INTEGRATED REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

OCEANA GROUP

POSITIVELY IMPACTING LIVES

NAVIGATING OUR REPORT

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Access additional information on the web

Cross-reference within the Sustainability Report

IR Integrated Report

AFS Annual Financial Statements

SR Sustainability Report

PRINT

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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

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 4 195 people globally, of whom 2 840 are directly employed and 1 355 are indirectly employed. Oceana is a black-owned company and a Level 1 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, redeye herring and pilchard), as well as 17 land-based facilities.

In addition, we provide refrigerated warehouse facilities and logistical support services.

We process approximately 525 000 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 41 countries in Africa, North America, Asia, Europe and Australia.

OUR CAPITALS

The resources and relationships on which we depend can be described as different forms of 'capital stock and flows' – the assets we need to protect and enhance in order to achieve our strategic objectives. We make trade-offs between our capitals, as discussed on *pages 28 and 34.*

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. 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. 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.

OUR 2021 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
Targeted primarily at current and prospective investors and government.

Sustainability report
Addresses sustainability issues of interest to a broad range of stakeholders.

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

Notice of Annual General Meeting and Form of Proxy
The notice of annual general meeting (AGM) provides supporting information for shareholders to participate in the AGM.

King IV disclosure report
Detailed disclosure against the King Code on Corporate Governance 2016 (King IV) for South Africa.

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

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

CDP (formerly Carbon Disclosure Project)
Overview of our climate change governance, mitigation measures, and the climate change impacts on Oceana.

We welcome your feedback on this report. Please address any queries or comments to our Company Secretary: *companysecretary@oceana.co.za* or call +27 21 410 1400.

INTRODUCTION

ABOUT THIS REPORT

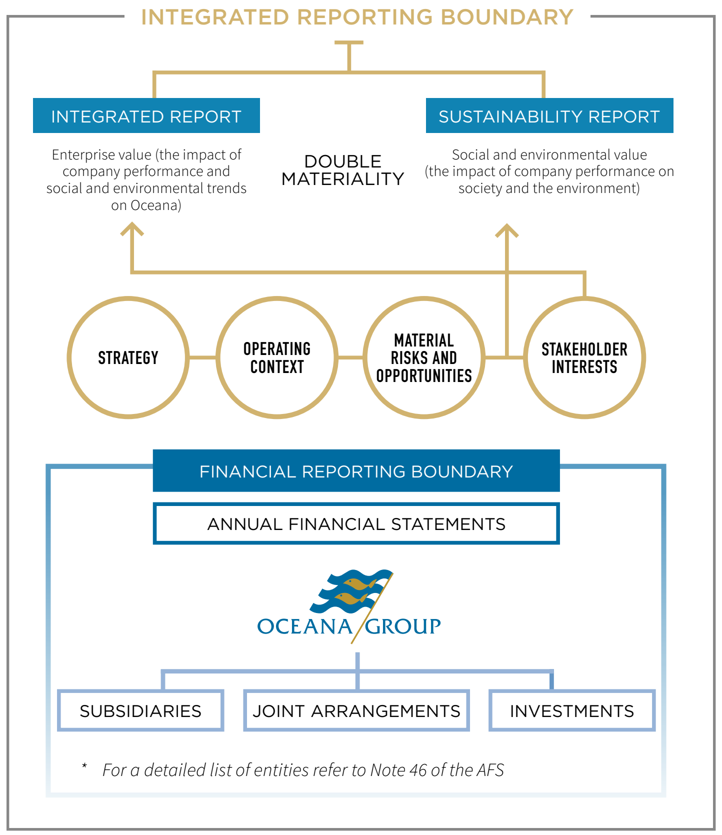
SCOPE, BOUNDARY, AND REPORTING CYCLE

Oceana Group Limited's 2021 Integrated Report provides material information relating to our strategy over the short, medium, and long-term (*page 53*), our business model (*page 26*), operating context (*page 38*), principal risks and opportunities (*page 26*), stakeholder interests (*page 43*), performance and prospects (*page 88*), and governance (*page 96*), covering the financial year ended 30 September 2021. 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 28*).

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 2021, and relates to all the Group's South African, Namibian and USA operations.

Material post-balance sheet events which related to the delay in the finalisation of the financial results and other significant matters, are disclosed in this report, where considered necessary.

The broad-based black economic empowerment (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 the:

- International Financial Reporting Standards (IFRS)
- Report on Corporate Governance ™ for SA 2016 (King IV)
- JSE Listings Requirements
- Companies Act, 71 of 2008, as amended (Companies Act) and
- The recently revised International <IR> Framework of the International Integrated Reporting Council (IIRC)

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 a Nasdaq perception study on Oceana;
- Independent interview process with divisional MDs, exco members, key operational staff, 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 current and prospective 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).

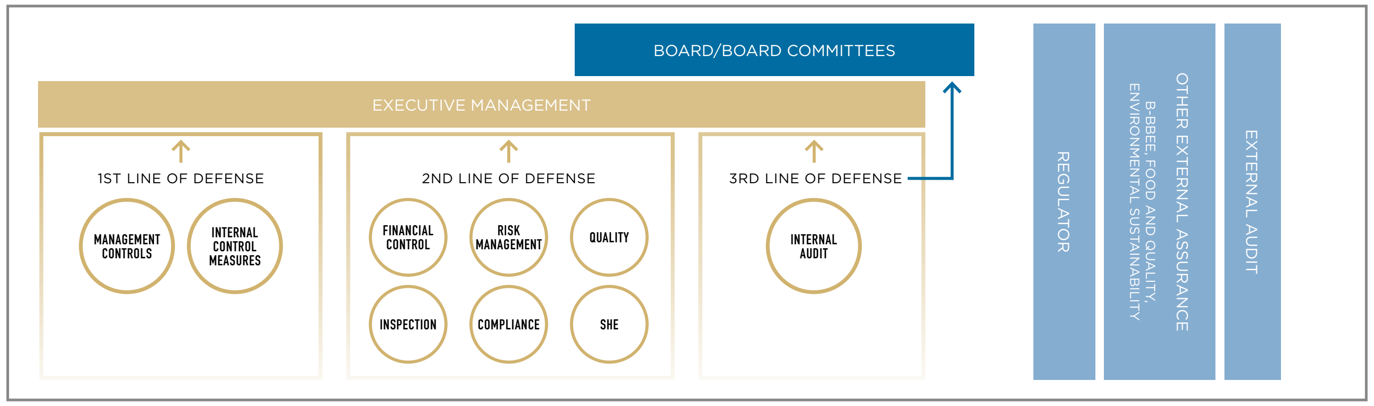
FORWARD-LOOKING STATEMENTS

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

An independent audit of the Group's Annual Financial Statements was performed by PricewaterhouseCoopers Inc. (PwC). The B-BBEE scorecard information was verified independently by Empowerdex and the greenhouse gas emissions by VerifyCO_2. Risk, environmental and 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.

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.



STATEMENT OF THE BOARD OF DIRECTORS ON OCEANA GROUP LIMITED'S 2021 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 IIRC's 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 2021, was approved by the Board of directors on 25 March 2022, and signed on its behalf by

Mustaq Brey
Chairman

Neville Brink
Interim Chief Executive Officer

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 fish 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 BEHAVIOUR

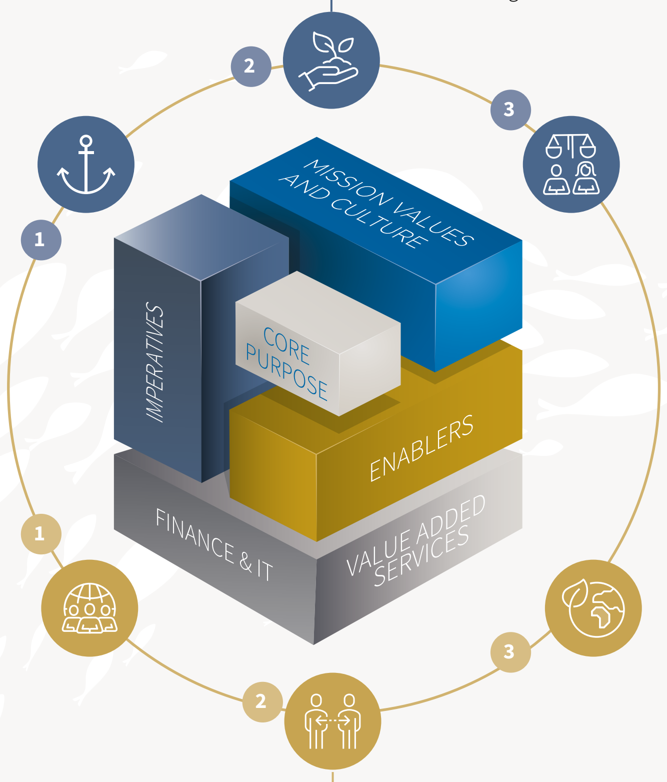
We have instilled a purpose-led culture with a meaningful shift towards positively impacting lives.

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.

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

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.

- LIFE BELOW WATER 14 — RESPONSIBLE FISHING
- DECENT WORK AND ECONOMIC GROWTH 8 — INNOVATING FOR INCLUSIVE DEVELOPMENT/INVESTING IN OUR PEOPLE
- ZERO HUNGER 2 — FOOD SECURITY: HEALTHY, AFFORDABLE PROTEIN
- NO POVERTY 1 — RESPONDING TO COMMUNITY NEEDS
- CLIMATE ACTION 13 — REDUCED ENVIRONMENTAL IMPACT

GROUP PROFILE CONTINUED

Oceana's operations are split into four different business units: Canned fish and Fishmeal (Africa); 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)

Lucky Star harvests, processes and procures small pelagic species, and markets and sells the derived products. The pelagic business is conducted through Lucky Star and Amawandle Pelagic. Our primary product is canned fish which is marketed under the Lucky Star brand. Lucky Star also markets fishmeal and fish oil in South Africa and internationally.

FISHMEAL AND FISH OIL (USA)

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 prime, pet food and FAQ (Fair Average Quality) grade fishmeal.

HORSE MACKEREL, HAKE, LOBSTER AND SQUID

Oceana's horse mackerel fishing business is conducted through our subsidiaries Blue Continent Products (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.

COLD STORAGE AND LOGISTICS

Commercial Cold Storage and Logistics (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.

■ 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 41 geographies remains one of Oceana's strengths, providing a natural hedge when environmental conditions change or in the face of market volatility and economic downturns.

R8.7bn market capitalisation as at 30 September 2021	Oceana is Africa's largest fishing company	5 fishing geographies
41 customer geographies	525 000 tons of fish processed through our land and sea-based production facilities annually	Lucky Star is one of South Africa's favourite brands[1]

Lucky Star is a participant in the South African pelagic fishery and Lucky Star pilchard is a market leader as a key staple protein choice in the canned fish category across South Africa and several other African markets. It is priced near parity to chicken in South Africa.

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. Export sales across Africa account for 95% of horse mackerel total revenue, competing against other commodity type products namely whole fish and other proteins.

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 9 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, but remains undervalued by the market. Our global peer group has higher leverage, but we remain in line with peers domestically.

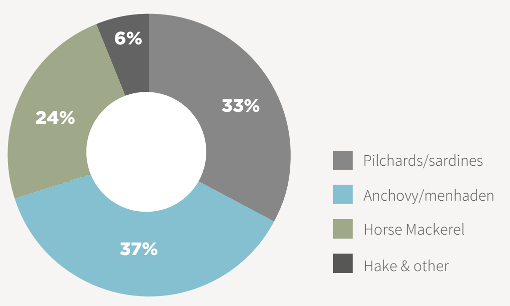
1 *Sunday Times Top Brands and Kasi Star brands surveys*

GROUP PROFILE CONTINUED

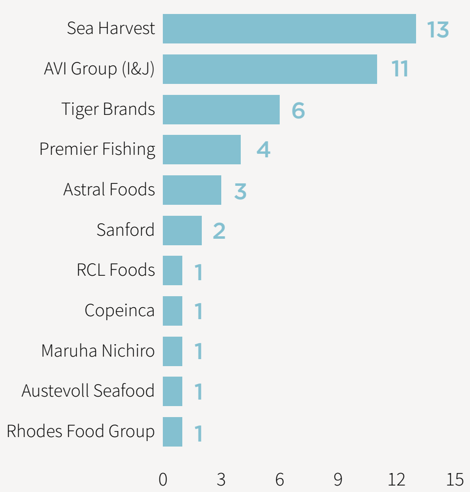
We commissioned Nasdaq Global Perception as a third party to conduct an unfiltered assessment of our Group's perception by our investment community during 2021. The results included verbatim feedback from 16 investors and analysts, including 13 buy-side and 3 sell-side professionals.

The study provided insights into the local and international companies that investors consider when comparing Oceana's fishing business (see below for our closest investment peers). The vast majority of study participants found it difficult to distinguish direct comparables to Oceana Group, pointing to diversity of fish species, size, and geography.

SPECIES



INVESTMENT COMMUNITY VIEWS: CLOSEST INVESTMENT PEERS (COUNT OF CITATIONS)



DIVERSIFIED OPERATIONS AND EARNINGS AND OUR CLOSEST INVESTMENT PEERS

Relative to peers, Oceana Group was rated above average as an investment opportunity with interviewees assigning an overall rating of 4.1 (on a scale of 1.0 POOR to 5.0 EXCELLENT).

Favourable attributes cited:

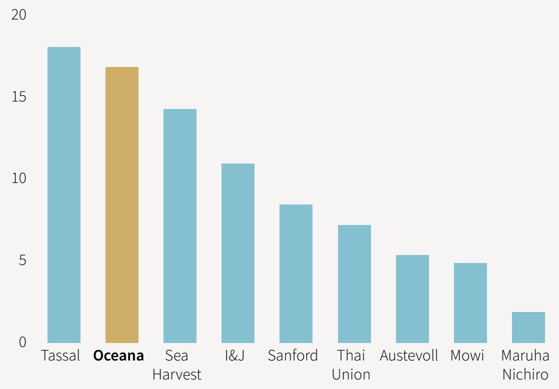
- ✓ more attractive valuation
- ✓ better growth prospects
- ✓ ungeared balance sheet (relative to international peers)
- ✓ more diversified, superior brands
- ✓ clear articulation of the strategy
- ✓ extensive ESG disclosure
- ✓ longer track record

Select study participants cited the high quality of the Lucky Star brand and diversity of operations, quality and depth of the management team, high dividend yield and the defensive nature of the business as attractive components of the investment thesis. Balancing the above attributes, however, were perceived concerns around fishing resource volatility, South African macro-economic and political challenges and exposure to lower premium products.

Although some study participants expressed concerns around the fishing rights allocation process in 2021 and Oceana Group's reliance on South African quotas, most interviewees were not unduly concerned about the allocation process, given the relatively small impact to the overall business. The sustainability of biomass, catch allowance as well as the uncontrollable volatility of the resource base, were also highlighted as points of concern.

For investor feedback on management strength and weaknesses, see *page 17*.

OCEANA'S PEERS
Operating margin analysis (%)



[1] *The FRAP process was finalised in March 2022 and Oceana received largely the same allocation as previously held.*

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

SUPPLY OF NATURAL CAPITAL AND OCEAN STEWARDSHIP

The success of our business ultimately depends 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, a credible rating methodology overseen by WWF South Africa.
- 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 the South African Department of Forestry, Fisheries and Environment (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 small-scale fishers and the industry at large to grow their capacity in responsible harvesting through the Oceana Maritime Academy.

For further information on our sustainable fishing commitments and practices refer to our SR *page 42*.

JOB SECURITY AND THE GROWTH OF 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 remain innovation challenges. Beyond job security, 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.

- During the lockdown periods, maintaining jobs was a critical priority and no retrenchments or salary cuts were implemented as a result of Covid-19 over the last two years.
- Over the years we've retained thousands of jobs in South African and Namibia, profitably, by repurposing our assets through innovation and adaptation.
- The Oceana Empowerment Trust (OET), which vested this year, created almost R1 billion in value for targeted beneficiaries over its lifetime. For many employees, it has been life changing.
- Building on this success, our second scheme, the Saam-Sonke Trust, will give employees equal allocation irrespective of race, gender, and role, shifting the focus from personal empowerment to personal responsibility.

For further information on our empowerment trusts see *page 54* of the IR. In terms of how we galvanise our workforce and enable high performance and purposeful action see *pages 72* in our IR and *27 to 37* in our SR.

GROUP PROFILE CONTINUED

FOOD SECURITY AND ITS ROLE IN AFRICA'S DEVELOPMENT

The pandemic has pushed back gains made in food security over the past decade and, unless major shifts take place, the world will not end hunger by 2030. One third of these hungry people are in Africa, requiring a renewed collective effort at unprecedented scale. We see our role in 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.
- 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 39* in our SR for further details on how we provide nutritious and affordable food in our key markets.

RESPONSIBLE EMISSIONS AND OUR COMMITMENT TO CARBON NEUTRALITY

As the immediate threat of Covid-19 gives way to awareness of a range of interrelated systemic challenges, climate change will be front of mind. The IPCC 2021 report also confirmed the unequivocal human influence on the warming of the atmosphere, ocean and land. Following the work of our Energy Resilience Team, we are preparing to launch 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 of which 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 our IR *page 24* and SR *page 48*. To see our response to the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), see *page 151*.

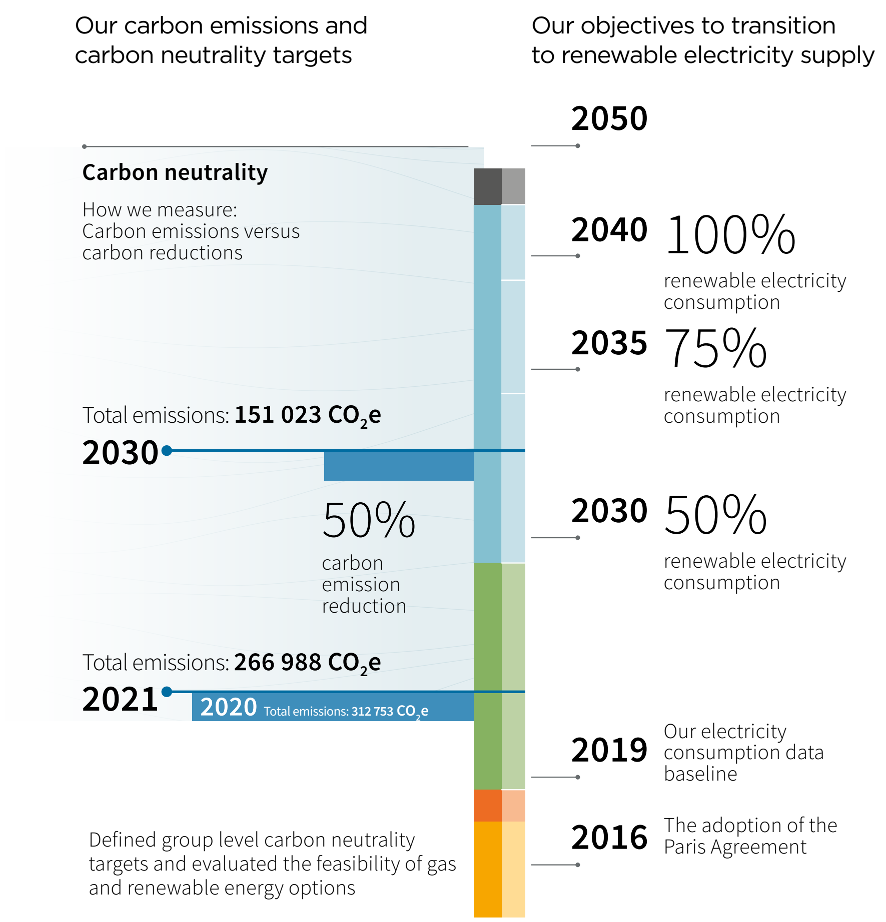
OUR CARBON EMISSIONS AND CARBON NEUTRALITY TARGETS

Pathways to carbon neutrality

We aim to achieve carbon neutrality by 2050 through a number of proposed interventions:

- Electric boiler conversion (using renewable energy electricity)
- Coal conversion to natural gas
- Renewable energy installation
- Freon conversion
- EV switch – Diesel and petrol
- MGO switch to Hydrogen
- IFO switch to Hydrogen
- Diesel switch to Hydrogen

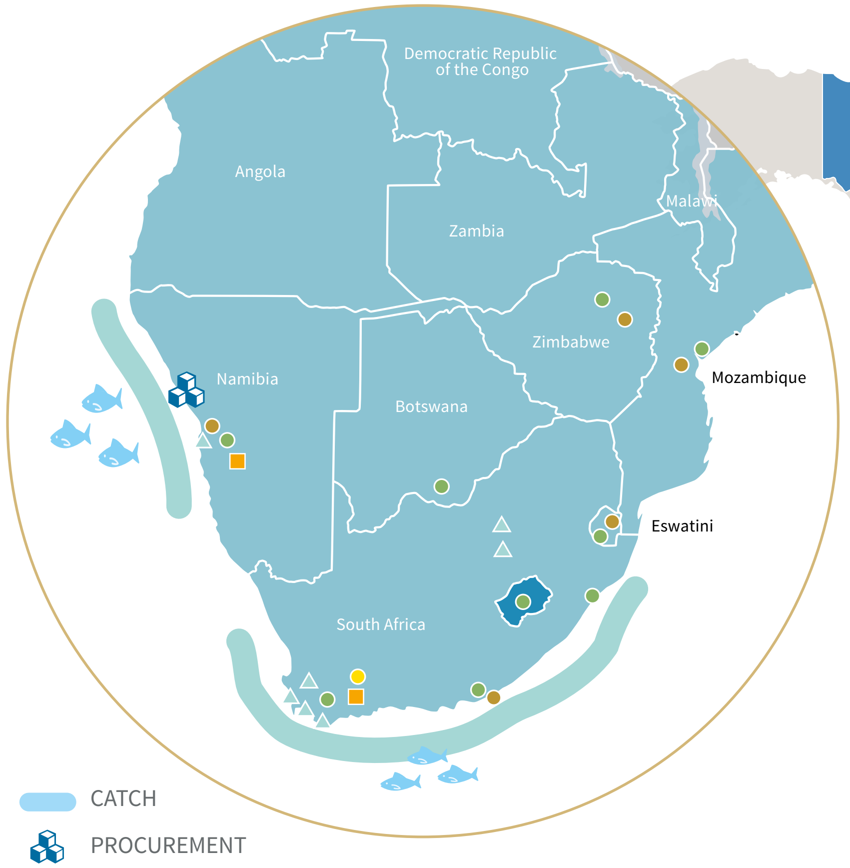
These interventions are based on feasibility studies we've conducted and will be adjusted according to evolving viability and technology.

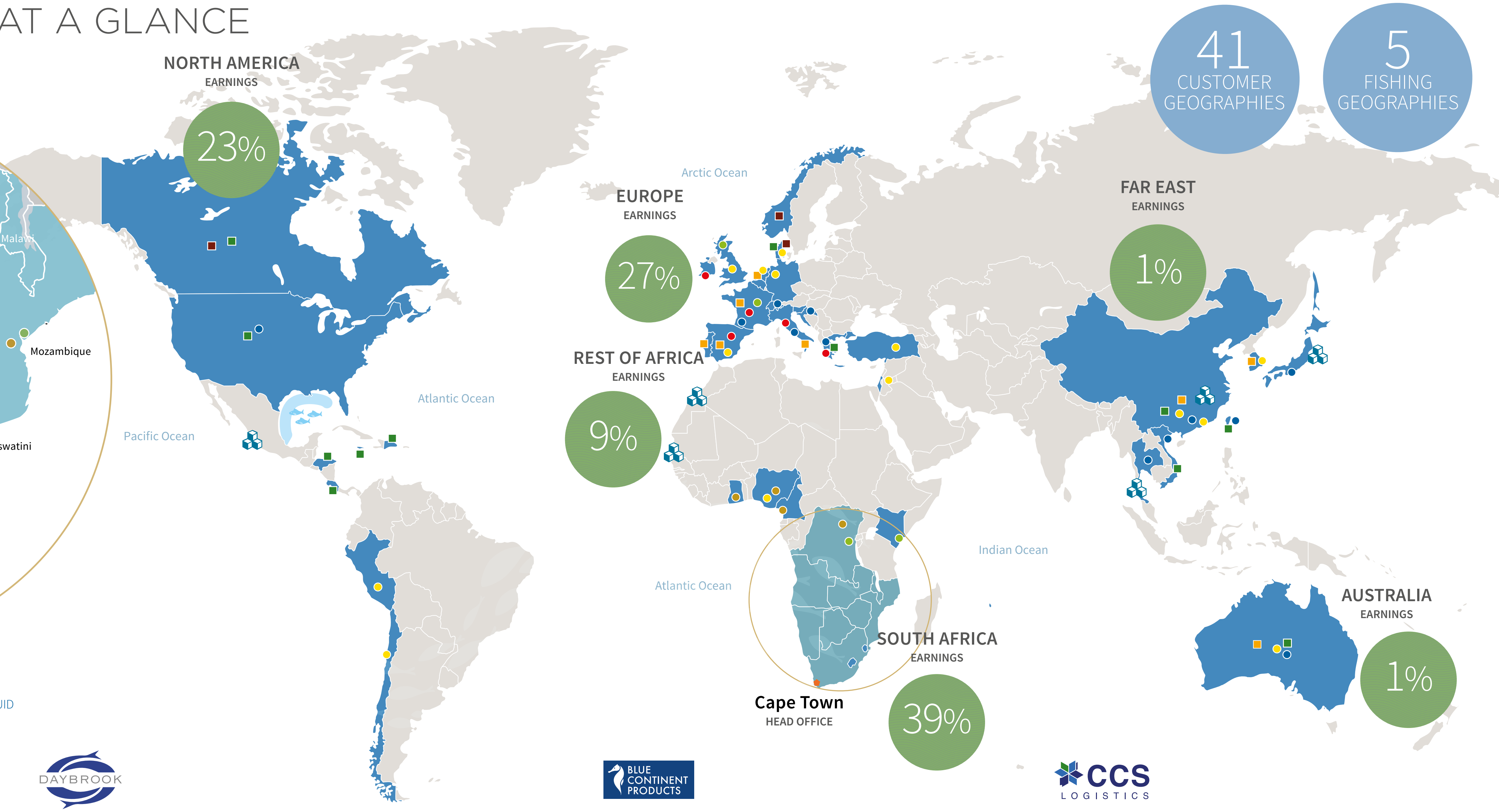


THE OCEANA GROUP AT A GLANCE

PRODUCTS AND MARKETS

REGIONAL CONTRIBUTION TO GROUP EARNINGS





CATCH

PROCUREMENT

MARKETS

CANNED FISH · FISHMEAL AFRICA · HORSE MACKEREL · LOBSTER · SQUID · FISHMEAL (USA) · FISH OIL · HAKE · COLD STORAGE AND LOGISTICS

PRODUCTS AND MARKETS (LUCKY STAR)

Canned pilchards: Marketed and sold mainly under the Lucky Star brand in South African and African markets, and under the Glenryck brand in European markets.

Canned tuna, sardines, mackerel and other canned foods (canned meat, chakalaka and baked beans): Marketed and sold under the Lucky Star brand in South Africa.

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 aqua feed and animal feed sectors.

16	5	2 195
VESSELS	PRODUCTION FACILITIES	EMPLOYEES

PRODUCTS AND MARKETS (DAYBROOK)

Fishmeal: Prime, pet food and FAQ grade fishmeal primarily for the aquaculture, baby pig and speciality pet food industries sold mainly in USA, China and Canada.

Fish oil: Omega-3-rich crude fish oil used by the aquaculture and cattle feed industries sold mainly in Denmark, Norway and Canada.

All products are derived from the Gulf menhaden species.

12	1	379
12 VESSELS & 12 PLANES*	PRODUCTION FACILITY	EMPLOYEES

* *Westbank Fishing LLC*

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 food services market in frozen form.

Live and frozen West Coast rock lobster: Sold to Far Eastern and European markets.

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

Squid: Sold to markets in Europe and Japan.

19	4	1 103
VESSELS	PRODUCTION FACILITIES	EMPLOYEES

PRODUCTS AND SERVICES (CCS)

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

We store a range of products. Main products stored and handled include fish, poultry, meat, vegetable and fruit concentrate.

7	100k	378
COLD STORAGE FACILITIES	PALLETS	EMPLOYEES

OUR PERFORMANCE AND VALUE CREATION AT A GLANCE

REVENUE R7.6bn
2020: R8.3bn

OPERATING PROFIT R1.2bn
2020: R1.4bn

HEPS 550 cents
2020: 628.4 cents

OPERATING PROFIT MARGIN 15.7%
2020: 16.8%

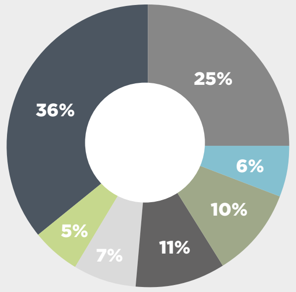
CASH BALANCE R934m
2020: R1.4bn

LEVERAGE RATIO 1.5 times
2020: 1.4 times

DPS 358 cents
2020: 393 cents

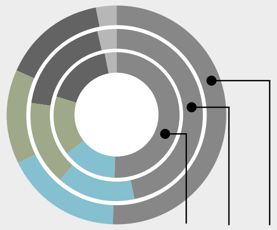
VOLUMES SOLD 300 751 tons
2020: 385 528 tons

OWNERSHIP



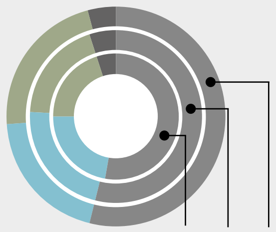
- Brimstone – 32 627 113 shares
- Saam-Sonke – 7 825 908 shares
- PIC – 13 286 677 shares
- M&G Investments – 13 623 726 shares
- Foord – 9 400 079 shares
- Coronation Fund Managers – 6 931 093 shares
- Other – 46 737 208

REVENUE CONTRIBUTION BY REGION



	2019	2020	2021
South Africa	51%	47%	51%
Rest of Africa	14%	15%	17%
UK and Europe	15%	16%	14%
North America	17%	19%	15%
Far East, Australia and other	3%	3%	3%

REVENUE CONTRIBUTION BY SEGMENT



	2019	2020	2021
Canned fish and fishmeal	53%	54%	54%
Fishmeal and oil (USA)	22%	22%	20%
Horse mackerel, hake, lobster and squid	20%	19%	22%
Commercial cold storage	5%	5%	4%

OVER
45 000
DIRECT, INDIRECT AND INDUCED JOBS

R7.5bn
annual GDP contribution to West Coast communities in South Africa

MOST EMPOWERED FOOD PRODUCER IN
2019
*Study has not been completed in 2020 and 2021

Skills development spend on black employees
83% in 2021
(South Africa and Namibia)

R6.8m
invested in fishing communities
(South Africa and Namibia)

43% FEMALE REPRESENTATION IN SA WORKFORCE OF WHOM 95% ARE BLACK

We prioritise diversity

60%	black executive managers
90%	of procurement spend is directed to B-BBEE suppliers

45%
FEMALE REPRESENTATION ON THE BOARD
(2020: 40%)

Providing healthy, affordable food is our biggest impact

Maintained our FTSE4 Good inclusion on the JSE

Almost
R1bn
distributed to OET beneficiaries over 10 years

Level 1
B-BEE CONTRIBUTOR

86.5%
of fish harvested is SASSI green-listed

In terms of our value creation for our various stakeholder groups refer to page 43.

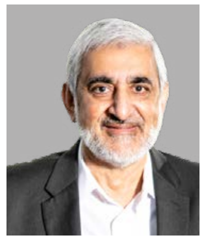
OUR BUSINESS

WHO GOVERNS US

DIRECTORATE

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.

The Board comprises eleven members, the majority of whom are non-executive directors, and a strong lead independent director to ensure that the necessary independence is maintained in the functioning of the Board.



Mustaq Brey (68)

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

26 44

Neville Brink (61)

Interim Chief Executive Officer
Marketing Management

25 35

Hajra Karrim (45)

Chief Financial Officer, executive director
BCom (Hons), CA(SA)

1 19

Peter de Beyer (66)

Independent non-executive director
BBusSc, FASSA

13 44

Zarina Bassa (57)

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

10 33

Nomahlubi Simamane (62)

Independent non-executive director
BSc (Hons)

12 39

Bakar Jakoet (65)

Independent non-executive director
CA(SA)

2 38

Lesego Sennelo (44)

Non-executive director
BCompt, BCom Acc (Hons), HDip Auditing, CA(SA)

4 18

Nisaar Pangarker (50)

Non-executive director
BBusSc, MBA

4 26

Peter Golesworthy (63)

Non-executive director
BA (Hons) Accountancy Studies, CA

1 39

Thoko Mokgosi-Mwantembe (60)

Non-executive director
BSc, MSc

1 33

WHO LEADS US

INVESTMENT PROFESSIONALS' SENTIMENT ON MANAGEMENT

The Nasdaq perception study (see *page 8* for details) highlighted that most investment professionals expressed favourable sentiments around the breadth and experience of Oceana's management team, describing the team as solid, competent, and astute. Investment professionals appreciate the leadership team's knowledge of the business, accessibility, helpfulness, and clear communications of the strategy. The focus on cost control and efficiency, shareholder friendly approach to business, and capital allocation was also well received. Investors and analysts found it difficult to pinpoint specific weaknesses of the management team, however, a small portion of the study group identified limited accessibility to divisional managers and vacant positions as areas for improvement. These have subsequently been filled.

STRENGTHS (+):	INDUSTRY EXPERTISE	ACCESSIBILITY	CAPITAL ALLOCATION	SOLID STRATEGY	TRANSPARENCY	FOCUS ON SHAREHOLDERS
WEAKNESSES (-)	VISIBILITY ON DIVISIONAL MANAGERS	VACANT POSITIONS				

Neville Brink (61)

Interim Chief Executive Officer
Marketing Management

25 35

Hajra Karrim (45)

Chief Financial Officer, executive director
BCom (Hons), CA(SA)

1 19

Trevor Giles (51)

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

22 26

Bronwynne Bester (43)

Chief People Officer
BCom (Hons), MCom

1 17

Zodwa Velleman (45)

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

2 18

Suleiman Salie (54)

Managing director of Lucky Star Operations
BSc Mech Eng

11 31

Bjorn Kwak (42)

President of Daybrook Fisheries
Bachelors in Law

9 18

Jillian Marais (49)

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

10 23

Lourens de Waal (55)

Managing director of Lucky Star Marketing and Sales
HND in Cost & Management Accounting

9 31

Ralph Buddle (55)

Interim Chief Financial Officer
CA(SA)

0 35

The following changes took place during the year:

- Saamsoodein (Shams) Pather sadly passed away on 5 July 2021
- Peter Golesworthy and Thoko Mokgosi-Mwantembe were appointed to the Board in April 2021
- Hajra Karrim was appointed on 1 November 2020

The following changes took place post financial year-end:

- Neville Brink, who was appointed as Interim CEO on 14 February 2022 and an executive director on 21 February 2022, is also the Managing Director for Blue Continent Products
- Ralph Buddle was appointed as Interim Chief Financial Officer on 23 February 2022 and as Interim Company Secretary effective 9 March 2022
- Imraan Soomra resigned as CEO and an executive director effective 14 February 2022
- Hajra Karrim was suspended on a precautionary basis pending a disciplinary process on 6 February 2022
- Jay Erskin resigned as President of Daybrook Fisheries effective 30 November 2021
- Bjorn Kwak was appointed as President of Daybrook Fisheries effective 1 December 2021

Years of service
Years of experience

CHAIRMAN'S REPORT

This has been one of the most difficult and traumatic years that I have faced in my fifty-year career, with an unprecedented whistle-blower incident at year-end coming on top of the persistent impacts of the second year of the Covid-19 pandemic.

