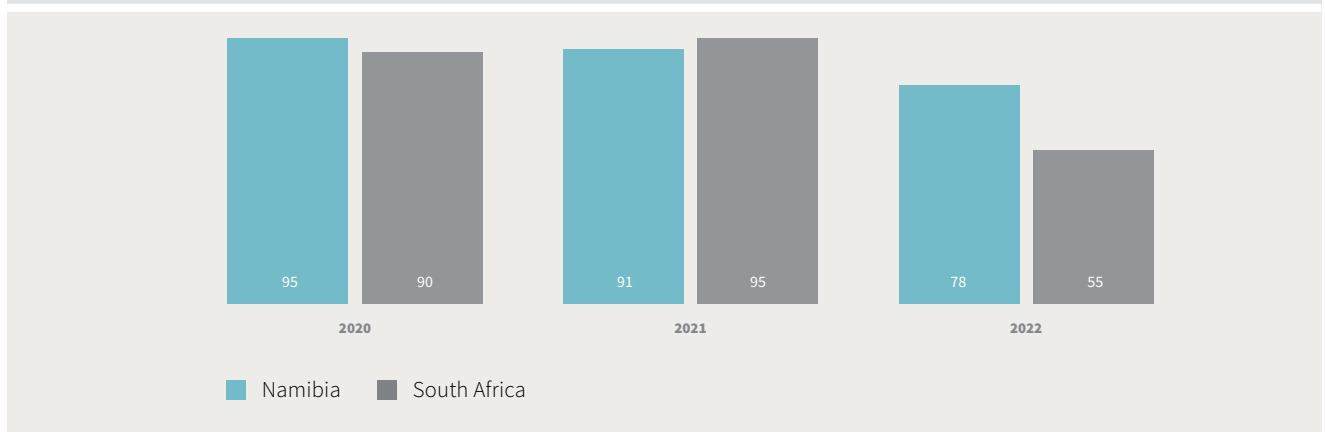
HORSE MACKEREL PERFORMANCE SUMMARY

	2022	2021
Revenue % (VAR)	↓2%	↑9%
Landings (tons)	↓28%	↓1%
Sea days – Namibia	↓5%	↓4%
Sea days – South Africa	↑63%	↓35%
Average sales price (US\$/ton)	↑6%	↑21%
Quota cost (R/ton)	↑60%	↓15%
Operating profit margin % (VAR)	↓23%	↑5%

■ Positive ■ Negative

- ✓ Very strong demand and good pricing, especially in African export markets, resulting in 6% average increase in US dollar pricing.
- ✗ South African catch rates per fishing day were down 42%
- ✗ Namibia catches also worse than the previous year, but better than in South Africa.
- ✗ Both South Africa and Namibia operations were heavily impacted by the increase in fuel costs.

HORSE MACKEREL CATCH RATES (TONS/DAY)



Horse mackerel, hake, lobster and squid



OUR 2022 PERFORMANCE

HAKE PERFORMANCE SUMMARY

	2022	2021
Revenue % (VAR)	↓3%	↓6%
Catch rates (tons/day)	↑4%	↓7%
Vessel costs (rand/ton)	↑24%	↑9%
Average exported selling price (euro/kg)	↑4%	↓14%
Operating profit margin % (VAR)	↓12%	↓5%

■ Positive ■ Negative = Neutral

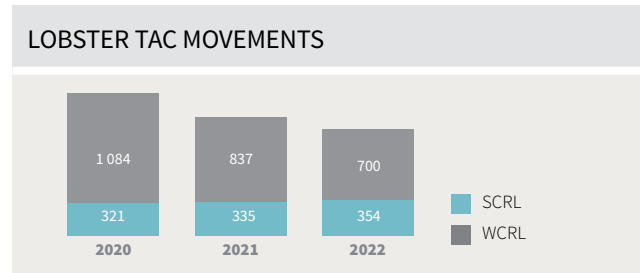
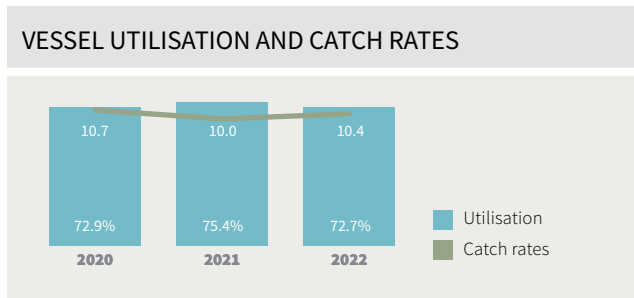
- ✓ Positive outcome on the 15-year rights allocation completed for hake deep sea trawl, providing certainty needed for future investments into the fleet (to address an ageing fleet and diversifying product offering)
- ✓ Fundamentals for hake remain strong.
- = Catch rates remained in line with last year, with vessel utilisation at 73% (2021: 75%).
- ✗ Heavily impacted by increased in fuel price, impacting the bottom line.
- ✗ Euro pricing was better than normal, but we couldn't capitalise on this given the inflationary pressures, it was more cost effective to sell locally.

LOBSTER AND SQUID PERFORMANCE SUMMARY

	2022	2021
Lobster landings (tons)	↓42%	↓21%
Squid catch rate (ton/man)	↓64%	↑187%
Lobster selling price (US\$/kg)	↓5%	↑37%
Squid selling price (euro/kg)	↑30%	↓7%

■ Positive ■ Negative = Neutral

- ✓ Pricing for squid at record high levels.
- ✓ Squid joint venture in the Eastern Cape remains strong with potential for efficiencies to capitalise on the positive FRAP outcome.
- ✓ Closed our lobster plant and the operational parts of the WCRL business towards year-end moving towards a fully variable operating model; collaboration with SMMEs to enable volumes to keep meeting strong demand (especially China).
- ✓ Catch rates for SCRL were good this year and the TAC increased by 5%, with the resource improving.
- = Earnings remain under 1% of Group operating profit.
- ✗ Catch rates for squid were extremely poor, but this started to improve towards year-end.
- ✗ Catch rates for WCRL were poor, with a declining TAC, challenging business viability.

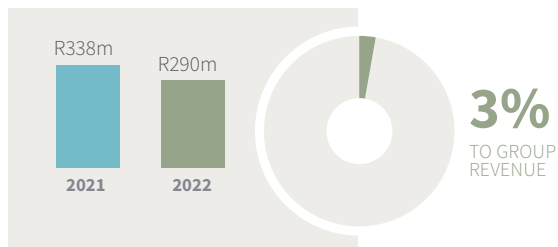


Commercial cold storage and logistics

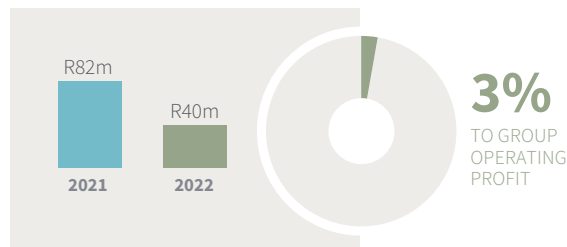


OUR 2022 PERFORMANCE

REVENUE



OPERATING PROFIT*



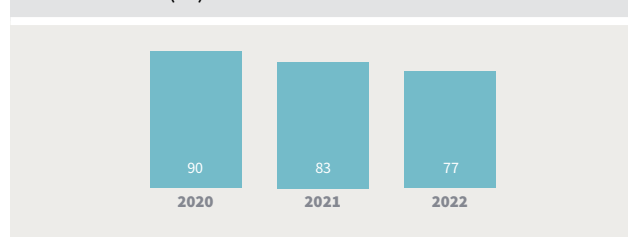
* Operating profit before other operating items

COMMERCIAL COLD STORAGE AND LOGISTICS PERFORMANCE SUMMARY

	2022	2021
Revenue % (VAR)	↓14%	↓12%
Revenue per pallet (ZAR/pallet)	↓4%	↑5%
Occupancy levels (%)	↓8%	↓7%
Cost per pallet (ZAR/pallet)	↑0.3%	↓10%
Operating profit margin % (VAR)	↓19%	↑3%

■ Positive ■ Negative

OCCUPANCY (%)



- ✓ Walvis Bay again delivered a standout performance; aided by good horse mackerel landings, occupancy levels were maintained at over 100% at all times.
- ✓ Extended the Epping store capacity to over 27 000 pallets.
- ✓ Won the 10-year bid for the Duncan Dock lease, from 1 October 2022.
- ✓ Solar energy installation in Paarden Eiland exceeded investment case.
- ✗ Depressed market and lower import activity resulted in excess capacity in the Western Cape not being utilised.
- ✗ Gauteng similarly delivered a depressed performance, with lower chicken throughput resulting in decreased occupancy.



Board governance at a glance

GOVERNANCE PHILOSOPHY

Oceana is committed to achieving the highest standards of corporate governance. The Board is the focal point and custodian of corporate governance in the Company and assumes ultimate accountability for the performance and affairs of the Group, to ensure that we continue to operate ethically and sustainably and to deliver long-term value to our shareholders and other stakeholders. With a solid adherence to its governance pillars, the Board is responsible for:

- approving the strategic direction of the Group, taking into account our responsibilities as a corporate citizen and the needs of all our stakeholders. This includes the annual strategic plans at both divisional and Group level, budgets, targets and KPIs, as well as long-term strategies ;
- determining the policies necessary to establish ethical business practices, reflective of effective compliance management, enterprise risk management, safety and sustainability and overseeing management’s implementation of such policies;
- reviewing the Company’s audit requirements and ensuring that the Group has effective risk-based internal audit processes; and
- ensuring the integrity of the Integrated Report and other reports issued to enable stakeholders to make informed assessments of the Group’s performance through reporting and disclosure. Oceana has through the years continually aspired towards upholding the highest standards of governance.

The Board and the Oceana leadership team recognise the importance of culture and values within the organisation and its link to good governance. In October 2021, issues raised which were treated as whistle-blowing, led to the Board engaging ENS Forensics to conduct a forensic investigation into the issues raised. The findings of the investigation highlighted instances of unacceptable behaviour and practices by specific individuals.

Post October 2021, the Board has played an integral part in upholding the boundaries of the governance process by ensuring independent investigations were performed and a detailed summary of the findings was released into the public domain (taking into account legal issues and confidentiality agreements). Whilst at all times cognisant of their non-executive and oversight role, the Non-Executive Directors of the Board were obliged to deal with various matters subsequent to the whistle-blowing event, including commissioning the forensic investigation and disciplinary actions.

BOARD, COMMITTEE AND COMPANY SECRETARY CHANGES

The Board was asked to step in and deal with the CEO, CFO and Company Secretary who were conflicted, which meant the Board worked largely without a Company Secretary for a period. The CEO and Company Secretary exited the Group on 14 February 2022 and 4 March 2022, respectively.

Neville Brink was appointed as the interim Group CEO on 14 February 2022. The CFO was suspended in February 2022 and was subsequently dismissed and her contract of employment was terminated on 3 June 2022. Ralph Buddle was appointed as the Interim CFO from 23 February 2022. He also assumed the role of Interim Company Secretary on 9 March 2022 until Nicole Morgan was appointed as the Company Secretary on 1 August 2022.

Ralph Buddle steps down as interim CFO on 31 January 2023. Zafar (Zaf) Mahomed was appointed as CFO designate effective from 1 November 2022 and will subsequently be appointed as the CFO and executive director of the Board with effect from 1 February 2023.

Following the aforementioned leadership changes, the Board tasked management with implementing culture interventions within the Group (this included an engagement survey and a repositioning of the Group's values). The CEO and the Board had oversight over ensuring that the remediation actions identified from the forensic investigation have all since been completed.

BOARD GOVERNANCE PRACTICES

Although the Board maintains its independence, it is important for it to have a deep understanding of the business by monitoring and engaging with management on multiple levels. In addition to the two executive Board members, the other Group Exco members with the Board, engage in strategy sessions and attend Board and committee meetings, as required. The Board follows a carefully tailored agenda, agreed in advance by the Chairman, CEO and Company Secretary.

The Board receives monthly CEO updates on operational performance and other developments in the Group. The CEO promptly communicates other pertinent developments that occur between scheduled meetings or monthly updates to the Board, as and when required.

The Chairmen of the various Board committees provide verbal reports to the Board regarding the actions of their respective committees at each meeting. From time to time, the Board meets in closed sessions to address specific matters. Closed sessions are led by either the Chairman or Lead Independent Director ("LID"). The Chairman or the LID provides feedback from these closed sessions, as required.

HOW THE BOARD FUNCTIONS

The Board has adopted a charter, aligned with the provisions of the Companies Act, the JSE Listings Requirements, King IV and the Company's Memorandum of

Incorporation (MOI), that defines its mandate and responsibilities. The Board Charter further describes the Board's role in setting the standards for organisational ethics through policies and practices to establish ethical business practices in respect of corporate governance and addresses the powers delegated to various Board Committees.

The Board is satisfied that it has fulfilled its responsibilities in accordance with its Charter for the reporting period. In considering some of the points raised during the forensic investigation, the Board has reflected that whilst policies around matters such as conflicts remain relevant, more needs to be done to ensure cultural compliance with the policies, even at the most senior levels in the organisation. A culture and organisational development initiative together with training was undertaken during the year as a measure to address this perspective.

The responsibilities of the Chairman, CEO, LID and Company Secretary are clearly defined in the Board Charter. The separation of responsibilities is designed to ensure that no single individual or group of individuals has unrestricted powers and that the appropriate balance of power and authority exists on the Board. Although the Chairman is not an independent non-executive director, Peter de Beyer as a strong LID maintains the independent functioning of the Board, where required. Any conflicts of interest which may arise are managed through the LID and the Corporate Governance and Nominations Committee. The Board is satisfied that its Lead Independent Director, Peter de Beyer, remains independent as required by King IV.

Adela Fortune was the Company Secretary from 1 October 2021 – 4 March 2022. Ralph Buddle was the Interim Company Secretary from 9 March 2022 – 31 July 2022. The Board was satisfied with Adela and Ralph's qualifications and experience. The Board considered the competence; qualifications and experience of the company secretary (Nicole Morgan) ahead of her appointment on 1 August 2022. The Board is satisfied with the Company Secretary's qualifications and experience.

As at 30 September 2022, the Board is satisfied that an arm's length relationship between the Board and the Company Secretary was in place.

BOARD MEETINGS

In the year the Board met 12 times on a formal basis and 33 times on an informal basis. This is indicative of the effort, oversight and proactive monitoring interventions that the Board took to effectively manage the following events:

- whistle-blowing event
- forensic investigation
- resignation of the CEO and Company Secretary
- the initiation and finalisation of the former CFO's disciplinary process
- the resignation of PwC as auditors
- the appointment process undertaken to appoint Mazars as external auditors
- the appointment of a CEO, CFO and Company Secretary
- engaging the Group's key stakeholders

The quantity of meetings held are demonstrative of the Board's ongoing commitment to the Group's sustainability and continuity. All Board members were present at all formal held in the year. Ordinarily, the Board is required to meet 4 times annually in terms of the Board charter.

BOARD COMMITTEES

The five committees of the Board assist the Board in discharging its duties and responsibilities. Each committee's mandate is formalised through Board-approved committee charters, which are reviewed annually to ensure effective coverage of the operations of the Group. All committees are free to take independent professional advice as and when necessary. They have unrestricted access to all Company and Group information and have access to members of Exco. The Board Committees are:

- Audit Committee;
- Remuneration Committee;
- Corporate Governance and Nominations Committee;
- Risk Committee; and
- Social, Ethics and Transformation Committee.

Board governance at a glance continued

CUSTODIANS OF OVERNANCE

Board members accept responsibility to act as the custodians of governance within the Group. The Board is constituted in terms of the Company's MOI and in line with King IV. The retirement age for directors is 70 years or as determined by the Corporate Governance and Nominations Committee. Executive directors have no fixed term of appointment but are subject to notice periods. Non-executive directors required to rotate are determined by the Corporate Governance and Nominations Committee for re-election at the AGM. The Board has adopted a staggered rotation of members to ensure smooth transition of experienced to new members whilst retaining experience and valuable industry knowledge.

BOARD DIVERSITY

The Board adopted a Board Appointment and Diversity Policy this year to formalise its voluntary diversity targets of a minimum of 40% female directors and 60% black representation (including African, Indian and Coloured) on the Board. The Board Appointment and Diversity Policy cautions against the overextension of directors and provides guidance on disclosure before accepting directorships outside of the Company. Directors declare their personal financial interests that they may have in boards, trusts and other vehicles on a quarterly basis or whenever a change occurs.

The Board diversity statistics and composition as at the date of this report are reflected in the graphs on the right.

BOARD SUCCESSION

Where Board members have been in place for longer than nine years, the Corporate Governance and Nominations Committee carries out an independence assessment to satisfy itself as to each director's continued independence of thoughts and actions which is confirmed by the Board. The Corporate Governance and Nominations Committee is responsible for Board succession planning and has specifically been tasked to develop a transition and succession plan, taking into account the critical need for diversity in skills as long-serving Board members rotate off the Board over the next few years. This includes bringing entrepreneurs, fishing skills and international experience onto the Board. The

Board has agreed a Board transition plan and succession pipeline, which identifies those instances where Board members have served for nine years or more and ensures successors are appointed preferably with an 18 month overlap period to ensure Board continuity and transfer of knowledge.

CHANGES TO THE BOARD AND COMMITTEE COMPOSITION

The following Board and Committee changes took place during the financial year.

DURING THE YEAR

- Neville Brink was appointed as interim CEO on 14 February 2022 and as an executive director of the Board on 21 February 2022. Neville was appointed permanently in the role of CEO on 2 June 2022
- Imraan Soomra resigned as CEO and his tenure as an *ex-officio* director of the Company also ceased on 14 February 2022
- Adela Fortune resigned as the Company Secretary on 4 March 2022
- Ralph Buddle was appointed as Interim Chief Financial Officer on 23 February 2022 and as interim Company Secretary on 9 March 2022
- Hajra Karrim's employment as Chief Financial Officer was terminated on 3 June 2022 and her tenure as an *ex-officio* director of the Company also ceased on this date
- Nicole Morgan was appointed as Company Secretary on 1 August 2022
- Bakar Jakoet was appointed as Chairman of the Risk Committee and member of the Corporate Governance and Nominations Committee on 15 August 2022
- Neville Brink was appointed as a member of the Social, Ethics and Transformation Committee on 1 August 2022
- Zarina Bassa stepped down as Chairman of the Risk Committee on 15 August 2022 and remained a member of the Risk Committee
- Zafar (Zaf) Mahomed is currently the Chief Financial Officer designate and will assume the role of Chief Financial Officer and executive director of the company on 1 February 2023

BOARD AND COMMITTEE CHANGES AT THE AGM

The following Board and committee changes will take place following the Company's AGM to be held on 6 April 2023.

- Zarina Bassa will step down and cease to be an independent non-executive director of the Board, Audit Committee Chairman, member of the Risk Committee and member of the Corporate Governance and Nominations Committee on 6 April 2023
- Peter Golesworthy (an independent non-executive director) will be appointed as the Audit Committee Chairman on 6 April 2023 (subject to shareholder approval of his re-election as a non-executive director and Audit Committee member at the Company's upcoming AGM)

GOVERNANCE FRAMEWORK

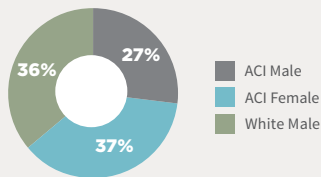
Our Governance Framework is aimed at managing the Group's operations in an ethical and responsible manner, after considering risk parameters within an effective control environment. The King IV Report on Corporate Governance advocates an outcomes-based approach, and the role of the Board is to lead the company to achieve the following governance outcomes: ethical culture, good performance, effective control, and legitimacy with stakeholders. The principles espoused in King IV are entrenched in many of the Group's internal controls, policies and procedures governing corporate conduct.

The Board is satisfied that the Group has substantially adopted the principles of King IV. The Board is further satisfied that the company remains fully compliant with the JSE and NSX Listings Requirements. Where exceptions to this have taken place, such as the delay in publishing results, for the previous financial year, these have been proactively discussed with regulators and dispensations sought for the non-compliance.