Mustaq Brey
Chairman

For the first time in Oceana's long history, we have had to delay publication of our financial results and our annual report, and we have seen the unexpected departure of the CEO and company secretary, and the suspension of our CFO. On behalf of the Board, I wish to express our regret for any anxiety that the uncertainty around these events has caused for Oceana's staff, our shareholders, and all our stakeholders. We have learnt from this experience, and the Company is emerging from it stronger, wiser, and more resolute to deliver on the mandate entrusted to us by our shareholders, investors, employees and all other stakeholders. It has been a tough year, but the company remains resilient, and I believe it is well positioned for continued growth.

In July 2021 this year we lost a dear friend and colleague on the Board, Saamsoodein "Shams" Pather, an exceptional leader, who served on the Oceana Board for more than 25 years. Shams led with integrity and humility, stood his ground on issues of principle, and had a wonderful sense of humour. He leaves a strong legacy; we miss him sorely.

ENSURING STRONG GOVERNANCE PROCESSES IN RESPONSE TO WHISTLE-BLOWER ALLEGATIONS

Our performance this year has been dominated by the profoundly disappointing delay in publishing our financial year-end results, following concerns raised in October 2021 by a senior member of management relating to the accounting treatment pertaining to our US subsidiary, along with various other allegations regarding alleged governance issues and impropriety. Due to the nature of the queries raised directly with the Group's newly appointed external auditors, and the seniority of the individual raising the matter, it was deemed appropriate by the Board to treat the matter from the start as a whistle-blower process. We afforded whistle-blower protection to the individual concerned, and appointed ENSafrica's Forensics department to carry out a thorough independent investigation of the matters raised, notwithstanding the Board's view that many of these allegations were unfounded. Given the recent corporate and accounting failures in South Africa, the Board chose a particularly rigorous process, and we were extremely conservative in our approach, providing the forensic investigators with the space and time needed to conduct an unhindered investigation.

As outlined in more detail in the Audit Committee report (on *page 104*) the investigations found no evidence of fraud, misappropriation or loss of funds, or management override of controls. After completion of the initial investigation in December 2021, a further matter was raised by the auditors that required additional investigation to probe the dating of signatures for a US$4.2 million insurance claim that was lodged for losses arising from Hurricane Ida in the US. This second investigation, which was initiated on 4 February 2022, caused additional delays in the release of our results.

In the interest of transparency, a detailed summary of the forensic investigation's findings was made available on Oceana's website on 25 February 2022. As outlined in that summary, the investigation found no evidence of 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 differences in interpretation of the accounting treatments of certain transactions. Refer to the audit committee report for further details.

Notwithstanding the findings, PwC have recommended some technical changes to the accounting treatment of Daybrook's investment in Westbank; this has resulted in a change in the accounting treatment from equity accounting 25% of the holding, based on our ownership percentage, to proportionately consolidating 100% of Westbank and then removing 75% as a liability to joint operator. The restatement has not resulted in any change to NAV or profit, with the impact of the relevant entry accounting for less than 1% of the Group's profit before tax. It should be noted that the previous auditors have confirmed their prior period view on the treatment of the investment. A further accounting issue pertaining to the same US subsidiary that came under review is the accounting treatment of a US$3.5m asset on the Group's balance sheet in respect of Westbank that arose prior to the new shareholder taking ownership in 2018. Specifically, the technical accounting team considered whether the amount should be in the cost of investment in an associate, goodwill, or written off. The final accounting treatment has been an increase in goodwill of US$4.4m and a reallocation of US$3.5m from current assets to goodwill.

On allegations relating to Oceana's acquisition of COVID-19 related supplies, the investigation found that the procurement policy and supplier screening processes were applied and there was a valid rationale for the purchases. Allegations that management exercised undue influence on the remuneration incentives were found to have no merit. Further allegations touched on critical matters such as company culture, management style and conflicts of interests within the organisation. While these instances are not prevalent throughout the organisation and seemed to be rather isolated to specific individuals, the Board views these matters seriously and will initiate staff training and encourage all employees to live the culture statement.

INITIAL FIVE REPORTABLE IRREGULARITIES

After the financial year end, the external auditors lodged five Reportable Irregularities (RIs) with the Independent Regulatory Board for Auditors (IRBA). The first three RIs pertain to behavioural misconduct, suspected confidentiality and fiduciary bridge issues, where disciplinary action is in process or the individuals are no longer with the company, and the contraventions are in respect of matters that have not impacted the financial statements. The fourth and fifth RIs related to the backdating of signatures on an internal document pertaining to an insurance claim in the amount of US$4.2 million in respect of damages resulting from the Hurricane Ida in the US. The forensic investigation found no other instances of incorrect dating of insurance documents, no evidence of a deliberate attempt to misrepresent through the incorrect dating of the insurance claim, and no intent to mislead the investigation through an identified confidentiality breach. Disciplinary actions have been initiated against the relevant individuals, together with appropriate training and culture interventions. PwC have reported all five RIs as no longer ongoing.

FURTHER RIs

There were 3 categories of further RIs (comprising 6 further RIs in total), that were reported by PwC to the Company and the relevant subsidiaries on 21 March 2022. These affected 6 different entities, including the Company. These categories were, broadly speaking backdating of resolutions and journal entries in respect of dividends to be declared by the subsidiaries, the backdating of a Subordination Agreement between the Company and one of its subsidiaries Lucky Star Limited to the date when the resolution was passed by Lucky Star Limited to enter into the Subordination agreement and lastly the backdating by a third party insurance broker, the insurance brokers for the Company and its subsidiary Commercial Cold Storage (Pty) Ltd ("CCS") in relation to a claim for legal fees that was incurred by CCS in a litigation matter against a third party.

The Board considered PwC's further 6 RIs, took legal advice on the issue and responded in detail to PwC on 22 March 2022 as contemplated in terms of the process set out in section 45 of the APA. In relation to all 6 of the RIs, the Board was of the view that the conduct in question did not meet the threshold of triggering section 45 of the APA, it nevertheless responded comprehensively to PwC on each RI and addressed any perceived concerns and risks that PwC raised as well as provided PwC with remedial steps that it intended to take in the circumstances.

PwC have reviewed the responses by management to the further 6 RI's described above and are satisfied that the RIs are no longer taking place (classified as "not ongoing" from a regulatory reporting perspective) and that where appropriate, the Company has taken, or is taking, disciplinary action in accordance with the Company's disciplinary code and procedures and with due cognisance of applicable labour legislation. PwC have notified the IRBA accordingly on 24 March 2022 that these reportable irregularities are not ongoing.

CHAIRMAN'S REPORT CONTINUED

During the year-end process the Board met to review the quality and effectiveness of the newly appointed external auditors. While we are cognisant of the many challenges experienced, the Board has expressed some concerns regarding the relationship with the external auditors and the appropriateness of certain audit processes. These have been addressed with our external auditors and will be considered during the 2022 financial year.

Informed by other issues identified during these investigations, the Board suspended the CFO on a precautionary basis, pending a disciplinary process. The issues being addressed as part of the disciplinary process do not pertain to matters concerning the Company's financial information, nor do they include complicity on her part in respect of the subject matter of the investigation by ENS Forensics. A grievance has been lodged by the CFO relating to her suspension and disciplinary process; this is still being dealt with.

The Company was informed by the Financial Sector Conduct Authority ("FSCA") on 21 February 2022 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 Company engaged with the FCSA on 23 February 2022 in order to address their queries. We await their conclusion on the matter and will continue to co-operate fully with them to the extent still required, if at all, until their investigation is finalised.

I recognise that these developments have fuelled media speculation. As a Board we have had to be mindful of mutual obligations of confidentiality in respect of the resignations of the CEO and the Company Secretary, as well as the need not to jeopardise the pending process relating to the CFO, and to respect the employment law obligations of all concerned. Taking these considerations into account the Company considered it not appropriate to provide full details regarding the resignations and the suspension of the CFO and the pending processes.

Throughout this period we have been unwavering in our adherence to sound corporate governance principles. We have engaged with the JSE, lenders and shareholders as needed throughout this process and have formally requested an extension of the reporting timelines related to the Company so that trading of its shares are not suspended. We are acutely aware of the serious impact of the delays on our shareholders, and we extend the Board's sincere thanks for our shareholders' support and understanding during this period. This process has been extremely difficult for everyone involved – our management, auditors, shareholders, and the Board – and I wish to express my appreciation for their understanding and patience in addressing these issues.

FACING UP TO THE PERSONAL AND PROFESSIONAL IMPACTS OF THE PANDEMIC

The pandemic has had a profound impact on all of us, both personally and professionally. At a personal level, most of us have had a family member, friend or colleague who has been severely affected by the pandemic. It saddens me hugely that in the past two years, six Oceana employees have died due to Covid-related complications; I extend my sincere condolences to the families of all those who have been affected. In July 2021 we lost a dear friend and colleague on the Board, Saamsoodein "Shams" Pather, an exceptional leader, who served on the Oceana Board for more than 25 years. Shams led with integrity and humility, stood his ground on issues of principle, and had a wonderful sense of humour. He leaves a strong legacy; we miss him sorely.

At a professional level, the pandemic has fundamentally changed the way we all work, disrupting business models and bringing unsettling levels of uncertainty that have tested our individual and collective resilience and agility. While we all hope to see a return soon to some form of normality, it is clear the impacts will be with us for a long time; in many respects the way we continue to do business will never entirely be the same.

STRONG PERFORMANCE AMIDST THE CHALLENGES

In this incredibly challenging context, the Oceana team has done exceptionally well, and I must compliment them for their collective response, and the strong teamwork visible throughout the year. It has been especially heartening to see the compassion of the Oceana staff who came together unprompted to package food parcels in response to the needs of our host communities. Whether working in Oceana's canning and fishmeal plants, its vessels and cold storage facilities, or remotely from home, we have seen a phenomenal sense of camaraderie across the company. We have learnt much from this pandemic, and have come through it stronger, laying a very solid foundation for the future.

Looking back at the company's performance this year, various highlights stand out. It has been pleasing for example to see the continuing market resilience of the Lucky Star product and brand, further boosted by the successful market entry in adjacent categories. In addition to contributing to top- and bottom-line growth, these product innovations have enabled Oceana's canning plants to utilise spare capacity and increase employee workdays in our host fishing communities. Boosting employment opportunities and giving dignity back to individuals and communities facing economic uncertainty has been a longstanding priority for Oceana and is particularly important in the current economic climate. I believe that it is Oceana's evident commitment to promoting socioeconomic transformation that underpinned the Government's welcome decision, in February 2022, to grant Oceana 15-year fishing rights in five sectors in the delayed Fishing Rights Allocation Process (FRAP). The completion of FRAP has brought some certainty to our industry and will encourage further investment in the sector.

In our USA operation, although landings of Gulf menhaden were negatively impacted by weather and biomass movements, the ground-based operations have delivered a step-change improvement in performance where the oil yield and price remain strong. Despite recent weather-related challenges the company has continued to deliver above the anticipated business case that informed the acquisition; I believe that this will continue to be a very good business going forward.

In addition to the significant impacts of the pandemic there have been some other headwinds: a shortage of frozen fish supply from Morocco led to reduced production volumes at our Lucky Star cannery; the Desert Diamond suffered main engine damage in October 2020 resulting in the vessel being non-operational for 49 days; in July 2021, the Group's Lucky Star canned fish operations were disrupted by civil unrest and looting in KwaZulu-Natal; our USA operations were affected by Hurricane Ida; and the cold storage business has felt the impacts of a constrained consumer market.

In our detailed annual review this year of the Oceana Group's growth strategy, the Board reaffirmed the six broad strategic focus areas, and we agreed to hold back on any possible acquisitions given the continuing market uncertainties and the pandemic-related challenges that constrain our ability to undertake thorough due diligence. Once the time is right, we believe that there are some exciting opportunities for acquisitive growth. We have continued the process of deepening the leadership and technical skills of the Oceana team to ensure that they are fit-for-purpose to lead a globalising business, and we continue to look out for global fishing expertise to complement our management team and our Board.

CHANGES ON THE BOARD

Following the sad passing of our Lead Independent Director and chairman of the Audit Committee, Mr Shams Pather, on 5 July 2021, the Board appointed Mr Peter de Beyer as Lead Independent Director, with effect from 15 July 2021 and Ms Zarina Bassa as chairman of the Audit Committee effective 14 July 2021. In addition, I am pleased to welcome two non-executive members to the Board – Peter Golesworthy and Thoko Mokgosi-Mwantembe – both of whom joined the Board in April 2021, bringing extensive leadership and strategic experience. Recognising the longevity of some of our Board members, we have identified some new appointments and will be transitioning some long-standing members. In doing so, we will ensure that we achieve the best balance in terms of skills, experience, insight, and diversity, with a particular emphasis on further deepening entrepreneurial and fishing sector skills, as well as international business experience.

Mr Imraan Soomra resigned 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.

As announced on 7 February 2022, Ms Hajra Karrim, the Group's CFO was suspended on a precautionary basis pending a disciplinary process and a grievance has been lodged by the CFO in relation to the suspension. Mr Ralph Buddle was appointed as Interim CFO effective 23 February 2022.

Ms Adela Fortune resigned as Company Secretary effective 15 March 2022.

OUTLOOK

Looking ahead, I anticipate another challenging year. The pandemic impacted an already fragile South African economy, and it has placed significant further pressure on existing high unemployment levels and low levels of consumer and business sentiment. We continue to see impacts on global supply chains, as well as ongoing levels of economic uncertainty, compounded by the impacts of the war in Ukraine. Despite this tough outlook, I remain confident that Oceana will continue to build on the resilience that underpins its 104-year history, aided by the diversity of its portfolio, the nature of its product offerings and brands in the affordable nutrition space, the strength of its balance sheet, and the quality of its management team and workforce.

ACKNOWLEDGEMENTS

At the end of this tumultuous year, I would like to express particular thanks to the non-executive Directors – and particularly our lead independent director and chairs of the Audit and SET Committees – for their exceptional service, unwavering commitment, and professionalism in responding to the whistle-blower concerns, and to availing themselves diligently and extensively throughout the extremely challenging process that ran from late October 2021 through to March 2022. Their dedication has been essential in maintaining the integrity of the Group and its governance processes.

On behalf of the Board, I would also like to thank both Neville Brink and Ralph Buddle for stepping in as interim CEO and CFO respectively. Neville has 35 years of experience in the fishing sector, with 27 years working across Oceana including 11 years as a managing director, while Ralph brings valuable retail and FMCG experience in finance, strategy, and M&A and investor relations. We wish also to express our deep appreciation to our partners, suppliers, customers, investors and lenders for their patience and understanding throughout the uncertainty of the last few months, and to the Oceana management team and to all of Oceana's employees for their role in helping Oceana to continue to thrive in challenging times. The events this year have certainly tested us, but I believe that the Company has risen to the challenge. Our values are clear, our culture is strong, our operations are sound and it is time to move forward.

We wish also to express our deep appreciation to our partners, suppliers, customers, investors and lenders for their patience and understanding throughout the uncertainty of the last few months, and to the Oceana management team and to all to Oceana's employees for their role in helping Oceana thrive in challenging times.

Mustaq Brey
Chairman
25 March 2022

CHIEF EXECUTIVE OFFICER'S REPORT

It is an incredible privilege for me to take on the role of interim CEO at Oceana, a company where I have spent 27 years of my 35-year career in the fishing sector, working in all of Oceana's fishing divisions. I have been brought in under challenging circumstances following the sudden resignation of my predecessor, for personal reasons. My most immediate task since taking on this role has been to stabilise the Oceana ship and boost staff morale, which had been severely impacted by the uncertainty following the recent whistle-blowing incident, the subsequent disciplinary process with the suspended CFO, and the CEO's resignation. While unfortunate, these developments have not impacted the business fundamentals that remain strong, underpinned by robust demand and solid supply across our species.

Neville Brink

Interim Chief Executive Officer

STRATEGIC PERFORMANCE REVIEW

Since taking office, I have met with most of the Group's senior managers and head office staff in person and engaged via video with all of Oceana's employees in our vessels and land-based operations. It has been encouraging to see the positive response across the Group, with staff reassured about the Company's stability and its long-term growth prospects. This renewed energy has been further strengthened by the recent positive outcome of the delayed 2020 Fishing Rights Application Process (FRAP), in which Oceana secured 15-year rights in hake (deep sea trawl) small pelagics (pilchard and anchovy), squid, south coast rock lobster and tuna pole-line at levels materially in line with our previously held allocations. With demand strong, our vessels, factories and procurement teams are primed to maintain supply, and our management and staff re-energised, I am looking forward to a very positive second half of a challenging year.

PLEASING PERFORMANCE UNDER TOUGH CONDITIONS

During a tough 2021, Oceana once again demonstrated an inner strength and resilience that characterises the Company's 104-year history. We set a very high base in 2020 – while most others in the industry were set back, we grew double digits. Achieving anywhere close to this again during the pandemic environment is a phenomenal achievement.

Given the challenging macro-environment – with ongoing global supply chain challenges, sustained pressure on consumers, civil unrest in parts of South Africa, and a series of unexpected weather events – it has been a generally positive year for the Group, underpinned by the incredible contribution of our staff and service providers. Group revenue this year was down 8.1% to R7 633 million, reflecting lower canned fish, fishmeal and fish oil sales volumes, lower occupancy levels in the commercial cold storage segment, and a stronger exchange rate on export and US dollar translated revenue, partially offset by favourable pricing across most products. Group operating profit before other operating items decreased by 14.3% to R1 186 million, primarily a result of disappointing performance in our US Daybook operation, reflecting lower weather-related fish volumes and a strengthening Rand against the US dollar. If the insurance claims, of R83 million (which all relate to insured losses incurred during the year), were to have been recognised before year-end, the decrease in Group operating profit before other operating items would have been limited to 8.3%.

Our fight against COVID 19: Oceana informed staff about Covid vaccines through regular communication and information updates. We arranged for vaccinations for both office and onsite staff. As at January 2022, we have 50.7% of our staff vaccinated globally. The staff of Oceana deserve a massive vote of thanks for their commitment over a very difficult business environment. They were committed to keeping the business going despite the necessary covid protocols, the risk of the contracting the disease and the disruption to both operations and family life. A special thanks to the sea going staff who agreed to lengthy trips without the normal shore leave between trips which they were entitled to. The business could not have delivered on its mandate without this unselfish commitment.

Our Lucky Star canned fish business delivered a fourth successive year of growth in canned fish market share, but with a reduction in volume of 6%. This performance reflects both the underlying category strength of affordable fish protein in a constrained consumer market, as well as the distinct value of the Lucky Star brand within that category. The strength of this brand has been further evidenced in the resilient demand for our three new product offerings in the canned food category. Frozen fish supply challenges due to a late issuing of fishing licences in Morocco affected our ability to meet market demand and contributed to higher fixed costs in canneries. These impacts were partially offset both by an increase in locally caught pilchards, as well by a stronger exchange rate that reduced the overall cost of sales by 13% per carton. Our capacity to process fish has been embedded in the canneries, maximising flexibility to process any standard of pilchard. Our frozen fish strategy, together with the expansion into adjacent categories, continues to deliver substantial societal value, sustaining over 3,000 jobs and ensuring a reliable supply of affordable protein.

Our African fishmeal and fish oil operations benefited from strong pricing in both the fishmeal and fish oil markets, a step-change in the quality of fishmeal produced commanding stronger prices, and improved efficiencies in our fleet and land-based operations. Unfortunately, landings of anchovy and red eye herring declined this year to around 60% of our 2020 catch due to weather-driven cyclicality, but the resource remains healthy.

Our USA-based fishmeal and fish oil business similarly experienced a reduction in landings, down 20% due to reduced workdays as a result of the pandemic, as well as weather events and high winds shifting the biomass west of our operating range. We saw strong improvements in throughput, oil yield, meal yield, and run time year-on-year, following effective operational excellence and strong capital execution during the offseason. Pleasingly, we grew our share in the North American pet food segment up 17% year-on-year in mid-tier customers, ensuring premium pricing.

BCP had mixed performance. Despite improved catch rates and resource availability, horse mackerel landings in South Africa were down 1%, following several breakdowns on Desert Diamond, an extended maintenance period for the statutory five-year class survey, and disruptions from Covid-19. In Namibia, our vessels performed well, and we saw strong market demand from landings in both regions, with a 21% average increase in US dollar pricing. Given the state of the resource and the performance of the market, we anticipate strong growth in 2022. Our hake business had a difficult year following an exceptional 2020, with the combined Rand strength and supply glut making a significant dent in our revenue, compounded by 44 lost fishing days due to Covid-19 disruptions and a further 34% of fishing days lost due to vessel maintenance. Strong demand and prices in China compensated for the reduction in West Coast rock lobster quota. We made a healthy margin in South Coast rock lobster due to good demand in the USA; this is a healthy resource with potential for an increase in TAC. Squid landings improved with the help of our successful joint venture in the Eastern Cape.

CCS Logistics felt the impact of a Covid-constrained market, with occupancy levels down 7% primarily due to performance in the Western Cape. Despite these challenges, we managed expenses to be in line with occupancies. Walvis Bay performed exceptionally well, aided by good horse mackerel landings, with occupancy levels over 100% at times. We continued to build on the CCS brand accelerating our campaign via online platforms, with a focus on our 50-year achievement this year.

DELIVERING ON OUR PURPOSE

Oceana's mission is to be a leading global fish protein company that promotes food and job security through responsible sourcing and harvesting, while supporting diversity, developing employee potential, and investing in host communities. Our purpose is to make a positive impact on society by creating long term sustainable value for all our stakeholders. Our progress in delivering on this purpose is outlined in more detail in this integrated report and our accompanying sustainable development report.

In reflecting on our progress in delivering on our purpose there are four areas worth highlighting: job security and empowerment, food security, responsible harvesting, and our response to climate change.

- **Job security and empowerment:** South Africa and Namibia have some of the highest unemployment rates globally, as well as persistent levels of wealth and income inequality, largely on racial lines. Promoting job security and addressing inequality are both national imperatives and an innovation challenge. Over the past few years, Oceana has protected thousands of jobs in South Africa and Namibia by repurposing our assets through innovation and adaptation, most notably through our frozen fish strategy, as well as our investment in desalination in the West Coast. The Oceana Maritime Academy, which officially opened its doors in March 2021 in Hout Bay, is another innovation that will deliver significant social value. It is the first training academy of its kind in South Africa and will provide valuable job creation opportunities by developing a pipeline of local talent for the maritime industry. In the 2021 financial year, we spent R1.38 million on small-scale fishers training and delivered training to the local Hout bay community. In addition to our efforts in promoting job security, we have shared significant value through the Oceana Empowerment Trust, which vested in January 2021, creating just under R1 billion in value for its 2 293 beneficiaries since its establishment in 2006. For many employees, it has been life changing. Building on this success, our second scheme, the Saam-Sonke Trust, which launched in 2021, gave employees equal allocation irrespective of race, gender, and role. The initial allocation for the Saam-Sonke Trust is roughly three times the value of the original scheme.

CHIEF EXECUTIVE OFFICER'S REPORT CONTINUED

- **Food security:** With the pandemic pushing back recent gains in food security, and with one third of the world's hungry people living in Africa, we see our role in the provision of affordable, quality fish protein, using our capabilities and influence to balance increased supply with responsible harvesting, ensuring enhanced availability while maintaining affordability. In rising to the challenge, our teams test and learn constantly: optimising procurement in seasonal peaks and managing logistics across the value chain; resisting the rush to margin to recover costs; and exploring new protein solutions that can feed the underserved. Lucky Star's iconic pilchard brand is enjoyed by over four million people daily and offers extensive health benefits. We also supply informal markets throughout Southern, Central and West Africa with our affordable horse mackerel product. For the foreseeable future, value for money proteins will be in strong demand, with consumers turning to more affordable proteins in challenging economic environments.
- **Responsible harvesting:** The sustainability of our business depends on the viability of our fishing resources and the health of the broader marine environment. We are firmly committed to promoting responsible fishing practices across our supply chain, supporting an ecosystem approach to fisheries management, and ensuring full compliance in our highly regulated operating environment. This year, 86.47% of our harvested commercial fishing rights were on the South African Sustainable Seafood Initiative (SASSI) green list. Gulf menhaden is 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. We have continued our active engagement with stakeholders, including the traceability taskforce to enhance the traceability of West Coast rock lobster, and will continue to work with DFFE, WWF and the industry to identify the most effective way of policing and managing the resource.
- **Committing to carbon neutrality:** The most recent IPCC report on climate change shows, unequivocally, that human influence has warmed the atmosphere, ocean and land, and that the global surface temperature will continue to increase until at least mid-century under all emissions scenarios. According to the World Economic Forum, extreme weather events are the top global risk by likelihood. As a global fishing company, we have experienced first-hand the worrying impact of changing weather patterns. While climate adaptation is arguably the more material issue for our business activities, we are also committed to driving mitigation measures. In 2020, we formally announced our commitment to a 50% reduction in greenhouse gas emissions by 2030 (on a 2019 baseline) and to carbon neutrality by 2050. We have made good initial progress in 2021, commencing with a long-term major renewable energy project on the West Coast, where an environmental impact assessment and land rezoning process is underway to establish a 10MW solar facility.

OUTLOOK: POSITIONING OUR STRATEGIC RESPONSE FOR LONG TERM GROWTH

In our comprehensive and consultative strategy review process in 2021, the Board, executive team, and divisional leadership reaffirmed the three strategic imperatives and three strategic enablers developed and agreed previously. Underpinning our updated strategy is our philosophy of being "short-term pragmatics and long-term expansionists." Our aim is to benefit from the existing strength of the diversified nature of our portfolio – across fish species, consumer markets and geographies – firstly by driving organic growth within our existing portfolio in the canned foods and fishmeal and fish oil businesses, and secondly by using the strength of our balance sheet to further diversify this portfolio through investment opportunities in other geographies, species and markets. Given market uncertainties associated with the pandemic, which has also constrained our ability to conduct any thorough in-person due diligence, we have been very measured thus far both in the nature and timing of any acquisitions.

We are working hard to develop the right depth of leadership capability needed to run a global business and, where necessary, to identify and recruit the required external global talent. Having seen the quality of talent that we are developing through the Oceana Management Advancement Programme (OMAP), I am confident that we have a strong pool of developing leaders that will enable us to deliver on our growth ambitions.

Despite the challenges of the past few months, the Company's underlying fundamentals give me incredible confidence that Oceana is very well placed for future growth. 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. The outlook suggests that we are in an environment that will continue to grow, particularly in Africa which is currently underserviced from a fish protein perspective. We believe that sustainable fish farming solutions for Africa will increasingly become an important part of the portfolio of a global fish protein company.

ACKNOWLEDGEMENTS

In closing, I would like to thank my colleagues on the Board, the executive, and the divisional management teams for their work and commitment during a particularly challenging year. I am incredibly proud of the team who have shown remarkable resilience during this period. Finally, on behalf of the Oceana leadership, I wish to express my deep appreciation to Oceana's employees for their unwavering commitment in enabling us to deliver on our purpose: positively impacting lives.

Neville Brink

Interim Chief Executive Officer

25 March 2022

OUR BUSINESS MODEL
HOW WE CREATE VALUE

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 38), 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 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 52

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, cold storage, 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 29 to 34

KEY RELATIONSHIPS

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

Read more about our stakeholders on page 43

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 38

ISSUES IMPACTING VALUE

- The Covid-19 pandemic
- Global market outlook and exchange rate fluctuations
- Food security and growth opportunities in African markets
- Fishmeal and fish oil pricing continued growth in global aquaculture
- Emerging political issues impacting our operations
- Climate change, temperature shifts and extreme weather events

The impact of a change in key profit drivers

SENSITIVITY ANALYSIS

FACTOR	EXCHANGE RATE/ MOVEMENT	IMPACT (R'M)
ZAR/US$	50c	16
Fuel Price	$5	21

(+) If the exchange rate weakens by 50c, **Oceana gains R16m**

(-) If the exchange rate strengthens by 50c, **Oceana loses R16m**

(+) If the fuel price decreases by US$5, **Oceana gains R21m**

(-) If the fuel price increases by US$5, **Oceana loses R21m**

OUR MATERIAL RISKS

FOR MORE INFORMATION SEE PAGE 48

1. Business interruption
2. Market volatility
3. Resource availability and ability to harvest
4. Scarcity of critical skills/succession planning
5. Sustainability of workforce
6. Cash flow volatility due to cyclical operating model
7. Portfolio imbalance
8. Food safety
9. Reallocation of fishing rights
10. Legislative non-compliance

PRIMARY OPERATIONS AND ACTIVITIES

FOR MORE INFORMATION SEE PAGE 6

VALUE IN


1 RELATIONSHIP MANAGEMENT


2 HARVEST AND PROCURE


3 MANUFACTURE AND PROCESS


4 STORAGE AND DISTRIBUTION

5 PRODUCT MARKETING, BRANDING AND SALES

VALUE OUT

OUR PRODUCTS AND OUTPUTS

- Canned fish, fishmeal and fish oil
- Frozen, chilled, and live fish products
- Cold storage and distribution services
- Process wastes and by-products *(all recycled into fishmeal)*

For more information on our outputs, these being our products and services, refer to page 88

OUR PROFIT FORMULA

(+) REVENUE DRIVERS

- Sale of fish and fish-derived products in diversified global markets across most consumer segments
- Sale of cold storage, handling and distribution services
- 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

(-) 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 exposure due to geographic and product diversification and forward cover positions

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.

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 28

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

Through our people, technology and know-how, our fleet, processing plants, cold 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

1 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

2 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 partnerships and acquisitions
- Collaborate in ensuring sustainable fishing practices to maintain biomass
- Source additional raw, frozen and canned fish through sophisticated supply chain processes

3 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, product quality and safety standards

4 STORAGE AND DISTRIBUTION

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

5 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 product

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
- Daily landings submitted to DFFE through logbooks for smaller species
- Oversight of the Gulf menhaden resource by the Gulf States Marine Fisheries Commission
- Annual scientific reports on harvest species commissioned and 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 CO_2 Verification Agency

KEY INPUTS (2021)

- Marine biomass: pilchard, Gulf menhaden, anchovy, redeye herring, horse mackerel, hake, squid, and lobster
- 300 751 tons of fish landed, all within government assigned TAC (2020: 385 528 tons)
- 56 347 tons of fish procured, all within fisheries management regulations (2020: 78 154 tons)
- 52 940 MWh electricity used (2020: 65 674 MWh)
- 27 653 358 l fuel used (2020: 27 542 355 l)
- 307 289 kl water used (2020: 370 505 kl)

OUTCOMES OF OUR ACTIVITIES (2021)

- ✓ 86.47% 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
- ✗ 13.47% of targeted SA commercial fishing rights on SASSI orange list
- ✗ WCRL maintains SASSI red listing (see how we manage this trade-off on *page 36*)
- ✓ 334 314 tonnes of CO_2 emissions (scope 1,2, 3 and outside scope) and (12% decrease in absolute carbon-emissions)
- ✓ Renewable energy projects started
- ✓ 47% water saved based on 2018 baseline (excludes Daybrook)
- ✓ Granted coastal water discharge permits in all our facilities

CHALLENGES IN SECURING THESE INPUTS:

- Frozen fish supply volumes from Morocco reduced due to delays in government assigned fishing licenses
- Landings impacted in anchovy, red eye herring and Gulf menhaden due to weather and biomass movements

ACTIVITIES TO PRESERVE AND SUSTAIN VALUE

- Participated in government scientific committees and industry associations for each species of fish harvested
- Engaged with and supported West Coast rock lobster (WCRL) fisheries conservation plan
- Majority of pilchards sourced from fisheries in Morocco which have entered MSC assessment
- Worked towards EIA and land rezoning for solar project on West Coast and completed CCS solar pilot project
- Implemented water stewardship and energy measures

A review of our activities to reduce our environmental impacts are provided in the following sections of our 2021 reports:

- Environmental management/ Sustainable management of marine resources (*IR – page 79*)
- Food security through stewardship of marine resources (*SR – page 39*)
- Resilience and environmental care (*SR – page 42*)

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 audits completed as another level of assurance
- South African, Namibian and American fishing regulations mandate crew members to undergo maritime authority safety training courses while the ILO Work in Fishing Convention (No. 188) ensures best practice is followed in occupational safety and health protection, conditions of work on board vessels, working hours, accommodation and food, medical care and social security

KEY INPUTS (2021)

- 4 195 skilled and motivated employees (2020: 4 450)
- Strong and diverse leadership team
- An agile, performance-based, purpose-led company culture

OUTCOMES OF OUR ACTIVITIES (2021)

✓ R1.4 billion invested in salaries and benefits (2020: R1.6 billion)

✓ 2 293 beneficiaries received R500 million (before tax) of additional value delivered on vesting of the OET in 2021 and just under R1 billion of value was created since inception

✓ Maintained employee motivation, skills, diversity, and talent through:
- R60 million invested in employee skills development (83% spent on black employees)
- 30 employees underwent the OMAP programme
- 211 community members underwent training at the Oceana Maritime Academy

✓ 3.5% voluntary staff turnover (2020: 2.7%)

✓ Maintained high safety standards:
- Zero occupational fatalities
- Lost time Injury Frequency Rate of 1.17, lower than threshold of 1.5 (2020: 1.34)
- Health and safety culture entrenched with Covid-19 bringing enhanced discipline and procedures

CHALLENGES IN SECURING THESE INPUTS:

- Covid-19 social distancing requirements resulting in less workers allowed at production line
- Confined working spaces on certain vessels meant delays experienced from positive Covid-19 cases
- Some challenges in securing H2B visa workers in the USA

ACTIVITIES TO PRESERVE AND SUSTAIN VALUE

- Continued emphasis on Oceana's culture on "Positively Impacting Lives" and commitment to "our people, our priority"
- Delivery of the Oceana Management Advancement Programme (OMAP) with GIBs
- Launched the Maritime Academy and delivered accredited training
- Health and safety protocols adapted to address Covid-19 pandemic, firmly entrenched
- Wellness initiatives implemented across the business
- Blended grouping of workers (H2B visa workers and local talent) in the USA to overcome shortages, with training for local crew

A review of our activities in these areas is provided in the following sections of our 2021 reports:

- Promoting transformation in South Africa (*IR – page 54*)
- Promoting localisation in Namibia (*IR – page 54*)
- Galvanise the workforce (*IR – page 72*)
- Oceana Maritime Academy (*IR – page 76*)
- Investing in People (*SR – page 34*)

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 EY and BDO

KEY INPUTS (2021)

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

OUTCOMES OF OUR ACTIVITIES (2021)

Customer loyalty maintained

✓ Minimal disruption to production days due to industrial action

✓ Maintained positive government relations
- R314 million in taxes paid in South Africa, Namibia, and USA (2020: R235 million)
- Achieved a level one rating in B-BBEE
- 100 small-scale fishers trained on drowning prevention, pre-sea training and financial literacy

✓ Better understanding of the Oceana investment case

✓ Better understanding of the industry and brand Oceana in the media

✓ Supplier and JV relationships strengthened

✓ Donated 38 012 cans of Lucky Star products and 1 000 food parcels to vulnerable communities and 2 035 care packs to frontline paramedics

✓ Maintained the support of the community in the face of minor vandalism on the Oceana Maritime Academy building

✗ Investor and lender confidence and reputational damage adversely impacted by whistle-blowing event, subsequent forensic investigation, consequential delay in publishing financial results and changes in senior management.