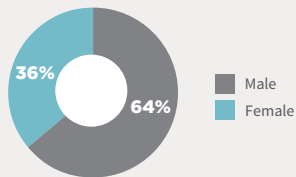
BOARD COMPOSITION

7	+	2	+
Independent non-executive directors		Non-executive directors	
2	=	11	
Executive directors		Directors at the date of this report	

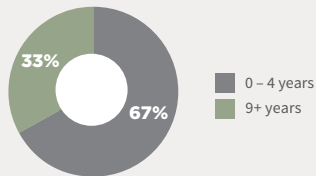
RACE



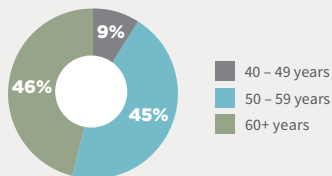
GENDER



TENURE



AGE






SKILLS AND EXPERTISE






Board governance at a glance continued

BOARD FOCUS AREAS IN 2022

STRATEGIC IMPERATIVES




-  **SI1:** PROTECT AND OPTIMISE OUR QUOTA BUSINESSES
-  **SI2:** DELIVER ORGANIC GROWTH
-  **SI3:** CREATE SUSTAINABLE EARNINGS THROUGH DIVERSIFICATION







STRATEGIC ENABLERS

-  **SE1:** GALVANISE THE WORKFORCE
-  **SE2:** ENGAGE STAKEHOLDERS AND MANAGE REPUTATION
-  **SE3:** ENSURE GOOD GOVERNANCE AND SUSTAINABILITY

FOCUS AREA STRATEGY GOVERNANCE

FOCUS AREA	STRATEGY	GOVERNANCE OUTCOME
ETHICAL LEADERSHIP		
<p>Board members are individually and collectively accountable for ethical leadership:</p> <ul style="list-style-type: none"> • Directors declared other directorships and conflicting interests at each meeting and recused themselves from matters they were conflicted on. • Formal Board assessment completed annually, with an independent evaluator, external review every two years. • A skills assessment, which informs the Board composition and its succession plans, conducted annually. • Followed a formal director induction programme for incoming directors. • Directors were kept abreast of legal and regulatory changes and other relevant topics. • Oversaw the entrenchment of ethics in the business with the re-launch of the whistle-blower hotline. • Proactively monitored the Group’s ethical stance in relation to the whistle-blower event from the prior year and implemented independent external investigations into the matter. • Ensured action taken against instances of non-compliance with the Group’s policies, values and culture. 	<ul style="list-style-type: none">      	<ul style="list-style-type: none"> Ethical culture Good performance Effective control Legitimacy with stakeholders Appropriate balance of skills and independence on the Board resulting in an effective Board Credibility of governance processes

FOCUS AREA	STRATEGY	GOVERNANCE OUTCOME
CRISIS MANAGEMENT RESPONSE		
<ul style="list-style-type: none"> • Closely monitored the continued impact of the Covid-19 pandemic and the Russia-Ukraine conflict on the Group’s operations and financial performance. • Board decisions were based on the safety of all employees and the long-term sustainability of the organisation, underpinned by the Group’s purpose of positively impacting lives. • The Board was able to assume effective control of the Company when executive leadership changes took place in the year, which resulted in vacancies of the CEO, CFO and the Company Secretary. • The Board engaged stakeholders on all matters relating to the forensic investigation; on accounting matters; the change of the Group’s External Auditors and the change of the executive leadership structure. • Communicated with stakeholders extensively to the extent possible within the confines of the legal process on a confidential basis. The Board and Audit Committee were extensively involved in discussions with shareholders, regulators and other stakeholders in this regard. 	<ul style="list-style-type: none">    	<ul style="list-style-type: none"> Ethical culture Good performance Effective control Legitimacy with stakeholders

FOCUS AREA	STRATEGY	GOVERNANCE OUTCOME
STRATEGY AND PERFORMANCE		
<ul style="list-style-type: none"> Reviewed performance against the five-year strategy at the annual strategy session and approved the strategy for 2022 – 2024, which included discussions on potential investment opportunities and the disposal of the CCS which was announced in October 2022. Approved the 2023 annual budget and divisional KPIs. Closely monitored developments in the FRAP process to ensure the Group was ready to respond. 	     	<p>Effective control</p> <p>Good performance</p> <p>Legitimacy with stakeholders</p> <p>Sustainability of the strategy and business</p>
ENVIRONMENTAL MANAGEMENT AND SUSTAINABILITY		
<ul style="list-style-type: none"> Monitored oversight of the implementation and roll-out of a number of initiatives, including the scope of the mega renewable electricity project in South Africa, solar projects in USA and for the CCS Group and the vessel refrigerant conversion project. Reviewed the Environmental Policy and assessed progress on targets for material environmental initiatives, external accreditation surveys and environmental audits. Reviewed and approved ESG metrics added to management KPIs and management targets for STIs and LTIs. Considered the roadmap for the implementation of the recommendations of the TCFD. 	  	<p>Ethical culture</p> <p>Effective control</p> <p>Good performance</p> <p>Legitimacy with stakeholders</p>
PEOPLE: CULTURE AND ORGANISATIONAL HEALTH AND SAFETY		
<ul style="list-style-type: none"> Continued endorsement of the corporate culture to ‘Positively impact lives’, which is firmly embedded in the ethos of the business. Monitored the impact of the exit of the CEO, CFO and Company Secretary and the reputational impact this had on the business and employees. Implemented a culture survey and established a refined set of values to reinforce a positive culture in the workplace. Assessed the implications of the cultural alignment exceptions identified through the concluded forensic investigations and whether these were isolated or pervasive and focused on cultural alignment at all levels in the organisation, even at the most senior leadership levels. The broader Oceana Group has over a 104 year history of being a highly ethical group. 		<p>Ethical culture</p> <p>Galvanise the workforce</p> <p>Confidence in the credibility of the leadership team</p>
TRANSFORMATION		
<ul style="list-style-type: none"> Evaluated, monitored and provided oversight on the execution of a corporate action, which gave rise to the establishment of two new empowerment schemes. Reviewed performance against the DTI’s B-BBEE scorecard and results of the annual independent B-BBEE audit. Assessed the transformation levels of the purchaser of the CCS. Considered the allocations to be made to the Saam-Sonke Trust beneficiaries. 	  	<p>Good performance</p> <p>Effective control</p> <p>Legitimacy with stakeholders</p> <p>Ownership and structure aligned with the Group’s values</p>

Board governance at a glance continued

FOCUS AREA	STRATEGY	GOVERNANCE OUTCOME
STAKEHOLDER ENGAGEMENT		
<ul style="list-style-type: none"> Shareholders engaged directly with the Chairman and the CEO at a virtually-hosted AGM to consider certain resolutions flowing from the provision of financial assistance for the acquisition of shares in the company or related or inter-related company, by the company itself or its subsidiaries. The Board provided regular updates on the CEO and CFO to investors. The Board further received updates on all stakeholder engagements at every meeting. The Chairman, LID and Audit Committee Chair engaged with stakeholders through the process of investigation and delay in publishing results. The Board and the Audit Committee engaged proactively with lenders; media; regulators; institutional investors and employees on the leadership changes; the change of external auditors and the accounting matters which were raised as a result of the whistleblower event. Engagements were held with industry bodies and the DFFE in relation to the ongoing FRAP process. 		Legitimacy with stakeholders

FOCUS AREA	STRATEGY	GOVERNANCE OUTCOME
RISK MANAGEMENT		
<ul style="list-style-type: none"> Closely monitored the macroeconomic environment, environmental, external and emerging risks, business disruptors and the impact on the Group. Approved updated Business Continuity Policy and Plans. Approved the Combined Assurance Plan and Reporting Framework. Monitored compliance with risk appetite levels. Monitored the regulatory risks that the Group faced with the non-timeous publication of the Group's 2021 AFS and mitigated the risk through a robust plan which encompassed: proactive stakeholder engagement; effective communication with regulators to seek dispensation on the former and crisis management of the material risks that the business faced. 		Effective control Legitimacy with stakeholders

FOCUS AREA	STRATEGY	GOVERNANCE OUTCOME
TECHNOLOGY AND INFORMATION		
<ul style="list-style-type: none"> Through the Audit Committee, provided oversight on IT governance and reviewed incident reports on a regular basis, with additional focus on resilience and cyber-security as employees continued remote working. 		Ethical culture Good performance

FOCUS AREA	STRATEGY	GOVERNANCE OUTCOME
GOVERNANCE		
<ul style="list-style-type: none"> Following the resignation of PwC as the Group's External Auditors, the Board undertook a comprehensive and independent tender process to identify and appoint Mazars as the Group's External Auditors. The Board monitored the relationship with PwC and the shareholder votes against their reappointment at the AGM and the consultation sessions held with the Group's shareholders following PwC's resignation The Board monitored the outcomes of the Group's Internal Auditors, BDO, during their second year of conducting the internal audit. The Board finalised the forensic investigation which was initiated in October 2021 and disclosed the outcome thereof to its key stakeholders via public announcements. The Board assessed compliance in respect of the Company's MOI, JSE Listings Requirements, its charters and relevant legislation. The Board appointed the CEO; CFO and Company Secretary within the year. 		Ethical culture Effective control Legitimacy with stakeholders

2023 KEY FOCUS AREAS

The Board have identified the following key focus areas for 2023:

Ethical leadership	The Board will continue to set the tone on ethics and values and monitor the role of the Ethics Officer in managing ethics risks and training and creating awareness on fraud and ethics matters within the Group.
Strategy and Performance	The Board will finalise the disposal of the CCS and will consider the utilisation of the proceeds. The Board will consider any potential corporate actions.
Environmental Management and Sustainability	The Board will monitor the Group's refrigerant conversion on vessels and monitor the ESG regulatory landscape.
People: Culture and Organisational Health and Safety	The Board will have oversight of the rollout of the Group's new values.
Transformation	The Board will continue to monitor the Group's B-BBEE status.
Stakeholder engagement	The Board will review its stakeholder engagement policy to ensure that it addresses all relationships with the Group's stakeholders. The Board will focus on its relationships with its stakeholders.
Risk management	The Risk Committee will focus on strategic and emerging risks and will establish an operational risk-steering committee to report into the former.
Technology and Information	The Board will monitor the Group's systems and IT services providers.
Governance	The Board will conduct an in-depth review of the Board and committee charters and work plans. The Board will continue to implement, monitor and review its succession plans, review, analyse and action matters arising from the 2022 annual Board assessments. In addition, the Board and committee composition will be reviewed and the adequacy of the Board and each committee will be assessed.

Board governance at a glance *continued*

COMMITTEE GOVERNANCE

AUDIT COMMITTEE (Refer to Audit Committee Report on pages 123 to 130)

As at 30 September 2022

Chairman	Zarina Bassa
Member	Number of meetings attended
Z Bassa	22/22
P de Beyer	22/22
P Golesworthy	22/22
A Jakoet	22/22
L Sennelo	22/22

The Committee held 22 formal Committee Meetings in the year as well as 10 *ad hoc* Committee meetings in order to address the resignation of PwC as the Group’s External Auditors; the process undertaken to appoint new External Auditors; evaluating the outcome of the forensic investigations; consideration with regard to the Group’s outgoing CFO following her disciplinary hearing; reviewing and considering the treatment of the DFI/Westbank accounting transaction and engaging key stakeholders in relation to the above.

Mandate

- Ensure the integrity of the AFS and Integrated Annual Report and other external reports issued by the Company.
- Assessing the effectiveness of the Company’s assurance functions, with particular focus on the combined assurance arrangements, including external assurance service providers, internal audit, the CFO and finance function, and the independence and effectiveness of the Group’s external auditors.

Key focus areas in 2022

The committee:

- set the direction for financial reporting;
- reviewed and recommended to the Board the Consolidated AFS, interim reports, and summarised financial statements;
- reviewed and recommended trading updates and trading statements in line with the JSE’s requirements;
- addressed the change in external auditors and considered and nominated the external auditor for appointment at the AGM; and determined the fees to be paid to the external auditors and their terms of engagement;
- appointed Mazars as the Company’s external auditors after following a comprehensive independent tender process
- determined the nature and extent of non-audit services and pre-approved any proposed agreement with the external auditors for the provision of non-audit services;
- satisfied itself with respect to external auditor independence and audit effectiveness and quality;
- made submissions to the Board on matters concerning the Company’s accounting policies;
- reviewed the solvency and liquidity, debt covenant compliance and going-concern position;
- satisfied itself on the effectiveness of internal controls, internal financial controls, records and reporting;
- considered the expertise, competence and skill of the CFO and the finance function;
- considered the effectiveness and independence of the Chief Internal Audit Executive and the internal audit function;
- performed oversight functions as determined by the Board;
- received and considered the JSE proactive monitoring reports in the preparation of the financial statements;
- satisfied itself that the appropriate financial reporting procedures are in place and are operating;
- commissioned (in conjunction with the Board) independent external technical opinions on the accounting treatment of Westbank Fishing LLC ("Westbank") to confirm the appropriate accounting treatment in the Consolidated AFS.

Key focus areas in 2023

Under the leadership of Peter Golesworthy, the committee will:

- continue to monitor the outcome of the pending investigation instituted by the Financial Services Conduct Authority (“FSCA”);
- conduct an in-depth review of the Committee Charter and Work plan;
- review management’s assessment of the Group’s Corporate Entity/Legal Structure;
- review of various finance initiatives to improve the effectiveness of processes and quality of reporting.

RISK COMMITTEE (Refer to Group's material risks on pages 54 to 57).

As at 30 September 2022

Chairman	Aboubakar (Bakar) Jakoet (Appointed 15 August 2022)
Member	Number of meetings attended
A Jakoet	2/2
Z Bassa	2/2
P Golesworthy	2/2
N Pangarker	2/2
L Sennelo	2/2

Mandate

To assist the Board with the governance of risk, which encompasses considering Group-wide risks, opportunities and associated risks when developing the Group strategy, as well as potential positive (upside) and negative effects of those risks in achieving organisational objectives.

Oversight of Oceana's risk framework, policies and processes; setting risk appetite limits; reviewing the quality and effectiveness of internal controls and reporting processes; and setting the direction for how risk is approached and managed, adopting a stakeholder inclusive approach.

Key focus areas in 2022

Adopted a formal work plan designed to structure execution of responsibilities over the year. In addition, given the challenges experienced by the Group during the year, a number of special Board meetings convened in the year were focused on risk management and business continuity.

Risk strategy and policy: Reviewed and provided general oversight to ensure the policy gives direction on the risk strategy and recommended the Risk Policy and the Risk Management Strategy and Framework to the Board for approval.

Risk Appetite: Put forward the Risk Appetite and Tolerance Framework to the Board for approval, as well as the Risk Management Implementation Plan.

Key policies: Reviewed and approved key policies within its ambit.

Assurance: Reviewed the Combined Assurance Plan.

Emerging issues: Deliberated key emerging themes and considered the significance of emerging issues to the Group and monitored associated developments. Supported management on strategic initiatives to navigate and mitigate the material risks that the business faced in the year.

Reports and risk registers: reviewed reports on incidents, losses and claims and reviewed the adequacy and completeness of the strategic risk register and material risks emanating from divisional and functional risk registers. Assessed whether appropriate processes and controls are in place to manage risks to within appetite and tolerance.

Reported on critical risk information to the Board.

Insurance cover and litigation: Reviewed adequacy and completeness of insurance cover and monitored the impact material litigation could have on the Group.

Compliance: Monitored compliance with applicable legislation and regulation.

Key focus areas in 2023

Under the leadership of Bakar Jakoet, the Committee will:

- restructure its affairs to focus on strategic and emerging risks;
- establish a risk-steering committee to focus on operational risks with the Group's operational risk leads;
- conduct an in-depth review of the Committee Charter and Work plan; and
- review policies within its ambit.

Board governance at a glance continued

REMUNERATION COMMITTEE (Refer to Remuneration Report on pages 132 to 142)

As at 30 September 2022

Chairman	Peter de Beyer
Member	Number of meetings attended
P de Beyer	4/4
M Brey	4/4
T Mokgosi-Mwantembe	4/4
N Simamane	4/4

The Committee held 4 formal Committee Meetings in the year and 4 *ad hoc*/urgent/special Committee meetings held in order to address the key focus areas identified below.

Mandate

To independently review and monitor the integrity of the Group’s remuneration philosophy, policy and implementation, ensuring that the Group remunerates fairly, responsibly and transparently.

Evaluates the competitiveness of the Group’s remuneration and benefits, reviews the overall annual increase pool and monitors the implementation of incentive-based schemes.

Key focus areas in 2022

Remuneration Policy: Reviewed the policy and implementation plan and meetings were held with Shareholders to discuss the revised 2022 LTI as approved at the AGM.

Executive remuneration: Reviewed, benchmarked, approved and thereafter negotiated the remuneration packages in respect of the: incoming CEO (Neville Brink); Interim CFO (Ralph Buddle); CFO Designate (Zafar Mahomed) and the Group Company Secretary (Nicole Morgan). The Nominations and Corporate Governance committee reviewed the exit terms of the outgoing executives and the Remuneration committee reviewed the payment of contractual payments, such as notice pay, etc.

Reviewed the CEO’s IPA to ensure alignment to the Group’s strategic objectives.

Remuneration: Considered and approved the annual salary increase mandate, reviewed and approved remuneration of Exco, reviewed the overall salary bill on a year-on-year basis to confirm that it aligns with principles of fair and responsible pay.

Incentive schemes: Reviewed the LTI scheme to ensure it remains competitive, and proposed a new performance-based scheme, which includes ESG outcomes, for approval by shareholders at the next AGM.

Non-executive remuneration: Approved the process for the benchmarking of non-executive director remuneration and recommended it to shareholders. Considered the *ad hoc* fees payable to non-executive directors in light of the effort and time spent in relation to the business disruption in the prior year.

Disclosure: Reviewed and signed off the 2022 Remuneration Report.

Employee equitable ownership: Established a Saam-Sonke Allocation sub-committee to consider Saam-Sonke distributions.

Key focus areas in 2023

Under the leadership of Peter de Beyer, the Committee will:

- conduct an in-depth review of the Committee Charter and Work Plan; and
- review its Remuneration Policy.

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

As at 30 September 2022

Chairman	Peter de Beyer
Member	Number of meetings attended
P de Beyer	4/4
Z Bassa	4/4
M Brey	4/4
A Jakoet	1/1 (Appointed as a member on 15 August 2022)
N Simamane	4/4

The Committee held 4 formal Committee Meetings in the year in order to address the key focus areas identified below and the Committee also held 12 *ad hoc* meetings to deal with the whistle-blower allegations, ENS forensic investigation and the appointment of the CEO, CFO and Company Secretary.

Mandate

Oversees and makes recommendations on the composition of the Board, its committees and the appointment and retirement of directors. Evaluate the performance of the Chairman, CEO and Company Secretary against formalised criteria, outsourcing the assessment every two years. Oversees the Board succession and transition plan, as well as ensures that there is continuity of leadership in key positions.

Key focus areas in 2022

Nomination matters:

- Considered succession plans for directors who have or will be reaching their 12-year tenure.
- Lead the process to appoint a Chairman of the Risk Committee.
- Reviewed the Board and committee composition, skills matrix, succession plans and transition arrangements on a quarterly basis.
- Reviewed the directors' and officers' liability insurance.
- Succession pipeline: Considered the succession pipeline for the:
 - Board and its committees;
 - Oceana Group executives
 - Oceana Group and Divisional Finance Function; and
 - Key diversity and scarce skills talent in the Group,
- Considered the short-term transitional succession plan of the Board and considered tenure and independence of long-standing Board members.
- Considered and implemented transitional executive continuity plans (in respect of ensuring continuity in the business following the changes in the executive leadership structure). The committee proactively recruited and appointed the CEO (Neville Brink); the Interim Chief Financial Officer and the Interim Group Company Secretary (Ralph Buddle); the Chief Financial Officer Designate (Zafar Mahomed); and the Group Company Secretary (Nicole Morgan) all within the financial year.
- Considered and reviewed the exit terms of the outgoing executives and had oversight of the previous CFO's disciplinary hearing.

Corporate governance:

- Assessed the independence of independent non-executive directors;
- Sourced external legal counsel, where necessary;
- The Committee held a number of governance meetings with Shareholder;
- Initiated an external Board and Committee evaluation which was conducted by the Board Practise around November 2022; and
- Recommended the rotation of non-executive directors for re-election at the upcoming AGM.

Key focus areas in 2023

Under the leadership of Peter de Beyer, the Committee will:

- conduct an in-depth review of the Committee Charter and Workplan
- review the Policies within its ambit
- review the Board's short-term transitional succession plan
- commence the search and recruitment process for a long-term CEO
- review and assess the Board and Committee composition and the requirement for an independent director with international industry experience

Board governance at a glance continued

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

As at 30 September 2022

Chairman	Nomahlubi Simamane
Member	Number of meetings attended
N Simamane	2/2
N Brink	1/1 (Appointed 1 August 2022)
T Mokgosi-Mwantembe	2/2
N Pangarker	2/2
L Sennelo	2/2

Mandate

Report of the Social Ethics and Transformation Committee:

The committee has an independent role, with accountability to the Board. Its mandate is to oversee the development of policies, guidelines, standards and practices for matters relating to:

- social and economic development;
- good corporate citizenship;
- environmental health and public safety;
- consumer relationships;
- labour and employment; and
- implementation of The Ethics Institute Guidelines.

Key focus areas in 2022

Health and safety: Oversight of mitigation strategies implemented to adapt and enhance the business’ resilience and agility to respond to the pandemic, noting a people centric culture, with strong focus on employee health, safety and wellness.

- **Sustainable Development Goals (“SDG”):** Continued focus to ensure alignment with Oceana’s strategic sustainability performance areas. Further monitored global sustainability trends and Oceana’s contribution.
- **Labour and employment practices:** Continued focus on talent management processes and succession planning. Oversight of diversity and inclusivity strategies and employee wellbeing, noting positive work underway. Considered developments in respect of wage negotiations, employment equity reporting, skills development reporting and legislative updates.
- **Transformation:** Reviewed the company’s performance against the DTI’s B-BBEE scorecard as well as the results of the annual independent B-BBEE audit.
- **CSI:** The company’s CSI expenditure and its progress against planned initiatives during the year was assessed and found to be satisfactory. The target set in terms of the Codes of Good Practice to spend 1% of net profit after tax on income-generating activities that benefit black beneficiaries, was met and exceeded.
- **Anti-corruption, ethics and compliance:** During the year, the committee received various reports on ethics and compliance. All eligible new employees continue to undergo comprehensive training on Competition Law.
- **Environment, health and public safety:** The committee also received an update on the results of health and safety and environmental audits of company sites and vessels.
- **Social responsibility:** Received reports on capacity building skills training in the Hout Bay Community as well as SSF co-operatives in the Eastern Cape and KZN.
- **Flagship initiatives:** Reviewed reports on progress in respect of the Oceana Food Security Programme.
- **Governance activities:** Reviewed and monitored implementation of policies within the Social, Ethics and Transformation Committee’s mandate.

Key focus areas in 2023

Under the leadership of Nomahlubi Simamane, the Committee will:

- conduct an in-depth review of the Committee Charter and Work plan;
- review the Policies within its ambit; and
- elevate the agenda in respect of the committee’s focus on ESG reporting.

Report of the Audit Committee

INTRODUCTION

The Oceana Group Limited (“Oceana” or “Group”) Audit Committee (or “the Committee”) is pleased to present its report for the financial year ended 30 September 2022. This report is intended to provide details on how the Committee satisfied its various statutory obligations during the year, as well as on the significant audit matters considered during the period under review. This report has been prepared based on the requirements of the South African Companies Act, No. 71 of 2008 (“Companies Act”), the King Code of Governance for South Africa (“King IV”), and the JSE Listings Requirements.

COMMITTEE CONSTITUTION AND GOVERNANCE

MANDATE AND TERMS OF REFERENCE

The responsibilities of the Committee are incorporated into the Committee’s Charter which is reviewed annually and approved by the Board. The Charter can be viewed on our website at www.oceana.co.za or can be requested from the Group Company Secretary (nicole.morgan@oceana.co.za). The Committee has conducted its affairs in compliance with this Charter and has discharged its responsibilities contained therein.

COMPOSITION OF THE COMMITTEE

The Committee, appointed by shareholders on 5 May 2022 to hold office until the conclusion of the next annual general meeting, is comprised of five independent non-executive directors, Ms ZBM Bassa (Chairman), Mr PG de Beyer, Mr A Jakoet, Ms L Sennelo and Mr PJ Golesworthy, all of whom satisfy the requirements to serve as members of an Audit Committee. In addition, the qualifications and experience of the members of the committee can be viewed on our website at www.oceana.co.za. Fees paid to the Committee members for the 2022 financial year are disclosed in Note 38 on page 109 of the Consolidated Group Annual Financial Statements (“AFS”).

OVERALL ROLE, RESPONSIBILITIES, AND FUNCTIONS

The Committee is a statutory committee and is responsible for fulfilling its statutory responsibilities under section 94(7) of the Companies Act and for providing independent oversight, particularly regarding:

- the integrity of the AFS, financial reporting and, to the extent delegated by the Board, other external reports issued by the Group;
- the effectiveness of the Group’s systems of internal control, assurance function and services, with particular focus on the combined assurance arrangements;
- assessing the effectiveness of the internal audit function, the Chief Financial Officer (“CFO”) and finance function and the independence and effectiveness of the external auditors;
- the effectiveness of the technology and information, governance and risk management framework; and
- oversight responsibilities over registered public entities and key subsidiaries within the Group.

WORK PLAN AND MEETINGS

The Committee adopted a formal work plan designed to structure execution of responsibilities over the year. It held five formal meetings during the year, with full attendance by all members.

Between October 2021 and March 2022, 20 additional *ad hoc* and/or special Committee meetings were held (including workshops pertaining to the technical matters under scrutiny) to address the challenges related to the 30 September 2021 year-end delays and to monitor progress on the resolution of the issues identified. In addition, 7 meetings were held during May 2022 to July 2022, to address the external audit vacancy following the resignation of PwC (explained below under External audit). A total of 22 formal committee meetings and 10 *ad hoc* meetings were held between 1 October 2021 to 30 September 2022. The Committee and Board members further spent significant time engaging with investigators, lawyers, other advisors and stakeholders whilst overseeing the 2021 year-end audit process.

Attendance at meetings by directors who are not members of the Committee, relevant external specialists and management is by way of invitation.

The Committee provides a forum through which the external and internal auditors report to the Board. The external and internal auditors are invitees to Committee meetings. The auditors have unrestricted access to the Committee and its Chairman at all times, ensuring that their independence is not impaired. Both the external and internal auditors have the opportunity to address the Committee and its Chairman at each of the meetings without management being present. The Committee reviews detailed reports from both the external and internal auditors. The Chairman of the Committee reports on all matters discussed, including the findings of the external and internal auditors, at Board meetings.

The independence of the Committee is key to its effective functioning, whilst ensuring that it does not assume the functions of management. As part of its mandate, the Committee has the authority to consult with specialists to assist it in the performance of its functions, subject to a Board-approved process.

FOCUS AREAS AND STATUTORY DUTIES

The Committee is satisfied that it has fulfilled its responsibilities and discharged its duties in accordance with its statutory duties (the Companies Act, No.71 of 2008 Section 94 (7)), the JSE Limited and NSX Listings Requirements, its Board mandate and the Committee Charter during the reporting period. The Committee has:

- set the direction for financial reporting;
- reviewed and recommended to the Board the AFS, interim reports, and summarised financial statements;
- reviewed and recommended trading updates and trading statements in line with the JSE’s requirements;
- considered the appointment of Mazars as the Company’s external auditors following the resignation of PwC as the Company’s previous external auditors;
- considered and nominated the external auditor for appointment at the annual general meeting;

Report of the Audit Committee continued

- determined the fees to be paid to the external auditors and their terms of engagement;
- determined the nature and extent of non-audit services and pre-approved any proposed agreement with the external auditors for the provision of non-audit services;
- satisfied itself with respect to external auditor independence and audit quality;
- made submissions to the Board on matters concerning the Company's accounting policies;
- reviewed the solvency and liquidity, debt covenant compliance and going-concern position;
- satisfied itself on the effectiveness of internal controls, internal financial controls, records and reporting;
- considered the expertise, competence and skill of the CFO and the Finance function;
- considered the effectiveness and independence of the Chief Internal Audit Executive and the internal audit function;
- performed oversight functions as determined by the Board;
- received and considered the JSE proactive monitoring in the preparation of the financial statements reports;
- satisfied itself that the appropriate financial reporting procedures are in place and are operating; and
- commissioned (in conjunction with the Board) independent technical opinions on the accounting treatment of Westbank Fishing LLC ("Westbank") to confirm the appropriate accounting treatment in the AFS.

EVALUATION AND RE-ELECTION

The Board and Committee's performance and effectiveness is assessed annually. An externally facilitated assessment is performed every two years, with the latest assessment being performed in October 2022. The results of the evaluation will be considered in the 2023 financial year. However, the Board remains satisfied that the Committee has performed its duties effectively and that Committee members have the necessary skills and experience to discharge their duties effectively.

In line with Board and Committee succession planning, Ms Bassa will retire from the Board as an independent non-executive director at the Company's upcoming annual general meeting to be held on 6 April 2023, and will cease to be the Chairman of the Committee. Mr Golesworthy will succeed Ms Bassa as Chairman of the Committee on 6 April 2023, subject to his re-election as a Non-Executive Director of the Board.

SIGNIFICANT CHALLENGES IN RELATION TO THE FINALISATION OF THE RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

Please refer to the Audit Committee report for the year ended 30 September 2021 for a detailed explanation on the challenges experienced, as a result of the whistleblower allegations raised during October 2021, and the resulting investigations by ENS which were commissioned by the Board. The results for 30 September 2021 were delayed as a result, and published on 9 March 2022. Where certain matters were still pending at the time of issuing these results, updates are dealt with in this report under the specific headings to which they

relate. Remediations, where applicable, in response to the findings of the investigation have been undertaken and closed out by the Group.

The Committee remains comfortable that the previous investigations did not indicate any fraud, financial loss, over-ride of the internal control environment or deliberate intent to misrepresent. As advised previously, the results of the investigation are available on the Group website.

SIGNIFICANT ACCOUNTING MATTERS

ACCOUNTING TREATMENT OF WESTBANK

In the previous year, the Group communicated the process it had undergone with the 2021 appointed external auditors (PwC) and various external advisors on the accounting treatment of Westbank (a 25% held investment), which had been re-visited during the finalisation of the 2021 financial statements.

The Group had, since acquisition, accounted for Westbank as an associate, which resulted in equity accounting for its 25% interest. This treatment had been reviewed and concluded upon by the Group's previous external auditors Deloitte throughout their tenure. The Group consulted with independent accounting technical specialists who agreed that the treatment by the Group had been appropriate, however PwC concluded that Westbank should be accounted for as a joint operation ("JO").

Following extensive discussions and debates, and being cognisant of the delays already experienced at the time PwC concluded on the accounting treatment, the Group then adopted the accounting treatment that was acceptable to PwC, considering the assessment of the impact to the financial statements, as a whole. This resulted in the Group accounting for its investment in Westbank by recognising 100% of the assets, liabilities and all income statement line items, and creating a liability to the joint operator at 75% to recognise the portion of the net asset value attributable to the JO party. The adjustment had no effect on net profit or net asset value.

The decision to adopt the change in the previous year was also weighed against the risk of further delays to the 30 September 2021 financial statements which would have triggered a suspension of the Group's JSE listing, resulting in further potential adverse consequences to the Group.

In addition, and as highlighted in the Audit Committee report for 30 September 2021, specifically in respect of auditor effectiveness, the Committee did have concerns around IFRS interpretation and application of the standards, where evidence relating to the business and operational practice in relation to matters of significant judgement might support different approaches.

In the current year, and as part of the process of assessing the classification, the Committee in conjunction with the Board took a decision to obtain two separate and independent accounting opinions on the matter, and the two experts i.e. Kim Bromfield (IFRS Advisory Services) and Garth Coppin (ex E&Y IFRS Technical partner), independently each concluded that the appropriate accounting treatment was to classify Westbank as an associate. This aligns with the Group's assessment and conclusion on the matter.

The key factors used in the determination of the accounting treatment were:

- Oceana holds more than 20% of the voting power;
- Oceana has representation on the Westbank Board and participates in policy-making processes. Whilst some decisions require unanimous consent, this does not apply to all decisions that impact the risks and returns of shareholders;
- the 75% shareholder has the right to appoint five of the seven directors of Westbank;
- Day-to-day operating activities which impact the risks and returns of Westbank are decided by a simple majority. The shareholders do not control the arrangement collectively as they do not act together to direct the activities that affect the returns of the arrangement i.e., the day-to-day decisions to run, operate and fish on a daily basis, including the responsibility to maintain the fishing licence are controlled solely by the 75% shareholder;
- Oceana does not have the unilateral ability to remove the 75% shareholder from the shareholding structure in their managerial and ownership capacity;
- the right to veto certain decisions does not automatically translate to unilateral control or the power over a relevant activity. Consequently, the rights of Oceana were assessed and deemed to be minority protective rights, which were designed to protect the interest of Oceana without giving it power over the entity to which those rights relate. In addition, these rights relate to fundamental changes to the activities of Westbank or apply in exceptional circumstances only; and
- Daybrook (100% subsidiary of Oceana) purchases the entire off-take from Westbank, and therefore neither party benefits from the sale of fish from Westbank.

As per their Audit report on page 144, the Group's current external auditors, Mazars, performed an opening balance review with PwC on their prior year working papers. As part of their review, they considered PwC's approach and findings on the accounting treatment of Westbank. This entailed a review of PwC's prior year working papers as well as discussion with PwC's technical experts on the matter. Following a detailed review by both the Technical and Audit teams on the prior, year working papers produced by PwC, and an audit of management's view of the accounting treatment, (including a review of both expert's opinions), Mazars have confirmed that Westbank should be classified as an associate and therefore equity accounted.

Based on the original intent of the contractual relationship with Westbank, the previous accounting treatment for the investment, the various independent accounting views which corroborate the treatment concluded on by the external auditors, Deloitte, at the time of the transaction, together with PwC's view on proportionate consolidation not being shared by the other professionals who had been consulted by the Group, the Committee recommended to the Board to change the accounting treatment of the 25% investment in Westbank back to an associate, and apply equity accounting. This reverts the accounting treatment to that applied since the acquisition of the 25% interest in 2015.

Please refer to Note 2 of the AFS for a detailed explanation of the assessment factors and the judgement applied in reaching this conclusion and Note 36 for the financial impact of the adjustment. Certain additional disclosure included in the prior year AFS as a result of Westbank being classified as a JO, has been retained in the current year AFS as added value disclosure on a voluntary basis.

Finally, it should be noted that the decision to revert to the original accounting treatment was not taken lightly. The Committee is fully aware of the unusual practice of having a prior year adjustment to correct an "incorrect" or inappropriate prior year adjustment that was reflected previously. The Committee is, however, satisfied that this treatment is the most appropriate and reflects the economic impact of the relationship with Westbank more accurately.

This change has resulted in a prior year adjustment in the 30 September 2022 AFS. The change, however, has not had any effect on headline earnings or net asset value per share.

TREATMENT OF CCS

On 4 October 2022, the Group announced that it entered into transaction agreements to dispose of its cold storage business, CCS, for a total consideration of R760 million, net of the value accruing to minority interests. The transaction is subject to the fulfilment of both regulatory and commercially suspensive conditions, as are usual for a transaction of this nature, by no later than 28 February 2023.

The requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations ("IFRS 5") were considered, and it was concluded that the required conditions were met for this asset (or 'disposal group') to be classified as held for sale.

The assets and liabilities included within the disposal group have been presented separately on the face of the statement of financial position, and the sum of the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less cost to sell or fair value adjustments on the disposal of the disposal group, has been presented as a single amount on the face of the Statement of Comprehensive Income.

IFRS 10 Consolidated Financial Statements ("IFRS 10") requires elimination of Group intercompany transactions with CCS. To address the concern that the total elimination of normal arm's length transactions does not reflect the true trading position of CCS, additional disclosure has been provided which clearly reconciles the segmental reporting to the Statement of Comprehensive Income, and will provide users of the financial statements with a better understanding of the impact on the Group's future results. Refer to Note 36.2 of the AFS.

VALUATION OF DAYBROOK GOODWILL

Goodwill is assessed at least annually for impairment. The key assumptions used are cash flow projections, growth rates and discount rates. The cash flow projections are prepared by divisional management after taking into consideration the impact of external market factors such as health of the resource biomass, abnormal weather events, changes in market demand and pricing as well as internal factors relating to current operating conditions and production trends. The discount rates are established by the corporate finance and treasury team, considering geographic and other risk factors.

Report of the Audit Committee continued

The assessment indicates that there is sufficient headroom between the recoverable value and the carrying value. The Committee agrees with this assessment and notes that the headroom also varies annually based on the number of fish caught and overall profitability of Daybrook.

OTHER SIGNIFICANT ACCOUNTING MATTERS

The Committee outlines below the other matters it concluded on as being material in nature and/or took up the Committee’s time or focus or which the Committee believes is of a subjective or judgmental nature, together with how it went about addressing the matter.

Significant accounting matter How addressed by the Committee

Related party transactions	The Committee is comfortable that there are sufficient checks and balances to ensure that related party directors and officers are recused from related decision-making and governance processes, and that disclosure of all material related party transactions is included in the AFS.
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Taxation	The charge for current taxation is based on the results for the year adjusted for income that is exempt and expenses that are not deductible using tax rates that are applicable to the taxable income and the jurisdiction in which the entity operates.
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Deferred taxation is recognised in profit or loss except when it relates to items credited or charged to other comprehensive income, in which case it is also recognised in other comprehensive income. A **deferred taxation asset** represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. Deferred taxation assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The deferred tax asset value is R13,7 million as at 30 September 2022 and is considered to be recoverable. A **deferred taxation liability** represents the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred taxation liabilities are recognised for taxable temporary differences, unless specifically exempt. The deferred tax liability value is R642,2 million at 30 September 2022.

Residual values and useful lives of property, plant, and equipment	The depreciation charge is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life taking cognisance of the forecasted commercial and economic realities, by benchmarking accounting treatments in the specific industries where these assets are used. The assessment of useful lives considers management’s historical experience with similar assets as well as management’s judgement as to future events or market conditions which may impact their life. The useful lives and residual values of the assets are determined by management when the asset is acquired and then reviewed annually thereafter. Management’s annual review of useful lives and residual values did not result in material changes to the carrying value of assets in the current year. During the proactive monitoring review carried out by the JSE on the AFS for 30 September 2021, certain queries were raised in respect of the disclosure of fully depreciated assets. These queries were addressed and responded to formally and the recommendations from the JSE have been included in the disclosure Note 14 of the AFS for the year ended 30 September 2022.
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Intangible asset impairment review	Indefinite useful life of intangible assets is assessed annually for impairment considering judgements and estimates made by management in determining the present values of the intangibles, including the discount rate used. Management has assessed that no impairment is required – refer to Note 2 which sets out the significant judgements and estimates applied.
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Impairment of financial assets	All trade receivables, other receivables and loans and advances are required to be assessed for impairment in terms of IFRS 9 – Financial instruments (“IFRS 9”) and a credit loss recognised where required. The significant judgements applied in determining an impairment include the expected realisable value of collateral securing the debt, the probability that the customer will default, credit risk changes in customer, the size of credit exposures, country risk based on location of customer and the expected loss on default. The assessment considers quantitative and qualitative forward-looking information in relation to each customer risk category.
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The Group has assessed the expected credit losses factoring in the financial uncertainty arising from the Covid-19 pandemic. Management have decreased the expected loss rates for trade receivables and loans and advances based on their assessment of the level of exposure.

Significant accounting matter How addressed by the Committee

Control

Management assesses whether it controls an entity based on whether the investor has power over the relevant activities of the investee. Relevant activities include the activities of the investee that significantly affect the investee's returns; the investor is exposed to variable returns from its involvement with the investee; and the investor is able to use its power to affect its returns from the investee. Control is re-assessed if the facts and circumstances impacting the assessment change.

Judgement has been applied by management with respect to the Group's shareholding in Erongo Seafoods Proprietary Limited and Compass Trawling Proprietary Limited. Management determined that the Group controls the investee despite the non-controlling interests holding the majority shareholding in each entity. The Group is deemed to exert control over these entities due to its active and unilateral management of day to day operations, financing and investing decisions to affect their returns and is subject to exposure to variable returns.

FSCA NOTIFICATION

As advised previously, on 21 February 2022, the Company was informed by the Financial Sector Conduct Authority ("FSCA") that the FSCA had registered an investigation to determine whether any person may have published false, misleading or deceptive statements, promises and forecasts regarding the past or future performance of the Company or its securities.

The Group has pro-actively engaged with the FSCA and responded to all queries raised. In addition, the Group has voluntarily informed the FSCA about the current prior year adjustment in respect of the accounting treatment of Westbank.

The Group has requested an indication from the FSCA of when this investigation will be formally concluded, which confirmed that it requires no further information and that the investigation will be concluded as soon as its workload permits. The Group will continue to engage with the FSCA on a regular basis to ensure that this investigation is formally closed as soon as possible.

The Board is not aware of any instances of the publishing of false, misleading or deceptive statements, forecasts or contraventions of the Financial Markets Act. The Board has also considered legal, technical and external auditor views ahead of SENS releases throughout the period under review.

CFO AND EFFECTIVENESS OF THE FINANCE FUNCTION

As reported previously, the Committee had to navigate carefully during the previous year end process and maintain its oversight function while playing a key role in the finalisation of the year end results, given the conflicts of interest of executive directors pertinent to the matters under investigation at the time.

Ms Hajra Karrim, who was the Chief Financial Officer ("CFO") since November 2020, was suspended on 6 February 2022. She was suspended on a precautionary basis pending the outcome of a disciplinary process. Further, she lodged a grievance in relation to her suspension and pending disciplinary process. Following an extensive disciplinary process which was chaired by a retired judge of the Supreme Court of Appeal, on 6 June 2022 Ms Karrim was summarily dismissed on the findings of gross misconduct.

On 23 February 2022, Mr. Ralph Buddle was appointed as interim CFO, with the appointment being subject to the outcome of the disciplinary disciplinary hearing with Ms Karrim. Mr Buddle is an experienced chartered accountant and previously served as a senior finance executive and director of business development and strategy at a large listed retailer. The Committee satisfied itself on the capacity, qualifications, competence and experience of Mr Buddle before seeking a dispensation from the JSE for his interim appointment and the further extension of his appointment until 31 January 2023.

During the current year, the Corporate Governance and Nominations Committee commenced the process to find a suitable replacement for the CFO. Following an extensive search and recruitment process conducted by a delegated selection panel comprising of Non-Executive Directors of the Board and the CEO, Mr. Zaf Mahomed was appointed as CFO Designate with effect from 1 November 2022.

Mr Mahomed has vast experience and a proven track-record in the telecommunications, food franchise, and furniture retail industries. He has more than 25 years of finance and business experience across major industries, multinational and listed companies.

Mr Mahomed will assume office as the Group's CFO with effect from 1 February 2023. This timeframe was carefully considered to allow for a smooth transition and handover from Mr Buddle to Mr Mahomed, especially during the completion of the financial year-end process for 30 September 2022.

The Committee is satisfied that both Mr Buddle and Mr Mahomed have the necessary expertise and experience to fulfil their roles and have performed appropriately since their appointments.

Additional resources were utilised to bolster the capacity of the Finance function. During the year under review, the interim CFO identified key vacancies and specialist skills that were critical to the proper functioning of the Finance department, and has filled these positions from within the Group where appropriate and then from the results of an external recruitment process. The Committee has satisfied itself of the appropriateness of the expertise and experience of the Finance function and believes that it is adequately resourced.

The Committee is further satisfied that there were no material or significant breakdowns in financial controls as a result of the above changes within the Finance function.

Report of the Audit Committee continued

INTERNAL AUDIT

In terms of its Charter, the Committee is responsible for the appointment of the Company's internal auditors. The Committee approves the fees and scope of the internal auditors and the rolling coverage plan for internal audit services. The internal audit function is outsourced, and the appointment of the internal audit provider is reviewed on an annual basis. Ms F Mohamed, a director of BDO Advisory Services (Pty) Ltd, has fulfilled the role of Chief Internal Audit Executive for the year under review. Internal audit attends the Risk Committee and Audit Committee meetings and has regular engagements with the Committee chairman, the CFO and other senior executives. The internal audit plan is compiled using a risk-based approach and through extensive consultation between the internal auditors and management, taking into consideration the risk universe affecting the Group.

The internal auditors operate in terms of an internal audit Charter, which is reviewed annually under the direction of the Committee, which approves the scope of the work to be performed. The internal financial controls audit for 2022 was supplemented at the request of the Committee to include insurance, related party transactions, and the internal audit plan included a governance review.

Significant findings are reported to both executive management and the Committee and corrective action is taken by management to address identified internal control deficiencies.

The Committee is satisfied with the appropriateness of the expertise, effectiveness, and resources of the internal audit function; and that of the Chief Internal Audit Executive and their compliance with the duties and responsibilities as mandated by the Committee.

In addition, an audit findings tracker is utilised whereby the status of all open audit findings from the preceding three years are reviewed by management on a self-assessment approach thereby ensuring more regular reporting on remediation of control findings. BDO followed up on all significant audit findings noted in management's self-assessment.

COMBINED ASSURANCE

The Committee is responsible for overseeing combined assurance activities. The combined assurance framework establishes co-ordinated assurance activities between the lines of assurance across the organisation, including Compliance, Risk Management, Internal and External audit. There is ongoing focus on increased collaboration and reducing duplication of activities.

EXTERNAL AUDIT

RESIGNATION OF EXTERNAL AUDITORS

PwC was appointed as the Group and Company's external auditors with effect from 1 January 2021.

During the course of 2021, Oceana's relationship with PwC became strained (at Management, Committee and Board level) due to the various delays, challenges to get commitment and adherence to deadlines and PwC's inability to service the Group appropriately out of their US office. Nevertheless, their re-appointment was put forward by the Committee to the AGM held on 5 May 2022, in order to give shareholders the opportunity to vote on their re-appointment.

Following a low vote for the reappointment at the AGM (only 61,98% of shareholders approved the re-appointment), the Committee in conjunction with the Board undertook to consult with shareholders in this regard. Shareholders were invited to an engagement with the Committee on 30 May 2022 to discuss PwC's re-appointment, and achieve an outcome that was in the best interests of the Group.

On 27 May 2022, one business day before the scheduled consultation with shareholders, PwC tendered its resignation with immediate effect. PwC's resignation letter noted that this was due to its assessment of significant doubt as to whether there was objective and transparent communication between the Board and PwC given the strained relationship, which they asserted constituted a significant impairment of their independence. Their resignation was formally accepted by the Committee on 30 May 2022.

Shortly thereafter PwC US also resigned from the audit despite the fact that they had not yet signed off the 30 September 2021 AFS, which had been due to lenders on 30 June 2022. These 2021 financial statements were subsequently audited by Mazars, and submitted to the lenders by 31 December 2022 (as agreed with them).