CHALLENGES IN SECURING THESE INPUTS:

- FRAP 2021 delays impacted on investor perception and share price
- Independent Media's protracted negative publication against the Group
- Negative publications around delay in publishing results and senior management changes

ACTIVITIES TO PRESERVE AND SUSTAIN VALUE

- Maintained pricing strategy on affordability for canned fish products
- Maintained employee numbers and salaries despite Covid-19
- Engaged with our top 500 stakeholders
- Continued engagement with DFFE and other government stakeholders on FRAP 2021 and social-economic impact study
- Commissioned a third party to conduct an unfiltered assessment of our Group's perception amongst the investment community
- Deepening relationships with suppliers through SRM and management focus; significant investment in supplier enterprise development
- Launch of the Oceana Stakeholders Empowerment Trust to facilitate beneficial ownership by SMMEs
- Delivered training to small-scale fisher co-operatives in South Africa
- Delivered accredited training through the Oceana Maritime Academy for other external stakeholders
- Established closer ties with the Hout Bay community through a stakeholder forum
- CSI focus placed on vulnerable communities most impacted by Covid-19 crisis
- Continuous engagement with investors and lenders to rebuild confidence and repair reputational damage

A review of our activities aimed at strengthening stakeholder relations is provided in the following sections of our 2021 reports:

- Engage stakeholders and manage reputation (*IR – page 74*)
- We build trust (*SR – page 21*)

OUTCOMES KEY

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

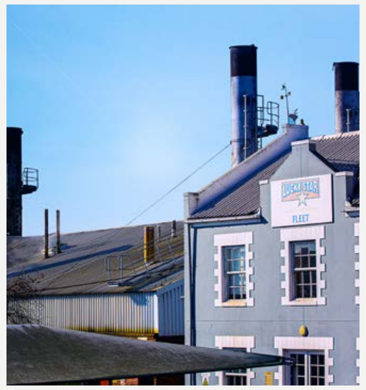
OUR BUSINESS MODEL CONTINUED

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 (2021)

- Fishing fleet (47 fishing vessels and 12 spotter planes)
- Three canneries
- Five production facilities
- Seven cold storage facilities
- Head office and supporting facilities

OUTCOMES OF OUR ACTIVITIES (2021)

✓ R460 million capital investment (2020: R347 million)

✗ R313 million depreciation, amortisation, and impairment loss (2020: R333 million)

✓ Five-year class survey for *Desert Diamond* achieved

✓ Increased oil yields

✗ Net reduction in throughputs

- Daily throughputs decreased 32% in canneries in South Africa
- Daily throughputs decreased 5.6% in fishmeal plants in Africa
- Daily throughputs increased 0.5% per hour in fishmeal plants in USA

✓ Consolidated and maintained capacity in CCS operations

- Completed the sale of the Bayhead cold store in Durban
- Walvis Bay 10-year lease awarded
- See ***page 37*** for how CCS balances its operating profit trade-off in Western Cape to enable our frozen fish strategy

CHALLENGES IN SECURING THESE INPUTS:

- Vessel breakdowns and statutory class survey maintenance for our South African horse mackerel vessel causing disruptions
- Lower frozen fish supply impacted on production costs as overall volume was reduced
- Impacts on occupancy levels in cold storage business from Covid-19
- Lower anchovy and menhaden landings in the year impacted fishmeal and oil volumes
- Civil unrest and related looting in KZN adversely impacted canned fish supply

ACTIVITIES TO PRESERVE AND SUSTAIN VALUE

✓ Maintained our facilities through targeted investment

✓ Efficiency and quality initiatives implemented for plant-based operations

✓ Solar panels installed in CCS Paarden Eiland store

✓ Consolidated CCS capacity and secured leases

A review of our activities is provided in the following sections of our 2021 reports:

- Chief Executive Officer's report: Strategic performance review (***IR – page 22***)
- Chief Financial Officer's report (***IR – page 82***)
- Divisional performance reviews (***IR – page 88***)

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, BRC, HACCP and FEMAS
- All international canned product 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 (2021)

- Robust governance systems
- Fishing processes and production
- 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 (2021)

✓ Covid-19 protocols firmly entrenched

✓ Produced new fishmeal product in the USA

✓ Higher quality fishmeal produced in SA

✓ Three new products in the Lucky Star canned food category

✓ Progressed with FSSC 22 000 food and feed safety management certification scheme for canneries and fishmeal plants

✓ HACCP certification achieved across all our land-based facilities and vessels

✓ Maintained brand and reputation:

- 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 (see ***page 37*** for how we balance short-term margin gain for long-term customer loyalty)
- 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

CHALLENGES IN SECURING THESE INPUTS:

- Covid-19 presenting numerous challenges on our supply chain logistics and global commodity pricing

ACTIVITIES TO PRESERVE AND SUSTAIN VALUE

- Implemented Covid-19 protocols across the workforce
- Conducted a successful feeding trial with USA customer, MOWI
- Step-change improvements implemented in fishmeal processing in SA
- Continued progress towards the GFSI recognised food and feed safety standard, FSSC 22 000, for canning factories and fishmeal plants
- Continued cross-pollination of ideas between fishmeal and fish oil teams

A review of our activities in these areas is provided in the following sections of our 2021 reports:

- Promoting transformation in South Africa (***IR – page 54***)
- Promoting localisation in Namibia (***IR – page 54***)
- Galvanise the workforce (***IR – page 72***)
- Oceana Maritime Academy (***IR – page 76***)
- Investing in People (***SR – page 74***)

OUTCOMES KEY

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

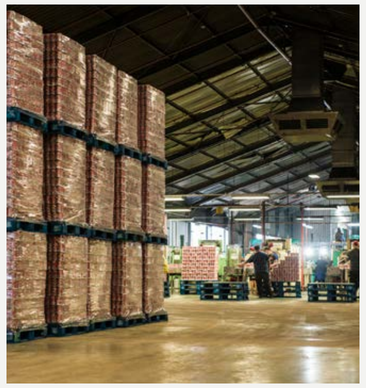
OUR BUSINESS MODEL CONTINUED

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 PwC (external auditors) and BDO (internal auditors)
- External assurance of the OET is through Empowerdex and the B-BBEE commission review



KEY INPUTS (2021)

- Debt and equity financing
- Reinvestment
- Government grants

OUTCOMES OF OUR ACTIVITIES (2021)

- ✓ Revenue down 8% to R7 633 billion (2020: R8 308 billion)
- ✓ R719 million profit after taxation (2020: R816 million)
- ✓ R523 million paid as dividends 2020: R442 million)
- ✓ 1.5 times leverage ratio (2020: 1.4 times)

- Resilient and efficient balance sheet with strong cash flows and limited debt
- EBIT still healthy at R1.2 billion (2020: R1.4 billion).
- Cash generated from operations: R1.4 billion (2020: R2.3 billion).
- R202 million paid to debt funders in interest (2020: R268 million).
- Dividend per share declared: 358 cents (2020: 393 cents)
- Headline earnings per share: 550.0 cents (2020: 628.4 cents).
- Debt repaid R222 million (2020: R364 million)

CHALLENGES IN SECURING THESE INPUTS:

- Operational headwinds affecting financial results
- FRAP 2021 impact on investor perception and share price

ACTIVITIES TO PRESERVE AND SUSTAIN VALUE

- Regularly engaged with existing and potential investors
- Actively de-geared balance sheet through early settlement of rand denominated debt with dividends received from Daybrook
- Managed compliance of 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 2021 reports:

- Chief Executive Officer's report (*IR – page 22*)
- Chief Financial Officer's report (*IR – page 82*)

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's 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 continued low pilchard TAC in South Africa, the uncertainty regarding quota allocations in South Africa due to FRAP and the effect of the lifting of the moratorium on pilchard in Namibia, most of the pilchard raw material for canning at our Lucky Star operations is procured internationally as frozen fish. This increases working capital requirements and results in greater exposure to any weakening in the rand and places more challenges on margins. The strategy has, however, reduced our reliance on the local pilchard resource and TAC, enhanced our capacity to consistently deliver optimum quality product, and made an important contribution to maintaining the hours worked and wages earned by our employees in South Africa and Namibia. In line with our commitment to job security, we have continued to process the pilchards in South Africa and Namibia despite the costs of doing so and have secured over 3 000 jobs that ordinarily would have been shifted elsewhere in the world.

CAPITAL DEPLETED

- 56 347 tons of frozen fish procured
- Greater working capital utilisation
- Costs incurred with rand depreciation

CAPITAL INCREASED

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

WEST COAST ROCK LOBSTER: BALANCING RESOURCE PROTECTION AND REPUTATIONAL RISK

A critical trade-off that lies at the heart of our WCRL business is the need for the industry to remain engaged in a SASSI red-listed fishery against adherence to our own imperative of only operating in sustainable fisheries. The WCRL fishery has been red-listed by WWF for several years due to problems around poaching, and the resource remains significantly under threat. The TAC was reduced by 22% in 2021 and scientific recommendations are for future cuts. Our active engagement with stakeholders and contribution towards the protection of the species illustrates the value of us remaining in this sector. The TAC remains low, leading to further rationalisation of assets to maintain our viability in the sector. We will continue to work with DFFE, WWF and the industry to identify the most effective way of policing and managing the resource.

CAPITAL DEPLETED

- Reduced revenue and profit from a low TAC
- Under-utilised fleet; rationalisation of asset
- Reputational risk of operating in a SASSI red-listed fishery

CAPITAL INCREASED

- Greater long-term biomass viability
- Long-term job creation
- Higher long term financial return

LUCKY STAR PRICING: BALANCING SHORT-TERM MARGIN GAIN FOR LONG-TERM CUSTOMER LOYALTY

The reduction in availability of frozen fish and supply chain disruptions from Covid-19 increased the costs of Lucky Star's procurement of imported frozen fish and production processes. Despite the increase in cost, we made the conscious decision not to pass this on to the consumer. Key to Lucky Star's strategy is its relative affordability and although this increased cost placed pressure on margins, the competitive positioning of the product maintained Lucky Star's market share. As households shift spending towards cheaper grocery brands following the deepening of the recession, this focus on affordability protects the Lucky Star pilchard category during a very challenging economic period.

CAPITAL DEPLETED

- Reduced margins

CAPITAL INCREASED

- Increased sales volume
- Enhanced customer and brand loyalty

CCS CAPACITY: ENABLING THE INTERNAL LUCKY STAR FROZEN FISH STRATEGY

The CCS division provides cold storage solutions to external customers. Given our frozen fish strategy, significant space is reserved to accommodate the frozen fish requirements of Lucky Star. This comes with the benefits of simplicity which improves CCS performance. Lucky Star benefits by having sufficient stock on hand to achieve its sales volume targets.

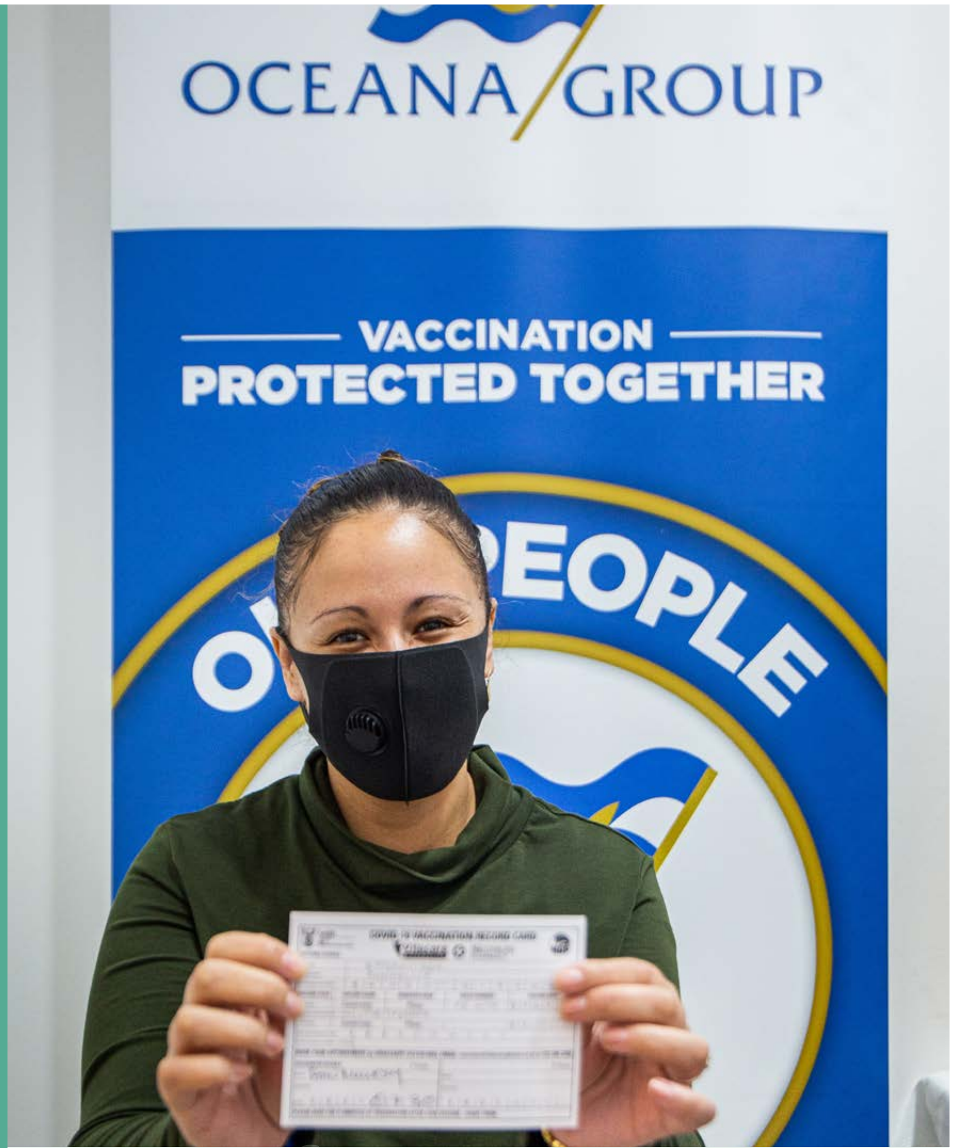
CAPITAL DEPLETED

- Reduced profit
- Impacts CCS long-standing customer relationships

CAPITAL INCREASED

- Continuous supply of Lucky Star inventory to meet demand
- Enhanced Lucky Star customer and brand loyalty

OUR OPERATING CONTEXT



THE EXTERNAL ENVIRONMENT

Our ability to generate value and deliver on our core purpose is impacted, both negatively and positively, by various factors in our external environment. This year we have identified and prioritised the following six issues that have a material impact on our business model. Our five-year strategic outlook ensures that we are best positioned to seize the opportunities and mitigate the risks associated with each of these issues.

THE COVID-19 PANDEMIC

During the reporting period variant strains of the Covid-19 virus began to emerge, with WHO estimating the Delta variant as being 55% more transmissible than the Alpha variant. Vaccinations have widely been accepted as the key path to normality, with high vaccination countries seeing more rapid returns to this. The UN expects gaps between developed and emerging markets to widen due to different vaccination rates and inconsistent government policies globally. The South African vaccination campaign is ongoing, although vaccine hesitancy remains a challenge.

IMPLICATIONS FOR VALUE

- Widescale infections were minimised, and the agility of the workforce was maintained, with some interruptions in our vessel operations.
- Percentage of fishing days lost in our various divisions: Hake (4.3%); Horse mackerel SA (4.4%) and Horse mackerel Namibia (2.7%).
- Delays at ports, freight challenges and supply chain disruptions impacted all divisions, with costs escalating substantially.
- Given that our products are consumed primarily in-home, we remained protected from closures in the tourism and hospitality industries and benefited from the increased demand for affordable fish protein.
- With broader societal impacts, the mental health of the workforce remains an emerging risk.

OUR STRATEGIC RESPONSE

- Our purpose-driven strategy, diversified species, and geographical spread positioned us well to weather the current prevailing conditions.
- We navigated the Covid-19 crisis well, without significant financial impact to the Group. We adapted business continuity plans where relevant to remain efficient and agile.
- Maintained level five mitigation measures throughout the Group to protect against transmission; standards and protocols have been firmly entrenched to be as close to business as usual as possible.
- SOPs for vessels and land-based operations were supplemented by site specific risk assessments.
- Continued awareness drive in the workplace and introduced antigen testing at all sites, with results delivered in 15 minutes, significantly reducing transmission.
- Introduced oxygen and nebuliser kits on board vessels that operate far from shore; provided flu boosters and vitamin supplements to permanent employees at all our operations.
- Maintained employment levels with the required social distancing, supported staff with wellness initiatives and mental health remained a focus.
- Delivered a vaccination programme to our staff, as they became eligible in line with the government's roll-out plan with 51% of staff vaccinated as at January 2022.
- Responded quickly to pressures on the supply chain and maintained agility by establishing additional supply lines where needed.
- Managed liquidity and sustainability of the business through stringent cash forecasting to ensure our business model remained robust and resilient to the rapidly changing context.

For further information on Covid-19 related statistics, how we protected and supported our employees, our response to ensure resilience in our supply chain and how we contributed to our communities see *pages 27 and 65* of the SR.

OUR OPERATING CONTEXT CONTINUED

GLOBAL MARKET OUTLOOK AND EXCHANGE RATE FLUCTUATIONS

High vaccination rates in the US and Europe have meant global economic activity can start to recover. Increases in household spending may move towards activities with more social interaction, given 18 months of restricted living. The recessions in South Africa and emerging markets are milder than expected, buoyed by strong commodity prices. The South African currency strengthened during the twelve months ended, 30 September 2021, to end the financial year at ZAR15.09 to the US dollar.

THE RUSSIA-UKRAINE CONFLICT

The sustainability of government finances and related stability of financial markets was a key concern for a number of countries post the global outbreak of Covid in 2019 and towards the end of 2021 and beginning of 2022, finally both monetary and fiscal normalisation was underway in many areas of the world. However, on 24 February 2022, Russia invaded Ukraine and this has a ripple effect across the globe. After getting battered by the pandemic, supply chain chokeholds and leaps in prices, the global economy is poised to be sent on yet another unpredictable course by an armed clash on Europe's border.

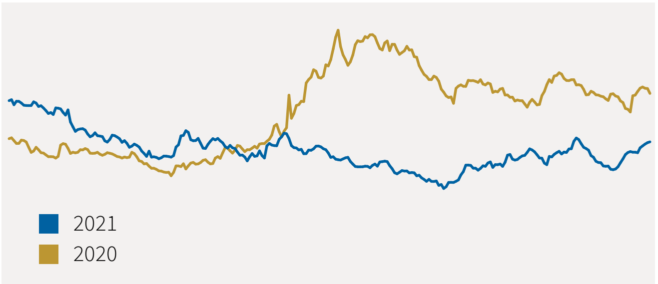
Countries that depend on the region's rich supply of energy, wheat, nickel and other staples could feel the pain of price spikes. There have been punishing sanctions implemented against Russia, its products and those individuals involved in the war by countries globally and the potential for Russian retaliation has already pushed down stock returns and driven up gas prices. The outright attack by Russian troops has caused dizzying spikes in energy and food prices, fuel inflation has rocketed and investors have been spooked. This combination has threatened investment and growth in economies around the world.

However harsh the effects, the immediate impact will be nowhere near as devastating as the sudden economic shutdowns first caused by Covid in 2020. Russia is a transcontinental behemoth with 146 million people and a huge nuclear arsenal, as well as a key supplier of the oil, gas and raw materials that keep the world's factories running. Food prices have climbed to their highest level in more than a decade largely because of the pandemic's supply chain disruptions, according to a recent United Nations report. Russia is the world's largest supplier of wheat, and together with Ukraine, accounts for nearly a quarter of total global exports.

And as usual, the burden falls heaviest on the most vulnerable as poorer people spend a higher share of incomes on food and heating. Ukraine, long known as the "breadbasket of Europe," actually sends more than 40% of its wheat and corn exports to the Middle East or Africa, where there are worries that further food shortages and price increases could stoke social unrest.

Commodity prices and foreign exchange markets have seen unprecedented volatility, but this also provides opportunities for growth as demand for affordable food sources grows.

ZAR VOLATILITY AGAINST THE US$



IMPLICATIONS FOR VALUE CREATION

- In tough economic conditions we are finding 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 Daybrook – we remain more predisposed to a weaker currency.

OUR STRATEGIC RESPONSE

- Our strategy of both customer and geographic diversification is a natural hedge against market volatility and foreign currency exposure.
- Affordability remains a key strategy for Lucky Star products, balancing short-term margin gain for long-term customer loyalty (see ***page 37***).
- Forward cover positions for the procurement of fish and canned products continue to enable us to mitigate negative exchange rate exposure.
- Fuel hedging policy in place to mitigate market volatility.

POLITICAL OVERVIEW IN OUR OPERATIONAL GEOGRAPHIES

South Africa

Inequality remains a challenge, along with structural, deep-rooted corruption, with some progress made by the Ramaphosa-administration in addressing both issues. Economic hardship has increased the risk of social disorder, as we saw with the looting and unrest in July 2021, which unlocked a new, serious risk of recurring civil unrest. Eskom load shedding continues to weigh down economic recovery ability. Cybercrime is now a real risk to government and corporates, and unions continue to hold significant political power. Service delivery at local government level continues to be a challenge. South Africa's unemployment rate is one of the highest in the world.

Namibia

Namibia is seeing similar social challenges to South Africa, with poverty being aggravated by Covid-19. Government is taking action to tackle high-level public-sector corruption with pressure on natural resources to extract additional taxes. Trade unions in Namibia play a role in the Namibian labour context. The fishing industry remains in a state of flux and Namibia is still in the process of developing a new fisheries policy. Greater localisation is likely to be imposed in the coming years under the New Equitable Economic Empowerment Framework (NEEEF) Bill.

USA

The China-USA trade war continues, with USA tariffs on China not materially reduced, but this has not impacted trade which is forecast to continue growing. USA tax hikes are likely, but this is unlikely to reduce USA investments. Federal government is committed to a fast vaccine rollout, but the vaccination rate has slowed dramatically. Effects of Covid-19 in low vaccination states (including Louisiana) are expected to hold back recovery of those states versus the rest of the USA.

IMPLICATIONS FOR VALUE CREATION

South Africa

- Consumers have become more price-aware and price-sensitive. Spending on essentials continues, but discretionary spending is down due to lower earnings.
- Lucky Star products continue to maintain market share, reflecting their positioning as an affordable and consistently priced quality protein, with a very visible brand .
- Lucky Star stock losses as a result of looting and unrest, together with long lead times to replace loss stock, has severely impacted our ability to meet market demand.

Namibia

- While the horse mackerel resource is well managed, scientific research has not been conducted since 2019, increasing the risk of overfishing.
- Pilchard moratorium has been lifted, but no new quotas have been awarded.
- More long-term policy planning in fisheries is needed; the Namibia Investment Promotion and Development Board (NIPDB) established in January 2021, indicates more constructive engagement on the draft NEEEF policy going forward.
- Despite the declining quota allocation, Namibia remains a profitable business and provides geographic diversity for the Group.

USA

- As a result of Daybrook's pet food strategy, any risk from tariffs on fishmeal products exported to China has been minimised.
- The pet food industry remains a standout segment, proving to be well placed for the new world post Covid-19.
- While we historically benefited from the reduction in the USA corporate tax, the likely increases will help to reduce the national debt.

OUR STRATEGIC RESPONSE

South Africa

- We were able to secure jobs this year despite the depressed local environment, with salary and wage increases at or slightly above inflation.
- CSI partnerships with NGOs such as Gift of the Givers and FoodForward SA enabled us to meet the needs of the most vulnerable local communities.
- Our Maritime Academy, a significant investment for the Group, has brought much needed skills for youth and small-scale fishers.
- Our investments in generators as a short-term solution to load shedding have been a success and we continue to progress with solar renewable energy options.

Namibia

- We continue to import frozen pilchards to keep the Etosha cannery operational and to sustain the company's 600 jobs.
- In anticipation of the revised fisheries policy, 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, as well as capitalising on our MSC certification.

FOOD SECURITY AND GROWTH OPPORTUNITIES IN AFRICAN MARKETS

The UN FAO's goal to end hunger by 2030 was significantly set back by Covid-19, which resulted in 768 million more hungry people in 2020, predominantly in Asia and Africa[2]. Fish production, trade and consumption all contracted in 2020, driven by lower aquaculture output. World fish production is projected to grow at 1,2% p.a., lower than the previous decade (2,1%) and most of the growth will be in developed countries and particularly in Asia. Given the nutritional value, the UN predicts that fish will remain key to global diets and play an important role in food security. Per capital consumption will increase except in Africa where a decrease is projected, with population growth outpacing growth in supply.

[2] *United Nations FAO report "The State of Food Security and Nutrition in the world", 2021 (Rome)*

IMPLICATIONS FOR VALUE CREATION

- Alleviating hunger in a healthy manner will likely result in an increase in demand for fish protein.
- With significant projected increases in both population and per capita income in sub-Saharan Africa, the region offers significant potential for business growth.
- Imports in Africa will continue to rise, primarily for lower value fish.
- While fish proteins continue to serve as "essentials", protein substitution remains a risk.
- Aquaculture is key to sustained supplies to meet expected demand growth.

OUR STRATEGIC RESPONSE

- Continued strategic focus on fish protein is justified given the requirement for healthy and affordable food sources.
- Oceana continues to protect vulnerable stakeholders by empowering SMMEs and staff, and supporting school feeding schemes.
- We are seeking to realise the growth opportunities in Africa by expanding our product offerings into these markets, primarily in East and West Africa.

OUR OPERATING CONTEXT CONTINUED

FISHMEAL AND FISH OIL PRICING, CONTINUED GROWTH IN GLOBAL AQUACULTURE

The prices of fishmeal and fish oil (FMO) products are determined mainly by global supply and demand dynamics. Global supply is significantly impacted by the anchovy catch in Peru, which in turn is driven largely by the El Niño / La Niña ocean atmospheric events. Global demand is strongly influenced by the aquaculture and animal feed sectors, where fishmeal and fish oil are important high protein ingredients. In 2020 aquaculture accounted for 52% of fish for human consumption[3].

[3] *FAO, The State of World Fisheries and Aquaculture (SOFIA), 2020*

IMPLICATIONS FOR VALUE CREATION

- The performance of our FMO businesses is strongly impacted by global FMO prices; fishmeal prices were stable through 2021, whilst fishoil prices saw an increase.
- 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 both fishmeal and fish oil.
- EU market for high-grade FMO remains under served by Peru (largest global FMO producer).

OUR STRATEGIC RESPONSE

- Targeting higher value fishmeal and fish oil markets with quality improvements in both South Africa and the USA.
- Through forecasting we lock in contracts six to nine months ahead to ensure optimal pricing in our USA operations.
- 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.

CLIMATE CHANGE, TEMPERATURE SHIFTS AND EXTREME WEATHER EVENTS

It is predicted that climate change will have a significant impact on the regional distribution and stocks of fisheries. Governments, such as South Africa and Namibia, have already indicated that they aim to manage their respective fisheries in a sustainable manner in response to climate change. As a fishing company, we are wholly dependent on natural marine ecosystems. Changes in local weather patterns and in sea-surface temperatures – a natural cyclical phenomenon that is potentially exacerbated by anthropogenic climate change – impacts the distribution and productivity of marine biomass. In South Africa we have seen a cooling in the inshore West and South Coast regions, and a warming in the East Coast and Agulhas current. Furthermore, the potential increase in intensity and frequency of ocean storms poses a significant risk to operations, particularly our Daybrook operation in the Gulf of Mexico.

IMPLICATIONS FOR VALUE CREATION

- Small pelagic fish in South Africa are considered vulnerable to climate change. While anchovy and redeye herring are in a healthy state, there has been a drastic reduction in pilchard TAC in South Africa and a moratorium in Namibia in recent years.
- Persistent thunderstorms and high winds shifted the Gulf menhaden biomass further west of its operating range this year.
- Daybrook's physical infrastructure in the Gulf of Mexico is susceptible to regional adverse weather conditions such as tropical storms and hurricanes.

OUR STRATEGIC RESPONSE

- Accurate and timely weather forecasting and utilising radar, sonar and satellite in our fishing operations help in locating the biomass.
- Pilchard raw material for our Lucky Star operations is now almost fully imported, while in the USA, we supplement Gulf menhaden supply with alternative species and procured meal.
- Recognising that older assets are more prone to being damaged by extreme weather events – such as cyclones and floods due to material fatigue, rusting and other effects – we invest substantially in maintaining our SA and Namibian fishing fleets, processing plants, equipment and cold storage facilities.
- We have implemented insurance programmes to adequately cover specific business risks.
- Our strategic imperative on sustainable earnings through diversification presents an opportunity to diversify operations into aquaculture, mitigating against the uncertainty created by climate change.

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***.

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 very different 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 43 to 46.***

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 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 for the Group.

Post 30 September 2021, Oceana was subjected to allegations raised by a whistle-blower, which had a detrimental effect on our public image and reputation. All stakeholders, internal and external, were continuously informed of progress on investigations, results and findings as well as any other pertinent information. Sessions were held with staff, representatives from the JSE, lenders, investors and other key stakeholders in which details were provided relating to the whistle-blowing allegations and delays in the finalisation of the financial results.

The media initially portrayed a negative view of Oceana as they raised numerous questions due to information not being released to the public at the time. However, as more information was released into the public domain, including the results of the whistle-blowing investigation and reviewed financial results for the year ended 30 September 2021 were published on 9 March 2022, the media questions have been resolved accordingly. Stakeholders have positively accepted the fact that no financial loss or fraud caused the delays in releasing the result. Management and the Board view stakeholder engagement in high regard and will continue to prioritise this important aspect of our business.

ENGAGING OUR STAKEHOLDERS AND CREATING VALUE

EMPLOYEES AND TRADE UNIONS

- R1.4bn in salaries and benefits (2020: R1.6bn)
- Wealth creation through the OET, allowed for workers to receive an average of R400 000 (before tax) over the life of the trust
- Second employee trust launched (Saam-Sonke Trust), with 7.8 million shares allocated to permanent employees
- R60m invested in employee skills development (2020: R60.9m)
- Oceana Management Advancement Programme in collaboration with GIBS
- Zero occupational fatalities

Contribution to value creation	How we engage
Our 3 090 permanent and 1 105 seasonal employees provide the skills, experience, diversity and productivity needed to operate our facilities efficiently and safely.	Internal communication, management meetings, personal interactions and consultative employee forums, CEO breakfasts, and 'meet the leadership team' meetings. Online check-ins as well as mental health awareness sessions were held with staff. 64% of employees are unionised, with various representative bodies where, in South Africa, the majority unions are FAWU and SACTWU and in Namibia, the majority unions are NAFAUW and NATAU. We strive for conducive relationships with our union partners.

Priority interests in 2021	Mental health and resilience; job security, satisfaction, and recognition; opportunities for career and personal development; market-related terms of employment and staff benefits; safe, healthy working conditions; health awareness and life skills; adequate retirement planning.
Our response	Skills training and development initiatives; competitive remuneration and employment conditions; transformation initiatives to encourage diversity in the workplace; code of business conduct and ethics of the Group constantly emphasised; employee education and compliance with health and safety regulations.

ENGAGING OUR STAKEHOLDERS CONTINUED

SHAREHOLDERS, INVESTORS, AND MEDIA

- R474m declared in dividends to equity shareholders (2020: R397m)
- R202m paid in interest to debt funders (2020: R268m)
- R222m net debt settled (2020: 350m)
- R4.8bn procurement on goods and services (2020: R5.2bn)
- 63 875 tons of fish procured (2020: 94 556 tons)

Contribution to value creation

We have over 8 000 shareholders who provide the financial capital needed to invest in and sustain growth. Media supports our brand value through reporting, featuring and advertising.

How we engage

Periodic investor briefings, annual reports, press releases, SENS, websites, media releases, and regular executive team meetings with institutional investors.

Priority interests in 2021

Growth in shareholder value; effective leadership; responsible governance and ESG matters; accessibility in engaging; integrity and promptness in responding to queries; receipt of quality information

Our response

Strong Board and executive leadership; sound corporate governance and ESG practices; succinct reporting via SENS and our website, reports and presentations; enhanced communication via advertising, face-to-face engagement, events, press releases and increased media coverage; being easily accessible for engagement sessions and prompt response to queries.

GOVERNMENT AND REGULATORY AUTHORITIES

- 4 195 people employed globally (2020: 4 450)
- Enhanced public finances by R314m in tax payments (2020: R235m)
- 84% of historically disadvantaged South Africans and women in management
- R60m invested in training and development
- R3.2m spent on community training and education and R1.38m spent on small-scale fishers training
- 50.7% of workforce Covid-19 vaccinated through dedicated workplace sites

Contribution to value creation

Government and regulators provide us with our fishing 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.

How we engage

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 Parliament of the RSA, and various government departments including DoE&L, DFFE, DPW, and DTI. 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.

Priority interests in 2021

With the FRAP applications due in 2021, this was a priority focus throughout the year.
Oceana's contribution to changing the face of the fishing industry (the small-scale fishers in particular); the overall transformation agenda; promoting local sourcing; development imperatives of food security; job creation, and skills development; compliance with permit and related requirements; responsible fishing; food safety; contribution to tax and GDP; Covid-19 safety measures.

Our response

Job creation; preferential procurement and transformation, local sourcing; support for small-scale fishers through our flagship initiative the Oceana Maritime Academy; regular direct engagement with relevant authorities and stakeholders on strategic matters; formal policies and operating procedures to ensure ethical conduct; Covid-19 protocols.

Oceana entities submitted our FRAP applications timeously with accurate and adequate support. We were subsequently awarded relevant fishing rights in 2022.

CUSTOMERS AND CONSUMERS

- Lucky Star product consumed by over four million people daily
- 57 253 tons of horse mackerel sold to markets across Africa (2020: 57 698 tons)
- 12 559 tons of hake sold to Europe (2020: 13 461 tons)
- 100 000 pallet spaces in South Africa and Namibia (2020: 113 000 pallet spaces)

Contribution to value creation

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 41 countries.

How we engage

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 customer surveys and research. Providing a quality product, reliably and affordably is the basis of our continued growth.

Priority interests in 2021

Safe, quality products at good price; continuity of supply; product information.

Our response

Regular contact with major customers; independent audit and checking of processes and quality; market and customer surveys; group and divisional websites with product information, contact details and helpline numbers; prompt follow-up of enquiries and complaints.

LOCAL COMMUNITIES, SMALL-SCALE FISHERS AND NGOs/NPOs

- 38 012 cans of Lucky Star product and 1 000 food parcels donated to vulnerable communities (2020: 55 000 cans), 2 035 care packs donated to frontline paramedics, and R470 000 donated to worthy causes, e.g.. feeding programmes
- Invested R1.38m in training small-scale fishers
- Long-standing partnership with PSFA provides daily meals to learners.
- Total global corporate social investment (CSI) spend: R6.8m (2020: R9.1m)

Contribution to value creation

These stakeholders are key to 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.

How we engage

We engage with community representatives through our corporate social investment activities in the main regions in which we operate. 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 marine safety.

Priority interests in 2021

Positively impacting lives; living out our philosophy that those who live above the bread line have a responsibility to improve the lives of those who live below the bread line; societal support and empowerment; investing in the fabric of communities; responsive corporate social investments; hunger relief.

Our response

Strengthened consultation and communication with local communities; demonstrated commitment to finding beneficial solutions; support for small-scale fishers through the Oceana Maritime Academy; established the Hout Bay Stakeholder Engagement Forum; 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.

ENGAGING OUR STAKEHOLDERS CONTINUED

SUPPLIERS AND SERVICE PROVIDERS

- 63 875 tons of frozen fish purchased (2020: 94 556 tons)
- R825m spent with black-female owned businesses over the past 3 years
- R50.7m invested in enterprise development programmes

Contribution to value creation	How we engage
Ensuring positive supplier relationships, based on mutual respect, enables us to deliver our customer value proposition efficiently and effectively.	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.

Priority interests in 2021	Joint growth opportunities; favourable terms; timely payment; B-BBEE procurement; sustainable business relationships.
Our response	Regular direct communication with major suppliers; code of business conduct and ethics of the Group constantly emphasised, and supplier policies; enhanced focus on supplier relationship management (SRM) and innovation.