APPOINTMENT OF NEW EXTERNAL AUDITORS

Despite the proximity to the next financial year-end, the Committee resolved to conduct an independent tender process to appoint new auditors. Audit firms not considered to be independent in terms of S90(2c) of the Companies Act were not included in the tender process. To this end, the Committee also engaged with and sought advice from the Independent Regulatory Board for Auditors ("IRBA").

Given the significant challenges over the past financial year, and the negative media, detailed information sessions were held with each audit firm that was approached to gauge interest in tendering for the audit. All firms were taken through the timeline of events since October 2021 that gave rise to the challenges in the previous year, and given access to a secure data site on a confidential and legally privileged basis, where they had full disclosure and documentation on various issues.

It was also emphasised that their view of the accounting treatment of Westbank should not feature as part of their proposals, as this was not a factor in their appointment.

The audit firms were granted engagement sessions with management and the Committee. In addition, all firms had individual engagement sessions with ENS to go through a presentation on the forensics investigation and the outcomes.

A formal Request for Proposal ("RFP") was issued in June 2022 in conjunction with Group Procurement, to set out the requirements for the 2022 audit and to give guidance on what information should be included in the proposal. The previous RFP's used during the mandatory audit rotation tender during 2020 and scoring criteria were heavily relied upon, with an increased emphasis on US capacity and technical capability.

All audit firms were given access to and engaged with PwC in line with their audit requirements, to assess any impact to their client assessment and engagement risk, and to conclude on whether there were any reasons why they should not accept the audit.

All audit firms submitted their proposals and presented to a Tender committee consisting of two members of Executive management, one Operational FD, the Executive for Procurement and two independent consultants with audit and technical expertise.

Scoring was in line with the following criteria:

- Strategic/B-BBEE
- Reputation
- Technical
- Culture

The two audit firms with the highest scores from the Tender Committee were then requested to present to the Audit Committee in July 2022, with the same criteria above used to score and assess their suitability.

Mazars scored the highest at both Tender Committee and Audit Committee level and were therefore the chosen audit firm. As part of the Mazars proposal they noted any issues impacting their actual or perceived independence and the manner in which it was dealt with, including technical reviews performed in the prior year and whether this constituted a breach of S90(2c) of the Companies Act. The Committee considered the details of the independence issues raised, and the safeguards in place to mitigate this, and was comfortable with the approach set out in Mazar's letter. The Committee is satisfied that Mazars are independent of the company for the financial year, as per section 90(2)(c) of the Companies Act.

INDEPENDENCE AND AUDIT QUALITY

Mazars were appointed as the Group and Company's external auditors with Mr Marc Edelberg appointed as the designated lead audit partner for the financial year. The Committee has assessed the accreditation of the external audit firm and designated audit partner, in terms of the JSE Listing Requirements, and is satisfied with their JSE accreditation. The Committee has formal rules, which are detailed in its policy on the use of external auditors for non-audit services, for regulating the services and conditions of use of non-audit services provided by the external auditors, governing, inter alia, compliance issues, taxation, Group and company structure, information systems, organisational structure, remuneration structure, risk management services, audit certificates in relation to fishing rights, due diligence investigations and such other services as the Committee may approve and which are permitted by legislation and regulations. The external auditors do not assist in the performance of any internal audit assignments.

During the year-end process the Committee met to consider the quality and effectiveness of the external auditors and was comfortable that the external auditors remain independent and effective.

OTHER MATTERS

CEO AND CFO RESPONSIBILITY STATEMENT

The Committee evaluated the approach and processes that enabled the CEO and CFO to sign the responsibility statement on the AFS and internal financial controls as required by JSE Listings Requirements as set out on page 3.

INTERNAL CONTROLS

Oceana maintains manual and automated internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of accounting records and the AFS and to adequately safeguard, verify and maintain accountability for its assets.

The Committee reviews the effectiveness of the procedures, policies and system of internal controls adopted by Group companies to address potential risks within Oceana and provide reasonable assurance about the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. On an annual basis, internal audit provides input to the Committee on the effectiveness of the Group's governance, risk management and control processes, based on the audits undertaken under the annual internal audit plan. The internal audit results concluded that the systems of internal control were adequate and operating effectively and that reliance can be placed on the design and implementation of internal controls to mitigate those inherent risks to which the underlying business processes are exposed. The Committee has not received any report of and is satisfied that no significant weaknesses were found in the design, implementation or execution of internal financial controls which resulted in material financial loss, fraud or corruption where the Group is concerned.

RISK MANAGEMENT

The Committee has oversight of fraud and technology and information governance risks. The Committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting and technology and information governance risks as they relate to financial reporting. On the basis of an enterprise risk review concluded during the year, internal audit concluded that processes are deemed adequate to ensure that key risks are identified, assessed, managed and reported under Oceana's risk policy and framework to the Risk Committee.

TECHNOLOGY AND INFORMATION GOVERNANCE

Oceana is committed to the highest level of technology and information governance, as managed by the Group Chief Information Officer ("CIO"). Oceana's information systems ("IS") governance framework is central to the strategic and business processes and supports the achievement of strategic objectives.

The IS Charter sets the overall purpose of the function, its management and security. The IS department presents an IT Governance Report to the Committee, covering, inter alia, architecture and technology, change management, operations, risk, resiliency, security and compliance, and strategy.

Report of the Audit Committee continued

An overarching Information Governance framework is in place, and regulates the IT governance bodies comprised of senior Oceana management. Corporate governance structures and processes are regularly reviewed and improved as appropriate. Oceana currently complies with the relevant technology and information governance principles of King IV.

GOING CONCERN

The Committee reviewed the going concern statement (refer to Note 41 in the AFS) and supporting assessments performed by management, as required by the Companies Act and has no reason to believe that the business will not be a going concern in the year ahead, and therefore concurred with management's conclusion that it is the appropriate basis for the preparation of the financial statements.

This was further supported by the review of solvency and liquidity and debt covenant compliance as at 30 September 2022 and up to the date of signature of the AFS, including headroom for the next financial year.

The Committee is satisfied that the Group and Company have adequate financial resources to continue their operations into the foreseeable future.

As a consequence of the prior year delays in finalising the financial results, management supported by the Committee engaged with US and SA lenders to obtain the necessary default waivers for the lodgment of the relevant AFS for the year ended 30 September 2021. The Committee ensured that the Group complied with the revised dates granted by the lenders, and notes that there was no interruption to the Group's banking facilities.

POST-BALANCE SHEET EVENTS

The Committee is comfortable that any material or significant matters have been considered for disclosure and notes that there are no matters which require disclosure or adjustment in the financial statements other than that disclosed in note 11 of the AFS regarding the sale of CCS Logistics.

JSE REPORTING REQUIREMENTS

The Company Secretary, interim CFO and management are satisfied that the Group has met the JSE Listings Requirements and the requirements of the King IV Codes throughout the period under review. Where the JSE Listings Requirements have not been complied with relating to the publication of the audited results for the prior year, these have been discussed with and dispensation sought from the JSE. The King IV application code can be found on the Group's website: www.oceana.co.za.

JSE PROACTIVE MONITORING REPORTS

The Committee has received and considered the findings on the JSE's proactive monitoring of financial statements for compliance with IFRS. The Committee has ensured that where applicable the contents of these reports have been appropriately actioned in the preparation of the AFS for the year ended 30 September 2022.

CONCLUSION

In signing this report on behalf of the Committee, I would like to thank my fellow Committee members and invitee non-executive directors, our various technical advisors, legal advisors, the external and internal auditors, and management for their contributions to the Committee during the year.



Ms ZBM Bassa

Audit Committee chairman

25 January 2023

Letter from the Chairman of the Remuneration Committee (REMCOM)

REMUNERATION AND PERFORMANCE

Dear Shareholders

On behalf of the Board, I am pleased to present Oceana Group Limited's 2022 Remuneration Report.

This report summarises the Group's philosophy, policy and framework for remuneration with a particular focus on executive directors, non-executive directors and management. Payments made to non-executive and executive directors during the year can be found in our AFS at <http://oceana.co.za/investors/financial-results/>.

As the REMCOM, it is our responsibility to ensure that Oceana has an effective remuneration policy, with the appropriate governance, and to communicate this clearly to all stakeholders. We have carefully reviewed the Group's remuneration policy and ensured that the remuneration practices are aligned with the policy objectives. The committee is satisfied that our current remuneration policy is still relevant and has thus agreed that the reward framework will remain in place.

REMUNERATION DECISIONS IN LINE WITH POSITIVELY IMPACTING LIVES

In line with our commitment to fair and responsible remuneration, we continuously review our remuneration policies and practices to ensure that they are fit for purpose and aligned with Oceana's strategic objectives. We regularly investigate the internal wage gap and disparities in remuneration within the Group. The average increase in executive remuneration is determined after consideration of the average increase in remuneration for management and general staff. In 2022, the average executive increases were once again lower than that of other employees. This policy is particularly important given the tough socio-economic environment in which we operate. Increases have taken the relatively high and volatile recent consumer inflation rates into consideration.

ESG metric targets were set as part of the vesting criteria of the approved LTI 2022 scheme. The demonstration of 'living the Oceana values' was introduced as a performance measurement applicable to STI for 2022.

For 2022 we have adjusted our performance assessments slightly, from 70% financial and 30% personal performance, to 65% financial, 30% personal performance, and 5% for living the Oceana Values. This is part of the Company's culture initiatives, to track how values are demonstrated by managers whilst driving performance and bringing out the best in people.

DEVELOPMENT AND RETENTION OF KEY SUCCESSORS

Our goal is to attract and grow talented people, to recruit and reward them appropriately, and create an effective environment for development and retention. We continue our focus on ensuring we have up-to-date talent maps across the business for all roles. We had two key promotions into senior management positions in 2022, and a number of other promotions during the year. Succession planning is well managed across the Group and we have made good progress on the promise that we made to develop and retain key successors.

EMPOWERING EMPLOYEES WITH EQUITABLE OWNERSHIP

Empowering our people is also about enabling our employees to grow with the Company and share the value created through their hard work. One of our most meaningful initiatives for delivering genuine social value from our activities is the Oceana Empowerment Trust ('OET'). With the unwind of the original OET in 2021, the Board gave approval to set up a new 10-year trust for employees, the Saam-Sonke Trust, which was issued with 6% of Oceana shares worth R530 million. The beneficiaries of the trust are all permanent employees, irrespective of grade or years of service, and in this way will aid in the creation of an ownership mentality across the Group. Participants received their first income distributions in March 2022, and we anticipate there will be another distribution following the year-end. We are grateful to shareholders for their overwhelming support for this important initiative.

REMCOM has agreed the following focus areas for the next financial year:

- Ongoing implementation of the Oceana values and behaviours into the senior management performance and appraisal process;
- Continue the development and retention of key successors through talent management and bespoke development programmes;
- Further differentiate rewards in terms of performance and to address underperformance;
- Continue to ensure fair and responsible executive remuneration practices.



Peter de Beyer

Chairman of the Remuneration Committee

25 January 2023

Report of the Remuneration Committee

SECTION 1: Background statement regarding committee considerations and decisions

REMUNERATION COMMITTEE (REMCOM) GOVERNANCE

The committee meets four times per annum and the REMCOM Chairman provides feedback to the Board on key decisions and relevant discussions, and the REMCOM chairman also attends the AGM to address questions by stakeholders on REMCOM's areas of responsibility. REMCOM's charter is reviewed annually by the Board.

In line with best practice, the majority of REMCOM members are independent, non-executive directors. The composition and attendance record are set out in the governance section on page 120.

To assist REMCOM with the execution of its mandate, the CEO, Company Secretary, Chief People Officer and Group Rewards and Transformation Executive attend meetings of REMCOM by invitation. They are not present when their remuneration is discussed and hold no voting powers. Similarly, Committee members do not decide on their own remuneration.

USE OF CONSULTANTS

During 2022, Deloitte provided benchmarking for executive remuneration and non-executive directors fees. Oceana uses the Remchannel survey to benchmark the salaries of the rest of employees. Oceana's LTI Scheme was also reviewed by the law firm, Bowmans, to ensure that it is aligned with the market and to recommend changes required which were implemented after shareholder approval was obtained at the AGM held in May 2022. For the USA operations, Oceana uses benchmarks from Salary.com.

REMCOM is satisfied that all service providers acted independently and objectively.

We continue to apply and ensure adherence to King IV and the amended Johannesburg Stock Exchange ("JSE") Listing Requirements are continuously monitored. Additionally we continue to align ourselves with best practice standards.

VOTING AT THE MAY 2022 AGM

At the AGM held on 05 May 2022, the remuneration policy and implementation report received support from shareholders with 81.27% (2021: 76.04%) and 79.10% (2021: 75.15%) respectively, voting in favour. More detail around our shareholder engagement mechanisms is set out below.

We have received constructive comments from certain shareholders, and no material concerns were raised by shareholders not in favour of the remuneration policy and report. The Group will endeavour to address any concerns if they arise.

In line with King IV and the JSE Listings Requirements, the remuneration policy together with the implementation report (section 3) will be tabled for two separate non-binding advisory votes by shareholders. In the event that 25% or more of the shareholders vote against either or both the remuneration policy and implementation report, REMCOM will:

- Extend an invitation to dissenting shareholders through the Stock Exchange News Service announcement with the results of the AGM, for them to engage with REMCOM regarding their reasons for voting against the relevant resolution; and
- Reveal the manner and timing of engagement within the invitation, which may include (but is not limited to) communication via email, telephone calls, meetings and roadshows.

After consideration of the results of any shareholder engagement, REMCOM reserves the right to amend elements of the remuneration policy to further align it to market practice and shareholder value creation.

The key decisions made by REMCOM during this year were:

- Reviewed and approved the performance metrics and updated rules for the 2022 financial year STI;
- Approved STI payments for those divisions that met the performance criteria;
- Considered and approved the first allocation and award of shares in terms of the 2022 LTI plan rules (equity settled bonus deferral shares and performance shares) to eligible participants;
- Approved and considered 2022 financial year increases in guaranteed pay for executives and all other employees that do not form part of a bargaining unit;
- Tested the extent to which the performance conditions for the tranche of LTI awards under the Oceana Group 2013 Share Plan were met (for the awards whose performance and vesting period ended in 2022);
- Approved the market related packages for Neville Brink as CEO, Ralph Buddle as Interim CFO and Zafar Mahomed as Chief Financial Officer; and
- Approved an amendment in the STI rules, whereby the potential STI participation percentage level of junior management was increased to 12.5% from 5% or 10% which was previously used.

SECTION 2: Our remuneration philosophy, policy and framework

OUR REMUNERATION PHILOSOPHY AND POLICY

The Group's Remuneration Policy Framework is based on the principles of fair and responsible remuneration and is formulated to attract, retain, motivate and reward high calibre employees. We aim to encourage high levels of performance that are sustainable and aligned with the strategic direction and specific value drivers of the business. The way we remunerate employees reflects the dynamics of the market, as well as the social, economic and environmental context in which Oceana operates.

REMCOM aims to reward superior performance and the achievement of the Group's strategy and ensures that there are consequences for underperformance. The performance management process is reviewed on a regular basis to ensure that it drives behaviours in line with our values to achieve the Group's key objectives and to inform remuneration decisions made by REMCOM.

Employment and remuneration arrangements of employees who are part of a bargaining unit or are independent contractors employed on fixed-term contracts are not covered by the Remuneration Policy Framework. These employees are governed by separate agreements and are negotiated at an operational level, subject to oversight from REMCOM.

Oceana's Remuneration Policy for top and senior management provides for the prescribed, target pay mixes per grade, with a balance between guaranteed pay and performance variable pay (and within performance variable pay between STIs, and LTIs). Implicit in the Remuneration Policy is that over time, executives should build up a combination of restricted and unencumbered shares, ensuring significant alignment between executives and shareholders.

The comprehensive Remuneration Policy is available on Oceana's website, accessible at www.oceana.co.za.

This section of the report specifically deals with the remuneration of Exco, management and other grades of employees, whose remuneration comprises of guaranteed and variable pay. The remuneration mix reflects the relative proportions of each component in the package, which is linked to a job type and the nature of expected outcomes. Non-executive directors received a fixed remuneration which has been appropriately approved and disclosed.



Report of the Remuneration Committee continued

The various components of remuneration include the following:

COMPONENTS OF REMUNERATION

	Guaranteed pay		Variable pay	
	Basic salary	Benefits	Short-term incentives	Long-term incentives
Purpose and link to strategy	Attract and retain talent.	Improve employees financial planning and security on retirement.	Encourage a high-performance culture to promote the achievement of specific objectives: <ul style="list-style-type: none"> • Drive increase in enterprise value through achievement of financial targets • Meet liquidity profile and future cash requirements • Meet all non-financial KPIs (see page 135 for KPIs associated with the CEO and CFO) 	Retain and incentivise key staff by linking performance to shareholder expectations. This promotes the achievement of long-term objectives with the desired outcome of an appreciating share price and sustainable organisation
Eligibility	All staff employed by Oceana.	All permanent staff. Benefit differentiated according to grade.	Permanent staff from junior management upwards.	All executives, senior management and nominated middle management.
Remuneration methodology	Reviewed annually against market benchmarks. Targeted pay for performing individuals, within a range of between 80% and 120% of market median	Market related benefits: <ul style="list-style-type: none"> • Retirement fund • Motor vehicle allowances • Medical aid • Group Life insurance • Funeral benefits • Disability insurance 	Performance bonuses are dependent on financial performance and achievement of agreed strategic and individual KPIs All non – sales staff have a 65% financial, 30% operational and 5% value-based weighting component Sales staff at executive level have a 40% financial, 55% operational and 5% value-based weighting component CEO & CFO <ul style="list-style-type: none"> • On target: 75% of package; stretch target 112.5% of package • Based on a sliding scale of weightings between financial, operational and value-based component indicators 	Allocations on annual basis subject to committee discretion. <ul style="list-style-type: none"> • CEO – Performance shares (“PS”) (35% of GP) and Bonus Deferral Shares (50% of previous year STI) • Executives (excluding CEO) – PS (35% of GP) and Bonus Deferral Shares (50% of previous year STI) • DFI employees benefit from a deferred compensation plan. Nominated employees are eligible to receive an allocation equal to 25% of their guaranteed package. The allocation vests after 3 years
Performance conditions	Performance i.e. meeting requirements of the job	n/a	<ul style="list-style-type: none"> • Budgeted HEPS growth • Budgeted RONA • Budgeted Working Capital • Budgeted Divisional/SBU operating profit • On Target (Divisional): range from 75% to 100% of budget • Stretch target (Division): range from 101% to 110% of budget 	Refer to next table for performance conditions and characteristics of each share element

SHORT-TERM INCENTIVE – NON-FINANCIAL KEY PERFORMANCE INDICATORS

CEO KPIs 2022

Performance outcome/goal	Protect and optimise Oceana quota	Achieve organic growth	Acquisitive growth	Deliver people and culture strategy
Weighting	25%	25%	25%	25%
Success measures	<ul style="list-style-type: none"> Retain quota within acceptable levels in the FRAP process Achieve targeted Group B-BBEE level one Bring into Oceana key B-BBEE fishing industry rights holders through the Oceana stakeholder's trust 	<ul style="list-style-type: none"> Volume growth and market share targets (DFI) Volume growth in canned fish and canned food products (Lucky Star) Volume growth in SA industrial fish through innovation (fishmeal and oil) Utilisation growth of Red Eye into Canned Fish as opposed to fish meal 	<ul style="list-style-type: none"> Exit non-core business through the successful sale of CCS Review strategy and structure of the Namibian business to restore sustainable profitability Aquaculture growth through assessment of acquisition of an Abalone business at an acceptable value 	<ul style="list-style-type: none"> Initiate the culture evaluation model to develop a value-based culture to be implemented in 2023 Rebuild Oceana reputation and image to all stakeholders Ensure appointment of key executive roles Succession planning Energy reduction solutions and innovation Create a unified exco team that drives a culture of transparency and integrity to all stakeholders

INTERIM CFO KPIs 2022

Performance outcome/goal	Accurate financial information to the market	Supporting financial targets and objectives	Rebuild finance delivery capability	Effective financial leadership
Weighting	40%	20%	25%	15%
Success measures	<ul style="list-style-type: none"> Completion of 2021 audit Complete the 2022 interim audit Complete 2022 audited AFS; Integrated Report and Investor Presentation within stipulated timelines 	<ul style="list-style-type: none"> Delivery of consolidated 2023 budget Decision support to the CEO: providing authentic and trustworthy advice on financial matters 	<ul style="list-style-type: none"> Design and deliver new organisational design; attract and recruit full complement of high potential recruits Develop ways of working to ensure delivery capability and motivated team Build trust and buy-in with direct reports and divisional FDs 	<ul style="list-style-type: none"> Demonstrate leadership and competence with Audit Committee and Board Build strong and effective relationships with Group Exco

Report of the Remuneration Committee continued

LTI ALLOCATION METHODOLOGY

In the 2022 financial year, the 2013 LTI is being phased out as the 2022 LTI is introduced. Table 1 reflects the 2013 LTI scheme rules and Table 2 reflects new 2022 Scheme rules.

TABLE 1 : LTI SCHEME 2013

SHARE TYPE	ELIGIBILITY	PLAN ELEMENTS AND PERFORMANCE CONDITIONS																
SHARE APPRECIATION RIGHTS ('SAR')	Executives, senior managers and nominated middle managers	<ul style="list-style-type: none"> The SAR element is cash-settled. Allocations are based on a reduced multiple of package to accommodate the offer of the other LTI elements. The full allocation is subject to performance criteria which stipulates the number of rights that vest in relation to the achievement of financial performance targets. The value delivered to an individual on exercise is the growth of the underlying share price above its strike price. Vesting occurs on the third, fourth and fifth anniversary of the date of allocation, to the extent that the performance condition has been met. Exercise may be delayed until the seventh anniversary of the date of the allocation. The performance condition is shown below: <table border="1" data-bbox="584 972 1161 1458"> <thead> <tr> <th>Real HEPS growth</th> <th>Vesting Percent</th> </tr> </thead> <tbody> <tr> <td>>=0%</td> <td>5%</td> </tr> <tr> <td>>=0.5%</td> <td>10%</td> </tr> <tr> <td>>=1.0%</td> <td>16%</td> </tr> <tr> <td>>=1.5%</td> <td>27%</td> </tr> <tr> <td>>=2.0%</td> <td>44%</td> </tr> <tr> <td>>=2.5%</td> <td>75%</td> </tr> <tr> <td>>=3.0%</td> <td>100%</td> </tr> </tbody> </table> 	Real HEPS growth	Vesting Percent	>=0%	5%	>=0.5%	10%	>=1.0%	16%	>=1.5%	27%	>=2.0%	44%	>=2.5%	75%	>=3.0%	100%
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>=3.0%	100%																	
PERFORMANCE SHARES (conditional)	Executives and senior managers	<ul style="list-style-type: none"> The performance share element rewards future company and share performance. Performance shares are conditionally awarded to those individuals who can influence long-term strategic performance. They vest on the third anniversary of their award; the number vesting being tied to the extent to which the company has met pre-set performance criteria over the three-year period. Currently, vesting is governed by Oceana's comparative Total Shareholder Return ("TSR") performance in relation to the members of the JSE Industrial Index. If the TSR over the three-year period places it in 45th position (approx. median), then the targeted number (one third of the maximum number) of performance shares awarded will vest. If the TSR over the three-year period places it in 15th position (approx. upper quartile) or better, then the maximum number (three times the targeted number) awarded will vest. If the TSR over the three-year period places it in 75th position (approx. lower quartile) or worse, then all performance shares awarded will be forfeited. TSR performance between any of the above points results in pro-rated vesting. No retesting will be allowed, and any shares not vesting will lapse. 																

TABLE 1 : LTI SCHEME 2013

SHARE TYPE	ELIGIBILITY	PLAN ELEMENTS AND PERFORMANCE CONDITIONS
RESTRICTED SHARES	Executives and senior managers	<ul style="list-style-type: none"> The restricted share (matching) element provides share-based reward for individual performance. Restricted shares are granted on an annual basis, the number of which is calculated with reference to the prior year STI, thus ensuring a strong link to individual performance on an annual basis. A standard matching ratio based on an “on target” bonus is defined as part of a reward strategy – pay mix policy; however, this ratio is applied to the actual bonus earned, resulting in higher performers receiving larger grants. Restricted shares vest at the end of the three-year period, subject to continued employment. Although the primary link to performance of this element is the STI (and the performance criteria therein), all restricted share grants are still subject to claw back should any unacceptable performance be subsequently identified.
RESTRICTED SHARES (elective deferral component)	Exco Members	<ul style="list-style-type: none"> Members of Exco are offered on an annual basis the opportunity to elect to defer a portion (25%, 33% or 50%) of STI pay into restricted shares. The restricted share (elective deferral) component effectively re-orientates top executive performance variable pay away from STI pay for operational performance, and more towards reward for long-term (share-based) performance. The election is made well prior to the end of the bonus performance period, but the number of restricted shares to be granted and matched, is only determined at the end of this period. The bonus calculation undertaken at the end of the performance period recognises and incorporates any elective deferral, and the cash bonus payment paid in the normal course of events is commensurately lower than it might have been if an election had not been made. However, a commensurately higher number (depending on the level of deferral chosen) of restricted shares is granted in terms of the Plan Rules, matched one for one with additional restricted shares. To encourage a greater participation in the elective deferral scheme amongst senior executives, the restricted shares resulting from the elective deferral by the executive is treated differently should the executive resign prior to the standard vesting period. The portion deferred by the executive will vest in full, as it is effectively a voluntary investment by the executive in support of shareholder alignment, while the matched portion will be forfeited.

Report of the Remuneration Committee *continued*

TABLE 2: LTI SCHEME 2022

SHARE TYPE	ELIGIBILITY	PLAN ELEMENTS AND PERFORMANCE CONDITIONS
Bonus Deferral Shares	Executives, senior management	<ul style="list-style-type: none"> The bonus deferral shares (“BDS”) element provides share-based reward for individual performance. Shares are granted on an annual basis, the number of which is calculated with reference to the prior year STI, thus ensuring a strong link to individual performance on an annual basis. A standard 50% matching ratio based on bonus is defined as part of a reward strategy – pay mix policy; however, this ratio is applied to the actual bonus earned, resulting in higher performers receiving larger grants. BDS shares vest at the end of the three-year period, subject to continued employment. Although the primary link to performance of this element is the STI (and the performance criteria therein), all shares are still subject to claw back should any unacceptable performance be subsequently identified. Participants are entitled to exercise all shareholder rights such as the right to vote and receiving dividends paid in the ordinary course of business of the company.
Performance Shares	Executives, senior management and nominated middle managers	<ul style="list-style-type: none"> The performance shares element rewards future company and share performance. Shares are conditionally awarded to those individuals who can influence long-term strategic performance. They vest on the third anniversary of the award; the number vesting being tied to the extent that the company has met pre-set performance criteria over the three-year period Vesting is governed by achieving the financial and ESG threshold, on target and stretch targets which are set annually by REMCOM <ul style="list-style-type: none"> For performance below threshold, vesting is equal to 0% For performance at target, vesting is equal to 100% For performance at or above stretch target, vesting is equal to 200% For performance between threshold and target; and between target and stretch; linear interpolation will be applied. Participants receive a dividend equivalent shares in respect of performance shares that are subject to whether a special or ordinary dividend is declared. Shares are held in a brokerage account for final settlement to the extent that the performance condition is met.

EXECUTIVE MINIMUM SHAREHOLDING REQUIREMENT

The REMCOM has approved the adoption of a minimum shareholding requirement for Group Executives which will be implemented going forward. This only applies to members at Grade F level of the Company with the exception of the President: DFI, as reviewed from time to time.

The executives are required to build up their personal shareholding in the Company to the Target minimum shareholding by the measurement date, following which a new measurement date will be set on a rolling basis. Executives may use personal investment shares and/or dividend equivalents shares and/or committed shares to satisfy the target holding. Once the target minimum shareholding has been achieved, there is an expectation that the Executive maintains the level of shareholding until termination of the employment.

The associated minimum shareholding for the CEO is 200% of TCTC and 100% of TCTC for other executives. Unvested LTI awards are not considered when assessing whether the target has been achieved on the measurement date.

TRANSITION OF PREVIOUS SHARE SCHEME TO NEW SCHEME

Oceana's LTI Scheme is designed to ensure that the Company remains competitive and that the scheme achieves its purpose to retain and reward Executives for high performance. Through the benchmark exercise conducted in 2021 it was found that with the current scheme, the quantum of LTI delivered and settled over the last five years for the Oceana executives is significantly lower than intended in terms of the Policy on-target values and the peer comparator averages.

In terms of the transition from the previous share scheme ("LTI 2013") to the new scheme ("LTI 2022"), REMCOM approved that a Transition performance share award would be offered to existing participants to replace existing Share Appreciation Rights ("SARs") with fair value replacement performance shares ("RPS"). The fair value of the existing SARs was independently determined using a binomial tree option pricing model. The number of replacement performance shares was determined such that the fair value of the replacement SARs is equal to the fair value of the SARs as at 31 March 2022. Participants could waive their rights in terms of SARs and accept the RPS offer. The characteristics of the RPS are summarized below:

SHARE TYPE	ELIGIBILITY	PLAN ELEMENTS AND PERFORMANCE CONDITIONS																		
REPLACEMENT PERFORMANCE SHARES	Existing Executives, senior managers and nominated middle managers holding SARs	<p>The RPS element is equity settled.</p> <p>Allocations were made by the once off conversion of Share Appreciation Rights to performance shares with an equivalent fair value.</p> <p>The full allocation is subject to performance criteria which stipulate the number of rights that vest in relation to the achievement of financial performance targets.</p> <p>Vesting occurs on the third, fourth and fifth anniversary of the date of allocation, to the extent that the performance condition has been met.</p> <p>The performance condition is shown below:</p> <table border="1"> <thead> <tr> <th colspan="2">Sliding scale for the application of performance vesting conditions based on a targeted increase of 3% p.a. real growth in HEPS over preceding 3-year period</th> </tr> <tr> <th>Real HEPS growth</th> <th>Vesting Percent</th> </tr> </thead> <tbody> <tr> <td>>=0%</td> <td>5%</td> </tr> <tr> <td>>=0.5%</td> <td>10%</td> </tr> <tr> <td>>=1.0%</td> <td>16%</td> </tr> <tr> <td>>=1.5%</td> <td>27%</td> </tr> <tr> <td>>=2.0%</td> <td>44%</td> </tr> <tr> <td>>=2.5%</td> <td>75%</td> </tr> <tr> <td>>=3.0%</td> <td>100%</td> </tr> </tbody> </table>	Sliding scale for the application of performance vesting conditions based on a targeted increase of 3% p.a. real growth in HEPS over preceding 3-year period		Real HEPS growth	Vesting Percent	>=0%	5%	>=0.5%	10%	>=1.0%	16%	>=1.5%	27%	>=2.0%	44%	>=2.5%	75%	>=3.0%	100%
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Real HEPS growth	Vesting Percent																			
>=0%	5%																			
>=0.5%	10%																			
>=1.0%	16%																			
>=1.5%	27%																			
>=2.0%	44%																			
>=2.5%	75%																			
>=3.0%	100%																			

REMCOM also approved that all shares issued under the LTI 2013 scheme would receive dividend equivalent payments, which would include Replacement Performance Shares, Performance Shares and Restricted Shares.

CEO LTI

The CEO is precluded from having an LTI allocation as the rules of the scheme prohibit LTI allocations to employees who are older than 60. Therefore, an alternative arrangement has been agreed upon to incentivise him for retention purposes for the duration of his contract, as well as aligning this with growth in the share price, which aligns to shareholder objectives.

The arrangement takes the bonuses paid to the CEO between 2022 to 2024 and applies the growth in the 30-day VWAP at these periods compared to the VWAP at the date of appointment.

SHARE DILUTION LIMITS

A maximum of 3% (3 912 954) of the issued shares are approved to be allocated to participants in terms of all share plans. The individual limit is a maximum of 20% (652 159) of the shares in issue under the scheme.

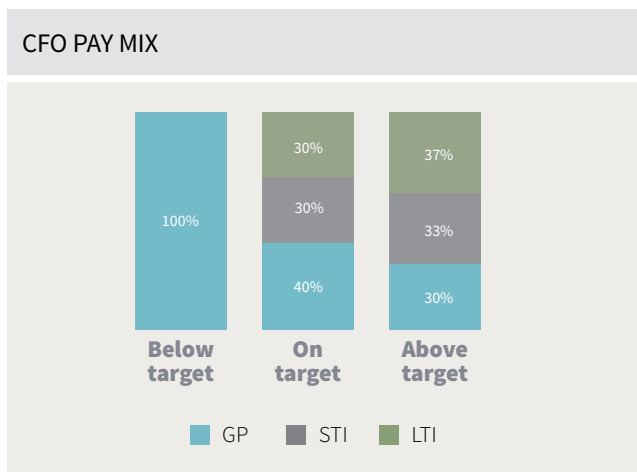
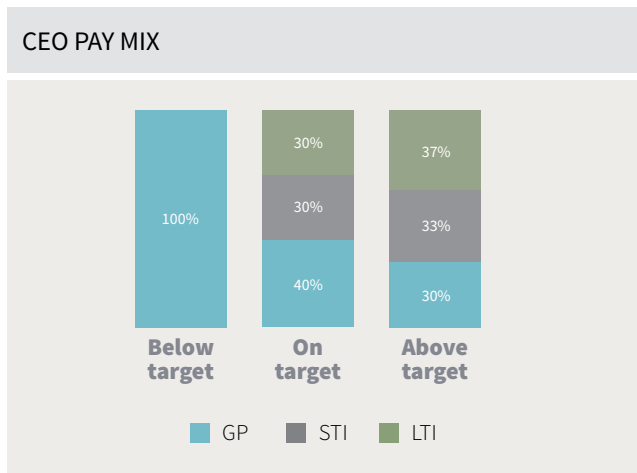
Report of the Remuneration Committee *continued*

REMUNERATION MIX

The target remuneration mix varies at each grade. As a guideline, more senior employees should have a higher proportion of variable pay in their remuneration mix, as they have the ability to influence the financial performance and strategic outcomes of the company and/or its various business units. REMCOM has designed the remuneration mix for executives in a way that avoids over-dependence on the variable pay components, which in turn discourages any excessive risk-taking behaviour. At lower levels, the remuneration mix is weighted in favour of guaranteed pay.

The total reward mix for the CEO and CFO is geared towards variable pay. The graph below illustrates the potential composition of the CEO and CFO at below, on target and above target. The following assumptions were used:

- For LTI illustration purposes, the annual share allocation levels as a percentage of guaranteed pay were used as a basis.
- Below target: performance conditions of STI and LTI are not met.
- On target: 100% vesting of LTI and STI performance conditions met.
- Above target: 100% vesting of DBS and 200% of PS, and STI out performance target conditions met.



EXECUTIVE DIRECTOR SERVICE CONTRACTS

Oceana concludes permanent employment contracts with its executive directors which can be terminated by either party subject to a six-month notice period. In the event of termination of employment, REMCOM may elect to pay a departing executive director a cash lump sum in lieu of the notice period. The executive directors are subject to restraint of trade agreements as part of their contracts. The retirement age for an executive director is 63 years.

In the event that an executive director’s service contract is terminated due to operational reasons, Oceana’s obligation to make a severance payment will be governed by the provisions of the Labour Relations Act.

NON-EXECUTIVE DIRECTORS (“NED”)

NED fees are paid on a quarterly retainer basis to account for the responsibilities borne by them throughout the year. They are not paid an attendance fee per meeting. The fee structure is evaluated on a regular basis based on NED fee surveys and the results of benchmarking exercises conducted by Deloitte.

Fees are reviewed annually, and proposed adjustments are tabled by the CEO for review by REMCOM, which will consider the proposed adjustments, taking into account increases across the company. In the event of extraordinary work performed, they will be remunerated on an hourly rate basis, and ad-hoc expenses will be reimbursed as and when required. NED fees are approved by shareholders at the AGM.

NEDs do not qualify for share options nor do they participate in any variable pay incentive schemes, in order to preserve their independence.

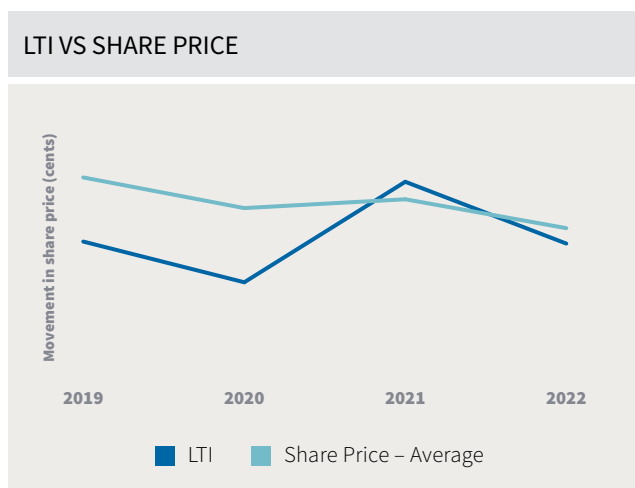
SECTION 3: Implementation and remuneration disclosure of the CEO, interim CFO and non-executive directors

The implementation report details the outcomes of implementing the approved policy in the current financial year, as detailed in section 2 of this report.

REMCOM has reflected on the Group’s application of the remuneration policy during the financial year and considers its adherence satisfactory. The implementation report discloses the detailed information and figures pertaining to the application of the remuneration policy in relation to the relevant executives.

COMPANY PERFORMANCE VERSUS AVERAGE GROWTH IN EXECUTIVE REMUNERATION

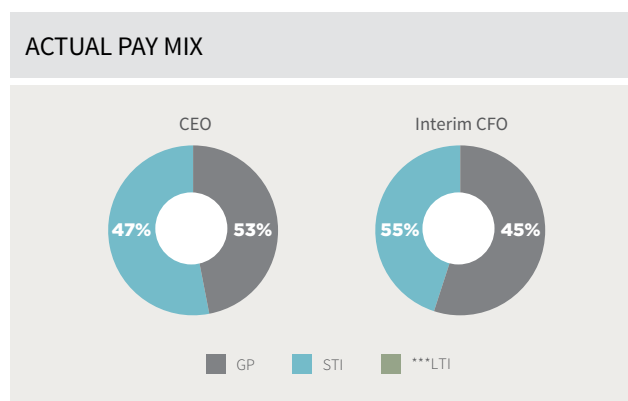
The graph below compares the Group’s LTI to its growth in average share price against Oceana’s financial performance for the 2022 financial year as contextualised in the CEO’s report. REMCOM is satisfied that remuneration is linked to long-term performance and value creation.



The following graph is prepared on the same basis as the chart in part 2 referring to pay mix which represents GP, STI and LTI which demonstrates the actual mix achieved for the year ended 30 September 2022. However, the actual pay of the CEO and Interim CFO are somewhat different to the Pay mix philosophy:

- the CEO was precluded from having an LTI allocation as the rules of the scheme prohibit LTI allocations to employees who are older than 60
- interim CFO was on a term contract which included a fixed remuneration component and a performance incentive.

The actual pay mix of the CEO and interim CFO has been reflected below:



***Equity Settled Shares vested during FY2022 could not be exercised due to CEO being in a prohibited period.

GUARANTEED PAY

In line with the principle of fair and responsible remuneration, Oceana continuously investigates the internal wage gap and disparities in remuneration in the company. The average increase in executive remuneration is determined after consideration of the average increase in remuneration for management and general staff. In 2022, the average executive increases were once again lower than that of other employees.

SHORT-TERM INCENTIVE

In line with the STI performance conditions, the targeted HEPS growth, operating profits, net working capital and RONA were achieved at the Group and some of the divisional levels. The 2022 overall financial targets were exceeded, which allows for outperformance bonuses to be achieved. Bonuses were paid to executive directors during the financial year under review. REMCOM is satisfied that the STI earned for the financial year 2022 is an accurate reflection of the Group/divisional and operational performance. Details of the executive director bonuses are disclosed in the 2022 AFS.

Report of the Remuneration Committee *continued*

SHORT-TERM INCENTIVE – NON-FINANCIAL KEY PERFORMANCE INDICATORS

CEO KPIs 2022

Performance outcome/goal	Protect and optimise Oceana quota	Achieve organic growth	Acquisitive growth	Deliver people and culture strategy
Weighting	25%	25%	25%	25%
Scoring	Exceeded	Met	Partially Met	Exceeded

INTERIM CFO KPIs 2022

Performance outcome/goal	Accurate financial information to the market	Supporting financial targets and objectives	Rebuild finance delivery capability	Effective financial leadership
Weighting	40%	20%	25%	15%
Scoring	Exceeded	Exceeded	Exceeded	Met

LONG-TERM INCENTIVES

There were no LTI allocations offered during 2022 to the CEO and Interim CFO as explained in section 2. The first annual LTI 2022 allocation for eligible Executives was approved by REMCOM during the 2022 financial year. Details of this are disclosed in the remuneration section in the AFS.

The following LTI allocations, vested during the financial year:

Share Appreciation Rights

As part of the transition of the LTI 2013 and 2022 schemes, participants holding SARs were offered Replacement Performance Shares (“RPS”) in place of SARs holding at the same fair value at 31 March 2022. Executives who were not prohibited from accepting LTI offers during the financial year, accepted their offers.

However, for those employees who could not accept due to the prohibited period, SARs balances are still held. The performance criteria for these SARs balances were not measured as it will be replaced by the RPS performance criteria. No RPS vested during the financial year.

Restricted Shares

The restricted shares component of the LTI is a retention mechanism which requires employees to remain in Oceana’s employment for three years after the date of award. Two restricted share tranches vested in the 2022 year for those individuals who were still employed in Oceana in November 2021 and May 2022.

Performance Shares

The performance condition for PS is TSR performance of the company to the TSR Industrial Index of the peer group at the lower, median and upper quartiles. Oceana’s TSR placed it in the 54th position of the JSE industrial index, which placed it between lower quartile and the median. The performance shares therefore vested at a prorated level. The level at which it vested can be seen in the remuneration disclosure note in the full AFS.

Share Dilution Limits

As at 30 September 2022, the number of equity-settled shares that have been offered to participants under the 2013 and 2022 Share Plan is 1 598 377 (2021: 981 349) which is below the threshold. As at 30 September 2022, no participants’ holding exceeded 652 150 shares.

EXECUTIVE REMUNERATION FOR YEAR ENDED 30 SEPTEMBER 2022

Remuneration of executive directors is set out in the full AFS. The gain on exercise of share options is made in the period during which the directors dispose of shares. Therefore, the gain is not related to the performance of the company in the 2022 financial year.

NON-EXECUTIVE DIRECTOR FEES

NED fees are paid on a quarterly retainer basis and take into account annual benchmarking exercises conducted by Deloitte. As at 30 September 2022, the non-executive director fees were R9.4 million. The policy includes a provision for NEDs to be remunerated for extraordinary *ad hoc* work at a rate of R2 000 per hour, subject to approval by the REMCOM and CEO. During the period October 2021 – February 2022, as a result of the forensic investigation and the delays to the 2021 AFS, NEDs were required to attend a large number of *ad hoc* meetings. Additional fees for these two quarters were thus paid in March 2022, based on a proportion of the extra hours worked.

A comprehensive breakdown of the fees and the *ad hoc* fees paid to non-executive directors for their services rendered to the Group during unusual operating circumstances is provided in the AFS under Note 38.

The fees payable to NEDs for their services rendered to the Oceana Board and its committees, will be proposed to Shareholders at the upcoming AGM. The proposed Board and Committee fees for the 2023 financial year appears on page 6 of the Notice of AGM.

APPROVAL

The remuneration report was approved by REMCOM of Oceana Group Limited.





INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

30 September 2022

TO THE SHAREHOLDERS OF OCEANA GROUP LIMITED

OPINION

The summary consolidated financial statements of Oceana Group Limited, set out on pages 146 to 167 of the Integrated Report for the year-ended 30 September 2022, which comprise the summary consolidated statement of financial position as at 30 September 2022, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Oceana Group Limited for the year ended 30 September 2022.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for Integrated Reports, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to Annual Financial Statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 25 January 2023. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Registered Auditor – A firm of Chartered Accountants (SA) • IRBA Registration Number 900222

Partners: MV Ninan (CEO), MC Olckers (Managing Partner), C Abrahamse, JM Barnard, AK Batt, T Beukes, DS Dollman, M Edelberg, Y Ferreira, T Gangen, R Groenewald, AK Hoosain, MY Ismail, N Jansen, J Marais, B Mbunge, FN Miller, G Molyneux, A Moruck, S Naidoo, MG Odendaal, W Olivier, M Pieterse, W Rabe, D Resnick, BG Sacks, MA Salee, N Silbowitz, SM Solomon, HH Swanepoel, AL Swartz, MJA Teuchert, N Thelander, JC Van Tubbergh, N Volschenk, J Watkins-Baker

A full list of national partners is available on request or at www.mazars.co.za

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

The logo for Mazars, featuring the word "Mazars" in a stylized, handwritten-style font.