INDUSTRY ORGANISATIONS, RESEARCH BODIES AND BUSINESS PARTNERS

- 650 000 shares allocated to our current and potential JV partners through our new Stakeholders Empowerment Trust, pioneering shared ownership

Contribution to value creation	How we engage
Engaging with these organisations is key to driving business best practice, identifying new opportunities, and creating a conducive long-term business environment.	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; West-Coast Rock Lobster Association and the West-Coast Rock Lobster Traceability Task-Force; Fish SA; 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). JVs are important to add volumes to our operations through jointly utilising the fishing rights allocated to our partners.

Priority interests in 2021	Harnessing our relationships to be mutually beneficial; collaboration; changing the face of the fishing industry; responsible fishing; food safety; societal responsibility; contributing to the collective business voice.
Our response	Dedicated time resources allocated towards scientific working groups and associations; active participation in, support and funding of research; partnerships deepened with our SMME JV partners; increased opportunities for ownership amongst business partners.

MANAGING OUR MATERIAL RISKS

Oceana has a structured and systematic process of identifying and managing all material risks across the Group. The principal risks that have a material impact on Oceana's ability to create value are outlined in the heat map 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. 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.

Our structured approach to risk management includes consideration of material ESG risks to the business, some of which fall within the top 10 principal risks, prioritised as having material impact on Oceana's ability to create value. For a list of further environmental and human resource risks identified see our *SR page 19.*

The Chairman's report addresses the events which led to the resignations of the CEO and Company Secretary, and the suspension of the CFO. These events also gave rise to the risk of the JSE suspending Oceana's Listing.

The Board found itself in an unprecedented position and acted swiftly to mitigate the risk of key executive vacancies and a possible suspension by the JSE.

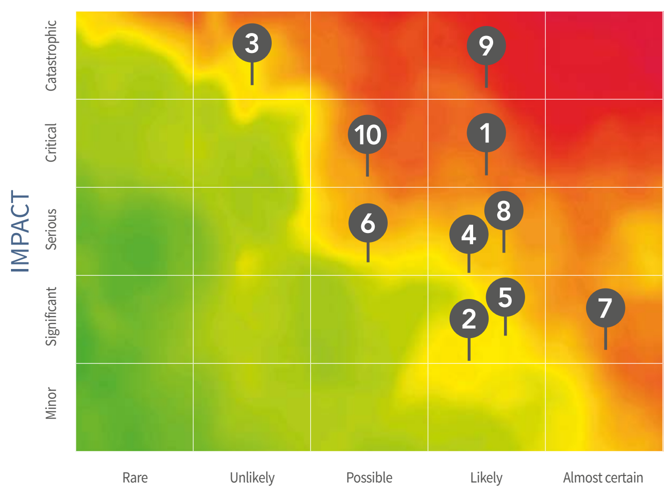
The Company's Top Ten Risk Register lists Business Continuity at #1 and Succession Planning at #4. Business continuity and succession plans are in place for key executive positions, which enabled the Board to expeditiously appoint a senior executive from the Oceana Executive Committee as the Interim CEO. An external seasoned finance executive was engaged to act as Interim CFO until finalisation of the grievance and disciplinary processes with respect to the CFO.

The Board and management established a crisis team, led by the Chairman of the Audit Committee and the Interim CFO, to ensure that all requirements are achieved to avoid suspension by the JSE.

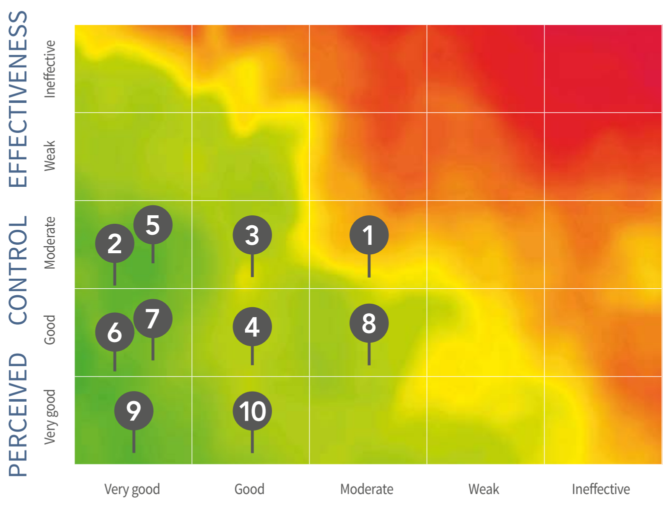
Going forward the Company will reassess whether sufficient mitigation plans are in place to address "key man" risks.

THE FOLLOWING REPRESENTS OUR RISK MATRIX AS AT 30 SEPTEMBER 2021

INHERENT RISK EXPOSURE



RESIDUAL RISK EXPOSURE



1 Business interruption (4)

RISK CONTEXT	IMPACT ON VALUE	RISK MITIGATION ACTIONS
• 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	• 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	• Pandemic risk mitigation strategy, SOP and procedures 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

Opportunity: Building an agile and resilient business and best product offering for customers

Risk area: Financial

Strategy: Deliver organic growth

Speed of impact: Very rapid

2 Market volatility (1)

RISK CONTEXT	IMPACT ON VALUE	RISK MITIGATION ACTIONS
• Leveraged balance sheet • Increase in US dollar/Euro 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 • Global supply chain challenges including freight cost	• Inability to maintain margins • Cost increases • Decline in earnings • Impede capital raising ability • Non-compliance with debt covenants	• Execute hedging policy • Natural business hedge, with both imports and exports • Fixing interest rate on debt • Strict repayment of debt and covenant compliance • Negotiate lower US dollar prices, currency, fuel, and interest rates • Diverse customer base in different geographic locations • Security response protocols

Opportunity: Diverse operating geographies offer optimal natural hedge

Risk area: Financial

Strategy: Sustainable earnings through diversification

Speed of impact: Rapid

3 Resource availability and ability to harvest (3)

RISK CONTEXT	IMPACT ON VALUE	RISK MITIGATION ACTIONS
• Reduction in pilchards and anchovy (SA and Namibia) beyond normal cyclicality • Decrease in TAC of certain species where resource appears under pressure • Changes in ecosystem from various environmental factors • Impact of ocean-based mining and seismic surveys	• Loss of revenue and increased marginal costs reducing profitability • Under-utilisation of assets (factories/vessels) • Closure of operations with resulting socio-economic impacts	• 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

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

( ) Refers to previous risk ranking

MANAGING OUR MATERIAL RISKS CONTINUED

4 Scarcity of critical skills/succession planning (5)

RISK CONTEXT	IMPACT ON VALUE	RISK MITIGATION ACTIONS
• 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 • Covid-19 impacts resulting in increased and lengthy absenteeism	• Inability to sustain current business model and growth strategy • Impact on employment equity targets • Inability to fill key positions	• Recruitment and selection strategy • Implement policies and guidelines for talent and recruitment management, remuneration, skills development, and succession planning • Leadership and Management Advancement Programmes

Opportunity: Build a resilient and agile workforce

Risk area: Human Resources

Strategy: Deliver organic growth; and galvanise the workforce

Speed of impact: Very rapid

5 Sustainability of workforce (6)

RISK CONTEXT	IMPACT ON VALUE	RISK MITIGATION ACTIONS
• Pandemic resilient workforce • A significant portion of the workforce experience health challenges • Mental health and substance abuse issues are increasing given the current economic and social stressors	• Loss of productivity • Increased absenteeism • Increased incidents and lost-time injury frequency rate (LTIFR) • Increased risk of labour unrest • Increased risk of theft and fraud	• Robust wellness program with a view to improving staff engagement • Industrial relations strategy in place • Compliance awareness campaign – whistle-blowers and fraud campaign • Raise awareness amongst workforce of importance and safety of vaccination against Covid-19

Opportunity: Sustain a healthy and agile workforce ably positioned to execute the strategy

Risk area: Strategic

Strategy: Deliver organic growth; sustainable earnings through diversification; and galvanise the workforce

Speed of impact: Rapid

6 Cash flow volatility due to cyclical operating model (7)

RISK CONTEXT	IMPACT ON VALUE	RISK MITIGATION ACTIONS
• 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	• Liquidity strain • Financial loss • Inability to meet financial debt covenants or repay interest and capital on term loans • Delayed creditor payments	• Weekly review of cashflow forecast • Rigorously reviewed capital and major maintenance expenditures • Timely enforcement of terms with regard to collection of debtors • Pro-active 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

7 Portfolio imbalance (8)

RISK CONTEXT	IMPACT ON VALUE	RISK MITIGATION ACTIONS
• Concentration of earnings in a particular unit exposes the Group to greater earnings volatility	• Increased volatility of earnings	• Business strategy focused on growth and diversification of portfolio • Business expansion into aquaculture

Opportunity: Business remains optimally positioned to respond to growth opportunities

Risk area: Strategic

Strategy: Sustainable earnings through diversification

Speed of impact: Rapid – Slow

8 Food safety (9)

RISK CONTEXT	IMPACT ON VALUE	RISK MITIGATION ACTIONS
• 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	• 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	• Internal technical department and third-party auditors to ensure compliance with standards • Product recall processes and insurance cover in place • Adherence to best practices hygiene and quality standards, with HACCP accreditation • Introduction of FSSC 22 000 • Proactive media engagement strategy

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

9 Reallocation of fishing rights (2)[1]

RISK CONTEXT	IMPACT ON VALUE	RISK MITIGATION ACTIONS
• BCP hake deep-sea trawl, squid and south coast rock lobster and Lucky Star pelagic rights up for reallocation in SA in 2021	• Loss of profitability • Higher cost of contracted quota • Reduced throughput at factories leading to underutilisation of assets (factories/vessels)	• Monitor policy and legislative changes and engage actively with authorities on the policy and legislative framework • Comply with all relevant legislation and retain credible empowerment and localisation credentials • Engage with government and communities to partner with community co-operatives • Be the market leader in production quality and efficiency thereby ensuring the most attractive value proposition to new quota holders

Opportunity: Build a sustainable business model including long-term partnerships with fishing communities

Risk area: Strategic

Strategy: Protect and optimise our quota businesses

Speed of impact: Rapid

10 Legislative non-compliance (10)

RISK CONTEXT	IMPACT ON VALUE	RISK MITIGATION ACTIONS
• Need to maintain systems and skills to track, interpret and ensure effective compliance with often-changing legislative requirements in a highly regulated industry	• Damage to the brand • Fines and penalties • Administrative cost of implementation • Loss of current and future fishing rights	• Comprehensive legislative compliance, monitoring, training and auditing systems in place • Ongoing engagement with regulators directly and through industry associations

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

Risk area: Compliance and legal

Strategy: Deliver organic growth; sustainable earnings through diversification and ensure good governance and sustainability

Speed of impact: Rapid – Slow

[1] *The FRAP process was finalised in March 2022 and Oceana received largely the same allocation as previously held.*

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 our ambitions and the phased approach in which to achieve it.

Oceana's strategy is driven by three key imperatives, supported by three key enablers and underpinned by sound financial and information technology management and support 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.

Each year Exco engages in a strategy review process over a three-month period, during which each Exco member has a chance to challenge and interrogate the strategy of other divisions, enabling cross-sharing of ideas. Strategic plans are presented to the Board, where budgets and forecasts are approved. Performance against the strategy is reviewed at Board meetings on a quarterly basis.

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

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

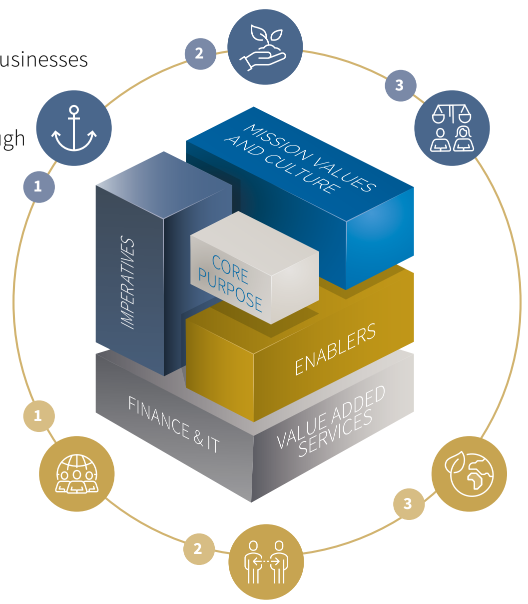
SI3. Create sustainable earnings through diversification

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

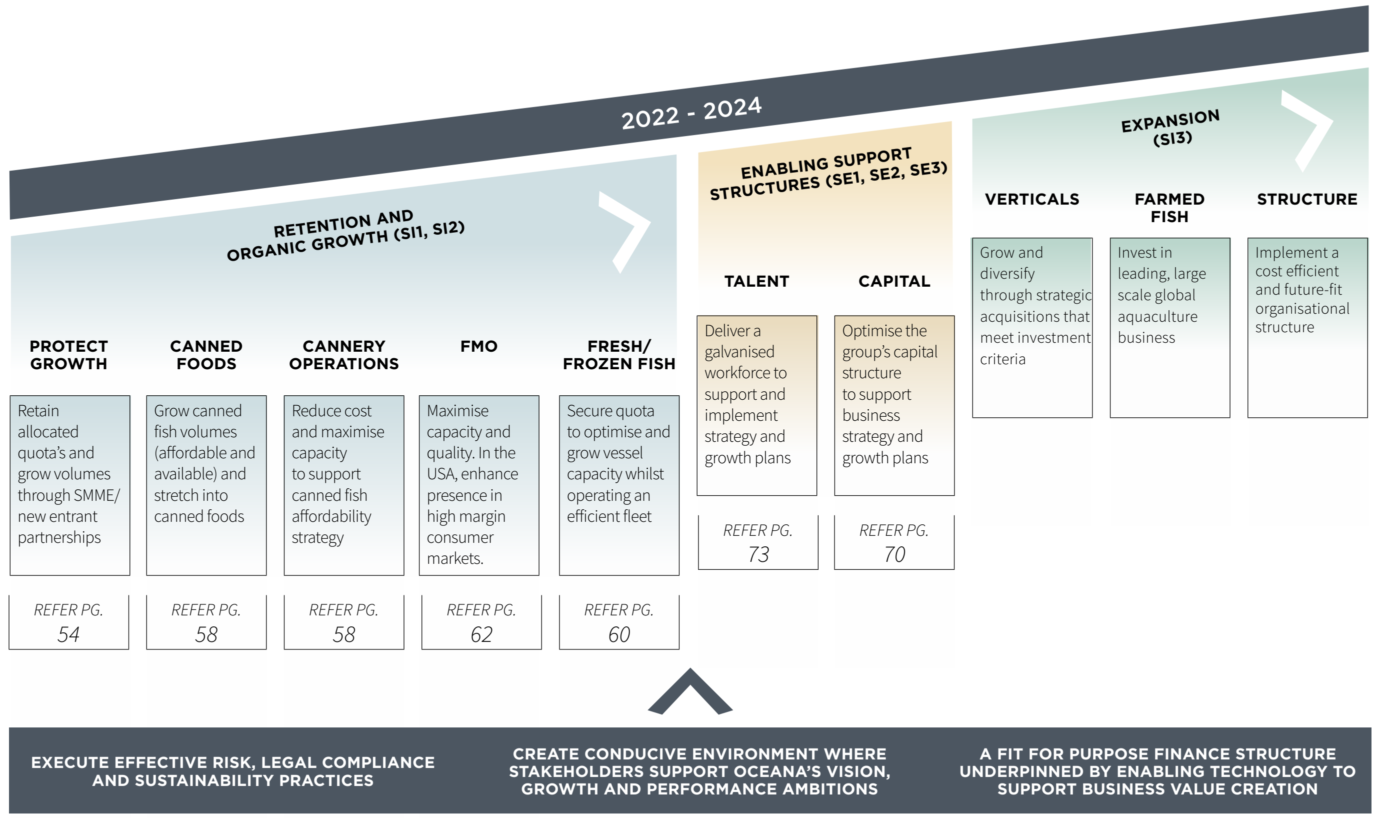
SE1. Galvanise the workforce

SE2. Engage stakeholders and manage reputation

SE3. Ensure good governance and sustainability



KEY STRATEGIC DELIVERABLES



HOW OCEANA'S STRATEGY DELIVERS 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 are key enablers of our long-term growth strategy.

Our sustainability strategy guides our increasing contribution to the attainment of these five SDGs, through both core activities and collaborative efforts, working alongside government, communities and other businesses. This work builds on our longstanding commitment to the UN Global Compact and its 10 principles.

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

STRATEGIC IMPERATIVES

SI 1

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 retain and grow our commercial fishing rights.

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 our ability to secure long-term fishing rights. As a B-BBEE Level 1 contributor with a 94% black workforce, 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 activities have been clearly communicated and that our ongoing transformation activities are sufficiently aligned with government's expectations. Our Group Transformation and Localisation Manager works closely with employees involved in reporting on B-BBEE within the business. We saw several new developments to support our transformation strategy this year, including a gap analysis on all B-BBEE elements per division and setting targets with MDs, refresher training across the Group, quarterly Transformation Forums to report and track progress and quarterly audits for each division. Employment equity has also been made a KPI in divisional management and executive reward programmes.

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

SOUTH AFRICAN FISHING RIGHTS

B-BBEE ownership is an important factor in the fishing rights allocation process (FRAP) and we believe Oceana's current black ownership enables us to have a strong position in the industry. We have also made significant investments in the industry through our Oceana Maritime Academy and support for small-scale fishers, creation and retention of jobs, and our responsible fishing practices.

Hake deep-sea trawl, squid, South Coast rock lobster, and small pelagic rights, which account for less than 16% of our enterprise value were renewed via the FRAP process. Our rights for horse mackerel and hake inshore have been allocated to 31 December 2031, and West Coast rock lobster to 31 July 2032.

Following the FRAP process, there are 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 instrumental in our innovative capability. Our focus this year has been to engage with parties that we have a relationship with and identify potential long-term partners, involving them in our operations.

PIONEERING SHARED OWNERSHIP

The Oceana Empowerment Trust vested on 15 January 2021 and the additional value realised was approximately R500 million before tax, bringing the total value of the trust to just under R1 billion over its lifetime. The average aggregate benefit to each beneficiary was over R400 000 before tax. This bears testament that the trust met its objectives in creating shared value for its beneficiaries.

Our second empowerment scheme, Oceana Saam-Sonke Trust, was launched in 2021 and this remains an important mechanism for our employees to grow with the Company.

As of November 2021, it had approximately 2 523 beneficiaries holding 7.8 million shares in Oceana, representing 6% of Oceana's total issued shares. This continues to allow real broad-based empowerment not only directly to our employees, but also to the communities in which they live. For further details, see page 33 of our SR.

Another key initiative implemented by Oceana to advance its transformation strategy was the creation of the Oceana Stakeholders Empowerment Trust. This will facilitate beneficial ownership of the Group by eligible SMMEs. Through pioneering shared ownership, we are building resilience into the system.

PROMOTING LOCALISATION IN NAMIBIA

Oceana operates through three companies in Namibia – Erongo Marine Enterprises (Pty) Ltd (Erongo), Commercial Cold Storage Namibia (Pty) Ltd (CCSN), and Etosha Fishing Corporation (Pty) Ltd (Etosha) – with a combined total asset value of N$763 million (2020: N$742 million) and more than 1 000 employees, excluding indirect jobs.

We continue to make a significant contribution to job security and empowerment efforts through the broad-based economic empowerment scheme, Erongo Harambee Workers Trust. Erongo operates in partnership with local horse mackerel rights holders (previously disadvantaged Namibians); through the rights holding company Arechanab Fishing and Development, we deliver dividends to the trust. Permanent employees also own a 31% shareholding in CCSN through the trust. Etosha is a Namibian-based company with Oceana owning 44.9%.

We saw some positive developments with the establishment of the Namibia Investment Promotion and Development Board this year, with a mandate to promote, attract, and retain both domestic and foreign investments. We anticipate more constructive engagement on the contents of the Draft Namibian Equitable Economic Empowerment Framework.

OUR 2021 PERFORMANCE:

SOUTH AFRICA

- ✓ Maintained our Level 1 B-BBEE rating for the third year in a row, supported by the excellent work of our transformation forum committee that comprises leadership across the SA business divisions, achieving a score of 106.34 points out of 109.
- ✓ Maintained our black-owned and black-controlled shareholding with two main shareholders: Brimstone Investment Corporation and the Oceana Empowerment Trust, the latter being replaced with the Oceana Saam-Sonke Trust during the reporting period. With the launch of the Oceana Stakeholders Empowerment Trust, we had a combined black ownership holding of 81.82%.
- ✓ 2 293 beneficiaries of the Oceana Empowerment Trust received a monetary dividend pay-out of R19.6 million and just under R1 billion of value was created via the Trust.
- ✓ Achieved the maximum points at both Board member and executive director levels, and we continued to make reasonable progress in transforming our senior, middle and junior managerial ranks.
- ✓ Updated our recruitment policy to focus on B-BBEE candidates more actively. The focus remains on attracting African black males and females and retaining current black talent.
- ✓ 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 recognised procurement spend of 109.87% with B-BBEE compliant suppliers, proactively ensuring that procurement is redirected towards SMMEs, black owned, black female owned and black designated group suppliers.
- ✓ Supported 22 small enterprises in neighbouring communities through our enterprise development programme. Lucky Star also progressed with its flagship Lucky Chow enterprise development initiative.
- ✓ Continued to support small-scale fishers through joint ventures with smaller fishing companies and suppliers that are critical to our business.
- ✓ Launched the Oceana Maritime Training Academy, which addresses the scarcity of critical skills within the industry, and delivered training to small-scale fisher co-operatives (see page 76).

NAMIBIA

- ✓ Achieved 80% female representation at management level with the appointment of a new finance and marketing manager.
- ✓ 155 permanent employees were paid dividends through the Erongo Harambee Workers Trust, each receiving N$10 322 before tax.
- ✓ Due to the pilchard moratorium in Namibia, Oceana continued to import frozen pilchards to keep the Etosha cannery operational and to sustain the company's 600 jobs.
- ✓ Continued reduction in our horse mackerel rights holders' quota resulted in Erongo having to purchase quota at unsustainably high prices, increasing fishing costs.
- ✓ Supported five enterprise development initiatives through our CSI programme, including a five-year flagship project that supports small-scale fish farmers with fishmeal to produce fish feed, thus ensuring the survival of their businesses, enhancing food security and livelihoods.

Looking ahead to 2022

Value creation targets

- Protect the African quota-reliant businesses through transformation and localisation credentials
- Achieve at a minimum an independently accredited B-BBEE level 2 rating in South Africa
- Continue to invest in skills development and job security in the countries in which we operate

We will:

- Maintain our black shareholding and level 1 B-BBEE rating
- Leverage our fishing and processing assets to establish long term partnerships with SMMEs/new entrants
- Establish the right Opco structures to facilitate partnerships with SMMEs/new entrants
- Finalise the new Stakeholders Empowerment Trust participants
- Extend the Oceana Maritime Academy services to external businesses in the industry
- Engage further with B-BBEE non-compliant suppliers to provide support
- Develop a flagship Group-wide Enterprise and Supplier Development (ESD) programme
- Broaden the small-scale fishers training to include mentorship and coaching
- Continue to build strong communication plan with key role players in government, industry, labour, and business coalitions

OUTCOMES KEY

✓	Achieved
✗	Not achieved

STRATEGIC IMPERATIVES CONTINUED

SI 2

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 2022. A more detailed review of performance across our divisions is provided on *pages 88 to 95*.

CANNED FOODS

1 NO POVERTY 2 ZERO HUNGER 13 CLIMATE ACTION 14 LIFE BELOW WATER

LUCKY STAR MARKETING (BRAND) PERFORMANCE

Coming out of a severe exchange rate position from 2020, the normalisation of the exchange rate worked in our favour in 2021. Affordability and volume remain a large part of our strategy. Customers have adopted the category at a time when consumers are under pressure.

LUCKY STAR CANNERY PERFORMANCE

A shortage of frozen fish supply led to reduced production in 2021 in volume terms (20% lower year-on-year), but this was partially supplemented by increasing catch of local pilchards.

CANNED FISH BUSINESS MODEL

		Value drivers	Context and outlook
Revenue Driver (Volume)	Reliable local supply and landing of pilchard (SA and Namibia)	• Local pilchard biomass • Allocated quotas	• Industry catches of local pilchards increased by 50% compared to last year, on a similar TAC; remains SASSI orange-listed • Improved catch rates east of Cape Agulhas
	Security through procurement	• Local and global supply (five geographies)	• Optimising geographies and suppliers, underpinned by good supplier relations and efficient procurement practices • Challenges in Moroccan frozen fish supply in 2021 related to late issuing of fishing licenses, but outlook is strong. Increased pricing pressure due to higher demand • Fisheries improvement project for pilchards in Morocco completed in August 2021 and will enter full MSC assessment
Revenue Driver (Price)	Demand for canned fish product	• Consumer disposable income for protein • Positioning of Lucky Star in canned fish sector and beyond • Demand for canned fish relative to other proteins	• High volume consumers in lower LSM impacted by economic decline and tough consumer environment; critical to maintain affordability • Lucky Star brand maintaining leading position in sector, aided by effective pricing and marketing • Significant investment in enterprise development for spazas and traditional trade, developing township caterers • School feeding programme seeing increased demand for pilchard in schools • 90% of Lucky Star's revenue is generated in South Africa and 10% is generated from export sales; outlook to maintain or grow the depth of our distribution • In terms of new markets, progressing well in one geography in West Africa (long-term strategy) • Stretching into canned foods beyond fish through emulation and innovation, building the supply chain to make more affordable (medium- to long-term strategy)
Cost driver	Material cost efficiencies	• Efficiencies in own fishing and canning operations	• Ample excess cannery capacity (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 • A revised food and feed safety standard based on FSSC 22000 will further reduce resource waste • Maximised efficiencies (medium-term strategy) • Carbon tax liability
		• Procurement efficiencies	• Centralised procurement delivering sustained cost savings • Explore alternative ways of shipping using reefer transhipment • Secure frozen fish supplies, manage the working capital and storage requirements
	Rand / Dollar exchange rate	• Weaker Rand increases import costs, impacting margins and profits	• Forward cover policy to cater for possible pressure on the Rand; achieved better dollar cost on imported raw fish in 2021 • Ability to leverage the Group's working capital resources to obtain favourable pricing offsetting the negative effects of a weaker exchange rate

Material risks

- Weakening Rand increasing import cost, negatively impacting margin and profitability
- The reduced disposable income levels of consumers
- Secure raw material supply from Northwest Africa to ensure production remains stable to support affordability
- International supply chain disruptions (sea freight, trucking, and ports) due to Covid-19

Looking ahead to 2022

Value creation targets

- Grow pilchard consumption within the total protein category
- Explore alternative markets for canned food by leveraging the Lucky Star brand
- Improve raw material utilisation of canned food
- Deliver on product innovation and service offerings

SI 2 STRATEGIC IMPERATIVES

DELIVER ORGANIC GROWTH CONTINUED

Looking ahead to 2022 continued

Lucky Star brand will grow canned fish volumes through its affordability and availability 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

In terms of affordability, we will:

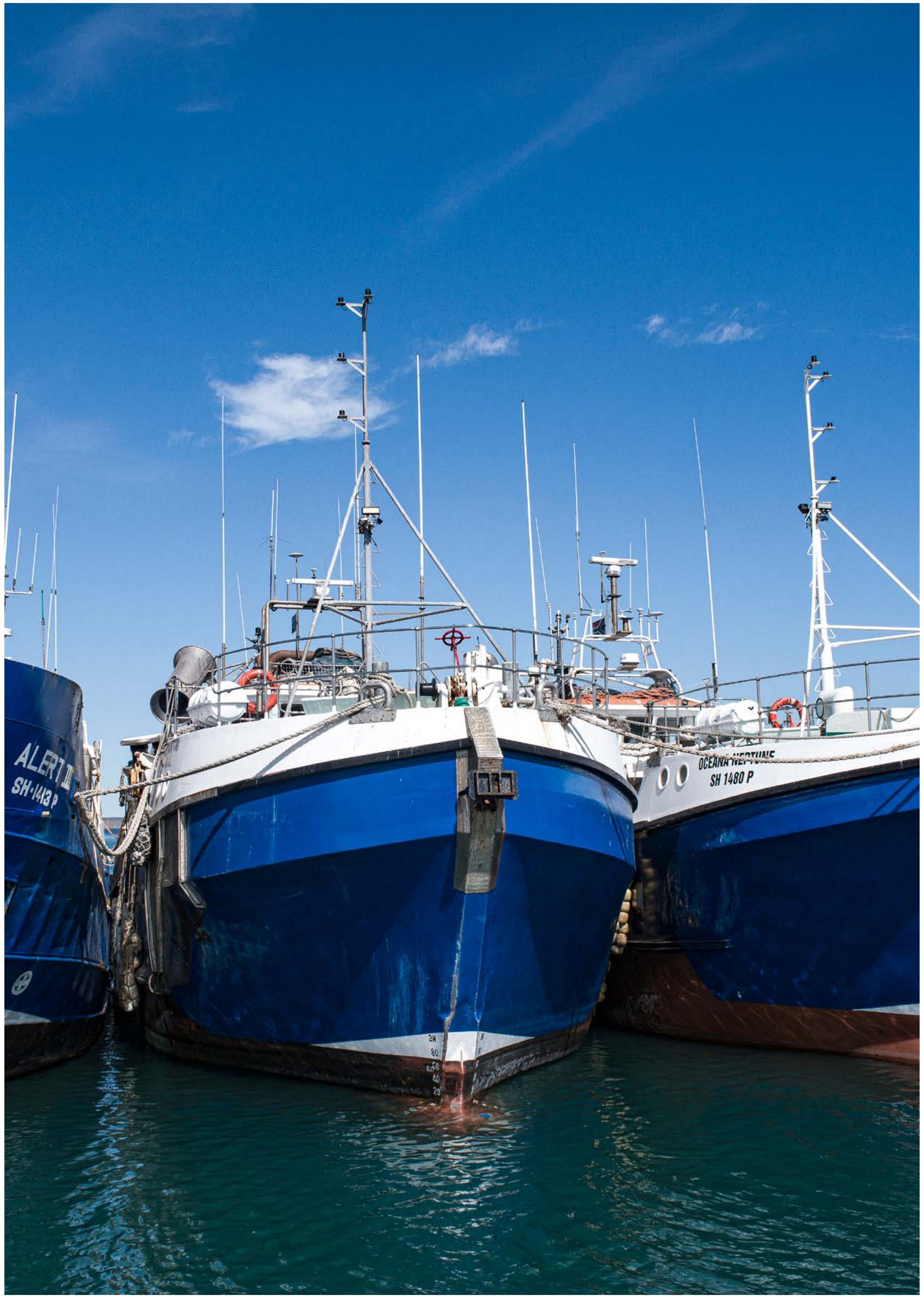
- Drive unlimited supply and 'size of category' awareness with customers.
- Maximize customer investment in shelf price and space, advertising and working capital
- Optimise direct full truck customer deliveries
- Optimise route to market (bypass or reduce the cost of customer intermediaries)
- Consider consolidation of local production points

Lucky Star brand will also:

- Explore in-country brand acquisitions or agencies
- Continue marketing the versatility of canned fish and innovation in terms of packaging, flavours, and species
- Continue to stretch beyond canned fish using our existing infrastructure

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

- Managing processing costs per carton, off 2020 base, to enable limited price increases for canned pilchards
- Maximising fresh pilchards supply (subject to the health of the pilchard resource)
- Implementing performance enhancing STI for A-C grades
- Optimally increasing the utilisation of SA canneries to utilise 90% of available capacity
- Introducing sustainable energy solutions (steam generation and electrical energy)
- Positioning canneries and capabilities as flexible and ready for profitable new product opportunities to support future growth of Lucky Star
- Maximising scale-on fish production and our ability to work any pilchards Lucky Star can source



SI 2 STRATEGIC IMPERATIVES
DELIVER ORGANIC GROWTH CONTINUED

FISHMEAL AND FISH OIL

FISHMEAL AND FISH OIL (AFRICA) PERFORMANCE

Landings of anchovy and red eye herring declined to 60% of 2020 catch, due to weather and environmental conditions, but we benefited from strong pricing for both fishmeal and fish oil and saw improvements in fishmeal quality.

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**	• Health of biomass • Allocated quotas • Weather patterns	• TAC remained similar to last year, indicating stable biomass health • SASSI green listing of anchovy and red-eye herring • Weather and environmental conditions contribute to the cyclicality of the resources with 2021 being an average year • Entrants of new quota holders subsequent to the finalisation of the FRAP process may result in reduced quota to existing quota holders and may impact margins negatively[1]
Revenue Driver (Price)	**Fishmeal and fish oil pricing** **Market demand**	• Global supply dynamics • Global demand dynamics • Export to Europe and Far East	• 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, including over the longer term • Supply Chinese market, predominantly shrimp feed • Readily supply product for aquaculture, particularly for Southern Europe
	Rand/Dollar exchange rate	• Weaker exchange rate increases Rand denominated revenue resulting in improved margins	• Stronger exchange rate does not favour our export market
Cost driver	**Material cost efficiencies**	• Efficiencies in fishing and processing	• Ready to showcase our strategy to capitalise on capacity as the preferred partner for SME quota holders • 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

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
- FRAP decision of rights renewal process results in greater quota loss than expected

Looking ahead to 2022

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 through:

- Upgrading fishmeal quality to increase volumes sold into higher value markets; achieve certification to sell into direct human consumption markets
- Replacing steam generation plant to convert to a higher value steam dried fishmeal
- Driving fleet and plant efficiencies to increase volumes by 30%, off a 2021 base year
- Increasing catch of redeye and anchovy and experimental trawling for redeye to increase catch volumes
- Leveraging fishmeal plants and market access to attract new entrants, as a minimum, retain the same volume of quota as 2021

[1] *The FRAP process was finalised in March 2022 and Oceana received largely the same allocation as previously held.*

SI 2 STRATEGIC IMPERATIVES
DELIVER ORGANIC GROWTH CONTINUED

FISHMEAL AND FISH OIL

13 CLIMATE ACTION
14 LIFE BELOW WATER

FISHMEAL AND FISH OIL (USA) PERFORMANCE

Ground-based operations did exceptionally well overall, with step-change improvements year-on-year in plant capacity, throughputs, meal protein and oil quality levels, but this was offset by challenges in landings of the Gulf menhaden due to weather and biomass movements.

FISHMEAL AND FISH OIL (USA) BUSINESS MODEL

	Value drivers	Context and outlook
Availability and accessibility of Gulf menhaden species	• Accessibility and ability to land volumes (allocated on an effort basis) – impacted inter alia by fish distribution, fleet efficiency and weather	• Gulf menhaden maintained MSC certification indicating healthy biomass and good long-term outlook • Fishing season running from April to October, with inventory carrying us through the off season • Stable pricing on both fishmeal and fish oil • World class oil yields for Menhaden 10 – 12% vs Peru Anchovy and other species (4 – 6%)
Nature of fishmeal and fish oil yields	• Gulf menhaden typically have fish oil yields of around 10% – 12%, a function of fish resource movements and feed patterns • Landings and size of the fish	
Fishmeal and fish oil pricing and demand	• Global supply dynamics	• Increase in global supply with Peru catching its full quota for both fishing seasons • Flat to declining pricing on fishmeal and fish oil • Lock in contracts 6 – 9 months ahead ensuring optimal pricing
	• Global demand dynamics	• Global prices are expected to continue to increase given growing demand for fish protein
	• Sold for use in pet food, aquaculture and cattle feed industry	• Pet food category grew 6% globally • Share in pet food market continues to grow • MSC certification enables a boutique ingredient from a commodity-based protein
Material cost efficiencies	• Efficiencies in landing, processing and distribution	• Throughput, oil and meal yields all showing improvements • Increase barrel price doubled fuel costs, but some offset because of a pro-active hedging policy being in place

Material risks

- Inability to land projected growth volumes due to inconsistent supply of fish impacted by environmental/weather conditions
- Fishmeal and fish oil yields affected by extraneous environmental and climatic conditions
- Fluctuations in international demand (volume/price) for fishmeal influenced by extraneous factors, such as El Niño events and increasing global protectionism
- Fishing crew availability due to Covid-19 and local competition

Looking ahead to 2022

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 the **USA**, Daybrook will drive volumes and identify new growth opportunities through:

- Continued growth in mid-tier pet food space – driven by roadshow marketing, face-to-face customer meetings and active engagement at Petfood Forums
- Continued focus on operational excellence – with walking tours, root cause analysis, one-point lessons / standard operating procedures and robust preventive maintenance programme
- Continued advancement in our high-quality Air Classified (AC) fishmeal based on successful feeding trial with seafood company Mowi
- Gain share by displacing non-MSC grade products

Fishing improvements driven by Westbank's majority shareholder will include:

- Trialling sonar technology to assist with net setting
- Introduction of jet engen purse boats to vessels within the fleet
- Further vessel pump improvements

SI 2 STRATEGIC IMPERATIVES
DELIVER ORGANIC GROWTH CONTINUED

BLUE CONTINENT PRODUCTS

13 CLIMATE ACTION
14 LIFE BELOW WATER

HORSE MACKEREL (SOUTH AFRICA) PERFORMANCE

A disruptive year in our South African horse mackerel operations because of Covid-19, a main engine breakdown and statutory class survey maintenance, resulting in a slightly disappointing performance. This was partially offset, however, by positive market developments underpinned by strong demand. Given the state of the resource, the performance of the market and with the maintenance period completed, we are looking forward to very good year in 2022.