Mazars

Partner: Marc Edelberg

Registered Auditor

Cape Town

25 January 2023

Condensed consolidated statement of comprehensive income

for the year ended 30 September 2022

	Notes	2022 R'000	Restated ¹ 2021 R'000
Revenue	3	8 148 466	7 295 886
Cost of sales		(5 641 145)	(5 110 735)
Gross profit		2 507 321	2 185 151
Sales and distribution expenditure		(478 674)	(364 527)
Marketing expenditure		(46 222)	(43 107)
Overhead expenditure		(815 904)	(739 520)
Other income		88 677	73 488
Net foreign exchange (loss)/gain		(23 448)	20 690
Net impairment reversal on financial assets		617	6 259
Operating profit before joint ventures and associate profit/(loss)		1 232 367	1 138 434
Joint ventures and associate profit/(loss)		17 865	(10 247)
Operating profit before other operating items		1 250 232	1 128 187
Other operating items	5	(6 444)	(10 849)
Operating profit		1 243 788	1 117 338
Interest income		22 340	18 295
Interest expense		(202 179)	(199 559)
Profit before taxation		1 063 949	936 074
Taxation expense		(272 712)	(260 489)
Profit after taxation from continuing operations		791 237	675 585
(Loss)/profit from discontinued operations	9	(22 498)	42 915
Profit for the year		768 739	718 500
Other comprehensive income from continuing operations			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Movement on foreign currency translation reserve		960 340	(552 069)
Movement on foreign currency translation reserve on joint ventures and associate		64 061	164
Movement on cash flow hedging reserve		125 931	51 097
Income tax related to gain recognised in other comprehensive income		(24 359)	(6 738)
Other comprehensive income/(loss), net of taxation		1 125 973	(507 546)
Other comprehensive income/(loss) from discontinued operations			
Movement on foreign currency translation reserve		394	(280)
Other comprehensive income/(loss), net of taxation		394	(280)
Total comprehensive income for the year		1 895 106	210 674
Profit for the year attributable to:			
Shareholders of Oceana Group Limited		732 318	676 280
Non-controlling interests		36 421	42 220
		768 739	718 500
Total comprehensive income for the year attributable to:			
Shareholders of Oceana Group Limited		1 858 685	168 540
Non-controlling interests		36 421	42 134
		1 895 106	210 674
Total comprehensive income attributable to shareholders of Oceana Group Limited arises from:			
Continuing operations		1 882 438	130 643
Discontinued operations		(23 753)	37 897
Total comprehensive income		1 858 685	168 540
Earnings per share (cents)			
– Basic		603.0	570.7
Total basic earnings per share from continuing operations		622.9	538.5
Total basic earnings per share from discontinued operations		(19.9)	32.2
– Diluted		602.6	531.6
Total diluted earnings per share from continuing operations		622.5	501.6
Total diluted earnings per share from discontinued operations		(19.9)	30.0

¹ Refer to note 14 for further detail of reclassifications and prior period errors.

Condensed consolidated statement of financial position

at 30 September 2022

	Notes	2022 R'000	Restated ¹ 2021 R'000	Restated ¹ 2020 R'000
ASSETS				
Non-current assets		8 396 164	7 328 456	7 861 194
Property, plant and equipment	6	1 865 386	1 876 934	1 835 473
Right-of-use assets		84 008	201 282	175 815
Goodwill and intangible assets	7	5 846 044	4 901 110	5 438 294
Interest in joint ventures and associate		305 638	248 092	305 909
Deferred taxation		13 649	6 661	20 793
Investments and loans		177 870	94 377	84 910
Derivative asset		103 569	–	–
Current assets		4 420 400	3 341 934	3 978 543
Inventories		2 270 759	1 021 957	1 689 743
Trade and other receivables		1 593 932	1 443 499	1 064 569
Taxation receivable		69 247	48 682	23 663
Cash and cash equivalents		486 462	827 796	1 200 568
Assets held for sale	9	378 967	–	19 420
Total assets		13 195 531	10 670 390	11 859 157
EQUITY AND LIABILITIES				
Capital and reserves		7 033 268	5 503 115	5 945 995
Share capital		1 224 849	1 222 388	1 200 493
Foreign currency translation reserve		1 740 086	715 291	1 268 554
Cash flow hedging reserve		69 794	(31 778)	(76 223)
Share-based payment reserve		88 120	61 179	99 066
Distributable reserve		3 690 452	3 336 527	3 271 309
Interest of own shareholders		6 813 301	5 303 607	5 763 199
Non-controlling interests		219 967	199 508	182 796
Non-current liabilities		3 461 310	3 463 759	3 895 532
Liability for share-based payments		7 564	14 329	7 919
Employee and other provisions		27 838	39 925	24 745
Borrowings	8	2 686 000	2 663 792	3 039 810
Lease liabilities		97 754	224 635	204 239
Derivative liabilities		–	20 856	84 790
Deferred taxation		642 154	500 222	534 029
Current liabilities		2 518 666	1 703 516	2 017 630
Trade and other payables		2 099 046	1 335 225	1 542 110
Employee and other provisions		8 467	5 180	12 092
Borrowings	8	298 357	199 779	382 057
Lease liabilities		28 801	45 635	44 776
Short-term banking facility		76 000	91 000	–
Derivative liabilities		–	7 194	–
Taxation payable		7 995	19 503	36 595
Liabilities held for sale	9	182 287	–	–
Total equity and liabilities		13 195 531	10 670 390	11 859 157

¹ Refer to note 14 for further detail of reclassifications and prior period errors.

Condensed consolidated statement of changes in equity

for the year ended 30 September 2022

	Share capital	Foreign currency translation reserve	Cash flow hedging reserve	Share-based payment reserve	Distributable reserve	Interest of own shareholders	Non-controlling interests	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Audited restated as at the beginning of 1 October 2020¹	1 200 493	1 268 554	(76 223)	99 066	3 271 309	5 763 199	182 796	5 945 995
Total comprehensive income for the year ¹	-	(552 185)	44 445	-	676 280	168 540	42 134	210 674
Movement on foreign currency translation reserve – restated ¹	-	(552 349)	-	-	-	(552 349)	-	(552 349)
Movement on foreign currency translation reserve on joint ventures and associate	-	164	-	-	-	164	-	164
Movement on cash flow hedging reserve	-	-	51 183	-	-	51 183	(86)	51 097
Income tax related to gain recognised in equity	-	-	(6 738)	-	-	(6 738)	-	(6 738)
Profit for the year	-	-	-	-	676 280	676 280	42 220	718 500
Transfers between reserves	-	(1 078)	-	(68 969)	66 116	(3 931)	3 931	-
Decrease in treasury shares held by share trusts	30 672	-	-	-	40 051	70 723	-	70 723
Loss on settlement of treasury shares	-	-	-	-	(311 904)	(311 904)	-	(311 904)
Share-based payment expense	-	-	-	33 346	-	33 346	-	33 346
Share-based payment exercised	(8 777)	-	-	(7 253)	-	(16 030)	-	(16 030)
Allocation of elective deferral restricted shares	-	-	-	4 989	-	4 989	-	4 989
Gain on disposal of treasury shares – Oceana Empowerment Trust (“OET”) wind up	-	-	-	-	85 929	85 929	-	85 929
Gain on disposal of shares distributed to deceased employee beneficiaries of OET	-	-	-	-	2 360	2 360	-	2 360
Distribution to OET beneficiaries	-	-	-	-	(19 608)	(19 608)	-	(19 608)
Dividends	-	-	-	-	(474 006)	(474 006)	(29 353)	(503 359)
Audited restated balance as at 30 September 2021¹	1 222 388	715 291	(31 778)	61 179	3 336 527	5 303 607	199 508	5 503 115
Total comprehensive income for the year	-	1 024 795	101 572	-	732 318	1 858 685	36 421	1 895 106
Movement on foreign currency translation reserve	-	960 734	-	-	-	960 734	-	960 734
Movement on foreign currency translation reserve on joint ventures and associate	-	64 061	-	-	-	64 061	-	64 061
Movement on cash flow hedging reserve	-	-	125 931	-	-	125 931	-	125 931
Income tax related to gain recognised in equity	-	-	(24 359)	-	-	(24 359)	-	(24 359)
Profit for the year	-	-	-	-	732 318	732 318	36 421	768 739
Transfers between reserves	-	-	-	(10 251)	(11 049)	(21 300)	21 300	-
Decrease in treasury shares held by share trusts	2 339	-	-	-	-	2 339	-	2 339
Decrease in treasury shares held by subsidiary	122	-	-	-	-	122	-	122
Share-based payment expense	-	-	-	44 393	-	44 393	-	44 393
Share-based payment exercised	-	-	-	(13 950)	-	(13 950)	-	(13 950)
Transfer from share based payment liability to reserve	-	-	-	6 749	-	6 749	-	6 749
Gain on disposal of treasury shares – OET wind-up	-	-	-	-	849	849	-	849
Gain on disposal of shares distributed to deceased employee beneficiaries of OET	-	-	-	-	1 226	1 226	-	1 226
Distribution to Oceana Saam-Sonke Trust beneficiaries	-	-	-	-	(3 809)	(3 809)	-	(3 809)
Dividends	-	-	-	-	(365 610)	(365 610)	(37 262)	(402 872)
Audited balance as at 30 September 2022	1 224 849	1 740 086	69 794	88 120	3 690 452	6 813 301	219 967	7 033 268

¹ Refer to note 14 for further detail of prior period errors.

Condensed consolidated statement of cash flows

for the year ended 30 September 2022

	2022	Restated ¹ 2021
	R'000	R'000
Cash flow from operating activities		
Operating profit before joint ventures and associate profit/(loss)	1 237 937	1 130 457
Adjustment for non-cash and other items	331 478	368 844
Cash operating profit before working capital changes	1 569 415	1 499 301
Working capital changes	(578 976)	(15 597)
Cash generated from operations	990 439	1 483 704
Interest income received	13 976	12 973
Interest paid	(193 811)	(212 800)
Taxation paid	(288 216)	(314 428)
Dividends paid	(406 681)	(522 967)
Cash inflow from operating activities	115 707	446 482
Cash outflow from investing activities	(255 498)	(253 180)
Purchases of property, plant and equipment	(252 484)	(290 919)
Purchases of intangible assets	(6 365)	(3 753)
Proceeds on disposal of property, plant and equipment	4 448	4 639
Decrease in loans receivable from business partners	(1 097)	4 724
Proceeds on disposal of non-current asset held for sale	-	32 129
Cash outflow from financing activities	(285 041)	(480 262)
Short-term borrowings repaid	(220 218)	(373 243)
Short-term banking facility raised	3 861 000	3 593 000
Short-term banking facility repaid	(3 876 000)	(3 502 000)
Repayment of principal portion of lease liability	(42 451)	(48 349)
Loans repaid/(advanced)	2 969	(2 850)
Proceeds from sale of treasury shares	2 863	2 360
Proceeds on sale of treasury shares to open market ²	-	287 170
Payment to OET employee beneficiaries ²	-	(420 320)
Purchase of treasury shares for the settlement of long-term incentives ³	(13 204)	(16 030)
Net decrease in cash and cash equivalents	(424 832)	(286 960)
Cash and cash equivalents at the beginning of the year	827 796	1 200 568
Effect of exchange rate changes	83 897	(85 812)
Cash and cash equivalents at the end of the year⁴	486 861	827 796

¹ Refer to note 14 for further detail of reclassifications and prior period errors.

² In the prior year, proceeds on sale includes repurchased and subsequently cancelled treasury shares of 82 651 (2021: 8 478 067) from the OET beneficiaries as part of the winding down of OET.

³ Acquisition of shares to settle employee equity-settled share-based scheme on vesting.

⁴ This amount includes R0.4 million of the Commercial Cold Storage and Logistics segment. Refer to note 9.5.

Notes to the condensed consolidated financial statements

for the year ended 30 September 2022

1. BASIS OF PREPARATION

The condensed consolidated financial statements are prepared in accordance with the JSE Limited Listings Requirements for provisional reports, and the requirements of the Companies Act, 71 of 2008. The Listings Requirements require provisional 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 applied in the preparation of the condensed consolidated financial statements, 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 prior period errors and restatements as set out in note 14 and the adoption of new standards effective during the current financial year. The condensed consolidated financial statements were prepared under the supervision of the interim chief financial officer, Mr R Buddle CA(SA).

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Significant judgement has been applied in determining the appropriate accounting treatment of Westbank. As explained in our Directors report and Audit Committee report contained in the financial statements for 2021, there was significant debate over the accounting treatment of Westbank, based on the previous external auditor's view that it should be treated as a joint operation vs. management and the Board of Oceana which believed it should be classified as an associate.

Below are the pertinent points that were taken into account in this important assessment for the current year.

Westbank is an operational fishing company that has entered into a Fish Supply Agreement with Daybrook for the supply of all its fish, and an Operating Agreement with Daybrook (25% shareholder) and Makimry (the 75% US shareholder).

Westbank is set up as a fully operational entity where decisions regarding fishing and maintenance of the necessary capital equipment are constantly being made. Makimry has full operational and managerial responsibility for these decisions.

Consideration was given to the following factors which confirms Makimry's control over Westbank:

- Makimry has the right to appoint 5 of the 7 Directors of Westbank
- Day to day operating activities which impact the risks and returns of Westbank are decided by a simple majority of directors
- Daybrook does not have the unilateral ability to remove Makimry from the shareholding structure in its managerial and ownership capacity
- The right to veto a decision does not automatically translate to unilateral control or power over a relevant activity

By shareholder agreement, certain decisions over the activities of Westbank, for example setting the operating expenditure and capital budgets (forecasts), are subject to super majority voting clauses, which necessitate consent between Daybrook and Makimry.

In the event of the forecast not being approved by virtue of a veto right being exercised by Daybrook, the entity would revert to the original forecast while the shareholders are granted 3 attempts to resolve any major disagreements over the forecast in separate meetings.

In the event that this is not resolved, a deadlock would be reached, thereby giving Makimry the right to "put" its shares back to Daybrook.

It should be emphasised that Makimry controls the right to trigger the put in the event of a deadlock i.e. it is not automatic.

The likelihood of reaching deadlock, given the huge economic disincentive and disruption to the supply and operations of Daybrook, was also assessed as highly unlikely.

Consequently, the rights of Daybrook in terms of the above were assessed and deemed to be minority protective rights, which were designed to protect the interests of Daybrook without giving it power over the entity to which those rights relate. In addition, these rights relate to fundamental changes to the activities of Westbank or apply in exceptional circumstances, and do not extend to day-to-day operations.

Further, Daybrook's rights to veto the purchase of capital equipment does not give it control, as the purchase of capital equipment items is not considered a relevant activity.

The above put option as well as two further call and put options were re-assessed to determine if they created substantive rights on the basis of potential voting rights, however it was concluded that these are only exercisable based on future events, and could therefore not be taken into account until those specific events occur.

It was thus concluded that Oceana does not have control over Westbank.

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES continued

The following factors were considered in disputing the existence of a joint operation:

- Joint control suggests control of the arrangement collectively and implies that unanimous consent is needed. Unanimous consent does not apply to all the significant decisions that impact the risks and returns of the shareholders.
- The shareholders do not control the arrangement collectively as they do not act together to direct the activities that affect the returns of the arrangement i.e. the day to day decisions to run, operate and fish on a daily basis, including the responsibility to maintain the fishing licence is controlled by Makimry.
- The impact of 100% of the off-take by only one party i.e. Daybrook.

Finally, the following factors were taken into account to conclude that Westbank should be classified as an associate:

- Daybrook holds more than 20% of the voting power
- Daybrook has representation on the Board of Westbank, and participates in policy-making processes
- There are material transactions between Daybrook and Westbank

As a result of the above assessment and application of judgement, the accounting treatment of Westbank was revised in the current year. Westbank is classified as an associate and its results have been equity accounted.

3. REVENUE

	2022	Restated 2021
	R'000	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)	4 609 134	4 099 203
Fishmeal and fish oil (USA)	1 945 817	1 533 380
Horse mackerel, hake, lobster and squid (Africa)	1 540 815	1 626 114
Other non-trade revenue		
Canned fish and fishmeal (Africa)	1 463	2 281
Horse mackerel, hake, lobster and squid (Africa)	51 237	34 908
	8 148 466	7 295 886

Revenue from the sale of goods is recognised at a point in time except for the freight and insurance component which is recognised over time. The freight and insurance component included in Canned fish and fishmeal (Africa), horse mackerel, hake, lobster and squid of R88.6 million (2021: R60.7 million) is recognised over time.

Other non-trade revenue includes quota fees R22.2 million (2021: R25.1 million); commission R26.7 million (2021: R2.7 million) and factory processing and other minor recoveries R8.3 million (2021: R10.1 million).

4. SEGMENTAL RESULTS

The segmental information was prepared in accordance with IFRS 8 - Operating Segments (IFRS 8), which defines requirements for the disclosure of financial information of an entity's operating segments. IFRS 8 requires operating segments to be identified on the basis of internal reporting of Group components that are regularly reviewed by the chief operating decision-maker (CODM) to allocate resources to segments and to assess their performance. The Group's executive directors have been identified as the CODM.

The segments have been classified based on both the geographic region of the primary Group operations as well as where the different products are sold and services are rendered by the Group.

For geographic segmental reporting, South Africa and Namibia have been aggregated as the primary operations having 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 per geographic region is classified based on the region in which product is sold and services are rendered, irrespective of where produced. Non-current assets per geographic region are 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.

Notes to the condensed consolidated financial statements *continued* for the year ended September 2022

4. SEGMENTAL RESULTS *continued*

2022	Canned fish and fishmeal (Africa)	Fishmeal and fish oil (USA)	Horse mackerel, hake, lobster and squid	Total	Intercompany eliminations between continuing and discontinued operations ¹	Total Continuing Operations
	R'000	R'000	R'000	R'000	R'000	R'000
Statement of comprehensive income						
Gross revenue	4 765 532	1 945 817	1 612 628	8 323 977	-	8 323 977
Inter-segmental revenue	(154 935)	-	(20 576)	(175 511)	-	(175 511)
Net revenue	4 610 597	1 945 817	1 592 052	8 148 466	-	8 148 466
Operating profit before other operating items						
	488 952	583 821	143 074	1 215 847	34 385	1 250 232
Other operating items	(13 558)	-	7 114	(6 444)	-	(6 444)
Operating profit	475 394	583 821	150 188	1 209 403	34 385	1 243 788
Interest income ²	18 370	1 072	2 898	22 340	-	22 340
Interest expense ²	(106 773)	(85 049)	(10 357)	(202 179)	-	(202 179)
Profit before taxation	386 991	499 844	142 729	1 029 564	34 385	1 063 949
Taxation expense	(115 005)	(113 710)	(43 997)	(272 712)	-	(272 712)
Profit after taxation	271 986	386 134	98 732	756 852	34 385	791 237
The above profit after taxation includes the following:						
Joint ventures and associate (profit) / loss	(10 362)	28 227	-	17 865	-	17 865
Depreciation, amortisation and impairment	47 724	94 361	85 525	227 610	-	227 610
Statement of financial position						
Total assets excluding assets held for sale	3 011 264	9 044 524	759 589	12 815 377	-	12 815 377
Total liabilities excluding liabilities held for sale	2 857 332	2 743 923	378 721	5 979 976	-	5 979 976
The above amounts of assets includes the following:						
Additions to property, plant and equipment and intangible assets	60 510	39 540	114 241	214 291	-	214 291
Interest in joint ventures and associate	60 881	244 756	1	305 638	-	305 638

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

Region 2022	South Africa and Namibia	Other Africa	North America	Europe	Far East	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	4 517 718	583 353	1 272 402	1 600 012	123 085	51 896	8 148 466
Non-current assets (excluding deferred tax assets)	1 568 385	-	6 814 130	-	-	-	8 382 515

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

² Inter-segmental finance transactions are not included in the segmental results, and therefore excluded from interest expense and interest income.

4. SEGMENTAL RESULTS continued

Restated 2021	Canned fish and fishmeal (Africa)	Fishmeal and fish oil (USA) ¹	Horse mackerel, hake, lobster and squid	Total	Intercompany eliminations between continuing and discontinued operations ²	Total continuing operations
	R'000	R'000	R'000	R'000	R'000	R'000
Restated statement of comprehensive income						
Gross revenue	4 294 021	1 533 380	1 681 705	7 509 106	–	7 509 106
Inter-segmental revenue	(192 537)	–	(20 683)	(213 220)	–	(213 220)
Net revenue	4 101 484	1 533 380	1 661 022	7 295 886	–	7 295 886
Operating profit before other operating items	478 608	234 882	387 236	1 100 726	27 461	1 128 187
Other operating items	(15 131)	–	4 282	(10 849)	–	(10 849)
Operating profit	463 477	234 882	391 518	1 089 877	27 461	1 117 338
Interest income	14 399	1 135	2 761	18 295	–	18 295
Interest expense	(125 001)	(71 003)	(3 555)	(199 559)	–	(199 559)
Profit before taxation	352 875	165 014	390 724	908 613	27 461	936 074
Taxation expense	(111 830)	(27 940)	(120 719)	(260 489)	–	(260 489)
Profit after taxation	241 045	137 074	270 005	648 124	27 461	675 585

The above profit after taxation includes the following:

Joint ventures and associate loss	332	9 915	–	10 247	–	10 247
Depreciation, amortisation and impairment	45 183	95 150	64 100	204 433	–	204 433

Restated statement of financial position

Total assets Non-current assets (excluding deferred tax assets)⁴	2 356 572	7 079 909	848 002	10 284 483	–	10 284 483
Total liabilities⁵	2 241 592	2 212 603	487 010	4 941 205	–	4 941 205

The above amounts of assets includes the following:

Additions to property, plant and equipment and intangible assets	148 374	39 262	95 937	283 573	–	283 573
Interest in joint ventures and associate	70 918	177 173	1	248 092	–	248 092

⁴ Total assets exclude R386m from the CCS Logistics discontinued operation that is excluded from total assets in the segmental results but included on the face of the statement of financial position.

⁵ Total Liabilities exclude R226 million from the CCS Logistics discontinued operation that is excluded from total liabilities in the segmental results but included on the face of the statement of the financial position.

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

Restated Region 2021	South Africa and Namibia ¹	Other Africa	North America ¹	Europe	Far East	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	3 990 344	848 180	1 162 695	1 061 881	197 267	35 519	7 295 886
Non-current assets	1 608 249	–	5 713 546	–	–	–	7 321 795

¹ Restated balances and transactions. Refer to note 14.