HORSE MACKEREL (NAMIBIA) PERFORMANCE

Namibian horse mackerel operations had a good year from a market perspective, with slightly smaller fish seeing real price increases and strong consumer demand, aided by fewer vessel disruptions from Covid-19.

Material risks

- South African and Namibian reduction of horse mackerel catch rates
- Procurement of Namibian horse mackerel quota becomes commercially unviable

HAKE PERFORMANCE

Hake business had a difficult year following an exceptional year in 2020. The combined strength of the Rand with a surplus in supply impacting market demand, has made a significant dent in our revenue. Vessels also had numerous breakdowns.

Material risks

- Reduced quota allocation resulting from the FRAP process
- Reduced vessel utilisation due to breakdowns or Covid-19

HORSE MACKEREL BUSINESS MODEL

	Value drivers	Context and outlook
Reliable supply and landing of horse mackerel (SA and Namibia)	• Health of horse mackerel biomass in SA and Namibia • Own quota allocation vs contracted quota • Efficient landing of available allocation	• The SA resource has fully recovered from climatic conditions a few years ago and is SASSI green-listed • We own (directly or through joint ventures) 40% of the SA quota and contract the remaining 60% • Improved catch rates in South Africa relative to prior years • 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 quota allocated to rights holders and 1/3 auctioned back to rights holders. TAC remained the same as previous year • The Namibian resource is reasonably stable (last acoustic survey in 2019) but seeing a large percentage of juvenile horse mackerel in our catch
Market demand and pricing **Rand/Dollar exchange rate**	• 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)	• 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 • Export sales account for 95% of horse mackerel total revenue • Stronger Rand this year affected performance because we are export dominated • Products are mainly sold in informal markets • For the foreseeable future, value for money proteins will be in strong demand because of Covid
Material cost efficiencies	• Efficiencies and speed of catch rates	• 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 fuel in SA (ammonia); low-sulphur exemption in Namibia for 2022 • Increased barrel price for fuel doubled fuel costs, but some offset because Rand slightly stronger and a pro-active hedging policy being in place • Increased levies, quota fees and auction fees • Five-year special class survey in SA in 2021 to maintain safety and integrity of vessel • Dry dock coming up in Namibia in 2022 (intermediate class survey)

HAKE BUSINESS MODEL

	Value drivers	Context and outlook
Reliable supply and landing of hake	• Health of hake biomass • Own quota allocation vs contracted quota • Efficient landing of allocated quota	• Reasonable catch rates; resource remains relatively stable • The long-term outlook for biomass remains positive with MSC certification in place and SASSI green listing • Maintain strong focus on driving transformation to ensure positive outcome around FRAP for hake[1] • New joint ventures with new entrants on the horizon as equity partners to grow the business (maximising utilisation of vessels and assets) • Sea frozen production maximises revenue and profit, moving away from land-based processing
Pricing in international market	• Demand in new and traditional markets	• A premium is paid in Europe for the larger size fish while prices for smaller fish sold in SA are maximised
Market demand and pricing	• Sold (headed and gutted – H&G) to European and SA food services market and retailers	• Opposite effect of Covid-19 this year where dynamics of buying patterns and pricing negatively impacted European demand for H&G • Fundamentals for hake remain strong. As Covid-19 infection rates decrease and restaurants start opening, the build-up of stock will be cleared • Rand appreciation and over-supply of H&G saw a year-on-year decrease in the realised price for hake
Rand/Euro exchange rate	• Weaker exchange rate increases Rand denominated revenue resulting in improved margins	

[1] *The FRAP process was finalised in March 2022 and Oceana received largely the same allocation as previously held.*

SI 2 STRATEGIC IMPERATIVES

DELIVER ORGANIC GROWTH CONTINUED

BLUE CONTINENT PRODUCTS

LOBSTER PERFORMANCE

The West Coast rock lobster (WCRL) resource continues to be under threat from poaching, but despite a 22% cut in TAC, we had a reasonable year due to demand and pricing in China remaining strong. South Coast rock lobster (SCRL) made a healthy margin with good demand in the USA. It remains a strong resource with potential for an increase in TAC. Post the FRAP outcome, we are looking to grow the business through acquiring or entering joint venture partnerships with rights holders.

SQUID PERFORMANCE

Coming off a low resource from 2020, we had good performance in 2021 despite squid recruitment being affected by environmental conditions. Our joint venture in the Eastern Cape has worked very well and culturally has been a good fit for our business, with potential for further growth.

LOBSTER AND SQUID BUSINESS MODEL

	Value drivers	Context and outlook
Reliable supply	• Own and contracted quota allocation • Health of biomass (South coast rock lobster and squid)	• West Coast rock lobster (WCRL) resource remains under pressure due to unchecked poaching (SASSI red-listed since 2017) • South Coast rock lobster (SCRL) considered a stable biomass, small resource yet very well managed (SASSI green-listed) • Squid considered a healthy biomass (SASSI green-listed) but fairly short-lived species (two years) very susceptible to changes in the environment • Secured 15-year rights for WCRL in 2017 • 22% cut in WCRL TAC this year • Availability of squid this year considered an average year cycle • Entrants of new quota holders subsequent to the finalisation of the FRAP process may result in reduced quota to existing quota holders for SCRL and squid, impacting margins negatively[1]
Harvesting of the lobster and squid biomass (SA)	• Availability of lobster and squid biomass	
Market demand and pricing	• Live and frozen WCRL sold to Far East • Live and tailed SCRL sold to European and USA markets • Squid sold to markets in Europe	• Chinese market disruptions have recovered and demand and pricing remain strong (trade war between China and America 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 • The strengthening of the Rand affects performance as products are export dominated
Rand/Dollar and Rand/Euro exchange rate	• Weaker Rand increases ZAR export earnings	
Efficient/effective harvesting of the lobster and squid biomass (SA)	• Consolidation and rationalisation of operations (lobster) • Efficiencies in landings and processing	• Stable earnings to be sustained, supported by continued focus on live lobster sales • Joint venture with an Eastern Cape based entrepreneur to collectively use our permits to fish squid, provides access to more effective vessels

Material risks
• Reduced quota allocations
• Red listing of West Coast rock lobster resource

Looking ahead to 2022

Value creation targets

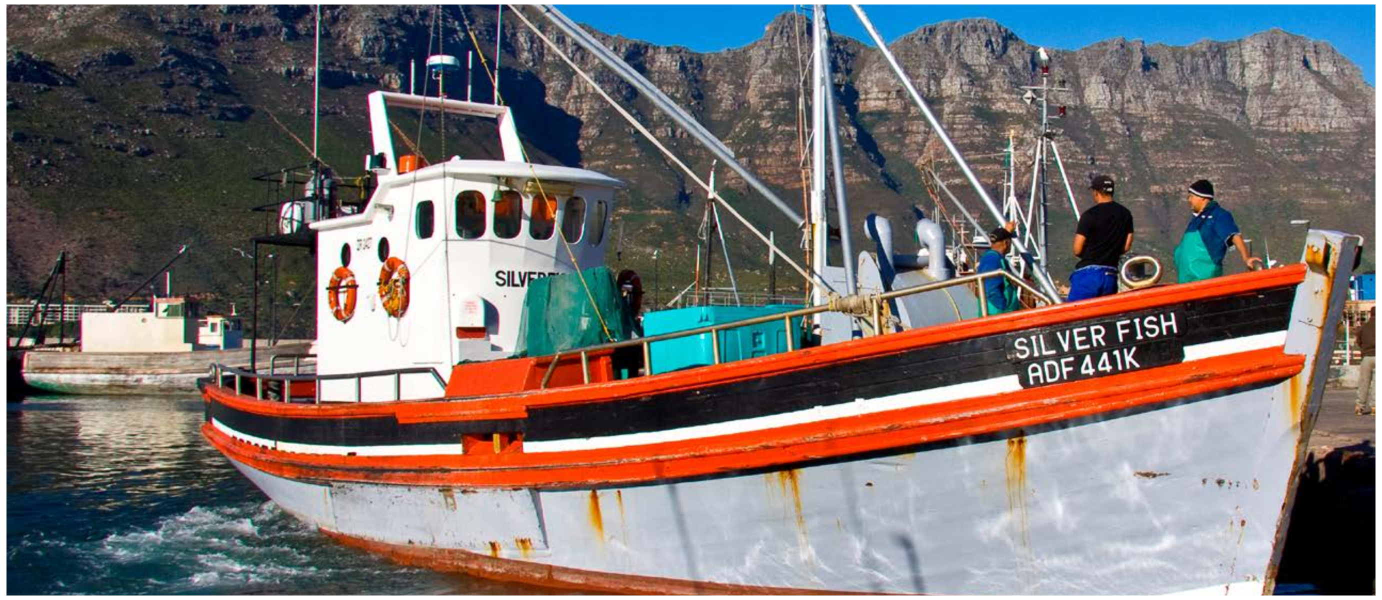
Enhance harvested volumes by improving fleet capacity and availability

We will secure quota to optimise and allow for growth in vessel capacity, whilst operating an efficient fleet through:

- Continuing to be the most efficient and preferred operator in all species
- Favourably conclude South African HM rights review process
- Securing sufficient quota at viable levels in Namibia to maximise vessel capacity via government auctions or quota purchases
- Continuing with hake frozen H&G strategy
- Securing additional hake capacity post FRAP via joint venture opportunities
- Efficient conversion of the fleet to ammonia in South Africa and Namibia
- Securing quota to utilise the full capacity of the four hake freezer vessels
- Synergising Erongo, CCS Namibia and Etosha to leverage Oceana's Namibian value
- Influencing Namibian ministry to ensure regular scientific research is undertaken to ensure sustainable biomass
- Exploring third HM vessel in Namibia (post auction) and fifth hake freezer vessel in South Africa (post FRAP)
- Reduction of fleet carbon emissions by 10%

For **lobster and squid**, we will protect and optimise by:

- Creating a fully variable operating model for WCRL
- Securing the optimal license allocation for squid through a partnership



[1] *The FRAP process was finalised in March 2022 and Oceana received largely the same allocation as previously held.*

SI 2 STRATEGIC IMPERATIVES
DELIVER ORGANIC GROWTH CONTINUED

COLD COMMERCIAL STORAGE

CCS LOGISTICS PERFORMANCE

While Covid-19 contributed positively to results in 2020, in 2021 we saw more negative impacts, particularly in the Western Cape. Despite the challenges, we managed expenses to be in line with occupancies. Walvis Bay was a major highlight this year, with mostly 100% occupancy levels. Going forward, the focus is to be efficient and agile, staying close to customers, and adapting our business model according to their needs.

CCS LOGISTICS BUSINESS MODEL

	Value drivers	Context and outlook
Occupancy rates	• Nature of frozen food market (predominantly fish and poultry) • Ability to integrate services cost-effectively into the outbound supply chain of customers	• Normalised year in Gauteng following strong demand in prior year • Namibian market saw good horse mackerel landings and increase in demand for storage, a positive effect of Covid-19 • Walvis Bay tender for the next 10-year lease agreement awarded this year securing our services to Namport customers
	• Availability of alternative cold stores through 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 • FSSC 22000 certification enhances our food safety credentials
Material cost efficiencies	• The ability to reduce costs significantly in a largely fixed-cost structure	• Very high fixed cost base requires high occupancy levels • Due to decrease in capacity in Western Cape we decreased our operating expenses (electricity, labour and maintenance costs), doing well to manage expenses in line with occupancies, despite Covid-19 impacts • Our 'Keeping it Cool' campaign has seen step-changes in the way we do things operationally, as well as in terms of customer service
Leased vs owned cold store facilities	• Leased assets typically offer lower margins, and reduced long-term certainty	• With the exit of the Durban market and excess capacity in Gauteng, CCS capacity has decreased nationally over the past two years

Material risks

- The ability of importers to secure containers and shipping lines (Covid-19 related)
- Tourism sector and restaurant trade not bouncing back (Covid-19 related)
- Competitor pressures resulting in reduced occupancy
- Cyclical nature of consumer segments services may create volatility in earnings
- Increasing energy and labour costs erodes margins

Looking ahead to 2022

Value creation targets

Deliver on cost efficiency and service offerings

We will consolidate and optimise coastal stores and restore inland stores to profitability through:

- Optimisation of Western Cape and Namibia regions to grow customer base and increase occupancies
- Restoring Gauteng profitability by securing additional revenue streams, expanding strategic partnerships and implementing cost saving initiatives
- Implementing a three-year plan to ensure future insurability of cold stores
- Implementing an IT solution to enable customer integration and visibility
- Implementing Epping expansion and delivery of growth targets

STRATEGIC IMPERATIVES CONTINUED

SI 3

CREATE SUSTAINABLE EARNINGS THROUGH DIVERSIFICATION

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

We continue to search for opportunities in the aquaculture space, while simultaneously identifying strategic targets globally. A drive on aquaculture remains part of our core strategy to increase our geographic and species diversification, with a focus on North American and European geographies. Africa also remains on our radar as we see significant opportunities for growth here given the rising population and need for affordable protein. We are looking to acquire intellectual property and expertise related to aquaculture assets, through investment.

While Covid-19 has had a negative impact on our ability to effectively conclude any transactions, we have remained active in evaluating opportunities to ensure we have targets to pursue as the world normalises with increased vaccination rates.

OUR 2021 PERFORMANCE:

- ✓ The Business Development Executive focused on opportunities for acquisitive growth and divestment this year, while also looking internally at areas to make the Group structure more efficient.
- ✓ Structured a new Employee Share Ownership Scheme and an innovative Stakeholder Share Ownership Scheme, which were approved by Shareholders for implementation.
- ✓ Conducted initial due diligence for an opportunity in Europe in the canned fish space (vertically integrated fishing and aquaculture business); following the initial due diligence process we decided not to pursue the opportunity any further.
- ✓ Evaluated and assessed other merger and acquisition opportunities aligned to investment criteria in both the emerging aquaculture and vertically integrated fishing business landscape.
- ✓ The board established an Investment Working Group at the Board level to consider acquisitive and divestment opportunities.

Post the whistle-blowing incident, evaluation of acquisitive growth and divestment opportunities were paused.

Looking ahead to 2022

Value creation targets

- Create a strong pipeline of targets that meet investment criteria
- Successfully complete earnings enhancing, portfolio diversifying opportunities

We will:

- Evaluate opportunities to invest in established vertically integrated aquaculture businesses of scale with strong IP
- Implement a long-term operating model that supports our expansion strategy
- Explore upstream and downstream investment opportunities

STRATEGIC ENABLERS

SE 1

GALVANISE THE WORKFORCE

1 NO POVERTY
8 DECENT WORK AND ECONOMIC GROWTH

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.

This year has shown us that through our processes and the way we are structured, there is sufficient resilience at Oceana. We have weathered this time well, with high levels of commitment and engagement across our workforce.

COVID-19 VACCINATIONS AND PRIVATE HEALTH CARE

Wellness remains high on the Oceana agenda. Our focus to address the Covid-19 pandemic saw us partnering with a large pharmacy in South Africa to assist in delivering a vaccination programme to our staff, as they became eligible in line with the government's roll out plan. This partnership allowed for vaccination of staff and their families. Similar vaccination programmes have been rolled out in the USA and Namibia.

We recognise there is a need to provide consistent access to basic healthcare, both physical and mental, to all Oceana employees. To accomplish this, we are looking to partner with providers who will assist us in providing an integrated solution that takes care of our employees' physical and mental wellbeing, on a more equitable basis.

OUR 2021 PERFORMANCE:

- ✓ Ongoing Covid-19 protocols remained in place, including regular antigen testing.
- ✓ Delivered wellness activities, including monthly health sessions across the Group globally, covering work life balance, Covid-19 burnout (including dealing with grief), mental health and the psychology of kindness.
- ✓ Created increased utilisation of the Ask Nelson Employee Assistance Programme (EAP) which offers: counselling services; life, parent and leadership coaching; career guidance; manager support; workplace trauma interventions; and legal and financial advice. Services extend to employees' family members.
- ✓ Launched 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. It will benefit every staff member, no matter the race or seniority within the Group.
- ✓ Rolled out a diversity and inclusion programme across all levels of the business, including Exco, training 1 075 employees on the difference between diversity, inclusion, and equity.
- ✓ Made significant improvements in our recruitment strategy and processes to ensure that we are attracting and retaining top talent in key roles and developing our talent across the business.
- ✓ Delivered the Oceana Management Advancement Programme (OMAP) in partnership with GIBS.
- ✓ Improved the consistency of the HR offering.
- ✓ The Oceana Maritime Academy officially opened its doors and has offered a wide range of training programmes, many of which are in line with SAMSA-accredited, to both internal and external stakeholders.
- ✗ Utilisation of the Academy has been lower than anticipated in line with Covid-19 restrictions on gatherings and number of people.

TRAINING SPEND	2021	2020	2019
Total amount invested in skills development	**R60.0m**	R60.9m	R28.3m
Total spent as a % of leviable payroll on black employees	**3.5%**	3.3%	2.9%
Total spent on black employees as a % of total amount invested in skills development	**83.0%**	80.0%	86.5%
Total spent on disabled employees as a % of total amount invested in skills development	**7.1%**	8.2%	18.3%
Total spent as a % of leviable payroll on black disabled employees	**0.3%**	0.3%	0.3%

Looking ahead to 2022

Value creation targets

- Implement a talent management process to support succession planning and improve the skills level in our organisation
- Deliver programmes to nurture a healthy organisation
- Fully embed the Oceana Group's Leadership Statement to enable our emerging culture towards conscious capitalism

We will deliver a galvanised workforce that is able to support and implement the business strategy and growth plans through:

- Continuing to deliver bespoke development programmes
- Maintaining our focus on talent management
- Continuing to deliver activities that support the behaviours needed to allow the emerging culture statement to flourish and galvanise our people
- Building on the momentum of delivering world class training programmes through the Oceana Maritime Academy

We will deliver a sustainable workforce in the context of the Covid-19 pandemic and future possible pandemics through:

- Ensuring the focus on wellness remains firmly intact and implementing an integrated health care solution
- Screening and testing protocols remaining in place for the foreseeable future
- Rolling out vaccinations
- Continuing infection control at all sites in the form of sanitisers and regular deep cleaning
- Maintaining social distancing requirements, including mask wearing, where appropriate
- Formalising 'work from home'/hybrid remote working policy post pandemic, to allow for flexibility and ongoing remote work where appropriate

STRATEGIC ENABLERS CONTINUED

SE 2

ENGAGE STAKEHOLDERS AND MANAGE REPUTATION

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.

For details on our key stakeholder groups, our value creation for stakeholders, their most material interests, and how we engage with them to address these interests see *page 74*.

OUR 2021 PERFORMANCE:

- ✓ Continued to engage on and mitigate risks associated with the FRAP process, which government completed in February 2022.
- ✓ Deepened our relationships with key stakeholders including the Parliament of the RSA and the Department of Employment and Labour, and maintained constructive engagement with the Department of Forestry, Fisheries and Environment (DFFE) and the respective Minister.
- ✓ Actively engaged with government through industry associations and submitted joint industry comments on policy documents, including socio-economic impact studies of the sector.
- ✓ Continued to stay close to our broader stakeholder groups through engagement with our top 500 stakeholders, utilising e-platforms to ensure heightened awareness of what Oceana does as a company.
- ✓ Worked through Fish SA and the Consumer Goods Council of SA to be seen as a constructive and collaborative partner for the industry.
- ✓ Built on our relationship with the media and journalists to ensure our sector and business are understood; we managed incidences well to prevent crises and resultant negative reputation, especially with Independent Media's protracted negative publication against the Group.
- ✓ Made great strides with internal stakeholders in building a stronger emotional affiliation to brand Oceana through our commitment to the "our people, our priority campaign", so that our employees feel proud and valued. We will continue to position our leadership as open, accessible, available, approachable, and empathetic, particularly in times of Covid-19.
- ✓ Successfully delivered small-scale fisher (SSF) / co-operative training to over 289 SSFs in 39 cooperatives in the Eastern Cape and KwaZulu Natal in collaboration with DFFE, DYNA Training, NSRI and FNB.
- ✓ Established the Hout Bay Stakeholder Engagement Forum to serve as a platform to harness collaboration between Oceana and the Hout Bay community, for information sharing about the Oceana Maritime Academy and the training on offer to the community.
- ✓ Provided focused support to communities through our CSI initiatives in collaboration with the Gift of the Givers, Food ForwardSA and the PSFA.

Looking ahead to 2022

Value creation targets

- Encourage proactive engagement with key stakeholders and decision-makers
- Play a proactive and positive role in the determination of policy for issuing of fishing quotas in South Africa and Namibia

We will:

- 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 EC and KZN and commence training for cooperatives in the Northern and Western Cape
- Continue to build Oceana corporate brand awareness through online visibility, media presence, thought leadership and sponsorship of select events
- To 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
- Support the roll out of vaccination sites

Voted as best in the fishing sector in the Top 500 Best South African Companies by top empowerment company in 2021

1st in sector TOP 500 South Africa's best managed companies 2021

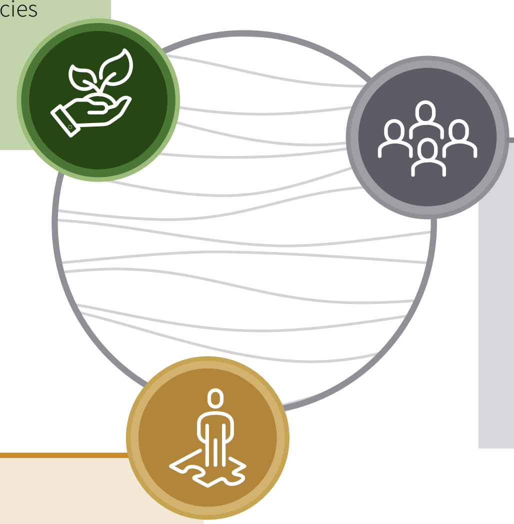
ESG FACTORS OF INTEREST TO OUR INVESTORS

The Nasdaq perception study (see *page 8* for details) highlighted the following ESG factors that inform investor and analyst assessments of our ESG profile:

The investment community canvassed placed the greatest emphasis on social factors, especially BEE credentials and engagement with local communities, given their importance in the fishing rights allocation process. On the environmental side, investors monitor sustainable fishing practices, as well as carbon usage in operations and net neutral goals.

ENVIRONMENTAL

- Sustainability of resource
- Carbon reduction targets
- Electricity/carbon efficiencies
- Water usage
- Recycling



GOVERNANCE

- Board composition
- Board independence
- Board diversity
- Board structure compensation
- Conflicts of interest

SOCIAL

- Engagement with local community
- BEE credentials
- Job creation
- Health and safety of employees
- Labour practices and working conditions

OCEANA MARITIME ACADEMY

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 a platform to drive the development and accreditation of industry-relevant programmes.

The Academy officially opened its doors in March 2021 and has offered a wide range of training programmes to Oceana employees, the Hout Bay community, and the small-scale fishing community. Training delivered at the Academy includes pre-sea and sea survival, first-aid, computer training, and entrepreneurship, coaching and leadership training. Much of the training is accredited by the South African Maritime Safety Authority (SAMSA). The Academy is making great strides towards developing an ecosystem that promotes life-long learning and inclusion.

The auditorium at the Academy was renamed The Shams Pather Auditorium in memory of our dedicated non-executive director who sadly passed away during 2021. Several Hout Bay community engagement sessions were hosted in the auditorium during the year.

More details on the programmes and achievements in 2021 can be read in our SR (Sustainability Report).

R33 million CAPITAL AND OPERATIONAL INVESTMENT SINCE INCEPTION

5 000+ LEARNERS PER ANNUM

STATE-OF-THE-ART CLASSROOMS, COMPUTER TRAINING ROOMS, 85-seat AUDITORIUM

WORLD CLASS MARITIME SKILLS AND TRAINING FACILITIES

SE 3 ENSURE GOOD GOVERNANCE AND SUSTAINABILITY

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

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 safety, occupational health and safety, 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 meet every second month to report on compliance issues, lessons learnt and to develop improvement plans.

In October 2021, a senior member of management raised concerns relating to the accounting treatment pertaining to our US subsidiary, along with various other allegations regarding alleged governance issues and impropriety. Due to the nature of the queries raised directly with the Group's newly appointed external auditors, and the seniority of the individual raising the matter, it was deemed appropriate by the Board to treat the matter from the start as a whistle-blower process. We afforded whistle-blower protection to the individual concerned, and appointed ENSafrica's Forensics department to carry out a thorough independent investigation of the matters raised, notwithstanding the Board's view that many of these allegations were unfounded. This matter has been comprehensively dealt with in the Chairman's report on *page 18*.

OUR 2021 PERFORMANCE:

- Our Group-wide compliance team continued to provide oversight on Covid-19 protocols to ensure cases remained minimal.
- Implemented the 'Good Catch' campaign across the Group to create a positive association to reporting on incidences, along with an electronic governance, risk and compliance (GRC) tool. The system allows for escalation of reporting if an incident is raised.
- Rolled out fraud awareness training.

GOOD CATCH

TECHNOLOGY AND INFORMATION GOVERNANCE

Oceana is committed to the highest level of technology and information governance helping to ensure the integrity of Information Technology (IT) operations and the achievement of targeted business goals. Relevant IT best practices, such as those in the COBIT framework, have been adopted to support IT governance processes.

We have implemented structures and controls needed to extract maximum value from our IT function well into the future. Our three-year IT strategy focuses on ERP optimisation, cyber security, cloud adoption, automation and data analytics to support organisational efficiencies.

OUR 2021 PERFORMANCE:

- Rolled out cyber security awareness training and enhanced cyber security defences, with particular focus on security monitoring systems and vulnerability management.
- Performed an annual disaster recovery test successfully proving that business continuity remains intact.
- Continued to manage cyber security threats through the use of managed cyber security solutions, centralised infrastructure management and continuous cyber security vulnerability assessments.
- Continued to entrench SAP as the ERP solution to derive value from the investment; our collaboration platform used in the US was successfully integrated with the Group.
- Flexible video conferencing facilities integrated across the Group.
- Commenced with the rolling out of a software defined wide-area network thereby increasing performance, lowering complexity, increasing flexibility and improving security.

SE 3 STRATEGIC ENABLERS

ENSURE GOOD GOVERNANCE AND SUSTAINABILITY CONTINUED

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 safety and quality departments.

OUR 2021 PERFORMANCE:

- ✓ There were no incidents of critical non-conformances that required us to implement a product recall.
- ✓ Continued to conduct virtual audits for all our international canned food suppliers, key ingredients and packaging materials.
- ✓ Ensured the necessary processes and procedures were in place to guarantee any new product introduced, including canned vegetables and canned meat, is safe.
- ✓ Maintained our HACCP certification across all our land-based facilities and vessels.
- ✓ Worked towards achieving FSSC certification at LSO canneries and fishmeal plants on the West Coast by 2022.
- ✓ Achieved FSSC certification at the CCS Epping facility, with the remaining CCS facilities earmarked for certification in 2022.

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 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.

OUR 2021 PERFORMANCE:

- ✓ Covid-19 prevention measures intensified in our plants and vessels.
- ✓ Significant focus and spend on high-risk employees, ensuring those with chronic conditions were well monitored, along with sufficient medication for entire vessel trips. Company-wide vaccination rate of 51.7% achieved as at January 2022.
- ✓ Reviewed the approach taken to classify injuries, with the intention to track the severity of injuries better. The Group’s lost-time injury frequency rate (LTIFR) of 1.17 was once again below the Group margin ceiling of 1.50. Once again there were no occupational fatalities this year.
- ✓ Complied fully with the ILO’s Work in Fishing Convention (No. 188), which addresses labour and safety issues for fishing vessels.
- ✓ Initiated the implementation of the ISO 45001: 2018 international standard for OHS management at Lucky Star, conducting a structured risk assessment and addressing gaps in meeting requirements, which were mainly found to be in nature administrative.

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. An Energy Resilience Team, established by the CEO in 2019, 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. Refer to our SR 47 to read about our environmental management system and progress on our environmental targets.

OUR 2021 PERFORMANCE:

- ✓ Commenced with the environmental impact assessment and land rezoning process for a 10MW solar facility on the West Coast.
- ✓ Completed the CCS solar pilot project (480kWh plant) that will provide all daytime electricity needs for the Paarden Eiland store.
- ✓ KPIs for carbon emissions reduction incorporated into divisional MDs’ reward programme.
- ✓ Reduced energy usage by 16% and absolute GHG by 12% year-on-year.
- ✗ Lucky Star and Amawandle Pelagic had a carbon tax payable on 30 July 2021 associated with coal, amounting to R2.2 million.
- ✓ Prepared for freon conversion on applicable vessels by changing the refrigerant to natural gas, with first vessel to be fully converted in 2022.
- ✓ Achieved a 47% absolute reduction in our municipal water against a 2018 baseline, through our desalination and reverse osmosis plants and water-use efficiency measures (excluding Daybrook).
- ✓ Granted coastal water discharge permits in all our facilities.
- ✓ 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 these to our fishmeal processing facilities.

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***.

OUR 2021 PERFORMANCE:

- ✓ Most of our harvested commercial fishing rights (86%) were on the SASSI green list.
- ✗ West-Coast rock lobster (WCRL) remains SASSI red-listed, but we are an active stakeholder in the traceability taskforce to enhance the traceability of WCRL.
- ✓ 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.

SE 3 STRATEGIC ENABLERS

ENSURE GOOD GOVERNANCE AND SUSTAINABILITY CONTINUED

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, supply chain risks and impacts related to Covid-19. Our central procurement team works closely with other departments and forums, including sustainability and all RFPs require a cross-functional team.

OUR 2021 PERFORMANCE:

- ✓ Established a risk tracker to monitor the risk exposure of every supplier to Covid-19 and mitigation measures in place.
- ✓ Continued to display agility in response to crises and quick response times.
- ✓ Local sourcing targets set in all three operating locations to ensure localisation is universally applied.
- ✓ Anti-bribery and zero tolerance for corruption adhered to, with zero incidences of irregular business.
- ✓ Enhanced focus on supplier relationship management (SRM) to unlock innovation from our supplier base by measuring supplier relationships and supplier performance and elevating relationships to an Exco level in the business.
- ✓ Updated our supplier procurement policy to ensure alignment with the UN Global Compact.
- ✓ Sustainability questionnaire sent to our top ten suppliers in the seafood supply chain to assess policies and measures on human rights and climate change.

LOOKING AHEAD TO 2022

Value creation targets

- Fully comply with laws and regulations of all countries where we harvest and transact
- Adhere to strict food safety standards and the best health and safety
- 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 and centralisation of services and a newly implemented enterprise resource planning system

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

Risk, legal and compliance
- Drive a culture of excellence in risk management and compliance
- Deliver strategic legal services to the business and roll out legal awareness and training

IT governance
- Ensure continuous improvement of the ERP platform with increased focus on SAP adoption projects and standardisation
- Implement a centralised financial consolidation platform for financial management and statutory reporting
- Expand further on analytical capabilities for enhanced reporting and business insights
- Assess a cloud-based disaster recovery capability for non-ERP systems
- Ensure continuous focus on cyber security initiatives and solutions for increased cyber security

Food safety
- Align food and feed safety with best practice and international standards

OHS
- Prevent injuries on duty and reduce LTIFR

Sustainability practices
- Integrate sustainable long-term energy solutions into the business
- Upgrade ESG reporting to support green funding
- Implement a new LTI scheme for Exco and level below to reward for performance against ESG targets

Supply chain management
- Deepen supplier relationships that are considered strategic through our SRM and identify areas for innovation and value-add, beyond pricing
- Explore, through questionnaire format, the impact on Oceana business and recovery time if any supplier relationship fails
- Extend the sustainability questionnaire to the remainder of our supply chain

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

OUR ESG PERFORMANCE AT A GLANCE

Our value added (R'000)	2021	Restated 2020	2019
Revenue	**7 633 416**	8 308 341	7 647 415
Paid to suppliers for materials and services	**4 713 291**	4 979 972	5 090 253
Income from investments	**36 320**	41 306	33 681
Total wealth created	**2 956 445**	3 369 675	2 590 843
Employees (salaries, wages & other benefits)	**1 407 710**	1 595 461	1 159 108
Shareholders	**522 967**	442 434	543 777
Lenders (interest)	**228 773**	295 256	294 547
Government (central and local)[1]	**274 090**	321 698	236 255
Reinvested in the Group to maintain and develop operations:			
Depreciation, amortisation and impairment loss	**310 927**	333 067	212 777
Retained surplus[2]	**195 533**	373 717	104 590
Deferred taxation	**16 445**	8 042	39 789
Total wealth distributed	**2 956 445**	3 369 675	2 590 843
Employees			
Direct (no.)	**2 840**	3 005	3 165
Indirect[3] (no.)	**1 355**	1 445	1 680
Voluntary turnover (%)	**3.5**	2.7	4.2
Industrial action at our operations (days)	**10**	–	–
Unionised workforce (%)	**64**	61	58
Investments in employee skills development[4] (R million)	**60.0**	60.9	28.3
Group safety			
Fatalities (no.)	**–**	–	–
Lost-time injury frequency rate	**1.17**	1.34	0.93
Corporate social investment (CSI)			
South Africa (R million)	**6.3**	7.41	4.35
Namibia (N$ million)	**0.5**	1.77	2.48
USA (US$'000)	**9.8**	9.50	16.97
Environmental performance			
Targeted South African species on SASSI green list (%)	**86.5**	90.0	91.0
GHG Emissions (Scope 1 and 2) (tCO_2e)	**183 667**	217 817	232 891
Energy consumption (GJ)	**2 248 522**	1 820 480	2 427 647
Water usage (kilolitres per ton of product produced, stored and handled)	**0.4**	0.4	0.3
Municipal water consumed (kl)	**307 289**	370 507	262 578
Environmental audit results (land-based)	**98**	98	96
Environmental audit results (vessels)	**98**	99	98

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 to: shareholders of Oceana Group Limited (R474m), OET beneficiaries (R20m) and non-controlling interests (R29m).*
3. *Indirect employment includes JV staff and employment through labour brokers.*
4. *In South Africa and Namibia.*

CHIEF FINANCIAL OFFICER'S REPORT

The Group produced a good set of results in 2021 off the strong base set in 2020. The year's performance was driven primarily by strong demand across all products with increased in-home consumption given Covid-19 lockdown restrictions affecting the food service and hotel industry sector globally.

Ralph Buddle
Interim Chief Financial Officer

OVERVIEW

The 2021 financial year was overshadowed by the delay in the publishing of our financial results caused initially by an investigation into allegations raised by a whistle-blower in October 2021, and a subsequent investigation relating to the backdating of signatures on an internal insurance claim document in February 2022. Neither investigation uncovered any evidence of fraud, criminal conduct or financial loss to the company. This resulted in the Group's reviewed results being released on 9 March 2022 and its audited results on 25 March 2022, four months later than originally intended.

The Group produced a good set of results in 2021 of a strong base set in 2020. The year's performance was driven primarily by strong demand across all products with increased in-home consumption given Covid-19 lockdown restrictions affecting the food service and hotel industry sector globally. Operating costs were also well contained, reducing 17% year-on-year to R1.4 billion (2020: R1.7 billion).

The year was, however, not without its challenges and the Group's performance was restricted by stock availability in canned fish caused by global supply chain disruptions and in fishmeal and fish oil caused by lower anchovy and gulf menhaden landings where weather conditions impeded fishing. Covid-19 was also a factor for the full 12 months causing supply chain constraints, increased freight costs, operational inefficiencies related to Covid-19 protocols and increased costs to ensure safe working environments for our employees.

The Group's performance was further negatively impacted by a number of once-off events in the year including the main engine damage to the Desert Diamond in October 2020 resulting in the vessel being non-operational for 49 days; Lucky Star stock losses of R86 million in June 2021 following the civil unrest and related looting in Kwa-Zulu Natal and Hurricane Ida in the USA at the end of August 2021, which resulted in our operation coming to a standstill for 8 days due to power outages and localised flooding.

The financial effect of these exceptional events was partially mitigated by accrued insurance claims of R146 million. Lucky Star stock loss claims of R20 million, of the total claims of R83 million, as well as R63 million of business interruption claims relating to Hurricane Ida, were not accrued for in 2021 but rather recognised as contingent assets. The Hurricane Ida claim of R63 million was settled in October 2021 and the proceeds have been recognised in the first half of the 2022 financial year.

During the preparation of the annual financial statements, certain incorrect reclassifications were identified requiring the restatement of the previously reported annual financial statements. These restatements had no effect on the Group's current or prior year earnings. The net reduction of R34 million in the Group's net asset value and equity in the prior year is due to prior year restatements (b) and (c) explained further below. Overall the Group's headline earnings declined by 11.2% to R652 million (2020: R 734 million). Had all the insurance claims mentioned above been recognised within the year, the decrease in headline earnings would have been 4.7%.

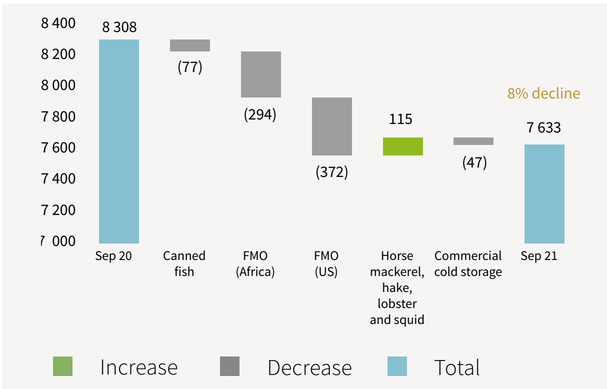
The Group's pre Covid-19 dividend practice was reinstated with shareholders receiving cash dividends of 358 cents per share, which was 9% lower than the total declaration of 393 cents per share for the prior year.

Cash conversion remained good with cash generated from operations of R1.4 billion (2020: R2.3 billion). The Group continued its debt reduction strategy with total borrowings reducing to R2.9 billion (2020: R3.4 billion) (excluding the net debt of Westbank, the Group's proportionately-consolidated joint operation, in which the Company holds a 25% interest).

FINANCIAL PERFORMANCE

Group revenue decreased by 8.1% to R7 633 million (2020: R8 308 million) as a result of lower canned fish, fishmeal and fish oil volumes, lower occupancy levels in the commercial cold storage segment, and a stronger exchange rate on export and US dollar translated revenue. This was offset by positive price movement across most products.

GROUP REVENUE PERFORMANCE

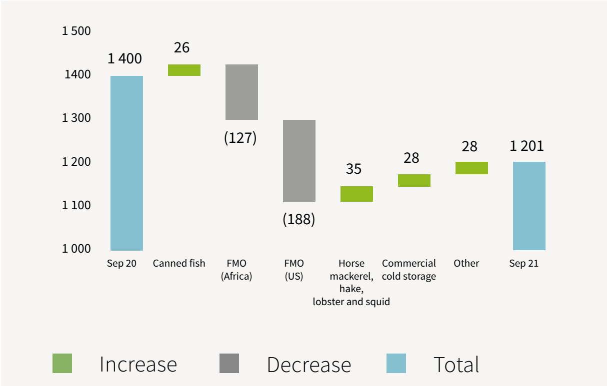


Gross margin, which reduced to 33.7% (2020: 36.7%) benefited from the stronger rand on imported frozen fish costs but was partially offset by fixed costs on lower fresh fish landings. Other income included insurance claims related to the Desert Diamond (R28 million) and Covid-19 costs (R30 million) with the Lucky Star stock loss claim of R88 million included in cost of sales.

Lower turnover and margin, despite tight cost control, resulted in Group operating profit before other operating items decreasing by 14.3% to R1 185 million (2020: R 1 383 million). Had all the insurance claims been recognised in the year, the decrease in Group operating profit before other operating items headline would have been limited to 8.3%.

Other operating items of R 16 million (2020: R17 million) include profit on disposal of the Bayhead cold storage facility of R28 million and R11 million once-off transaction costs pertaining to establishing two new BEE trusts. Net foreign exchange gains of R21 million were reported for the year compared to foreign exchange losses of R3 million in 2020.

GROUP OPERATING PROFIT PERFORMANCE



Net interest expense reduced by 24.2% to R192 million (2020: R254 million) due to lower interest rates, debt repayment and lower inventory levels on short term funding requirements.

Profit after taxation reduced by 12% to R719 million (2020: R816 million).

SEGMENTAL OPERATING PROFIT BEFORE OTHER OPERATING ITEMS

CANNED FISH AND FISHMEAL (AFRICA)

Operating profit declined by 8% due to 6% lower canned fish sales volumes, caused by supply constraints, and 31% lower fishmeal and fish oil volumes, caused by lower landings. The lower volumes were partially offset by favourable price movement. Overall operating profit margin of 11.7% was in line with the prior year with the positive affect of the stronger rand on imported fish cost offsetting the cost of lower production throughput.

FISHMEAL AND FISH OIL (USA)

A 12% reduction in sales volumes resulted from a 20% lower catch and an 11% stronger rand. The impact of Hurricane Ida resulted in an operating profit decline of 44% with the R63 million business interruption insurance claim being recognised in the 2022 financial year.

HORSE MACKEREL, HAKE, LOBSTER AND SQUID

This segment delivered 9% growth in operating profit driven by strong demand and positive price movement in all species except hake, where European pricing remained under pressure in the first half of the year due to decreased out of home consumption.

COMMERCIAL COLD STORAGE

Operating profit increased by 1% with tight cost management and positive rate per pallet price movement offsetting lower occupancy levels impacted by global container shortages, port logistics challenges and Lucky Star's frozen fish procurement delays.

CHIEF FINANCIAL OFFICER'S CONTINUED

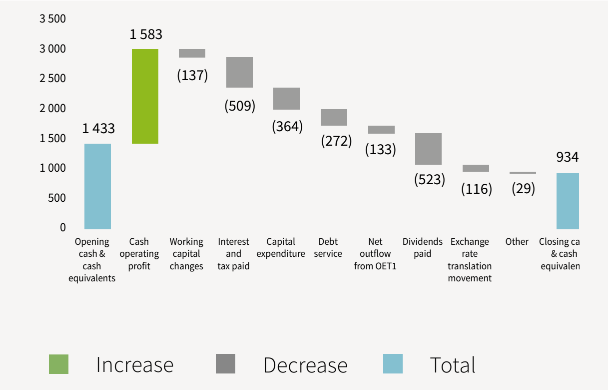
CASH FLOW AND FINANCIAL POSITION

The Group's cash flow conversion remained strong with cash operating profit, before working capital changes, generated of R1.6 billion (2020: R1.7 billion).

Net working capital increased due to higher trade receivables and lower accounts payable offsetting lower inventory levels. Trade receivables increased on the back of good sales volumes in August and September as well as a R146 million insurance claims accrual. Trade creditors reduced due to lower frozen fish procurement activity.

The Group's free cash flow declined to R934 million (2020: R1 4 billion) as a result of lower cash generated from operations; taxation (R80 million) and dividends paid (R81 million); and the effect of the stronger exchange rate on US$ dollar denominated cash balances (R116 million).

GROUP CASH FLOW PERFORMANCE



Notes

1. *Debt service includes R49m lease liability repayment*
2. *Capital exppenditure is net of proceeds on disposal of assets of R38m*

Capital expenditure in the year was R113 million higher at R460 million (2020: R347 million). Expansion capital expenditure in the year included the Epping Cold Storage expansion (R59 million) and the intergroup purchase of the Angolan fishmeal plant and equipment (R22 million) as part of the winding down of the Oceana Boa Pesca joint venture.

The Group repaid borrowings of R222 million (2020: R350 million) during the year. The SA loans were refinanced on similar terms, with repayments extended to 2025 and 2026. The Group's net debt levels reduced by 5% to R2.1 billion (2020: R2.2 billion) and the Net Debt to EBITDA ratio increased to 1.5 times (2020: 1.4 times), excluding the proportionately-consolidated Westbank joint operation.

Significant headroom on SA debt covenant requirements was maintained during the year. In the US, Daybrook's lenders increased the net debt to EBITDA covenant retrospectively to 30 September 2021 given the impact of Hurricane Ida towards the end of the financial year. Westbank's lender also agreed to waive their fixed cover ratio covenant requirement and in compliance with IAS1, the term loan was classified as a current liability as the waiver was only approved by the lender subsequent to year end. This amount has been reclassified as non-current with effect from 1 October 2021.

PRIOR PERIOD RESTATEMENTS

As mentioned previously the Group was required to restate its previously reported annual financial statements due to certain changes and/or errors in accounting treatment identified during the year. The most pertinent of these prior period restatements are summarised below:

a. *Accounting treatment of the 25% Investment in Westbank*

   The Board, its technical advisors and auditors have acknowledged that there are complex areas that impact the decision as to whether Daybrook has the ability to exert significant influence versus joint control over Westbank. After careful consideration the Group adopted the proportionate consolidation accounting treatment. The change in treatment had no effect on the Group's earnings or net asset value and equity.

b. *Exchange rate used in translating assets and liabilities of USA subsidiary*

   The closing foreign exchange rate used to translate Daybrook's assets and liabilities in previous reporting periods did not fully comply with IAS 21 – The Effect of Changes in foreign Exchanges Rates, resulting in a prior year adjustment. The restatement had no effect on the Group's profit after tax for the prior period. The respective line items in the statement of financial position were adjusted reducing the Group's net asset value and equity by R89 million in the prior year.

c. *Amounts incorrectly recognised as a receivable*

   An amount of R120.7 million/US$7.9 million paid on the exercise of a put option granted to the previous shareholders of Daybrook, and a special dividend of R66.7 million/US$4.4 million paid by Westbank to Daybrook in 2019 were both incorrectly recognised as a receivable. This restatement increased the Group's net asset value and equity by R55 million in the prior year.

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

A difficult first half is anticipated in the 2022 financial year given low opening inventory levels (resulting from the various adverse weather, global supply chain, and civil unrest impacts explained above). Statutory dry-docks and the negative impact of the La Nina weather patterns in the first half will also hinder fishing operations in the SA-based segments. Insurance proceeds of R63 million related to Hurricane Ida losses in the USA incurred in August 2021 and carried as a contingent asset at 30 September 2021 will however be included in the first half.

As a result, earnings for the first half are expected to be more than 20% lower than the prior period.

With inventory levels expected to normalise into the third quarter of 2022, and with strong local and global market demand and pricing across all operating segments, performance in the second half (traditionally the stronger half for the Group) is expected to improve although operating cost pressures – most notably freight costs and fuel – may impact this recovery.

Capital expenditure of R420 million is planned for the 2022 financial year primarily on normal replacement and vessel refit expenditure. Working capital levels are also expected to normalise as inventory rebuilds to its optimal level.

APPRECIATION

The delay in publishing the Group's 2021 financial results caused much uncertainty and anxiety amongst our key stakeholders. I would like to thank our investors and lenders for their patience and continued support during this time.

Finally, I would like to express my sincere gratitude to the entire finance team for their commitment in seeing the 2021 audit and preparation of financial statements through to completion under what has been a difficult period.

Ralph Buddle

Interim Chief financial officer

25 March 2022

STATISTICAL AND FINANCIAL DATA

	Notes	2021 R'000	RESTATED[1] 2020 R'000	RESTATED[1] 2019 R'000	2018 R'000	2017 R'000
Statements of comprehensive income						
Revenue by segment	2	**7 633 416**	8 308 341	7 647 415	7 657 311	6 706 353
Revenue						
Canned fish and fishmeal (Africa)		**4 101 483**	4 471 836	4 038 540	3 960 107	3 667 133
Fishmeal and fish oil (USA)		**1 533 381**	1 905 553	1 721 044	1 789 118	1 438 605
Horse mackerel, hake, lobster and squid		**1 661 022**	1 545 989	1 514 436	1 474 867	1 199 060
CCS Logistics		**337 530**	384 963	373 395	433 219	401 555
Operating profit before other operating items		**1 185 182**	1 382 653	1 175 325	1 188 907	1 001 428
Operating profit before other operating items by segment						
Canned fish and fishmeal (Africa)		**478 609**	522 077	450 591	436 710	276 622
Fishmeal and fish oil (USA)		**236 900**	425 170	359 102	392 638	390 230
Horse mackerel, hake and other		**387 236**	353 749	303 172	287 827	235 386
CCS Logistics		**82 437**	81 657	62 460	71 732	99 190
Other operating items		**16 306**	17 188	(17 447)	(14 091)	8 701
Operating profit		**1 201 488**	1 399 841	1 157 878	1 174 816	1 010 129
Investment income		**36 320**	41 306	55 573	40 767	29 248
Interest expense		**(228 773)**	(295 256)	(316 438)	(332 532)	(372 405)
Profit before taxation		**1 009 035**	1 145 891	897 012	883 051	666 972
Taxation		**(290 535)**	(329 740)	(248 645)	(810)	(187 622)
Profit after taxation		**718 500**	816 151	648 368	882 241	479 350
Attributable to non-controlling interests		**42 220**	55 516	30 751	24 410	11 040
Net profit attributable to shareholders of Oceana Group Limited		**676 280**	760 635	617 617	857 831	468 310
Headline earnings		**651 815**	734 418	636 366	849 058	457 309
Key performance indicators						
Operating margin	3	**15.5%**	16.6%	15.4%	15.5%	14.9%
Canned fish and fishmeal		**11.7%**	11.7%	11.2%	11.0%	7.5%
Fishmeal and fish oil (USA)		**15.4%**	22.3%	20.9%	21.9%	27.1%
Horse mackerel, hake and other		**23.3%**	22.9%	20.0%	19.5%	19.6%
CCS Logistics		**24.4%**	21.2%	16.7%	16.6%	24.7%
EBITDA		**1 514 783**	1 732 908	1 380 656	1 443 522	1 245 967
Africa operations		**1 110 175**	1 120 745	926 296	980 644	760 550
US operations		**404 608**	612 163	454 360	462 878	485 417
Tax rate		**28.8%**	28.8%	27.7%	0.1%	28.1%
Headline earnings per share – basic (cents)		**550.0**	628.4	544.3	727.1	391.9
Headline earnings per share – diluted (cents)		**512.3**	582.5	500.9	667.7	357.9
Earnings per share – basic (cents)		**570.7**	650.9	528.3	734.6	401.3
Earnings per share – diluted (cents)		**531.6**	603.3	486.1	674.6	366.5
Dividends per share (cents)	4	**358.0**	393.0	363.0	416.0	90.0
Headline dividend cover (times)		**1.5**	1.6	1.5	1.8	4.4

Notes:

1. *Restated for reclassifications and prior period errors. Reclassifications and prior period errors includes the change in the exchange rate used in translating the USA statement of financial position, change in accounting for the Group's 25% share in Westbank from an associate on the equity method to proportionately consolidated joint operation, an amount that was incorrectly reflected as a net receivable and should have been recorded on a gross basis against goodwill and correction of amounts incorrectly classified.*
2. *Revenue for 2018 and 2017 has been restated, as a result of the adoption of IFRS 15 during 2019.*
3. *Operating profit before other operating income/(expenses) items expressed as a percentage of revenue.*
4. *Dividend declared after reporting date included, except for 2017, as no dividend was declared*

	Notes	2021 R'000	RESTATED[1] 2020 R'000	RESTATED[1] 2019 R'000	2018 R'000	2017 R'000
Statements of financial position key items						
Property, plant and equipment		**2 793 119**	2 769 659	2 345 841	1 586 626	1 604 099
Intangible assets		**4 914 750**	5 453 428	4 997 605	4 617 278	4 434 878
Net current assets	5	**167 790**	481 923	1 090 163	840 439	(34 760)
Net cash and cash equivalents		**933 612**	1 432 692	762 877	1 015 060	1 222 040
Long term debt		**2 663 792**	3 502 425	3 694 101	3 339 750	3 209 875
Statements of cash flows key items						
Cash generated from operations		**1 446 613**	2 251 847	1 042 526	1 302 893	1 707 248
Working capital changes		**(136 838)**	478 751	(342 291)	(189 366)	560 579
Investment income received		**30 021**	41 306	54 789	41 607	37 966
Interest paid		**(224 829)**	(286 933)	(285 447)	(296 845)	(344 895)
Taxation paid		**(314 428)**	(234 751)	(262 713)	(217 036)	(148 456)
Dividends paid		**(522 967)**	(442 433)	(543 777)	(162 013)	(573 243)
Net cash inflow from operating activities		**414 410**	1 329 036	5 378	668 606	678 620
Cash outflow from investing activities		**(358 917)**	(278 098)	(217 141)	(180 928)	(191 097)
Cash (outflow)/inflow from financing activities		**(439 070)**	(436 677)	(239 721)	(720 152)	(553 613)
Net (decrease)/increase in cash and cash equivalents		**(383 577)**	614 261	(451 484)	(232 474)	(66 090)
Key performance indicators						
Return on average net assets	6 and 7	**13**	14	14	15	13
Current ratio (:1)		**1.5**	1.8	2.0	1.9	1.5
Return on average shareholders' funds	8	**11**	13	13	21	12
Net Debt to EBITDA		**1.5**	1.4	2.2	1.8	2.4
Net Debt to Equity		**0.44**	0.42	0.64	0.59	0.78
Share performance						
Market price per share (cents)						
Year-end		**6 654**	6 200	6 925	8 247	8 233
Highest		**7 847**	7 501	8 850	9 400	12 639
Lowest		**5 674**	4 148	6 700	6 750	7 800
Price earnings ratio	9	**12.0**	9.9	12.7	11.3	21.0
Number of transactions	10	**97 619**	125 254	99 504	33 759	38 720
Number of shares traded ('000)	11	**35 772**	47 549	52 097	15 805	15 696
Value of shares traded (R'000)	10	**2 368 122**	3 026 302	3 720 460	1 313 588	1 537 053
Volume of shares traded as a percentage of total issued shares	10	**27.4**	36.5	38.4	11.7	11.6
Market capitalisation (R'000)	11	**8 678 932**	8 086 772	9 385 186	11 176 842	11 157 868
JSE food producers and processors index		**64.50**	67.40	72.93	84.79	103.56
JSE industrial index		**72.76**	55.79	91.71	106.15	109.65
Oceana Group share price index		**80.82**	54.38	71.84	85.55	85.40

Notes:

5. *Net current assets comprises current assets less cash and cash equivalents and current liabilities.*
6. *Profit before taxation and other operating items (but excluding interest paid) expressed as a percentage of average net assets or average total assets.*
7. *Net assets comprise total assets less non-interest-bearing liabilities.*
8. *Headline earnings as a percentage of average shareholders' funds.*
9. *Market price per share at year-end divided by HEPS*
10. *Figures based on JSE transactions only*
11. *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 business, together with its cold storage and logistics business, allows 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.

KPI achieved | KPI not achieved | KPI partially achieved

Division	Long-term divisional objective	KPIs	2019	2020	2021	2021 expected performance against KPIs
CANNED FISH	We will optimise and improve operating margins by robust supply chain and logistic services. We will deliver positive volume and earnings growth by: • Securing long-term fishing rights in the pelagic sector • Growing canned fish volumes in existing and new markets • Becoming a globally competitive canned fish processor	**CANNED FISH**				
		• Real volume growth	Achieved	Achieved	Achieved	Growth targeted
		• Cost per carton	Not achieved	Not achieved	Partially achieved	Further efficiencies expected
		• Daily throughput cartons/day	Achieved	Achieved	Partially achieved	Further efficiencies expected
FISHMEAL AND FISH OIL	**AFRICA** We will deliver positive volume and earnings growth by: • Implementing efficiency improvement projects in fishmeal and fish oil fleet and facilities	**AFRICA**				
		• Average fishmeal price	Partially achieved	Achieved	Achieved	Growth targeted
		• Average fish oil price	Achieved	Achieved	Achieved	Growth targeted
	USA We will ensure full and efficient utilisation of the available/allocated fish resource by: • 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 Westbank's majority shareholder driving improvements to the fleet and fishing technique • Identifying and realising vertical integration/downstream expansion opportunities should they arise	**USA**				
		• Catch volume	Not achieved	Not achieved	Not achieved	Strong biomass should help improve volumes
		• Average fishmeal price	Achieved	Achieved	Achieved	Growth targeted
		• Average fish oil price	Achieved	Achieved	Achieved	Growth targeted
		• Plant throughput	Achieved	Partially achieved	Partially achieved	Investment in capital expenditure to achieve increased throughput
HORSE MACKEREL, HAKE, LOBSTER AND SQUID	We will protect and optimise the business and grow earnings and profitability by: • Continuing to drive empowerment in our South African operations • Securing long-term fishing rights in the hake (deep sea) sector • 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: • Seeking to secure long-term squid and south coast lobster rights • 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 small-scale fishers	**HORSE MACKEREL (SA)**				
		• Catch rate per day	Achieved	Achieved	Achieved	Expected to be consistent
		• Cost per ton	Achieved	Achieved	Achieved	Inflationary growth expected
		HORSE MACKEREL (NAM)				
		• Catch rate per day	Achieved	Not achieved	Not achieved	Expected to be consistent
		• Cost per ton	Achieved	Not achieved	Not achieved	Inflationary growth expected
		HAKE				
		• Fleet utilisation	Achieved	Not achieved	Partially achieved	Expected to be consistent
		• Cost per ton	Achieved	Achieved	Achieved	Inflationary growth expected
		LOBSTER				
		• Catch rate	Achieved	Achieved	Partially achieved	Catch rate projection in line with scarcity of resource
		• Cost per kilogram	Achieved	Not achieved	Partially achieved	Inflationary growth expected
		SQUID				
		• Catch rate	Not achieved	Not achieved	Achieved	Catch rate expected to normalise
		• Vessel cost	Not achieved	Not achieved	Achieved	Inflationary growth expected
COMMERCIAL COLD STORAGE AND LOGISTICS	We will improve the profitability of CCS by: • Leveraging our port operations where we have a location advantage and customer base • Improving Gauteng profitability by securing additional revenue streams and expanding strategic partnerships • Maintaining strong customer focus and driving operational efficiencies • Realising growth opportunities in other African markets	**CCS**				
		• Occupancy level	Partially achieved	Achieved	Partially achieved	Target increase occupancy in coastal with inland consistent to prior year
		• Price per pallet	Achieved	Achieved	Achieved	Inflationary growth expected
		• Total overheads per pallet	Achieved	Partially achieved	Partially achieved	Inflationary growth expected on normalised overheads

CANNED FISH AND FISHMEAL (AFRICA)

OUR 2021 PERFORMANCE

CANNED FISH PERFORMANCE SUMMARY

	2020	2021
Revenue % (VAR)	↑ 4%	↓ 2%
Canned pilchard volumes (ctns)	↑ 1%	↓ 6%
Frozen fish procurement (ctns)	↓ 11%	↓ 32%
Net procurement costs (US$/ton)	↓ 2%	↑ 3%
Processing cost (R/ctn)	↑ 10%	↑ 16%
Overall production cost % (VAR)	↑ 3%	↑ 12%
Operating profit margin % (VAR)	↓ 2.8%	↑ 2.5%

Positive Negative

LUCKY STAR CANNERY

✗ Shortage of frozen fish supply reduced volumes processed resulting in higher fixed costs.

✓ Partially supplemented shortage of frozen fish with locally caught pilchards, doubling what we caught the year before.

✓ Successful sourcing of pilchards from East of Cape Agulhas, which historically has been a challenge.

✓ Sustained throughputs, reduced waste and maintained flexible labour costs.

✓ Capacity to process scale-on fish has been embedded in the canneries, maximising flexibility to process any standard of pilchard.

✓ Delivery of significant enterprise development project to support West Coast based suppliers to ensure survival during the lockdown periods.

OUTCOMES KEY

✓	Achieved
✗	Not achieved
=	Maintained

LUCKY STAR MARKETING (BRAND)

✓ Normalisation of exchange rate resulted in overall cost of sales decrease of 13%.

✓ Our affordability strategy ensured customers continued to adopt the category at a time when consumers are under pressure, with fairly consistent offtake and demand in formal trade.

= Economic pressure on consumers translated in reduced stokvel savings impacting Q1, but consumer and customer support for our brand remains.

✗ Frozen fish supply challenges due to late issuing of fishing licences in Morocco, impacting on our ability to supply the market in full, and pressure on dollar prices from lower raw material supply.

✓ Some innovation achieved in canned fish with the extension of species types to other markets.

✓ Increased digital presence combined with TV show integration showcasing various Lucky Star recipes has attracted consumers from new segments.

✓ Actively involved in school feeding programme with pilchard featuring on menu twice a week, doubling previous school feed volumes.

✓ Optimised our existing geographies with consistent growth in sales and margins (from efficiency perspective) and progressed well in one additional geography (West Africa).

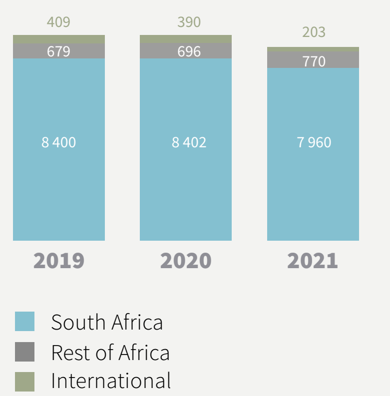
✓ Market acceptance for Lucky Star beyond canned fish established, with three new products in the canned food category; this bodes well for our brand stretch strategy.

✗ Impact of unrest and looting on supply chain following loss stock and long lead time to replace.

IMPACT OF COVID-19 AND OUTLOOK

- Increase in freight costs (200% higher year-on-year) with significant challenges on shipping and port availability
- Increased pricing of raw material, other materials and ingredients as suppliers have been heavily impacted
- Impacts in the canneries have remained, with social distancing dropping the speed of processing
- Once vaccinations are rolled out extensively, lines will be manned at pre-Covid 19 levels

TOTAL CANNED SALES (CARTONS '000)



CANNED FISH AND FISHMEAL (AFRICA)

OUR 2021 PERFORMANCE

FISHMEAL AND FISH OIL (AFRICA) PERFORMANCE SUMMARY

	2020	2021
Revenue % (VAR)	↑ 57%	↓ 35%
Landings (tons)	↑ 20%	↓ 40%
Average sales price (US$/ton)	↑ 0%	↑ 9%
Net processing costs (R/ton)	↓ 2%	↑ 21%
Operating profit margin % (VAR)	↑ 20.5%	↓ 13.3%

Positive Negative

= Average performance on landings (60% of 2020 catch) due to weather-driven cyclicality of anchovy and red eye herring but the resource remains healthy.

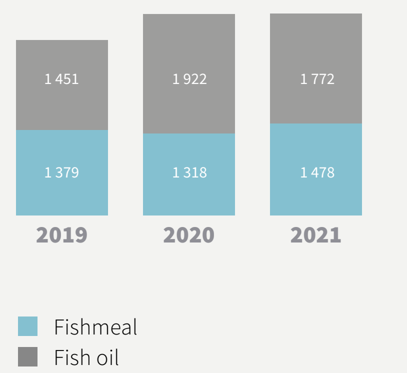
✓ Benefited from strong pricing in the markets for both fishmeal and fish oil.

✓ Step-changed the quality of the fishmeal produced, commanding higher price.

✓ Right-sizing the fleet largely accomplished, resulting in better utilisation of vessels and a move towards sweating assets appropriately.

= Corrected most bottlenecks in plants, but with reduced catch the full benefits are yet to be realised.

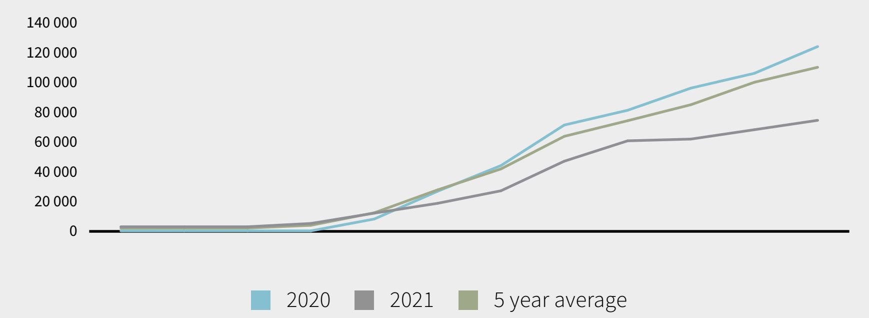
AVERAGE SALES PRICE (US$/TON)



IMPACT OF COVID-19 AND OUTLOOK

- No effect on our vessels or fishmeal operation, with all precautionary measures taken, positive cases were very low and no need for people to go into isolation
- Significant challenges on logistics side, port availability and price / cost increases in commodities and shipping with significant impact on suppliers
- Shortage of sea containers caused by gridlock in Asia
- Vaccinations to be rolled out extensively

INDUSTRIAL FISH LANDING (TONS)



FISHMEAL AND FISH OIL (USA)

OUR 2021 PERFORMANCE

FISHMEAL AND FISH OIL (USA) PERFORMANCE SUMMARY

		2020		2021
US$ Revenue % (VAR)	↓	2%	↓	10%
Landings (Millions Fish)	↓	16%	↓	20%
Fishmeal volume sold (MT)	↓	4%	↓	13%
Fishmeal price (US$/ton)	↑	2%	↑	2%
Fish oil price (US$/ton)	↑	21%	↑	5%
Operating profit margin % (VAR)	↑	1.1%	↓	6.4%

Positive Negative

✗ Landings down 20% due to: 21 days lost due to bad weather including hurricane, thunderstorms and high winds which shifted the biomass further west of our operating range.

✓ Performance benefited from ground-based operational excellence including capital execution during the offseason and step-change improvements in throughput, oil yield, meal yield and run time year-on-year.

✓ Oil yields up a further 0.4%, to 10.9%.

✓ Grew our share in the pet food segment, up 17% year-on-year in mid-tier customers, ensuring premium pricing.

✓ Maintained MSC certification and ran a successful feed trial with our global customer Mowi, separating our fishmeal into a higher protein offering, closer in value to Peru.

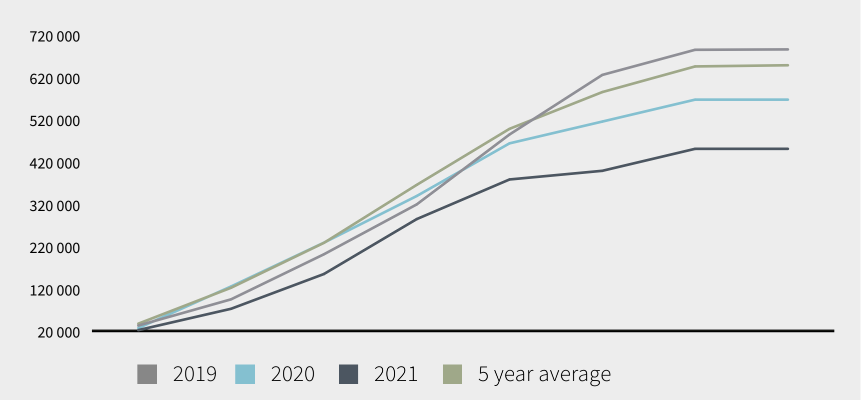
✓ Strengthened our import and export muscle through import of Moroccan meal and oil and selling it into our North American market.

✓ Continued to supply and increase our customer base by diversifying the portfolio.

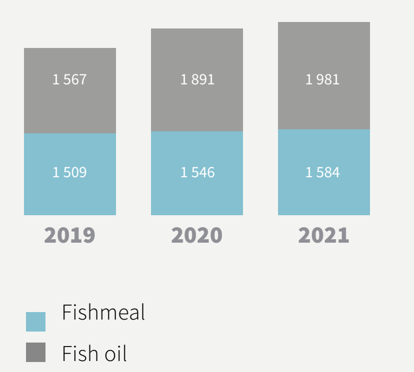
IMPACT OF COVID-19 AND OUTLOOK

- Constant distraction throughout the year, but with protocols still in place positive cases flattened out and have remained low, with a slight spike following Delta variant
- Slower supply chains with longer lead time for raw materials and packaging procured. The availability of logistics was greatly impacted making 2021 an even tougher Covid-19 year. Seeing a shortage of trucks, containers, and labour locally as the USA economy opens
- The shortage of sea containers caused by gridlock in Asia did not impact Daybrook as much given the focus on North American sales and doing more business using barges and trucks
- Vaccinations are around 66% of the workforce, slightly above the national average for the rest of the USA

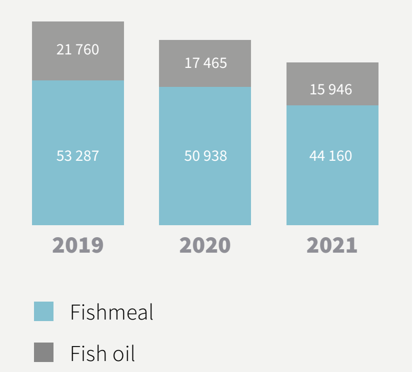
GULF MENHADEN LANDING ('000 FISH)



AVERAGE SALES PRICE (US$/TON)



SALES VOLUMES (TONS)



HORSE MACKEREL, HAKE, LOBSTER AND SQUID

OUR 2021 PERFORMANCE

HORSE MACKEREL PERFORMANCE SUMMARY

		2020		2021
Revenue % (VAR)	↑	9%	↑	9%
Landings (tons)	↓	6%	↓	1%
Sea days – (Namibia)	↓	8%	↓	4%
Sea days – (South Africa)	↑	28%	↑	5%
Average sales price (US$/ton)	↑	3%	↑	21%
Fuel cost (Rand)	↓	10%	↑	2%
Operating profit margin % (VAR)	↑	4.1%	↑	5.3%

Positive Negative

✗ Slightly disappointing year in South Africa with landings down 1% and 4% of fishing days lost. Despite improved catch rates and availability of the resource, operations faced several breakdowns on *Desert Diamond*, including a main engine breakdown, an extended maintenance period for the statutory five-year class survey and disruptions from Covid-19.

✓ Strong demand from both local and export market, with Mozambique being particularly good, but unable to meet demand.

✓ Successful court challenge jointly by I&J, Sea Harvest and Oceana, with government ordered to review the allocation process; we are hoping for a positive outcome in the reallocation of quota.