² Intercompany eliminations relate to revenue support service charges to align the IFRS 8: Operating Segment profit measures the CODM uses to manage the business to that of IFRS.

³ Inter-segmental finance transactions are not included in the segmental results, and therefore excluded from interest expense and interest income.

Notes to the condensed consolidated financial statements *continued* for the year ended September 2022

5. OTHER OPERATING ITEMS

Transactions outside the ordinary course of business that are substantially capital or non-recurring in nature are disclosed under other operating items in the statement of comprehensive income.

	2022	Restated 2021
	R'000	R'000
Other operating items from continuing operations		
Loss on disposal of land and buildings	-	(439)
Profit on disposal of property, plant and equipment	1 376	4 174
Impairment of computer software	-	(2 369)
Transaction costs relating to disposal of CCS Logistics	(7 275)	-
Insurance recovery on loss of asset	7 975	-
Transfer of foreign currency reserve ¹	(8 520)	-
Once-off transaction costs pertaining to new BBBEE trusts ²	-	(11 349)
Trademark written off	-	(866)
Total	(6 444)	(10 849)
Other operating items from discontinued operations		
Loss on disposal of property, plant and equipment	(799)	(411)
Profit on disposal of non-current assets held for sale (Bayhead cold store)	-	27 684
Foreign exchange translation reserve	(308)	-
Total	(1 107)	27 273

¹ Transfer of foreign currency translation loss to profit and loss on disposal of investment of joint venture "Oceana Boa Pesca Limitada".

² During the prior year, once-off transaction costs were incurred in relation to the specific repurchase of shares from the OET and the establishment of Saam-Sonke Trust and Oceana Stakeholder Empowerment Trust ("OSET").

6. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings	Leasehold land and buildings	Plant, equipment and vehicles	Vessels	Total
	R'000	R'000	R'000	R'000	R'000
2022					
Cost	1 016 754	74 356	1 950 397	801 311	3 842 818
Accumulated depreciation and impairment losses	(378 812)	(25 656)	(1 106 180)	(466 784)	(1 977 432)
Net book value at 30 September 2022	637 942	48 700	844 217	334 527	1 865 386
2021 Restated					
Cost	1 017 011	97 614	1 930 961	786 400	3 831 986
Accumulated depreciation and impairment losses	(355 779)	(44 589)	(1 081 536)	(473 149)	(1 955 053)
Restated net book value at 30 September 2021	661 232	53 025	849 425	313 251	1 876 934

Refer to note 4 for detail of segmental assets and to note 8 for detail relating to assets provided as security for borrowings.

7. GOODWILL AND INTANGIBLE ASSETS

	Goodwill	Trademark	Intellectual property	Fishing rights	Customer relations	Non-competes	Computer software	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2022								
Cost	4 369 018	287 161	1 105 560	161 904	63 538	125 260	137 910	6 250 351
Accumulated amortisation	-	(44 967)	-	(111 004)	(63 538)	(117 614)	(63 539)	(400 662)
Accumulated impairment	(1 276)	-	-	-	-	-	(2 369)	(3 645)
Net book value at 30 September								
2022	4 367 742	242 194	1 105 560	50 900	-	7 646	72 002	5 846 044
2021 Restated								
Cost	3 643 902	245 742	919 340	161 903	52 836	104 162	141 144	5 269 029
Accumulated amortisation	-	(44 967)	-	(107 423)	(52 836)	(95 539)	(63 509)	(364 274)
Accumulated impairment	(1 276)	-	-	-	-	-	(2 369)	(3 645)
Restated net book value at								
30 September 2021	3 642 626	200 775	919 340	54 480	-	8 623	75 266	4 901 110

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The change in net book value of goodwill and intangible assets includes an increase of R944.9 million (2021: decreased by R537.2 million) as a result of the translation of the US assets.

Goodwill includes R4 304.9 million (2021: R3 593.4 million) relating to the acquisition of Daybrook and its acquisition of its 25% investment in Westbank within the fishmeal and fish oil (USA) cash generating unit ("CGU"). The recoverable amount of the Daybrook investment is determined based on a value-in-use calculation using cash flow forecasts approved by management, covering a period of three years followed by an extrapolation of expected cash flows for years four and five using assumptions determined by management, thereafter terminal growth principles apply. When determining the assumptions, consideration is given to the impact of external market factors, such as changes in market demand and pricing and changes in interest rates, as well as internal factors relating to current operating conditions and production trends.

The main areas of judgement applied in determining the recoverable amount relate to fish catch, production yields, sales pricing and weighted average cost of capital.

Based on management's review, the carrying amount of the goodwill and intangible assets are not considered to be impaired.

Notes to the condensed consolidated financial statements *continued* for the year ended September 2022

8. BORROWINGS

	2022	Restated 2021
	R'000	R'000
South African Rand-denominated loans	1 172 847	1 248 682
USA dollar-denominated term loan	1 811 510	1 614 889
Total borrowings	2 984 357	2 863 571
Categorised between non-current and current portions		
Non-current portion of liabilities	2 686 000	2 663 792
Current portion of liabilities	298 357	199 779
Total borrowings	2 984 357	2 863 571

The South African rand-denominated loans includes term loans of R1 164.8 million (2021: R1 237.7 million) which bear interest at a rate of JIBAR plus average margin of 1.69% (2021: 1.68%) and are repayable through a combination of semi-annual instalments and bullet instalments. The loans were refinanced in the 2021 financial year with the final principal payment due on 15 October 2026. The revolving credit facility of R500m, remains undrawn. The loans are secured by intercompany cross guarantees and indemnities provided by Oceana Group Limited, Lucky Star Limited, Blue Continent Products Proprietary Limited, Commercial Cold Storage Proprietary Limited, Erongo Marine Enterprises Proprietary Limited, Amawandle Pelagic Proprietary Limited and Amawandle Hake Proprietary Limited.

The USA dollar-denominated borrowings include R1 811.5 million / USD 100 million (2021: R1 614.9 million / USD 107.0 million) owing by Daybrook. The Daybrook borrowings bear interest at a rate of SOFR (2021 LIBOR) plus applicable margin of 2.25% (2021: 3.0%) which varies with the total leverage ratio at the pricing date. The facility is structured as an amortisation payment facility repayable in quarterly instalments with the final payment due on 30 September 2024. The loan is secured by a first-priority perfected security interest in substantially all of the tangible and intangible assets of Oceana US Holdings Inc., Daybrook Investors Inc., Daybrook Holdings Inc. and Daybrook Fisheries Inc.

Covenants

The SA and USA loans provided by the lenders, are subject to covenant conditions using specific bank defined formulae as set out in the loan agreements and are regularly monitored by management to ensure these are complied with. In the event that an entity is at risk of breaching their covenants, negotiations are entered into with lenders to remediate.

	30-Sep-22		30-Sep-21	
	Required covenant	Achieved	Required covenant	Achieved
Covenants regarding term loans and revolving credit facilities				
South African Rand-denominated term loans				
Net debt: EBITDA cover	2.75	Yes	2.75	Yes
Interest cover	3.75	Yes	3.75	Yes
Debt service cover	1.30	Yes	1.30	Yes
Daybrook USA dollar-denominated term loan				
Net debt: EBITDA cover	3.25	Yes	4.00	Yes
Fixed cover	1.25	Yes	1.25	Yes

9. ASSETS HELD FOR SALE

9.1 DESCRIPTION

On the 3rd of October 2022 Oceana entered into an agreement to dispose of its cold storage business, Commercial Cold Storage Group Limited, trading as CCS Logistics (“CCS Logistics”), for a total consideration of R760 million net of the value accruing to minority interests in the CCS Namibia Proprietary Limited and CCS Ports Proprietary Limited (Duncan Dock) operations. The implied 100% enterprise value including minorities is R895 million.

The transaction includes supplementary agreements for Oceana Group entities to secure medium term cold-storage services from CCS Logistics at market related rates and for Oceana to continue providing transitional services at an agreed service fee to CCS Logistics for a period of at least 12 months following implementation.

The transaction was announced on the 4th of October 2022. The Group assessed the requirements of IFRS 5 (*Non-current Assets held for Sale and Discontinued Operations*) and deemed the asset to meet the criteria for being held for sale prior to year end. The Group has consequently disclosed CCS Logistics as a discontinued operation.

9.2 ASSETS CLASSIFIED AS HELD FOR SALE

	2 022	Restated 2021
	R'000	R'000
Opening balance	-	7 503
Reclassified from plant and equipment and vehicles	8 712	-
Disposal of asset	-	(7 503)
Assets held for sale as part of discontinued operation (see below)	370 255	-
Carrying amount of assets held for sale at 30 September	378 967	-

9.3 STATEMENT OF COMPREHENSIVE INCOME OF THE DISCONTINUED OPERATION

2022	Commercial cold storage and logistics division	Intercompany eliminations ¹	Discontinued operation (consolidated)
	R'000	R'000	R'000
Revenue	367 350	(77 698)	289 652
Gross profit	367 350	(77 698)	289 652
Overhead expenditure	(327 396)	43 312	(284 084)
Net foreign exchange gain	2	-	2
Operating profit before other operating items	39 956	(34 386)	5 570
Other operating items	(1 107)	-	(1 107)
Operating profit	38 849	(34 386)	4 463
Net Interest income/ (expense)	4 087	(15 067)	(10 981)
Profit / (loss) before taxation	42 936	(49 453)	(6 518)
Taxation expense	(15 980)	-	(15 980)
Profit / (loss) after taxation from discontinued operations	26 956	(49 453)	(22 498)

¹ Intercompany transactions includes revenue earned by CCS Logistics in respect of storage and logistics for other companies within the Group as well as support service expenses incurred and paid to Oceana Group Limited. These transactions occur in the ordinary course of business and will continue after the completion of the sale of CCS Logistics.

Notes to the condensed consolidated financial statements *continued* for the year ended September 2022

9. ASSETS HELD FOR SALE *continued*

9.3 STATEMENT OF COMPREHENSIVE INCOME OF THE DISCONTINUED OPERATION *continued*

2021	Commercial cold storage and logistics segment	Intercompany eliminations ¹	Discontinued operation (consolidated)
	R'000	R'000	R'000
Revenue	416 168	(78 638)	337 530
Gross profit	416 168	(78 638)	337 530
Overhead expenditure	(333 797)	51 177	(282 620)
Net foreign exchange gain	67	-	67
Operating profit before other operating items	82 438	(27 461)	54 977
Other operating items	27 273	-	27 273
Operating profit	109 711	(27 461)	82 250
Net Interest income/ (expense)	1 020	(10 309)	(9 289)
Profit before taxation	110 731	(37 770)	72 961
Taxation expense	(30 046)	-	(30 046)
Profit after taxation from discontinued operations	80 685	(37 770)	42 915

¹ Intercompany transactions includes revenue earned by CCS Logistics in respect of storage and logistics for other companies within the Group as well as support service expenses incurred and paid to Oceana Group Limited. These transactions occur in the ordinary course of business and will continue after the completion of the sale of CCS Logistics.

9.4 STATEMENT OF FINANCIAL POSITION OF THE DISCONTINUED OPERATION

	2 022 R'000
ASSETS	
Non-current assets	
Property, plant and equipment	227 806
Right-of-use assets	93 020
Goodwill and intangible assets	140
Total non-current assets	320 966
Current assets	
Inventories	8 025
Trade and other receivables	39 055
Taxation receivable	1 810
Cash and cash equivalents	399
Total current assets	49 289
Total assets	370 255
LIABILITIES	
Non-current liabilities	
Deferred taxation	9 288
Lease liabilities	86 908
Provisions	2 442
Liability for share-based payments	767
Total non-current liabilities	99 405
Current liabilities	
Lease liabilities	26 446
Trade and other payables	55 793
Taxation payable	643
Total current liabilities	82 882
Total liabilities	182 287

9. ASSETS HELD FOR SALE continued

9.5 STATEMENT OF CASH FLOWS OF THE DISCONTINUED OPERATION¹

	2 022	2 021
	R'000	R'000
Net cash inflow / (outflow) from operating activities	69 192	(14 814)
Net cash (outflow) / inflow from investing activities	(41 964)	41 339
Net cash outflow from financing activities	(28 448)	(32 650)
Net decrease in cash and cash equivalents	(1 220)	(6 125)
Cash and cash equivalents at the beginning of the year	848	(776)
Effect of exchange rate changes	772	7 749
Cash and cash equivalents at end of the year	400	848

¹ Cash flows from discontinued operations have been included in the consolidated statement of cash flows.

10. DETERMINATION OF HEADLINE EARNINGS

	2022	Restated 2021
	R'000	R'000
Profit for the year attributable to shareholders of Oceana Group Limited	732 318	676 280
Loss / (profit) from discontinued operations attributable to shareholders of Oceana Group Limited ¹	24 147	(38 177)
Earnings from continuing operations	756 465	638 103
Adjusted for:		
Impairment of property, plant and equipment and intangible assets	-	(1 150)
Joint ventures and associate loss on disposal of vessels	308	1 028
Insurance proceeds on capital items	(7 975)	-
Net profit on disposal of property, plant and equipment	(573)	(3 441)
Loss on deemed disposal of joint venture, associate or held for sale financial asset	8 520	-
Total non-controlling interest in above	1 160	312
Total tax effect of adjustments	2 394	516
Headline earnings for the year attributable to the shareholders of Oceana Group Limited from continuing operations	760 299	635 368
Earnings from discontinued operations		
(Loss) / profit from discontinued operations after tax	(24 147)	38 177
Income of a capital nature from discontinued operations	-	(21 808)
Headline earnings for the year attributable to the shareholders of Oceana Group Limited from discontinued operations	(24 147)	16 369
Headline earnings for the year	736 151	651 737
Headline earnings per share (cents)		
- Basic	606.2	550.0
Continuing operations	626.0	536.2
Discontinued operations	(19.8)	13.8
- Diluted	605.8	512.3
Continuing operations	625.6	499.5
Discontinued operations	(19.8)	12.8

¹ This amount includes a non-controlling interest profit adjustment in CCS of R1.6 million (2021: 4.7 million).

Notes to the condensed consolidated financial statements *continued* for the year ended September 2022

11. FURTHER INFORMATION

	2022	Restated 2021
	R'000	R'000
11.1 ITEMS IMPACTING THE STATEMENT OF COMPREHENSIVE INCOME		
Insurance recoveries	87 277	152 872
Legal, audit and other costs related to the completion of the 2021 financial year end audit	50 315	–
Amortisation	14 705	21 005
Impairment of intangible assets	–	2 369
Depreciation of property, plant and equipment	192 034	161 098
Depreciation of right-of-use assets	20 872	24 799
Inventory (write-back) / written-off	(6 705)	112 753
Loss arising as a result of civil unrest	–	86 104
Damages and other obsolete stock	(6 705)	26 649
11.2 ITEMS IMPACTING THE STATEMENT OF FINANCIAL POSITION		
Additions (property, plant and equipment and intangible assets)	214 200	318 780
Replacement	203 174	228 009
Expansion	11 026	90 771
11.3 OTHER ITEMS		
Budgeted capital commitments	495 984	343 780
Contracted	27 161	22 188
Not contracted	468 823	321 592

The closing US Dollar exchange rate for the 2022 financial year was R18.15 (2021: R15.10). Consequently, the group recognised a R1 024 million foreign currency translation reserve gain (2021: R552 million loss) in other comprehensive income in relation to the Group's US Dollar denominated subsidiary Daybrook Fishing Inc.

12. WEIGHTED AVERAGE NUMBER OF SHARES

	2022	2021
	Number of shares	Number of shares
	'000	'000
Weighted average number of shares in issue	130 432	130 432
Less: Weighted average treasury shares held by OET	(228)	(7 091)
Less: Weighted average treasury shares held by Lucky Star Limited	(264)	(288)
Less: Weighted average treasury shares held by Oceana Group Share Trust	(17)	(17)
Less: Weighted average treasury shares held by Oceana Saam-Sonke Trust	(7 826)	(4 181)
Less: Weighted average treasury shares held by OSET	(652)	(348)
Weighted average number of shares on which basic earnings per share and basic headline earnings per share are based	121 445	118 506
Weighted average number of shares on which diluted earnings per share and diluted headline earnings per share are based	121 524	127 211

13. FAIR VALUE

Items carried at fair value are classified according to the fair value hierarchy, by valuation method. The different levels have been defined as follows:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Interest rate swaps recorded in the cash flow hedging reserve and derivative liabilities are regarded as level 2 financial instruments. Foreign exchange contracts entered into by the Group for the purpose of minimising exposure to foreign currency volatility are regarded as level 2 financial instruments.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of the foreign exchange contracts incorporates various inputs, including the nominal amount of foreign currency as well as foreign exchange spot and forward rates.

The Group only has level 2 instruments and there have been no transfers between levels 1, 2 or 3 of the fair value hierarchy during the current and prior year.

The fair value of all other financial assets and financial liabilities approximates their carrying value.

Measurement of fair values

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

Instrument	Level	Valuation basis/techniques	Significant unobservable inputs
Derivative instruments – Interest rate swaps	2	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable
Derivative instruments – Foreign currency forwards	2	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable

14. PRIOR PERIOD ERRORS AND RESTATEMENTS

14.1 ACCOUNTING TREATMENT OF WESTBANK – EQUITY ACCOUNTED ASSOCIATE

The accounting treatment of Westbank was revised in the current year. Westbank was classified as an associate and its results were equity accounted.

In the previous year Westbank was classified as a joint operation, and proportionately consolidated. Although the Group owns 25% of the shares of Westbank, it was decided to recognise 100% of the assets and liabilities on a line-by-line basis because Daybrook takes 100% of Westbank's output.

This accounting approach resulted in the recognition of a liability to the 75% shareholder for its share of the net assets to which the Group is not entitled. This liability was called 'liability to joint operator's and all charges (except for dividends paid by Westbank) were recognised in cost of sales in order to reflect the Group's cost of fish acquired from Westbank.

Please refer to the note 2 on Significant judgement and estimates for background and the reason for the change in the current year.

Notes to the condensed consolidated financial statements *continued*

for the year ended September 2022

14. PRIOR PERIOD ERRORS AND RESTATEMENTS *continued*

14.2 DISCONTINUED OPERATION

As announced on the 4th of October 2022, the Group entered into an agreement relating to the disposal of CCS. The Group assessed the requirements of IFRS 5 (Non-current Asset held for Sale and Discontinued Operations) and deemed the disposal to meet the criteria of being held for sale prior to year end taking account of the effective date of when the board had finalised a decision to discontinue the operation. The Group has consequently disclosed CCS as a discontinued operation and has re-presented the comparative information as required by IFRS 5.

Consolidated Statement of Comprehensive Income (extract)	Restated 2021			
	Previously reported	Effect of equity accounted associate	Effect of discontinued operation	Restated
	R'000	R'000	R'000	R'000
Revenue	7 633 416	–	(337 530)	7 295 886
Cost of sales	(5 062 180)	(48 555)	–	(5 110 735)
Gross profit	2 571 236	(48 555)	(337 530)	2 185 151
Sales and distribution expenditure	(364 527)	–	–	(364 527)
Marketing expenditure	(43 107)	–	–	(43 107)
Overhead expenditure	(1 078 592)	56 452	282 620	(739 520)
Other income	73 488	–	–	73 488
Net foreign exchange loss	20 757	–	(67)	20 690
Net impairment loss on financial assets	6 259	–	–	6 259
Operating profit before joint ventures and associate loss	1 185 514	7 897	(54 977)	1 138 434
Joint ventures and associate loss	(332)	(9 915)	–	(10 247)
Operating profit before other operating items	1 185 182	(2 018)	(54 977)	1 128 187
Other operating items	16 306	118	(27 273)	(10 849)
Operating profit	1 201 488	(1 900)	(82 250)	1 117 338
Interest income	36 320	(17 050)	(975)	18 295
Interest expense	(228 773)	18 950	10 264	(199 559)
Profit before taxation	1 009 035	–	(72 961)	936 074
Taxation expense	(290 535)	–	30 046	(260 489)
Profit after taxation	718 500	–	(42 915)	675 585
Profit from discontinued operations	–	–	42 915	42 915
Profit for the year	718 500	–	–	718 500
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Movement on foreign currency translation reserve	(552 349)	–	280	(552 069)
Movement on foreign currency translation reserve on joint ventures	164	–	–	164
Movement on cash flow hedging reserve	51 901	(804)	–	51 097
Income tax related to gain recognised in other comprehensive income	(7 542)	804	–	(6 738)
Other comprehensive (loss)/income, net of taxation	(507 826)	–	280	(507 546)
Other comprehensive (loss)/income from discontinued operations				
Movement on foreign currency translation reserve	–	–	(280)	(280)
Other comprehensive (loss)/income, net of taxation	–	–	(280)	(280)
Total comprehensive income	210 674	–	–	210 674
Profit after taxation attributable to:				
Shareholders of Oceana Group Limited	676 280	–	–	676 280
Non-controlling interests	42 220	–	–	42 220
	718 500	–	–	718 500
Total comprehensive income attributable to:				
Shareholders of Oceana Group Limited	168 540	–	–	168 540
Non-controlling interests	42 134	–	–	42 134
	210 674	–	–	210 674

14. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

Consolidated Statement of Financial Position (extract)	Restated 2021		
	Previously reported	Effect of equity accounted associate	Restated
	R'000	R'000	R'000
ASSETS			
Non-current assets			
Property, plant and equipment	2 590 207	(713 273)	1 876 934
Right-of-use assets	202 912	(1 630)	201 282
Goodwill and intangible assets	4 914 750	(13 640)	4 901 110
Interest in joint ventures and associate	70 919	177 173	248 092
Deferred taxation	6 661	-	6 661
Investments and loans	94 377	-	94 377
Total non-current assets	7 879 826	(551 370)	7 328 456
Current assets			
Inventories	1 049 986	(28 029)	1 021 957
Trade and other receivables	1 424 268	19 231	1 443 499
Taxation receivable	48 682	-	48 682
Cash and cash equivalents	933 612	(105 816)	827 796
Total current assets	3 456 548	(114 614)	3 341 934
Total assets	11 336 374	(665 984)	10 670 390
EQUITY AND LIABILITIES			
Share capital	1 222 388	-	1 222 388
Foreign currency translation reserve	715 291	-	715 291
Cash flow hedging reserve	(31 778)	-	(31 778)
Share-based payment reserve	61 179	-	61 179
Distributable reserve	3 336 527	-	3 336 527
Interest of own shareholders	5 303 607	-	5 303 607
Non-controlling interests	199 508	-	199 508
Total capital and reserves	5 503 115	-	5 503 115
Non-current liabilities			
Liability for share-based payments	14 329	-	14 329
Provisions	39 925	-	39 925
Borrowings	2 663 792	-	2 663 792
Lease liabilities	225 539	(904)	224 635
Derivative liabilities	34 306	(13 450)	20 856
Deferred taxation	500 222	-	500 222
Total non-current liabilities	3 478 113	(14 354)	3 463 759
Current liabilities			
Accounts payable	1 343 620	(8 395)	1 335 225
Provisions	7 776	(2 596)	5 180
Borrowings	697 594	(497 815)	199 779
Short-term banking facility	91 000	-	91 000
Derivative liabilities	7 194	-	7 194
Lease liabilities	46 528	(893)	45 635
Liability to Joint Operator	141 654	(141 654)	-
Taxation payable	19 780	(277)	19 503
Total current liabilities	2 355 146	(651 630)	1 703 516
Total liabilities	5 833 259	(665 984)	5 167 275
Total equity and liabilities	11 336 374	(665 984)	10 670 390