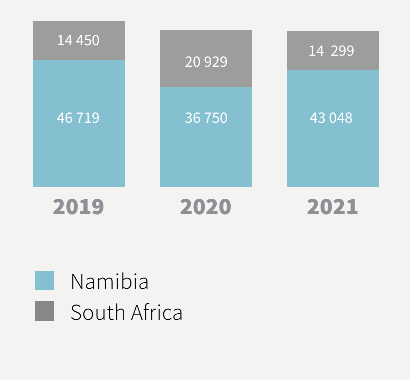
✓ Vessels performed well in Namibia and the market has been strong, with improved pricing despite an increase in the percentage of smaller fish landed.

= Portion of quota in Namibia came from rights allocation while the balance was bought from other rights holders as well as on auction from government, both at a cost.

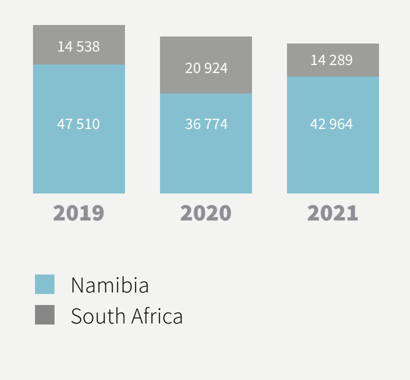
✓ Strong demand for Horse Mackerel across Africa, resulting in 21% average increase in US dollar pricing.

✗ Performance in both regions was impacted by higher fuel costs and slightly strengthened exchange rate.

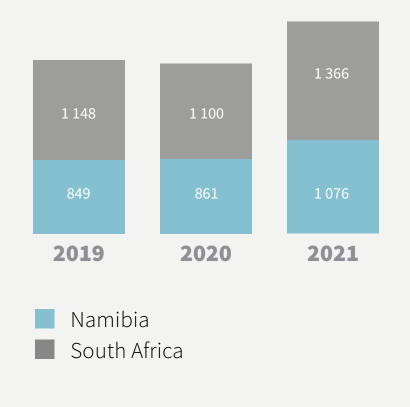
HORSE MACKEREL LANDINGS: SA AND NAMIBIA (TONS)



HORSE MACKEREL SALES: SA AND NAMIBIA (TONS)



HORSE MACKEREL SALES PRICE: SA AND NAMIBIA (US$/TON)



HAKE PERFORMANCE SUMMARY

		2020		2021
Revenue % (VAR)	↓	1%	↓	6%
Landings (tons)	↓	4%	↓	8%
Fuel cost (Rand)	↓	11%	↓	8%
Average exported selling price (Euro/kg)	↑	6%	↓	14%
Operating profit margin % (VAR)	↑	2.1%	↓	4.8%

Positive Negative

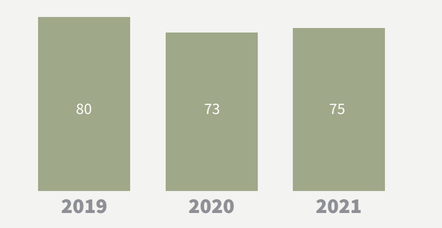
✗ Disappointing year for Hake due to planned vessel maintenance and breakdowns, with vessel utilisation at 75% (2020: 73%).

✗ Euro pricing negatively impacted by oversupply of headed and gutted (H&G) to markets in Europe, particularly offset by improved catch mix.

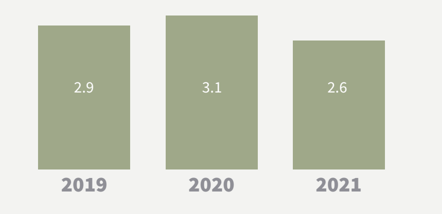
✗ Overall performance negatively impacted by slightly strengthened exchange rate.

✓ Fundamentals for hake remain strong once Covid-19 reduces.

HAKE VESSEL UTILISATION (%)



HAKE AVERAGE SALES PRICE (EUR/KG)



HORSE MACKEREL, HAKE, LOBSTER AND SQUID

BLUE CONTINENT PRODUCTS

OUR 2021 PERFORMANCE

LOBSTER AND SQUID PERFORMANCE SUMMARY

	2020	2021
Lobster landings (Tons)	↑ 5%	↓ 21%
Squid catch rate (Kg/ton)	↓ 39%	↑ 187%
Lobster selling price (US$/kg)	↓ 17%	↑ 37%
Squid selling price (Euro/kg)	↑ 17%	↓ 7%

Positive Negative

= Earnings under 1% of Group operating profit.

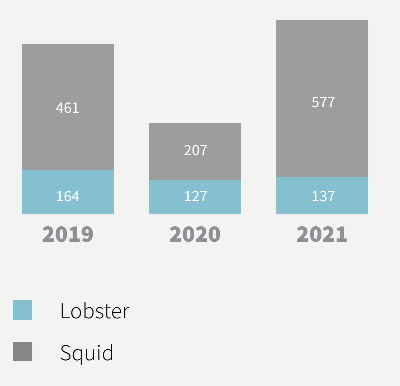
✓ Strong demand from China and strong prices compensated for the reduction in WCRL quota.

✓ Main market for SCRL has been the USA (where we send all our tails) and with the economy opening, demand has been strong.

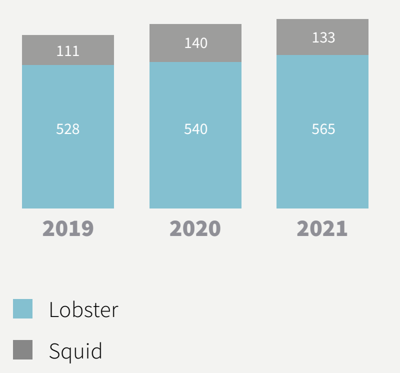
✓ Squid landings improved with the help of our new joint venture in the Eastern Cape.

= Division remains profitable with a 70% increase in revenue.

SALES VOLUMES (TONS)



SALES PRICE (R/KG)



IMPACT OF COVID-19 AND OUTLOOK

- Infection rates caused disruptions on our horse mackerel vessel *Desert Diamond*, due to crew living in close confines and we had to stop operations twice in the year. Covid cases increased during drydocking with contractors coming on board. The Delta variant was particularly problematic. We had a few minor disruptions in Namibian operations this year as well
- Given that horse mackerel is a low-cost protein the nature of the product lends itself to periods of economic strife like Covid-19. The relative price of horse mackerel means it was in high demand
- Some negative impacts on hake vessel operations and testing required on a regular basis
- Opposite impacts regarding hake markets this year: in 2020 demand grew globally for white fish as a staple middle range table product with increased uptake by retailers, but in 2021 globally there has been an oversupply of H&G product in Europe (due to disruptions with value-added white fish processing in China and hence switch to H&G) has resulted in much of our products sitting in warehouses
- No disruptions in our lobster and squid vessels and factories. Markets opening up showed stronger demand and pricing this year

COMMERCIAL COLD STORAGE AND LOGISTICS

CCS LOGISTICS

OUR 2021 PERFORMANCE

COMMERCIAL COLD STORAGE AND LOGISTICS PERFORMANCE SUMMARY

	2020	2021
Revenue % (VAR)	↑ 3%	↓ 12%
Revenue per pallet (ZAR/pallet)	↑ 2%	↑ 5%
Occupancy levels (%)	↑ 9%	↓ 7%
Cost per pallet (ZAR/pallet)	↑ 9%	↓ 10%
Operating profit margin % (VAR)	↑ 4.5%	↑ 3.2%

Positive Negative

✓ Completed the sale of the Bayhead cold store in Durban, with profit recognised for the first five months of the year, which boosted results slightly.

✓ Walvis Bay did exceptionally well due to good horse mackerel landings (and smaller fish) and customers struggled to get stock out to market, with occupancy levels over 100% at times.

✓ The tender for the next 10-year lease agreement for Walvis Bay was awarded which will enable consistent, reliable, and continuous service to Namport customers.

× Sector harder hit by Covid-19 this year.

× Occupancy levels down 7% primarily due to performance in Western Cape:

- Underpinned by 85% reduction in frozen fish coming to Cape Town, mainly due to Lucky Star's frozen fish delays
- Container availability and downtime performance at the Cape Town port impacting importers and exporters
- Shortened food production cycles in response to Covid-19 resulting in lower stock levels
- Customers heavily impacted by closures in the restaurant industry

✓ Duncan Dock lease tender application submitted –awaiting outcome.

✓ In Gauteng we performed as expected.

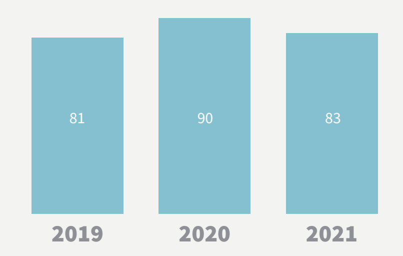
✓ Continued to build on the CCS brand accelerating our campaign via online platforms, with a focus on our 50-year achievement this year.

✓ All systems and people are well settled across the business and our customer training programmes have supported step change thinking around customer service.

IMPACT OF COVID-19 AND OUTLOOK

- Minimal impact from a people and operations point of view as protocols in place worked well
- In Walvis Bay we benefited from the delays in customers getting stock out to market
- In Western Cape the shortage of containers and delays at the port heavily impacted occupancy levels
- The restaurant industry has been significantly impacted with some restaurants and importing businesses ceasing to exist, particularly in the Western Cape
- While we benefited last year from the increase in demand for storage from food producers, this year they adapted a lot quicker with shortened production cycles and lower stock levels
- Looking ahead, the ability of the local producers to meet demand (such as in the chicken industry) despite imports not coming in will be key
- More positive outlook once vaccination rates are high enough, tourism industry recovers and the container situation has been resolved

OCCUPANCY (%)



OUR GOVERNANCE

SECTION INDEX

BOARD GOVERNANCE AT A GLANCE

THE BOARD'S PILLARS OF GOVERNANCE

- The Board is the custodian of corporate governance in the Group.
- The Board is committed to ethical and effective leadership.
- The Board acts in the best interest of the Company and the Group.
- The Board retains full and effective control of the Group.

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 key performance indicators, 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.
- 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, a report, treated as whistle-blowing, led to the Board engaging ENS Forensics to conduct a forensic investigation into the allegations raised. The findings of the investigation highlighted certain unacceptable behaviours and practices by individuals. These related to some bullying, and poor decision making and judgement with respect to dating of signed documents. The Board has taken swift action against three of those implicated and further appropriate action will be taken against the remaining individuals. Additionally, training on ethics and dating of documents will be implemented company wide. The Board considers the actions of these individuals as isolated incidents, which should not taint the culture of good governance demonstrated by the Company over its 100 year existence.

Lengthy deliberations and discussions were held to consider the matters highlighted by the whistle-blower report and auditors. The Board had to consider whether their initial governance regulatory and technical accounting processes were sufficient and appropriate or whether there were any shortcomings in these processes. Based on reports received from various independent technical and legal advisors (both in SA and the US), no shortcomings in the relevant processes were identified. In addition, 360 degree feedback assessments were done for senior management and no concerns relating to negative culture were picked up. The 360 review actually reflected a year-on-year improvement and did not raise any concerns.

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 were 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 NED members of the Board were obliged to deal with various matters subsequent to the whistle-blowing event, including commissioning the forensic investigation and disciplinary actions. The Board was asked to step in and deal with a CEO, CFO and Company Secretary that were conflicted, which meant the Board worked largely without a secretariat. The commitment shown by the Board and sacrifices made are testament to the high standards of corporate governance Oceana is committed to achieving.

Looking ahead, the importance of maintaining a culture of good governance will be reinforced across the organisation. Although Covid limited the face-to-face sessions and interactions the Board would normally have with management and employees, these interactions will resume now that the effects of Covid in South Africa, seems to be subsiding. The Board will actively promote the current culture statement and encourage employees to be authentic when providing feedback or engaging on any concerns.

BOARD GOVERNANCE PRACTICES

Although the Board maintains its independence, it is important for it to have a deep understanding of the business by investigating, 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 other 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 Chairman 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 session 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.

OUR GOVERNANCE CONTINUED

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.

The responsibilities of the Chairman, CEO, LID and Company Secretary are clearly defined in our Board Charter. The separation of responsibilities is designed to ensure that no single individual or group of individuals have 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, a strong LID maintains the functioning of the Board, where required.

During the year under review, Peter de Beyer replaced Shams Pather as LID. 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.

As at 30 September 2021, the Board was satisfied that an arm's length relationship between the Board and the Company Secretary was in place. Based on the Board's assessment of the Company Secretary, the Board confirmed that it has received the required guidance on governance and compliance matters. The Company Secretary resigned effective 15 March 2022.

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.

During the period under review (July 2021), the Board formed a new sub-committee, the Corporate Governance and Nominations Committee. The Board also formed an Investment Working Committee (IWC) mandated to consider specific strategic initiatives. The IWC meets under specific mandate from the Board and only when required.

The Board Committees are:

- Audit Committee
- Remuneration Committee
- Corporate Governance and Nominations Committee (constituted in July 2021)
- Risk Committee
- Social, Ethics and Transformation Committee

CUSTODIANS OF GOVERNANCE

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 maximum tenure of non-executive directors is four terms of three years. 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 election at the AGM. The Board has adopted a staggered rotation of members to ensure smooth transition for new members while retaining experience and valuable industry knowledge.

Oceana has achieved recognition as one of the most diverse boards on the JSE

Oceana has achieved its Board diversity targets of **40%** female and **60%** black representation.

8 Board meetings held during the year

100% Attendance record

BOARD DIVERSITY

The Board adopted a Board Appointment and Diversity Policy this year to formalise its voluntary diversity targets of 40% female directors and 60% black representation (including African, Indian and Coloured) on the Board. Our Board Appointment and Diversity Policy cautions against the over-extension of directors and provides guidance on disclosure, before accepting directorships outside of the Company. Directors declare their interests in other board memberships on a quarterly basis.

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

The Board enhanced its diversity and skills composition during the year by adding remuneration, audit, risk and corporate finance skills with the appointment of Thoko Mokgosi-Mwantembe and Peter Golesworthy as directors.

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.

The Corporate Governance and Nominations Committee is responsible for Board succession planning and has specifically been constituted 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, successors are appointed, with an 18 month overlap period to ensure board continuity and transfer of knowledge

CHANGES TO THE BOARD AND COMMITTEE COMPOSITION:

DURING THE YEAR

- Hajra Karrim was appointed a director effective 1 November 2020[1]
- Shams Pather – sadly passed away in July 2021
- Peter de Beyer – designation changed to LID in July 2021
- Zarina Bassa – appointed Audit Committee chairman and member of the Corporate Governance and Nominations Committee in July 2021
- Thoko Mokgosi-Mwantembe – appointed director and member of the Remuneration and Social, Ethics and Transformation Committees in April 2021
- Peter Golesworthy – appointed director and member of the Risk Committee as well as an Audit Committee member-elect in April 2021
- Lesego Sennelo – appointed Audit Committee member to fill the vacancy created by Shams Pather's passing in July 2021

POST YEAR-END

- Neville Brink – appointed as an executive director on 21 February 2022
- Imraan Soomra – resigned on 14 February 2022
- Adela Fortune – resigned effective 15 March 2022 as the Company Secretary

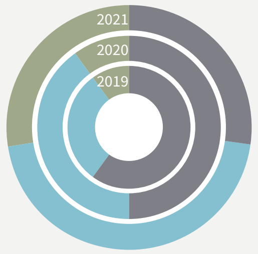
GOVERNANCE FRAMEWORK

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, these have been pro-actively discussed with regulators and dispensations sought for the non-compliance.

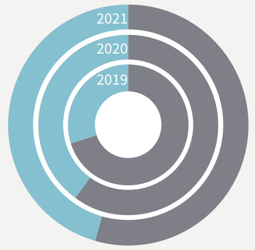
[1] *Hajra Karrim was suspended as CFO on a precautionary basis on 6 February 2022*

RACE



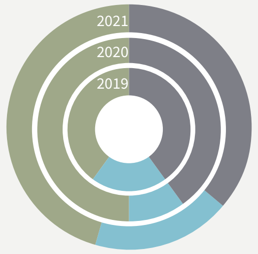
	2019	2020	2021
ACI Male	6	5	3
ACI Female	3	4	5
White Male	1	1	3

GENDER



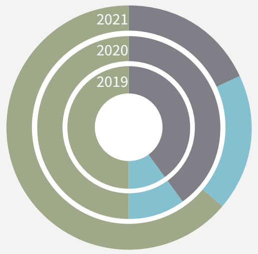
	2019	2020	2021
Male	7	6	6
Female	3	4	5

TENURE



	2019	2020	2021
0-3 year	4	4	4
4 –9 years	2	1	2
>9 years	4	5	5

AGE



	2019	2020	2021
40– 49 years	4	4	2
50 – 59 years	1	1	2
60+ years	5	5	7

OUR GOVERNANCE CONTINUED

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

Below we provide a summarised governance report, reviewing the main focus areas that impact on value creation and briefly outline our strategic response.

BOARD FOCUS AREAS IN 2021

FOCUS AREA	STRATEGY	GOVERNANCE OUTCOME
ETHICAL LEADERSHIP		
Board members are individually and collectively accountable for ethical leadership: • Directors declared other directorships and conflicting interests at each meeting and excused themselves from matters they are conflicted on. • Formal Board assessment completed annually, with an independent, 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. • Put in place and had oversight of an independent, external investigation arising from a whistle -blower event.		Ethical culture Good performance Effective control Legitimacy with stakeholders
CRISIS MANAGEMENT RESPONSE		
• Ongoing support to management in navigating the Covid-19 pandemic and other business disruptions arising from unrest and looting in KwaZulu Natal. • Closely monitored the impact of the pandemic 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.		Good performance Effective control Ethical culture
STRATEGY AND PERFORMANCE		
• Reviewed performance against the five-year strategy at the annual strategy session and approved the Strategy 2022 – 2024, which included discussion on potential investment opportunities. • Approved the 2022 annual budget and divisional KPI's. • Reviewed the Group and Exco structure to identify efficiencies and improve synergies. • Closely monitored developments in the FRAP process to ensure the Group was ready to respond. • Post-acquisition review of the performance of Daybrook against the original acquisition business case.		Good performance Legitimacy with stakeholders

FOCUS AREA	STRATEGY	GOVERNANCE OUTCOME
ENVIRONMENTAL MANAGEMENT AND SUSTAINABILITY		
• Approved a number of initiatives, including the mega renewable electricity project scope in South Africa, vessel ammonia conversion and solar projects in USA and for CCS. • Reviewed the Environmental Policy and assessed progress on targets for material environmental initiatives, external accreditation surveys and environmental audits. • Approved ESG metrics added to management KPIs and management targets for STIs and LTIs. • Commenced preparation for implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TFCD).		Ethical culture Effective control Good performance Legitimacy with stakeholders
PEOPLE: CULTURE AND ORGANISATIONAL HEALTH AND SAFETY		
• Endorsed the corporate culture to 'Positively impact lives', which is firmly embedded in the ethos of the business. • Monitored the impact of the pandemic on the business culture and on employees. • Assessed the implications of the cultural alignment exceptions identified through the concluded forensic investigations and whether these are isolated or pervasive and focus 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 and continues to do so.		Ethical culture
TRANSFORMATION		
• Closely monitored the orderly wind-up of OET. • 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.		Good performance Effective control
STAKEHOLDER ENGAGEMENT		
• Shareholders engaged directly with the Chairman and the CEO at a virtually-hosted General Meeting 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 received regular updates on the CEO and CFO's engagement with investors. • The Board further received updates on all stakeholder engagements at every meeting. • The Chairman, LID and Audit Committee Chair engage with stakeholders through the process of investigation and delay in publishing results.		Legitimacy with stakeholders
RISK MANAGEMENT		
• Through the Risk Committee, closely monitored the macro-economic 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.		Effective control
TECHNOLOGY AND INFORMATION		
• Through the Audit Committee, provided oversight on IT governance and reviewed incident reports on a regular basis, with additional focus on cyber-security as employees continued remote working.		Effective control Good performance
GOVERNANCE		
• Approve the appointment of PwC as the new auditors as part of a process of Mandatory Audit Firm Rotation. • Appointed new internal auditors (BDO) as the previous auditors had a conflict of interest. Approved the scope of the forensic investigation through the audit committee, monitored the findings and results of the investigation including the resolving and implementation of remedial action by the NED board members. • The Board conducted an in-depth review and adopted revised Board and committee charters and work plans. • The Board conducted an in-depth review of the Company's Memorandum of Incorporation (MOI) to confirm it remains current in terms of the legal landscape and relevant in support of the Company's purpose and strategy. The MOI was adopted by shareholders at the AGM. • The Board assesses compliance to the Company's MOI, JSE Listings Requirements, its Charters and relevant legislation on an annual basis. • The Board ensured that a common set of standards are in place through a Policy Forum, which has revised the Policy Framework for the Group. • The Board approved a change in Transfer Secretaries during the year under review.		Ethical culture Effective control

OUR GOVERNANCE CONTINUED

AUDIT COMMITTEE AS AT 30 SEP 2021

Chairman: Zarina Bassa

Member	Number of meetings
Z Bassa	3/3
P de Beyer	3/3
A Jakoet	3/3
S Pather[1]	2/2
L Sennelo	3/3
P Golesworthy	2/2

Mandate:

- Ensure the integrity of the annual financial statements and other external reports issued by the organisation.
- 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 Chief Financial Officer and finance function, and the independence and effectiveness of the Group's external auditors.

For detailed Audit Committee report, refer to *page 104*

Key areas of focus in 2021:

- *Work plan and meetings:* adopted a formal work plan, reviewed external and internal auditors' reports to the Board and approved the internal audit plan for the year.
- *External audit:* Appointed PwC as the new external auditors as part of a process of mandatory audit firm rotation and recommended this to shareholders at the AGM. Monitored the Auditor transition process.
- Approved the non-audit services policy.
- *Internal audit:* during the reporting period, EY, the internal auditors gave short notice of termination of their services due to the take on of the Brimstone external audit. The Committee appointed BDO as internal auditors.
- *Assessments:* reviewed the performance of the CFO as well as the resources, expertise, succession plan and experience of the Finance function.
- *Oversight:* reviewed and was comfortable that all matters raised within the external audit report, internal audit reports, legal, defalcation, tax and governance reports were adequately and appropriately addressed and that the external audit finding tracker was operationalised.
- *Technology and Information:* dedicated significant time to review the Information Technology Governance Reports and monitored execution and progress of technology strategies to ensure that technology and information risks were adequately and appropriately addressed.
- *Assurance:* reviewed the program in place to support the year end CEO and CFO attestation, including combined assurance arrangements.
  - Reviewed the interim and final dividend proposals and ensured that the Group had sufficient resources to make the final dividend payment before recommending it to the Board.
  - Assessed and reviewed the annual financial statements and recommended its approval to the Board.
  - Instrumental in the forensic investigations which began in October 2021
  - Pro-actively engaged with lenders in SA and USA on covenants and necessary waivers

RISK COMMITTEE AS AT 30 SEP 2021

Chairman: Zarina Bassa

Member	Number of meetings
Z Bassa	2/2
A Jakoet	2/2
L Sennelo	2/2
N Pangarker	2/2
P Golesworthy	1/1
I Soomra[2]	2/2

Mandate:

- To assist the Board with the governance of risk, which encompasses considering 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 areas of focus in 2021:

- *Work plan:* adopted a formal work plan designed to structure execution of responsibilities over the year.
- *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, including the Business Continuity Policy. Monitored and approved the adequacy and appropriateness of risk management policies and processes.
- *Assurance:* Reviewed the Combined Assurance Plan. Received feedback on development of the CEO and CFO attestation programme.
- *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 impact of the pandemic and other disruptors on the business.
- *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, including implementation of POPI
- Ongoing review of the whistle-blowing process and results from the whistle-blowing line

REMUNERATION COMMITTEE AS AT 30 SEP 2021

Chairman: Peter de Beyer

Member	Number of meetings
P de Beyer	4/4
M Brey	4/4
T Mokgosi-Mwantembe	2/2
N Simamane	4/4
S Pather[1]	2/2

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 areas of focus in 2021:

- *Remuneration Policy:* reviewed the policy and implementation plan.
- Finalised the appointment of the new Chief Financial Officer.[3]
- Reviewed CEO's IPA to ensure alignment to strategic objectives.[3]
- Considered the appointment of two additional directors to the Board, focussed on enhancing the Board composition based on identified skills gaps.[3]
- *Remuneration:* considered and approved the annual salary increase mandate, reviewed and approved remuneration for the executive committee, reviewed the overall salary bill on a year-on-year basis to confirm that it aligns with principles of fair and responsible pay.
- *Restraints and notice periods:* considered the operating environment and retention risk and increased notice periods for all executives. Further put in place restraint of trade agreements with identified employees.
- *Incentive Schemes:* reviewed the long-term incentive 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.
- *Succession Pipeline:* considered the succession pipeline for executives and provided support to the CEO in appointing new executives.
- *Disclosure:* reviewed and signed off the 2021 Remuneration Report

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE[4] AS AT 30 SEP 2021

Chairman: Peter de Beyer

Member	Number of meetings
P de Beyer	1/1
M Brey	1/1
Z Bassa	1/1
N Simamane	1/1

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 areas of focus in 2021:

Nomination Matters:

- Considered succession plans for directors who have or will be reaching their twelve-year tenure.
- Lead the process to appoint a Lead Independent Director and Chairman of the Audit Committee to replace Shams Pather.
- Reviewed the Board and committee composition, skills matrix, succession plans and transition arrangements on a quarterly basis.
- Reviewed and confirmed the adequacy of Directors and Officers liability insurance.

Corporate Governance:

- Assessed the independence of independent non-executive directors, lead independent non-executive director and the Group Company Secretary, considered eligibility and nominated the Chairman for re-election to the Board. Sourced external legal counsel, where necessary.
- Reviewed and approved the 2021 Board assessment approach and questionnaire for the Board and its committees.
- Performed a 360 degree feedback assessment for Exco members
- Considered the legal implications and requirements for holding a virtual AGM and general meeting of shareholders.
- Approved the change in transfer secretaries from Computershare to JSE Investor Services.
- Remedial action against impacted individuals identified through the forensic investigations
- Appointment of Interim CEO, CFO and CoSec

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE AS AT 30 SEP 2021

Chairman: Nomahlubi Simamane

Member	Number of meetings
N Simamane	2/2
L Sennelo	2/2
N Pangarker	2/2
T Mokgosi-Mwantembe	1/1
I Soomra[2]	2/2

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
- Implementation of The Ethics Institute Guidelines

Key areas of focus in 2021:

- *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. Oversight of certain aspects of the OET unwind and implementation of two new schemes.
- *Corporate Social Investment (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.
- *Human Rights:* Reviewed the human rights element of the self-assessment of compliance with the principles of the United National Global Compact, which reaffirmed the rating of 98% compliance.
- *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. Additionally, all eligible employees received and completed training on the Anti-bribery and Corruption Policy and related legislation, as well as training on Oceana's Code of Business Conduct and Ethics and the Compliance Policy.
- *Environment, health and public safety:* The Environmental Policy was reviewed and recommended to the Board for approval. Annual progress against agreed targets for key environmental initiatives, the company's participation in external accreditation surveys and the results of health and safety and environmental audits of company sites and vessels were reviewed. The Committee also received an update on product stewardship and public safety issues.
- Social responsibility: received reports on capacity building skills training in the Hout Bay Community as well as small-scale fishers co-operatives in the Eastern Cape and KwaZulu Natal.
- Flagship initiatives: reviewed reports on progress in respect of two flagship initiatives, namely the Oceana Maritime Academy and the Oceana Food Security Programme.
- Governance activities: oversight of the Company's Policy Reform Project and reviewed and monitored implementation of policies within the Social, Ethics and Transformation Committee's mandate.

1 *Passed away in July 2021*
2 *Resigned effective 14 February 2022*
3 *Finalised by the committee when it was still known as the Remunerations and nominations committee*
4 *Constituted in July 2021. Covered by the remuneration committee until then*

For more information on the Committee roles and responsibilities, refer to the committee charters and the full King IV disclosure report available on our website at www.oceana.co.za/governance.

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 2021. 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. 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 Listing Requirements.

Following the unfortunate passing of Mr S Pather in July 2021, Ms ZBM Bassa took over as Chairman of the Committee.

Subsequent to the year-end the Committee was confronted with significant and unexpected challenges that resulted in an unfortunate delay in the publication of the Oceana year-end results. The Committee reports in some detail below on the nature of these challenges, and on the approach that the Board and the Committee took to ensure the maintenance of the Group's integrity and its governance processes.

COMMITTEE CONSTITUTION AND GOVERNANCE

MANDATE AND TERMS OF REFERENCE

The responsibilities of the Audit 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's company secretary whose contact details are available on ***page 1***. 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 23 March 2021 to hold office until the conclusion of the next annual general meeting, is comprised of four independent non-executive directors, Ms ZBM Bassa (Chairman), Mr PG de Beyer, Mr A Jakoet, and Ms L Sennelo, all of whom satisfy the requirements to serve as members of an audit committee. In addition, Mr P Golesworthy was appointed to the Board as an independent non-executive director effective 7 April 2021 and as a member-elect of the Audit Committee.

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 2021 financial year are disclosed in Note 41 to the consolidated Annual Financial Statements.

OVERALL ROLE, RESPONSIBILITIES, AND FUNCTIONS

The Committee is a formal 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:

a. The integrity of the consolidated Annual Financial Statements, financial reporting and, to the extent delegated by the Board, other external reports issued by the Group.
b. The effectiveness of the Group's systems of internal control, assurance function and services, with particular focus on the combined assurance arrangements.
c. Assessing the effectiveness of the internal audit function, the Chief Financial Officer (CFO) and finance function and the independence and effectiveness of external auditors.
d. The effectiveness of the technology and information governance and risk management framework.
e. 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 3 formal meetings during the year, with full attendance by all members. Between October 2021 and March 2022, numerous additional *ad hoc* committee meetings were held (including workshops pertaining to the technical matters under scrutiny) to address the challenges referred to below, and to monitor progress on the resolution of the issues identified (as outlined in more detail later in this review). 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, as it did during the current year, to assist it in the performance of its functions, subject to a Board-approved process.

FOCUS AREA 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 Audit Committee Charter during the reporting period. The Committee has:

- Set the direction for financial reporting;
- Reviewed and recommended to the Board the consolidated Annual Financial Statements, interim reports, and summarised financial statements;
- Reviewed and recommended trading updates and trading statements in line with the JSE's requirements;
- Considered and nominated the external auditor for appointment at the annual general meeting; 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 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 of financial statements reports; and
- Satisfied itself that the appropriate financial reporting procedures are in place and are operating.
- Commissioned an independent forensic investigation by the law firm Edward Nathan Sonnenbergs Inc, together with its wholly-owned subsidiary ENS Forensics Pty Ltd, collectively ("ENSafrica") in response to allegations treated as having been made by a whistle-blower, which arose in October 2021;
- Commissioned independent accounting and legal reviews on Westbank Fishing LLC ("Westbank") accounting matters to reassess the appropriate treatment of such issues.
- Played a key oversight role in the year-end financial statement close process at the request of the auditors given the conflicts of interest of the executive directors pertinent to the matters under investigation.

SIGNIFICANT CHALLENGES IN RELATION TO THE FINALISATION OF THE RESULTS

ACCOUNTING, AUDIT, AND LEGAL MATTERS THAT DELAYED OUR YEAR-END REPORTING

Over the period from mid October 2021 to March 2022, the Company notified the JSE and its shareholders of a delay in publishing the year-end results. This delay was a result of the Company being made aware of thirteen separate allegations raised directly with the Group's external auditors, PricewaterhouseCoopers Inc. ("PwC") by a senior member of management relating to amongst others the accounting treatment of a United States subsidiary and its corresponding 25% investment in a fishing vessel owning entity, Westbank, together with various other financial and non-financial matters.

The accounting-related aspects pertained mainly to the Group's 25% shareholding in Westbank held by Daybrook Fisheries Inc. ("Daybrook"), a wholly-owned subsidiary of Oceana. Westbank owns fishing vessels and operates a commercial fishing business to supply Daybrook with 100% of its catch.

Given the nature of the allegations raised directly with the Group's external auditors, and PwC's treatment of the raising of the allegations as constituting whistle-blowing and the seniority of the individual raising the matter, in order to protect the integrity of the Group's accounting and governance processes, and for the avoidance of doubt, the Oceana Board took the decision to undertake a comprehensive independent investigation and review process of all matters raised.

The Board appointed ENSafrica to carry out this task and further appointed external accounting and technical advisors (Mazars SA and International), as well as independent challenge from an IFRS expert, to assist and support it in the interpretation and review of:

- IFRS requirements;
- previous legal and technical advice obtained at the inception of the Daybrook and Westbank transactions in 2015 and on the change of the 75% majority shareholding in Westbank in 2018;
- interpretations of legal agreements and operational practices; and
- to consider what the most appropriate accounting treatment should be, relative to previous accounting treatment applied for the 2015 to 2020 reporting periods, upon which our predecessor auditors, Deloitte, had issued unqualified audit opinions.

The accounting advisory team was supported by specialist US legal advisors in respect of US legal and marine regulatory matters and interviewed various stakeholders to assess the operational realities in the business on a day to day basis. The Committee and the accounting advisory team also engaged with the Group's previous auditors.

This review was undertaken notwithstanding the fact that the US acquisition transaction had been designed and structured, both in 2015 and subsequently in 2018, to ensure full compliance with US marine law regulations pertaining to US citizen control of the fishing vessels. These transactions had been informed by the advice of both SA and US transaction and legal advisors, including specifically advisors on US marine law; the transaction was approved by shareholders in compliance with the JSE Listings Requirements. The transactions and all agreements pertaining thereto had been lodged with the US Maritime Administration (Marad) and had fully met all Marad requirements for 75% US citizenship and control of vessels. An accounting technical opinion on the IFRS implications had been obtained at the same time and this informed and confirmed the basis of accounting since 2015.

At the time of the Daybrook and Westbank transaction, the Board constituted a committee comprised solely of non-executive directors to have oversight of the transaction and to interact directly with the advisors in addressing both governance and scrutiny over specific transaction matters. The 2018 negotiations were led by non-executive directors, supported by the advisors referred to above, and additionally supported by the Corporate Finance function of Tiger Brands Limited, the Group's largest shareholder at the time. The transaction was also subject to Investment Committee scrutiny and Board approval at a Tiger Brands Limited level at the time. The final transaction and operating agreements were also submitted for approval to Marad and other regulators. Westbank's fishing endorsements were approved by the regulator on commencement of the transaction and have been renewed every year since. Through undertaking this current review, the Board was also intent on understanding and assessing any potential risk a revised accounting treatment may have on the US marine regulator's assessment of compliance with its regulations and the impact, if any, on the fishing licences going forward.

REPORT OF THE AUDIT COMMITTEE CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The principal aspects of the investigation were completed by ENSafrica towards the end of December 2021, and a draft report was made available to the external auditors on 24 December 2021. The comprehensive investigation found no evidence of fraud, misappropriation or loss of funds, or management override of controls arising from any of the matters raised.

Despite this finding, there was a difference in opinion between the Oceana Board and PwC regarding how Westbank should be treated in the Group financial statements. The crux of the argument has centred around our ability to exert significant influence versus joint control over Westbank, and the matters considered consisted of various legal, accounting and operational practices with evidence supporting both arguments.

While PwC considered the Group to have joint 'control' of Westbank, thus requiring the presentation of proportionately consolidated financial statements, it was the view of the Board, our technical advisors and our previous external auditors, Deloitte, that the Group has 'significant influence' over Westbank, which does not require consolidated financial statements. The Board, its technical advisors and external auditors have acknowledged that there are complex areas requiring significant judgement that impact the outcome, and therefore have spent considerable time in evaluating both the legal aspects, as well as the factors indicating joint operational control or significant influence. These include, amongst others, those matters which the Board considers to be protective rights in terms of the various agreements but some of which rights PwC consider to be substantive in nature.