Notes to the condensed consolidated financial statements *continued*

for the year ended September 2022

14. PRIOR PERIOD ERRORS AND RESTATEMENTS *continued*

Consolidated Statement of Financial Position (extract)	Restated 2020		Restated R'000
	Previously reported R'000	Effect of equity accounted associate R'000	
ASSETS			
Non-current assets			
Property, plant and equipment	2 593 844	(758 371)	1 835 473
Right-of-use assets	175 815	-	175 815
Goodwill and intangible assets	5 453 428	(15 134)	5 438 294
Interest in joint ventures and associate	72 229	233 680	305 909
Deferred taxation	20 793	-	20 793
Derivative asset	2 662	(2 662)	-
Investments and loans	84 910	-	84 910
Total non-current assets	8 403 681	(542 487)	7 861 194
Current assets			
Inventories	1 713 485	(23 742)	1 689 743
Trade and other receivables	1 045 630	18 939	1 064 569
Taxation receivable	23 663	-	23 663
Cash and cash equivalents	1 432 692	(232 124)	1 200 568
Total current assets	4 215 470	(236 927)	3 978 543
Assets held for sale	19 420	-	19 420
Total assets	12 638 571	(779 414)	11 859 157
EQUITY AND LIABILITIES			
Share capital	1 200 493	-	1 200 493
Foreign currency translation reserve	1 268 554	-	1 268 554
Cash flow hedging reserve	(76 223)	-	(76 223)
Share-based payment reserve	99 066	-	99 066
Distributable reserve	3 271 309	-	3 271 309
Interest of own shareholders	5 763 199	-	5 763 199
Non-controlling interests	182 796	-	182 796
Total capital and reserves	5 945 995	-	5 945 995
Non-current liabilities			
Liability for share-based payments	7 919	-	7 919
Provisions	27 626	(2 881)	24 745
Borrowings	3 502 425	(462 615)	3 039 810
Derivative liabilities	113 490	(28 698)	84 790
Lease liabilities	206 232	(1 993)	204 239
Deferred taxation	534 029	-	534 029
Total non-current liabilities	4 391 721	(496 187)	3 895 532
Current liabilities			
Accounts payable	1 573 146	(31 036)	1 542 110
Provisions	12 092	-	12 092
Borrowings	410 107	(28 050)	382 057
Lease liabilities	45 712	(936)	44 776
Liability for Joint Operator	223 203	(223 203)	-
Taxation payable	36 595	-	36 595
Total current liabilities	2 300 855	(283 225)	2 017 630
Total liabilities	6 692 576	(779 412)	5 913 162
Total equity and liabilities	12 638 571	(779 414)	11 859 157

14. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

Consolidated Statement of Cash Flows (extract)	Restated 2021		
	Previously reported	Effect of equity accounted associate	Restated
	R'000	R'000	R'000
Cash generated from operations	1 446 613	37 091	1 483 704
Investment income received	30 021	(17 048)	12 973
Interest paid	(224 829)	12 029	(212 800)
Taxation paid	(314 428)	–	(314 428)
Dividends paid	(522 967)	–	(522 967)
Net cash inflow from operating activities	414 410	32 072	446 482
Purchases of property, plant and equipment	(398 257)	107 338	(290 919)
Purchases of intangible assets	(3 753)	–	(3 753)
Proceeds on disposal of property, plant and equipment	6 240	(1 601)	4 639
Decrease in loans receivable from business partners	4 724	–	4 724
Proceeds on disposal of non-current asset held for sale	32 129	–	32 129
Cash flows used in investing activities	(358 917)	105 737	(253 180)
Proceeds on sale of treasury shares to open market	287 170	–	287 170
Payment to OET beneficiaries	(420 320)	–	(420 320)
Short-term borrowings repaid	(401 845)	28 602	(373 243)
Long-term borrowings raised	88 371	(88 371)	–
Loans advanced	(2 850)	–	(2 850)
Payment of joint operator liability	(21 678)	21 678	–
Short-term banking facility raised	3 593 000	–	3 593 000
Short-term banking facility repaid	(3 502 000)	–	(3 502 000)
Benefit / cost relating to loan and derivative finance	4 012	(4 012)	–
Repayment of principal portion of lease liability	(49 260)	911	(48 349)
Proceeds from sale of treasury shares	2 360	–	2 360
Purchase of treasury shares for the settlement of long-term incentives	(16 030)	–	(16 030)
Cash flows used in financing activities	(439 070)	(41 192)	(480 262)
Net decrease in cash and cash equivalents	(383 577)	96 617	(286 960)
Net cash and cash equivalents at the beginning of the year	1 432 692	(232 124)	1 200 568
Effect of exchange rate changes	(115 503)	29 691	(85 812)
Cash and cash equivalents at end of the year	933 612	(105 816)	827 796

15. RELATED PARTY TRANSACTIONS

The Group enters into various transactions with related parties in the normal course of business. The nature of these related party transactions are consistent with those reported previously.

Related party relationships exist with shareholders, subsidiaries, between fellow subsidiaries and associate companies within the Group.

These transactions are concluded in the normal course of business. All material intergroup transactions are eliminated on consolidation. The amounts outstanding are unsecured and will be settled in cash.

Notes to the condensed consolidated financial statements continued

for the year ended September 2022

15. RELATED PARTY TRANSACTIONS continued

Trading balances and transactions

The following is a summary of transactions with related parties during the year and the balances of receivables and payables at year end.

	2022	2021
	R'000	R'000
Transactions with outside shareholders of the Oceana Paragon, Oceana Pegasus, Oceana Concorde and the Premier/BCP Hake joint venture		
Administration fees received	3 035	6 396
Net interest received from	340	334
Goods and services sold	(8 335)	(6 898)
Goods and services procured	35 976	40 557
Amount receivable / (payable)	2 645	(7 278)
Transactions and balances with joint ventures and associate		
Administration fees received		
Etosha Fishing Corporation Limited	590	565
Goods and services sold to joint ventures		
Etosha Fishing Corporation Limited	3 549	36 453
Goods and services bought from joint ventures	31 325	177 103
Etosha Fishing Corporation Limited	31 325	176 938
MFV Romano Paulo Vessel	-	165
Goods and services sold to associate		
Westbank Fishing LLC	(18 072)	(16 136)
Good and services procured from associate		
Westbank Fishing LLC	1 038 903	453 494
Interest (received from) / paid to		
Etosha Fishing Corporation Limited	(108)	1 120
Amount payable to joint ventures	(7 023)	(10 099)
Etosha Fishing Corporation Limited	(7 018)	(10 099)
MFV Romano Paulo Vessel	(5)	-
Amount payable to associate		
Westbank Fishing LLC	(131 369)	(52 586)
Amount receivable from associate		
Westbank Fishing LLC	84 282	55 778
Transactions and balances with other related parties		
Good and services procured from other related parties	7 749	6 620
Obsidian Health Proprietary Limited	1 037	2 351
Sea Harvest Group Limited	1 725	2 343
Ulwandle Management Services Proprietary Limited	519	1 479
Ulwandle Fishing Proprietary Limited	4 468	447
Goods and services sold to other related parties		
Sea Harvest Group Limited	-	(16)
Interest received from		
Ulwandle Fishing Proprietary Limited	(8 271)	(7 135)
Amount receivable from / (payable to) other related parties	23	(96)
Sea Harvest Group Limited	23	-
Ulwandle Management Services Proprietary Limited	-	(96)
Loans receivable from shareholders of subsidiary companies		
Ulwandle Fishing Proprietary Limited	93 888	90 783
Loans payable to shareholders of subsidiary companies		
Ulwandle Fishing Proprietary Limited	(8 374)	(14 768)
Compensation of key management personnel	106 703	90 537
Short-term employee benefits	56 907	54 175
Post-employment benefits	2 823	3 194
Share-based payments – cash-settled compensation scheme	4 852	2 521
Share-based payments – equity-settled compensation scheme	32 650	19 397
Share-based payments – OET	-	5 966
Non-executive directors' emoluments	9 471	5 284

15. RELATED PARTY TRANSACTIONS continued

Transactions with other related parties

Transaction with other related parties includes arrangements and agreements with connected persons and other related companies as defined in IAS 24 - Related party disclosure. The transactions did not involve more than the normal risk of repayment. None of these loans have been impaired.

Ulwandle loan pledge

On 2 February 2015, Blue Continent Products Proprietary Limited ("BCP") and Lucky Star Limited ("Lucky Star") each concluded loan agreements with Ulwandle Fishing Proprietary Limited ("Ulwandle") in terms of which BCP and Lucky Star (the "Lenders"), lent to Ulwandle (the "Borrower"), an aggregate amount not exceeding R115,6 million. In order to secure the rights of the Lenders, Ulwandle has pledged and ceded all of its rights, title and interest in and to the shares in Amawandle Hake and Amawandle Pelagic to the Lenders of the respective loan agreements. The loan is a full recourse loan and bears interest at the prime rate plus 3%, with fixed terms of repayment. The final instalment is due on 30 November 2025.

16. EVENTS AFTER THE REPORTING DATE

No events occurred after the reporting date that have an impact on the Group's reported financial position at 30 September 2022 or require separate disclosure in these financial statements other than that disclosed in note 9 regarding the sale of CCS Logistics.

Shareholder Analysis

As at 30 September 2022

	Number of shareholders	%	Number of shares	%
SHAREHOLDER SPREAD				
1 – 1 000 shares	6 053	83	860 138	0.7
1 001 – 10 000 shares	791	11	2 696 294	2.1
10 001 – 100 000 shares	360	5	12 102 256	9.3
100 001 – 1 000 000 shares	103	1	29 358 897	22.5
1 000 001 shares and over	20	–	85 414 219	65.5
	7 327	100.0	130 431 804	100.0
DISTRIBUTION OF SHAREHOLDERS				
Banks	77	1.1	8 148 274	6.3
Brokers	24	0.3	83 950	0.1
Close corporations	44	0.6	46 112	–
Empowerment	3	–	33 511 898	25.7
Individuals	5 429	74.1	3 408 069	2.7
Insurance companies	39	0.5	1 980 193	1.5
Investment companies	4	0.1	66 409	0.1
Mutual funds	254	3.5	39 705 297	30.5
Nominees and trusts	734	10.0	850 603	0.7
Other corporate bodies	68	0.9	3 944 805	3.0
Pension funds	482	6.6	29 258 904	22.5
Private companies	162	2.2	324 047	0.2
Public companies	2	–	29 587	–
Treasury shares held by share trusts	4	0.1	8 706 360	6.7
Treasury shares held by subsidiary	1	–	238 796	0.2
Treasury Shares*	–	–	–	–
	7 327	100.00	130 303 304	100

* SPT Trust

SHAREHOLDER TYPE

Non-public shareholders	22	0.3	42 643 054	32.70
Directors and employees	14	0.2	186 000	0.2
Treasury shares held by share trusts	4	0.1	8 706 360	6.7
Treasury shares held by subsidiary	1	–	238 796	0.2
Empowerment	2	–	777 767	0.6
Other holdings greater than 10% ¹	1	–	32 734 131	25.0
Public shareholders	7 305	99.6	87 788 750	67.30
	7 327	100	130 431 804	100

SHAREHOLDERS HOLDING 5% OR MORE

Brimstone Investment Corporation Limited			32 734 131	25.10
Public Investment Corporation (SOC) Limited ²			10 733 578	8.20
M and G Investment Managers (Pty) Ltd			14 319 188	11.00
Coronation Fund Managers Limited			10 969 173	8.40
Camissa Asset Management Pty Ltd			7 087 809	5.40

¹ Brimstone Investment Corporation Limited

² Includes Government Employees Pension Fund, Compensation Commissioner Pension Fund and Unemployment Insurance Fund

Climate change – TCFD table

Respecting society's increasing expectations for greater transparency around climate change, our management and reporting approach is progressively aligning with the recommendations of the Financial Stability Board's Task Force for voluntary and consistent climate-related financial risk disclosures ("TCFD").

Oceana's response to the risks posed by climate change is multi-disciplinary and is covered throughout our reporting suite including in our Integrated Report, Sustainability Report, and our annual CDP submission. Undertaking this high-level indexing process has helped us identify gaps in our current disclosure, which will help guide us towards improving our practice in more specific alignment with the TCFD-recommendations in future.

The table below offers guidance on where to find information relating to each of the recommendations of the TCFD. This is in line with our stakeholders' increasing expectations for greater transparency around climate change.

Recommended disclosures	References	Page
Governance		
Disclose the organisation's governance around climate-related risks and opportunities.		
a) Describe the Board's oversight of climate-related risks and opportunities.	Board focus areas in 2022 Energy security and carbon neutrality CDP Climate Response 2022 (Q C1 Governance)	IR 114 SR 38
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Environmental management Energy security and carbon neutrality CDP Climate Response 2022 (Q C1.2 Management responsibility)	IR 90 SR 38
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.		
a) Describe the climate-related risks and opportunities the organisation has identified over the short-medium- and long-term.	Climate change, temperature shifts and extreme weather events Responding to climate risk Energy security and carbon neutrality CDP Climate Response 2022 (Q C2 Risks and opportunities)	IR 46 SR 38
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Climate change, temperature shifts and extreme weather events Responding to climate risk Energy security and carbon neutrality CDP Climate Response 2022 (Q C2 Risks and opportunities)	IR 90 SR 38
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Oceana presently does not use climate-related scenario analysis to inform its strategy due to no sector-specific methodologies available for agriculture or fishing sector companies. In 2023, we will undertake a long-term assessment of our target species, including the potential effects of climate change.	
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks.		
a) Describe the organisation's processes for identifying and assessing climate-related risks.	Responding to climate risk CDP Climate Response 2022 (Q C2.2)	SR 38
b) Describe the organisation's processes for managing climate-related risks.	CDP Climate Response 2022 (Q C2.2)	
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	CDP Climate Response 2022 (Q C2.2)	
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Energy security and carbon neutrality CDP Climate Response 2022 (Q C2.3a, C2.4a)	SR 38
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Our ESG performance at a glance Energy security and carbon neutrality	IR 92 SR 38
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Energy security and carbon neutrality	SR 38

Glossary

ACI	African, Coloured and Indian as defined in South African B-BBEE codes	NBI	National Business Initiative
AFS	Annual Financial Statements	NED	Non-Executive director
AGM	Annual General Meeting	NGO	Non-governmental organisation
B-BBEE	Broad-based black economic empowerment	NSX	Namibian Stock Exchange
BCP	Blue Continent Products (Proprietary) Limited	NPO	Non-profit organisation
BRC	British Retail Consortium	NRCS	National Regulator for Compulsory Specification
CCS	Commercial Cold Storage Group Limited	NSI	Namibia Standard Institute
CDP	Formerly known as the Carbon Disclosure Project	OET	Oceana Empowerment Trust
CEO	Chief executive officer	OHS	Occupational health and safety
CSI	Corporate social investment	OMAP	Oceana Management Advancement Programme
DFFE	Department of Forestry, Fisheries and Environment (South Africa)	PIC	Public Investment Corporation
DFI	Daybrook Fisheries Incorporated	PFSA	Peninsula School Feeding Association
DHA	Docosahexaenoic acid	PPE	Personal Protective Equipment
DoE&L	Department of Employment and Labour	PwC	PricewaterhouseCoopers
DRC	Democratic Republic of Congo	QCTO	Quality Council for Trades and Occupations
DTIC	Department of Trade, Industry and competition (South Africa)	REMCOM	Remuneration Committee
EBIT	Earnings before interest and taxes	RFA	Responsible Fisheries Alliance
EBITDA	Earnings before interest, taxes, depreciation and amortisation	RFP	Request for Proposal
EIA	Environmental impact assessment	RONA	Return on net assets
eNPS	Employee net promoter score	RPS	Replacement performance shares
EPA	Eicosapentaenoic acid	RSA	Republic of South Africa
ERP	Enterprise resource planning	SABS	South African Bureau of Standards
ESG	Environmental, social and governance	SACTWU	Southern African Clothing and Textile Workers Union
EXCO	Executive Committee	SADC	South African Development Community
FAQ	Fair average quality	SADSTIA	South African Deep Sea Trawling Industry Association
FAWU	Food and Allied Workers Union	SAPFIA	South African Pelagic Fishing Industry Association
FSCA	Financial Sector Conduct Authority	SAIMI	South African International Maritime Institute
FD	Financial Director	SAMSA	South African Maritime Safety Authority
FDA	Food and drug administration	SAR	Share appreciation rights
FEMAS	Feed Materials Assurance Scheme	SASSI	Southern African Sustainable Seafood Initiative
FMO	Fishmeal and fish oil	SDGs	Sustainable Development Goals
FRAP	Fishing Rights Allocation Process	SENS	Stock Exchange News Service
GDP	Gross domestic product	SET	Social, ethics and transformation
GFSI	Global Food Safety Initiative	SHEQ	Safety, health environment and quality
GHG	Greenhouse gas	SME	Small and medium sized enterprise
GMP	Good manufacturing practice	SMME	Small, medium and micro enterprise
GRC	Governance, Risk and Compliance	SOP	Standard operating procedure
HACCP	Hazard Analysis Critical Control Point	SR	Sustainability Report
HDIs	Historically disadvantaged individuals	SSF	Small-scale fishers
HEPS	Headline earnings per share	STI	Short-term incentive
HES	Health, Environment and Safety	SCRL	South Coast rock lobster
H&G	Headed and gutted	TAC	Total allowable catch
IFFO-RS	The International Fishmeal and Fish Oil Organisation Responsible Supply	TAE	Total allowable effort
IFRS	International Financial Reporting Standards	TETA	Transport, Education Training Authority
IRBA	Independent Regulatory Board for Auditors	TCTC	Total cost to company
ILO	International Labour Organisation	TCFD	Task Force on Climate-related Financial Disclosures
IR	Integrated Report	TSR	Total shareholder return
IT	Information Technology	USA	United States of America
JSE	Johannesburg Stock Exchange	US	United States
JV	Joint venture	UN FAO	United States Food and Agriculture Organisation
KPI	Key performance indicator	UNGC	United Nations Global Compact
KZN	KwaZulu-Natal	Westbank	Westbank Fishing LLC
LID	Lead independent director	WWF-SA	Worldwide Fund for Nature South Africa
LTI	Long-term incentive	WCRL	West Coast Rock Lobster
LTI FR	Lost Time Injury Frequency Rate	WCRLA	West Coast Rock Lobster Association
LSO	Lucky Star Operations	ZAR	South African Rand
MD	Managing Director		
MOI	Memorandum of Incorporation		
MOU	Memorandum of Understanding		
MSC	Marine Stewardship Council		
MW	Megawatt		
NAFAWU	Namibian Food & Allied Workers Union		
NATAU	Namibian Transport & Allied Workers Union		

Administration

REGISTERED OFFICE AND BUSINESS ADDRESS

9th Floor, Oceana House
25 Jan Smuts Street
Foreshore, Cape Town, 8001
PO Box 7206, Roggebaai, 8012
Telephone: National 021 410 1400
International: +27 21 410 1400
Facsimile: 021 419 5979
Email: nicole.morgan@oceana.co.za
Website: www.oceana.co.za

COMPANY REGISTRATION NUMBER

1939/001730/06

JSE SHARE CODE

OCE

NSX SHARE CODE

OCG

COMPANY ISIN

ZAE000025284

TRANSFER SECRETARIES

JSE Investor Services South Africa Proprietary Limited
13th Floor, 19 Ameshoff Street, Braamfontein
(PO Box 4844, Johannesburg, 2000)

COMPANY SECRETARY

Adela Fortune (Resigned 4 March 2022)
R Buddle appointed Interim Company Secretary (appointed 9 March 2022, resigned 31 July 2022)
Nicole Morgan (appointed 1 August 2022)

BANKERS

The Standard Bank of South Africa Limited
Investec Bank Limited
Rand Merchant Bank Holdings Limited
BMO Harris Bank N.A.
Nedbank Limited

EXTERNAL AUDITORS

Mazars (appointed 21 July 2022)
PwC (resigned in 27 May 2022)

INTERNAL AUDITORS

BDO Advisory Services Proprietary Limited

JSE SPONSOR

The Standard Bank of South Africa Limited

NSX SPONSOR

Old Mutual Investment Services (Namibia) Proprietary Limited

EXECUTIVE DIRECTORS

Chief Executive Officer

Imraan Soomra¹ (Resigned 14 February 2022)

Chief Executive Officer

Neville Brink (Appointed Interim CFO on 14 February 2022, Executive Director on 21 February 2022 and CEO on 2 June 2022)

Chief Financial Officer

Hajra Karrim (Appointed 1 November 2020;
Employment terminated 3 June 2022)

Interim Chief Financial Officer

Ralph Buddle (Appointed Interim Chief Financial Officer on 23 February 2022) (Appointed Executive Director on 3 June 2022)

NON-EXECUTIVE DIRECTORS

Chairman

Mustaq Brey^{2,4}

Lead Independent Director

Peter de Beyer (Appointed 15 July 2021)^{2,3,4}

Saamsodien Pather^{2,3} (Deceased 5 July 2021)

Zarina Bassa^{2,4,5}

Nisaar Pangarker^{1,5}

Lesego Sennelo^{1,2,5}

Nomahlubi Simamane^{1,3,4}

Aboubakar Jakoet^{2,4,5}

Thoko Mokgosi-Mwantembe^{1,3}

Peter Golesworthy^{2,5}

¹ Social, Ethics and Transformation Committee

² Audit Committee

³ Remuneration Committee

⁴ Corporate Governance and Nominations Committee

⁵ Risk Committee