After careful consideration of the matter, and being cognisant of the delays in reporting the 2021 results, the Board adopted the proportionate consolidation accounting treatment based on the assessment of the impact of the investment in Westbank to the Group financial statements as a whole (less than 1% of Group profit before tax). Further, that the earnings on the consolidated statement of comprehensive income and net asset value on the consolidated statement of financial position do not change as a result of the change in treatment. The consolidated statement of cash flows has also been restated to provide for this change.

It is important to emphasise that there has been no evidence of fraud, misappropriation or loss of funds or management override of controls arising from the review above.

A further accounting issue, also pertaining to Westbank and Daybrook, that came under review is the accounting treatment of a US$3.5m receivable on the Group's balance sheet in respect of Westbank that arose in respect of costs incurred prior to the new shareholder taking ownership in 2018. Specifically, the technical accounting team considered whether the amount should be in the cost of investment in an associate, goodwill, or written off. The final accounting treatment has been an increase in goodwill of US$7.9m including a reallocation of the US$3.5m from current assets to goodwill.

In addition to the involvement of local technical specialists, and due to the prevailing US requirements to re-visit their audit opinion in respect of the year ended 30 September 2020, the Deloitte US team also referred the technical matters above to their National Technical committee and concluded that it still remained comfortable with the original accounting approach taken, and consequently would not withdraw its audit opinion in respect of the equity accounting of Westbank in the Daybrook financial statements for prior financial years.

In late January 2022, the Board was advised that although the audit was substantially complete, the external auditors required additional time in which to finalise their audit work with regards to matters outstanding, and release the results.

A meeting was held with the JSE to request an extension for the release of the 2021 results; this meeting was attended by ENSafrica, the external auditors PwC, and Board representatives comprising the Chairman, Lead Independent Director, and Committee members, excluding the Audit Committee Chairman given her conflict of interest (arising from her also being a board member of the JSE and chairman of the JSE SRO Committee. The request was for a ten-day extension to cater for any unforeseen matters, rather than the seven days indicated by the incumbent auditors to complete their review.

The auditors, PwC, subsequently advised on 4 February 2022 that they would not be able to sign off on 10 February, after raising a new concern regarding the dating of signatures on an approval document sent to the insurer on 7 October 2021 pertaining to an insurance claim of US$4.2 million relating to the impacts of Hurricane Ida, initially submitted to the insurer in draft on 20 September 2021; the document sent to the insurer on 7 October was dated the same date as the draft claim, ie 20 September 2021 with supporting documents from the assessor dated 6 October. This transaction had been subjected to examination by PwC in November 2021.

The dating of the internal approval documents, which were submitted to the insurer and auditors, created concern that other insurance claim documentation may also be backdated. This issue was then also independently investigated by ENSafrica, resulting in further delays in the publication of the annual financial results.ENSafrica performed a comprehensive review of insurance claims over a two year period together with a review of over 12200 documents or correspondence and was able to confirm no further impact to the consolidated financial statements due to backdating of insurance claims or other documents. However, the investigation did identify 5 other instances of misdating. None of these instances impacted the annual financial statements and ENSafrica concluded that this was reflective primarily of a need for training rather than indicative of an intent to misrepresent financial treatment.

A detailed summary of the findings of the forensic investigation of the initial 13 allegations, as well as a preliminary update on the forensic investigation pertaining to the insurance matter, is available on the Company's website. A summary of the forensic investigation findings regarding the above further backdating concerns was provided in a SENS dated 9 March 2022.

There was regular interaction with the JSE throughout the process commencing October 2021; the Committee Chairman was at no point involved in these discussions given her position on the JSE Board referred to above.

Throughout the investigation the Committee Chairman liaised directly with the ENSafrica investigators, and provided regular reports to the Audit Committee and Board, with ENSafrica providing weekly reports to the entire non-executive Board from 17 October onwards. At certain periods, these were daily report backs and daily board discussions.

As a result of the reporting delays, management had to obtain the necessary default waivers from both the US and SA lenders for the lodgement of the relevant annual financial statements.

INITIAL FIVE REPORTABLE IRREGULARITIES

After the financial year end, five initial Reportable Irregularities (RIs) were lodged by the external auditors, PwC, with the Independent Regulatory Board for Auditors (IRBA) as required by section 45 of the Auditing Profession Act (APA). Please refer to Note 43 of the AFS for a detailed description as well as the resolution of these in accordance with the process required by IRBA.

The Audit Committee and non executive Board members were involved in the responses to the RI's and discussions were held with PwC in order to fully understand PwC's concerns, the possible risks to the Company and consequences of the matters reported. Whilst the Board was unanimous in the actions that needed to be taken to respond to the issues, there was extensive debate, with legal advice and input, as to whether the matters should have been reported as RI's or not, in the first instance, particularly as three of the five matters had been identified by ENSafrica as behavioural and conduct matters with no impact on the financial statements and remedial actions had already been agreed with ENSafrica as part of the conclusion of the investigation and such had already been communicated to management implicated in the three RI's. Notwithstanding this, the Board formally responded in writing to all five RI's raised and submitted its views on the significance of the issues as well as on the remedial action taken or to be taken, as necessary within the required 30 days. These RI's have since been reported to IRBA by PwC as 'not ongoing'.

The first three RIs pertained to behavioural misconduct, confidentiality and fiduciary breaches issues where disciplinary action is in progress or the individual is no longer with the Company. These apparent contraventions are in respect of non-financial matters and no financial loss has been caused to the Company thereby, nor has there been any impact on the financial control environment or the annual financial statements, other than the business implications of the exit or suspension of key individuals.

The fourth RI related to the concern referred to earlier regarding the backdating of signatures on an internal document pertaining to an insurance claim in the amount of US$4.2 million where the final claim document submitted on 7 October 2021 was dated with the same date (20 September 2021) as the initial draft claim approved and submitted to the insurer but with insurance assessor supporting documents dated later only on 6 October 2021. ENSafrica undertook a thorough and comprehensive review of all insurance claims going back to 2020, as well as a search covering more than 12 200 documents and emails to search for other potential instances of backdating. The investigation found no other instances of incorrect dating of insurance documents, and no evidence of a deliberate attempt to misrepresent through the incorrect dating of the Hurricane Ida insurance claim given the attachments were clearly dated 6 October 2021. Although the investigation identified other instances of incorrect dating of other documents, none of the instances involved a deliberate intent to misrepresent, and there was no impact on the annual financial statements.

The fifth RI related to the behaviour of two members of management implicated in the backdating, who were found to have contravened a confidentiality instruction from the forensic investigators to not discuss the issue under investigation. While the Board does not condone the action, it did not see this matter, which was raised with the Board immediately by ENSafrica at the time, as an RI in terms of the APA or the IRBA Guide on Reportable Irregularities Requirements; which view was notified to PwC at the time the RI was reported by PwC. ENSafrica further ensured that the behaviour of two members of management did not compromise the investigation.

The forensic investigation in respect of the fourth and fifth RIs did not identify any deliberate attempt to misrepresent through the backdating of the insurance claim, or any intent to mislead the investigation through the confidentiality breach. As outlined above, disciplinary actions against the relevant individuals have been initiated, together with appropriate training and culture interventions.

PwC have reviewed the responses by management to all the reportable irregularities described above and are satisfied that the RIs are no longer taking place and that where appropriate, the Company has taken, or is taking, disciplinary action in accordance with the Company's disciplinary code and procedures and with due cognisance of applicable labour legislation. PwC have notified the IRBA accordingly that the reportable irregularities listed above are classified as "not ongoing" from a regulatory reporting perspective.

FURTHER RIs

There were 3 categories of further RIs (comprising 6 further RIs in total), that were reported by PwC to the Company and the relevant subsidiaries on 21 March 2022. These affected 6 different entities, including the Company. These categories were, broadly speaking backdating of resolutions and journal entries in respect of dividends to be declared by the subsidiaries, the backdating of a Subordination Agreement between the Company and one of its subsidiaries Lucky Star Limited to the date when the resolution was passed by Lucky Star Limited to enter into the Subordination agreement and lastly the backdating by a third party insurance broker, the insurance brokers for the Company and its subsidiary Commercial Cold Storage (Pty) Ltd ("CCS") in relation to a claim for legal fees that was incurred by CCS in a litigation matter against a third party.

The Board considered PwC's further 6 RIs, took legal advice on the issue and responded in detail to PwC on 22 March 2022 as contemplated in terms of the process set out in section 45 of the APA. In relation to all 6 of the RIs, the Board was of the view that the conduct in question did not meet the threshold of triggering section 45 of the APA, it nevertheless responded comprehensively to PwC on each RI and addressed any perceived concerns and risks that PwC raised as well as provided PwC with remedial steps that it intended to take in the circumstances.

PwC have reviewed the responses by management to the further 6 RI's described above and are satisfied that the RIs are no longer taking place (classified as "not ongoing" from a regulatory reporting perspective) and that where appropriate, the Company has taken, or is taking, disciplinary action in accordance with the Company's disciplinary code and procedures and with due cognisance of applicable labour legislation. PwC have notified the IRBA accordingly on 24 March 2022 that these reportable irregularities are not ongoing.

FSCA NOTIFICATION

On 21 February 2022, the Company was informed by the Financial Sector Conduct Authority ("FSCA") that the FSCA has 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 Company has engaged with the FSCA to address their queries. 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 the legal, technical and external auditor views ahead of SENS releases throughout the period under review.

REPORT OF THE AUDIT COMMITTEE CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2021

KEY CHANGES TO SENIOR MANAGEMENT

The Committee, in conjunction with the Board, had to manage the consequences of the exit of the CEO and the Company Secretary and the precautionary suspension of the CFO. This amongst others, resulted in the Committee having to exercise oversight over year end reporting, the appointment of an interim CFO and Company Secretary, as well as the process to renegotiate covenant waivers with US and SA lenders as a result of the delay in releasing results and in the event of a risk of potential suspension of the Company's shares by the JSE.

Further details on the mitigating actions taken are outlined below under the effectiveness of the Finance function.

RESTATEMENTS AND RE-CLASSIFICATION OF BALANCES

There have been various other restatements to the comparatives including in respect of the rate at which the US subsidiary Daybrook's assets and liabilities were translated at the previous year-end. These have been disclosed in Note 39 of the financial statements and will be separately communicated to the JSE. The Committee deems it prudent to supplement the Finance team with an additional technical accounting resource at a group reporting level.

In addition, the Committee will continue with its practice of independent technical reviews of the Group's financial statements. The previous reviews were done by PwC where they reviewed management's disclosures in the 2016 and 2019 financial statements for completeness and appropriateness.

SIGNIFICANT AUDIT MATTERS IN RELATION TO THE ANNUAL FINANCIAL STATEMENTS

The Committee outlines below the 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. This is in addition to the matters pertaining to the forensic investigation, Westbank accounting and the RI's already detailed above.

Key Audit Matters	How Addressed by the Committee
Valuation of goodwill and indefinite useful life of intangible assets	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 taking into consideration the impact of external market factors such as health of 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. The headroom on Daybrook goodwill was specifically considered given the additional allocation of US$7.9m to goodwill based on the accounting treatment informed by the PwC view on the matter, ie the Daybrook goodwill was tested for impairment against both the US$3.5m it has always been tested against, plus the additional US$4.5m debited to goodwill and credited to reserves. The assessment indicates that there is sufficient headroom between the recoverable value and the carrying value. The Committee agrees with this assessment.
Westbank accounting, Joint Control	As outlined above, the Company adopted the proportionate consolidation accounting treatment in respect of its investment in Westbank LLC, following extensive debate with the external auditors, PWC, and has treated this change in line with the requirements of IFRS by reflecting this as a prior year adjustment with full disclosure of this in our financial statements in Note 39 of the AFS. The proportionate consolidation of the joint control has been reflected as a consolidation of the 100% interest with the 75% 'majority' interest in Westbank reflected in 'minority' shareholder interests.
Treatment of the Westbank Fishing Partner LLC ("WBFP") receivable	During the process of revising the accounting treatment for the interest in Westbank, the accounting treatment of a payment made to WBFP of R120.7 million/US$7.9 million and a special dividend received from Westbank of R66.7 million/ US$4.4 million, both of which ultimately resulted in a net receivable of R52.8 million / US$3.5 million reflected on the balance sheet, were reconsidered. In 2015 when the Group acquired 100% of the shares in Daybrook together with 25% of the shares in Westbank, the previous shareholders of Daybrook, namely WBFP, were granted a put option against Daybrook in respect of their 75% shareholding in Westbank. The put option was taken into account at the date of acquisition in determining the Group's purchase price of its investments in Daybrook and Westbank and the resultant goodwill. However, a portion of the amount payable under the put option, the value of which would depend on future profits of Daybrook and Westbank, was excluded from this assessment. When this amount, which constituted R120.7 million/US$7.9 million, was paid by Daybrook during the 2019 financial year, it was recognised as a receivable from Westbank. This treatment was debated as part of the re-visit of the accounting treatment of the Westbank investment and has subsequently resulted in an increase in the recognition of goodwill of R120.7 million/US$7.9 million and not as a receivable. The impact of the change is reflected as part of the effect of reclassifications and errors (refer to Note 39 of the AFS.

Key Audit Matters	How Addressed by the Committee
Treatment of the Westbank Fishing Partner LLC ("WBFP") receivable *continued*	In 2019, Westbank paid a special dividend of R66.7 million / US$4.4 million only to Daybrook. At the time of receipt, the amount was reflected as a reduction against the aforementioned receivable that had been recognised of R120.7 million / US$7.9 million, resulting in a net receivable of R52.8 million/ US$3.5 million. This dividend has now been treated partly as a reduction of the investment in Westbank, to the extent of 25% (R16.6 million / US$1.1 million), and as a gain, to the extent of 75% (R50.0 million / US$3.3 million), since the 75% shareholder did not participate in the special dividend. Thus, the restatement of the accounting for Westbank reflects an increase of R50.0 million / US$3.3 million in distributable reserves. Deloitte SA and US previously annually allocated the US$3.5m to the overall cost of the investment for the purpose of the recoverability assessments and assessed the total cost for potential impairment, if any. The Committee has accepted the above new treatment in order to consistently apply the accounting treatment adopted in respect of the investment in Westbank LLC as referred to above under Westbank accounting.
Accounting treatment of insurance claims	The Committee and management have had extensive accounting debates around recognition of the Hurricane Ida claim and requirements in order to meet the 'virtual certainty' principles outlined in IAS37, which included consideration of the initial draft claim on 20 September 2021 of R58 million, the letter of comfort on 27 September 2021 confirming the validity of the claim subject to reinsurer payment, and the subsequent final document from the insurer on 6 October 2021 confirming the final claim and payment of R63 million, with full receipt of funds on 27 October 2021. The debate centred on whether R58m of the R63m was virtually certain. Management and the forensic investigators interacted extensively with the insurer and reinsurer with regard to the extent of certainty of the claim at year end. The Committee took cognisance of the technical opinions in this regard (including those from the Insurance and the Re-insurance companies) that gave sufficient evidence to the certainty of the claim, but decided to adopt a conservative approach to the recognition of the claim given the forensics issues raised by the external auditors in this regard. The final decision, informed by PwC's view, was to reverse the raising of the full amount of R63m from 30 September 2021 and recognise it in the financial year ending 30 September 2022. A further R32m in respect of three other insurance amounts previously reflected on the summary of audit differences were also reversed at the request of PwC on the grounds of not being 'virtually certain' as at 30 September 2021. These two reversals had a slight impact on the trading statement range released on 10 December 2021.

Other Significant Matters	How Addressed by the Committee
Related party transactions	The Committee reviewed and updated the policy in respect of the treatment of related party transactions during 2021 and is comfortable with the existing policy. Certain disclosure improvements were noted and implemented for the year ending 30 September 2021. 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.
Taxation	The group is exposed to amendments in tax laws in various jurisdictions. **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. **Deferred taxation** 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 R6,7m as at 30 September 2021 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 R500m at 30 September 2021. The external auditors have highlighted the need for further assessment during the financial year ending 30 September 2022, to assess the recoverability of the deferred taxation asset balance in Daybrook relating to capital losses, due to the proximity of the expiry period ending 30 June 2023.

REPORT OF THE AUDIT COMMITTEE CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Other Significant Matters	How Addressed by the Committee
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. During the current year,management's annual review of useful lives and residual values did not result in material changes to the carrying value of assets
Leases	The Group is required to make judgements that affect the valuation of lease liabilities (Note 27) and the valuation of right-of-use assets (Note 14). This includes determining whether a contract meets the requirements of a lease, the lease term applicable and the interest rate used for discounting of future cash flows. In determining the lease term, the group considers all facts and circumstances that create an economic incentive to exercise an extension option. Factors considered include how far in the future an option occurs, payment amounts in the optional period, future plans of the group for use of the asset as well as historic past practice of renewing leases. Extension options are only included if the lease is reasonably certain to be extended. Lease payments are discounted using a rate applied to a portfolio of leases pertaining to land and buildings within a particular jurisdiction, where funding is sourced centrally. Judgement has been applied to determine the discount rate where the rate implicit in the lease cannot be determined. The incremental borrowing rates are detailed in Note 28. The lease of land and buildings which house significant Group operations in the canned fish and fishmeal (Africa) segment was extended in the 2020 financial year for a further 20 years, based on management judgement of the renewal of the lease.
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 16 which sets out the significant judgements and estimates applied.
Impairment of financial assets	Foreign 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 of customer risk category. 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. The Group has also determined that no credit impairment is required for amounts owing by foreign suppliers. In addition, certain individual customers were identified as credit impaired which resulted in a specific expected credit allowance being recognised.
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 variability returns.

CFO AND EFFECTIVENESS OF THE FINANCE FUNCTION

Ms Hajra Karrim, a chartered accountant, was appointed as CFO from 1 November 2020, replacing Mr Trevor Giles who served as interim CFO from 1 February 2020 to 31 October 2020.

On 6 February 2022, Ms Karrim was suspended on a precautionary basis pending a disciplinary process; a grievance was also lodged by the CFO in relation to the suspension and pending disciplinary: both processes are pending. The issues being addressed as part of the disciplinary process do not pertain to matters which are related to the financial information of the Company, nor do they include alleged complicity on the part of the CFO in respect of the subject matter of the investigation. So as not to jeopardise the pending process relating to the CFO and to respect the employment law rights and obligations of all concerned, the Committee considers that it is not appropriate to provide further details at this stage.

The suspension of the CFO came at a critical time in the year-end reporting process; immediately prior to her suspension and a few days before the 30 January sign off, the CFO went on sick leave. In addition, Mr Imraan Soomra resigned as CEO (and executive director) effective 14 February 2022. In this context the Board and Committee had to navigate carefully to ensure that it maintained its oversight function, and to ensure that senior management dealt with the execution of the detail. The Board had to urgently appoint individuals to step in to facilitate the completion of the year-end business and audit deliverables as well as day to day critical finance operations, including amendment of terms and waivers with lenders as a consequence of the delay in reporting results.

The Company appointed Mr Neville Brink as Interim CEO effective 14 February 2022 and as an executive director effective 21 February 2022. The Company also appointed Mr Ralph Buddle as Interim CFO effective 23 February 2022. Mr Buddle's appointment is subject to the outcome of the pending process pertaining to the current CFO. Following the resignation of Ms Adela Fortune as Company Secretary, Mr Buddle was also appointed as Interim Company Secretary effective 9 March 2022. 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 the candidate before seeking a dispensation from the JSE to appoint him to both roles.

Ensuring the timely appointment of highly skilled and capable individuals to fill the roles of the relevant senior members of management was essential in addressing the low staff morale associated with the lack of senior leadership and negative speculation in the media. The Finance function was boosted further by the appointment in February 2022 of two other experienced individuals to assist with the year end deliverables. Given the extensive debates with auditors on technical accounting and audit matters, the board was assisted by two external and independent specialists in the field of financial reporting and auditing standards as well as Mazars as referred to above. The resourcing of the Finance function into the future is in the process of being addressed. The appointments of Neville Brink and Ralph Buddle have brought the focus back on the business and significantly boosted staff morale.

INTERNAL AUDIT

In terms of its Charter, the Committee is responsible for the appointment of the Company's internal auditors. This year the Company also had a change in internal auditors. BDO South Africa Incorporated ("BDO") was appointed as internal auditors with effect from 1 June 2021, following the resignation of the previously appointed internal auditors, Ernst & Young ("EY"), on 5th May 2021. The resignation of EY as internal auditors was a result of EY taking on the external audit of Brimstone Investment Corporation, a significant shareholder of Oceana; the continuation of the internal audit function of Oceana would in terms of good governance practices have posed a conflict of interest. The Committee approves the fees of internal auditors and the scope and rolling coverage plan for internal audit services.

Each year the Committee reviews, updates and approves a three-year rolling internal audit plan. The Chief Internal Audit executive attends the Risk Committee and Audit Committee meetings as well as having 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 Oceana management, taking into consideration the entire risk universe affecting Oceana.

The internal audit function is outsourced, and the appointment of the internal audit provider is reviewed on an annual basis. Ms F Mohamed, a partner of BDO, has fulfilled the role of Chief Internal Audit Executive since June 2021, following the resignation of EY as internal audit provider. The internal auditors operate in terms of an internal audit Charter, which is reviewed annually and was reviewed during the year, under the direction of the Committee, which approves the scope of the work to be performed. 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 was set up and operationalised during 2019 whereby the status of all 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 and Risk Management. There is ongoing focus on increased collaboration and reducing duplication of activities. The Committee is satisfied that the arrangements in place for combined assurance in the Company are effective.

EXTERNAL AUDIT

Mandatory External Audit Firm Rotation in 2020

In terms of section 90 of the Companies Act, the Committee is responsible for the nomination, compensation, and oversight of the external auditors for the Group and Company. In line with mandatory requirements governing the rotation of external auditors, the Committee concluded a tender process during 2020 and recommended the proposed appointment of PwC as the external auditor for the financial year ending 30 September 2021, at the annual general meeting held in 2021. A key part of the tender process was the expected due diligence process on the accounting policies of the Group and the confirmation that was provided by the various firms considered that they were comfortable with the relevance of the accounting policies of the Company. This was particularly important in the context of not causing delays in the interim and year end reporting processes given the appointment was effective 1 January 2021.

PwC provided the Committee with the information detailed in paragraph 22.15(h) of the JSE Listing Requirements to assist the Committee in their assessment of the suitability for appointment of PwC as the external auditors of the Company and the appointment of Mr Richard Jacobs as the designated individual partner as required in terms of paragraph 3.84(g) of the JSE Listing Requirements.

The Committee approves the fees of external auditors and the policy, level and scope of external non-audit services. The Committee monitored and ensured that fees for non-audit services were in line with the Group's Non-Audit Services Policy.

REPORT OF THE AUDIT COMMITTEE CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Independence and Audit Quality

PwC was appointed as the Group and Company's external auditors with Mr Jacobs appointed as the designated lead audit partner with effect from 1 January 2021. 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 Group and Company's independent 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 newly appointed external auditors.

The Committee is cognisant of the many challenges experienced over the year-end both in terms of accounting interpretations and treatments and the delays in financial reporting. It further takes note that the external auditors were in their first year of audit post appointment as a result of mandatory audit firm rotation (MAFR) and that the auditors were placed in a particularly challenging position given that the person who raised the 13 allegations referred to earlier was a senior member of management, and went directly to the auditors, albeit the individual at the time indicated to the Company that the matters raised were 'queries' rather than whistleblowing. The Committee has however expressed concerns regarding what would appear to be an entirely forensic lens to the external audit approach. In addition, there were concerns around the IFRS interpretation and application of the standards given the business and operational practice in relation to matters of significant judgement where evidence might support different approaches. Accounting policies were discussed with PwC during the tender process and no issues were identified at that stage or during the interim review stage. The Board, supported by the advice of various highly qualified independent parties, has had a difference of opinion with the external auditors regarding matters pertaining to the accounting for Westbank.

PwC had advised that the Group audit was apparently 80% complete with the subsidiaries substantially complete at the point of the allegations being raised with them. Notwithstanding, the audit scope was changed to a highly substantive approach involving hundreds of transactions being tested on the smallest of entities and across the entire Group. The adherence to reporting deadlines and the resultant credibility and reputational risk to the Group where deadlines have not been met has been a further concern. The circumstances in which the Company's JSE listing was risked by way of suspension was a critical concern to management and all stakeholders. We fully expect our auditors to raise matters that impact the integrity of the financial statements and the control and governance environment, and fully expect to have robust discussions on such matters, but these need to be timeous and mindful of reporting obligations. These are matters that have been and are being addressed with our external auditors.

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 consolidated annual financial statements and internal financial controls as required by new JSE Listings Requirements as set out on *page 3*.

The Committee received an update in September 2021 on the implementation of the project initiated across the Group and all subsidiaries and support functions to ensure compliance with paragraph 3.84(k) of the Listings Requirements of the JSE Limited. The implementation of the project included various stages such as scoping and assessment of materiality, gap analysis and the compilation of comprehensive risk and control matrices covering all the business processes that have an impact on financial reporting, the review and testing of key controls, consideration of any findings identified by internal audit and the final year end sign off by all the relevant control owners. Where the process identified deficiencies, these were included on a remediation plan communicated to the Committee and external auditors and were closed out prior to the financial close process. The Committee has considered the mitigating controls provided by management that provide reasonable assurance that these consolidated Annual Financial Statements are fairly presented.

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 consolidated annual financial statements 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 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, fr aud or corruption where the Group is concerned.

The Committee and the Board have taken note of the results of the two investigations by ENSafrica. Whilst the investigations have not indicated any fraud, financial loss, override of the internal control environment or deliberate intent to misrepresent, the Committee views in a very serious light the potential implications on the control environment of the existence of conflicts in the workplace, the non declaration of these, the impacts of breach in confidentiality and breach in fiduciary duty by senior leadership together with the misdating of documents. The Committee and Board have agreed on disciplinary action where necessary, training in respect of dating of documents, further socialization of the conflicts of interest policy and the whistle-blowing line together with broader culture conversations in the Group.

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 Board 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 our strategic and business processes and supports the achievement of our 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, security and compliance, and strategy. An overarching Information Governance framework is in place, and regulates the IT governance bodies comprised of senior Oceana management.

Our 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.

Key strategic focus areas during the financial year were cyber security, including security awareness training, optimising Oceana's IT infrastructure and systems to support organisational efficiencies and enabling and ongoing support to enable remote work.

COMPLAINTS AND/OR CONCERNS

The allegations treated as whistleblowing relating to the application of specific accounting principles and other matters has been detailed earlier in this report.

GOING CONCERN

The Committee reviewed the going concern statement and supporting calculation (refer to Note 45 of the AFS) as required by the Companies Act and have no reason to believe that the business will not be a going concern in the year ahead.

This was further supported by the review of solvency and liquidity and debt covenant compliance along with the risks associated with the COVID-19 pandemic, hurricane events in the USA and civil unrest and looting in SA. The Committee is satisfied, that the Group and Company have adequate financial resources to continue their operations into the foreseeable future.

The committee reviewed the going concern assumption and concurred with management's conclusion that it is the appropriate basis for the preparation of the financial statements.

As a result of the delays, management engaged with US and SA lenders to obtain the necessary default waivers from both the US and SA lenders for the lodgement of the relevant annual financial statements. The Committee is comfortable that the Oceana Group will comply with the revised dates, and that there is not likely to be an interruption to the Group's banking facilities as a result.

EVALUATION AND RE-ELECTION

The performance of the Committee is regularly assessed as part of an effectiveness review of the Board and all its committees. An externally facilitated review is performed every two years with the next one scheduled for 2022. The previous assessment concluded that the Committee is operating effectively and successfully discharged its responsibilities and duties. The Board is satisfied that the Committee has performed its duties effectively and that committee members have the necessary skills and experience to discharge their duties effectively.

The Board, on recommendation of the Corporate Governance and Nominations Committee, has nominated the current members for re-election at the upcoming annual general meeting in 2022. Mr PJ Golesworthy is recommended as an additional member of the Committee in accordance with the Board's succession and transition plan.

POST BALANCE SHEET EVENTS

Given the extensive delay in the finalisation of the 30 September 2021 year end results, the Committee undertook an extensive process to identify post balance sheet events that require disclosure in the annual financial statements. The Committee is comfortable that these are adequately disclosed in Note 44 to the AFS.

JSE REPORTING REQUIREMENTS

The interim Company Secretary and management are satisfied that the Group has met the JSE Listings Requirements and the requirements of the King IV Codes. Where the JSE Listings Requirements have not been complied with relating to the publication of condensed and audited results, 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 consolidated Annual Financial Statements for the year ended 30 September 2021.

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, the external and internal auditors, and management for their contributions to the Committee during the year.

I wish to express particular appreciation for the dedication and thoroughness shown by Committee members in ensuring that effective governance processes were followed in addressing the allegations treated as whistle blowing that were raised in October 2021. The members were asked to convene on numerous occasions, sometimes twice a day at short notice, and I am grateful for their commitment in maintaining their essential oversight role. I would particularly like to thank the various staff members who have worked many nights and weekends, Board members and staff who deferred Christmas holidays and worked diligently in completing what needed to be done to finalise the Group results. In this I am also conscious that the investigation indicated instances of specific individuals who have not necessarily lived by our values and legacy as a 104 year old business and that the bulk of our staff remain committed, diligent individuals who embody our values on a day to day basis.

Ms ZBM Bassa

Audit Committee chairman

25 March 2022

REPORT OF THE REMUNERATION COMMITTEE

In accordance with the requirements of King IV, this report is divided into the three sections:

Section 1: Background statement regarding committee considerations and decisions

Section 2: Our remuneration philosophy, policy and framework

Section 3: Implementation and remuneration disclosure of the CEO, CFO and non-executive directors (NEDs)

SECTION 1: BACKGROUND STATEMENT REGARDING COMMITTEE CONSIDERATIONS AND DECISIONS

REMUNERATION COMMITTEE (REMCOM) GOVERNANCE

The REMCOM Chairman provides feedback to the Board after each REMCOM meeting of key decisions and relevant discussions, and 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 102*.

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 2021, Deloitte provided benchmarking for executive remuneration and non-executive directors fees. Oceana uses Old Mutual's Remchannel survey to benchmark the salaries of the rest of employees. Oceana's Long-Term Incentive Scheme was reviewed by Bowmans to ensure that it is aligned with the market and consequent changes were recommended. For the USA operations, Oceana uses benchmarks from Salary.com. REMCOM is satisfied that all service providers acted independently and objectively. Adopting King IV and the amended Johannesburg Stock Exchange (JSE) Listings Requirements is an ongoing process and we continue to align ourselves with best practice standards.

VOTING AT THE MARCH 2021 ANNUAL GENERAL MEETING

At the AGM held on 24 March 2021, the remuneration policy and implementation report received support of 76.04% and with 75.15% of shareholders voting in favour thereof. More detail around our shareholder engagement mechanisms is set out in section 2.

The main concerns raised by our shareholders and our responses are detailed below:

SHAREHOLDER FEEDBACK
Detailed disclosure of non-financial strategic KPIs for the Short-Term Incentive required

RESPONSE FROM REMCOM
Oceana will be addressing this in the 2022 Remuneration Report as no STI was payable to the executive Directors in respect of the 2021 financial year.

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 in 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 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 rules for the 2021 financial year short term incentive (STI)
- approved STI payments for those divisions that met the performance criteria
- considered and approved the allocation and award of options and shares in terms of the group's long-term incentive plan (LTIP) rules (share appreciation rights, equity settled restricted and performance shares) to eligible participants
- approved and considered 2021 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 long-term incentive (LTI) awards under the Oceana Group Share Plan were met (for the awards whose performance and vesting period ended in 2021)
- approved a new LTI scheme for FY2022 which will be tabled at the AGM in 2022.

REMCOM has agreed the following focus areas for the next financial year:

- Implementation of Long-Term Incentives (LTIs) 2022 ensuring LTIs are competitive, reflect market best practice aligned to shareholders and meet the objective of retaining Executives and key talent
- Continue the development and retention of key successors through talent management and bespoke development programmes
- Further differentiate reward in terms of performance and to address underperformance
- Continue to ensure fair and responsible executive remuneration practices

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.

Oceana aims to reward superior performance and the achievement of the Group's strategy and ensures that there are consequences for underperformance. Managers play a vital role in ensuring that the performance management process, which is reviewed on a regular basis, 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 which are negotiated at an operational level, subject to oversight from REMCOM. The scope of the policy will be further aligned with King IV recommended practices.

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 linked 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 performance 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 for NEDs, the executive committee, management and other grades of employees. Remuneration (excluding NEDs) comprises 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.

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: • Achievement of financial KPIs. • Meet liquidity profile and future cash requirements • Meet all non-financial KPIs (see below 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 and senior 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: • Pension/ Provident fund • Allowances • Medical aid	Performance bonuses are dependent on financial performance and achievement of agreed strategic and individual KPIs All staff have a 65% financial weighting, 30% operational weighting and 5% ESG component. **CEO & CFO** • On target: 75% of package; stretch target 112.5% of package • Based on a sliding scale of weightings between financial and operational component indicators	Allocations on annual basis subject to committee discretion. • CEO – share appreciation rights (SARs) (100% of GP), Performance shares (PS) (35% of GP) and RS (17% of previous year STI) • Executives (excluding CEO) – SARs (65% of GP), PS (18% of GP) and restricted shares (RS) (17% of previous year STI) • Daybrook 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 three years.
Performance conditions	Performance i.e. meeting requirements of the job	n/a	• 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

Performance outcome/goal	Protect and optimise Oceana in preparation for the FRAP process	Achieve organic and acquisitive growth targets	Enhanced organisational people leadership	Deliver compliance and risk strategic targets
Weighting	40%	25%	25%	10%

CFO

Performance outcome/goal	Develop and implement governance framework	Successful transition of both new internal and external audit partners and associated proccesses	Standardisation and simplification of centralised finance processes	ERP value realisation	Transformation and compliance
Weighting	25%	15%	25%	20%	15%

REPORT OF THE REMUNERATION COMMITTEE CONTINUED

LONG-TERM INCENTIVE	ELIGIBILITY	PLAN ELEMENTS AND PERFORMANCE CONDITIONS
SHARE APPRECIATION RIGHTS*	Executives, senior managers and nominated middle managers	• 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 stipulate 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:

Sliding scale for the application of performance vesting conditions based on a targeted increase of 3% p.a. real growth in HEPS over 3, 4 and 5 year periods

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

LONG-TERM INCENTIVE	ELIGIBILITY	PLAN ELEMENTS AND PERFORMANCE CONDITIONS
PERFORMANCE SHARES* (conditional)	Executives and senior managers	• 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 at the 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 the 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 the lower quartile or worse, then all performance shares awarded will be forfeited. • TSR performance between any of the above points results in pro-rata vesting. No retesting will be allowed, and any shares not vesting will lapse.

LONG-TERM INCENTIVE	ELIGIBILITY	PLAN ELEMENTS AND PERFORMANCE CONDITIONS
RESTRICTED SHARES*	Executives and senior managers	• 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 short-term incentive, 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 short-term incentive (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)	Executive Committee Members	• Members of the executive committee are offered on an annual basis the opportunity to elect to defer a portion (25%, 33% or 50%) of short-term incentive 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.

SHARE DILUTION LIMITS

A maximum of 1.7% (2 217 341) 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% (400 000) of the shares in issue under the scheme.

REVISED LTI SCHEME

During the year, we reviewed the LTI scheme and will be proposing a new LTI scheme in 2022. This will be taken to the AGM for discussion and approval.

REPORT OF THE REMUNERATION COMMITTEE CONTINUED

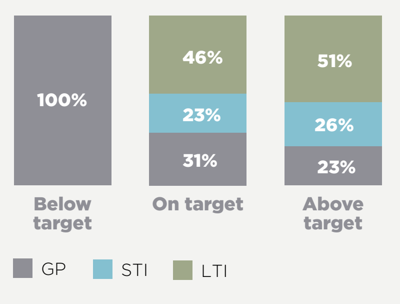
REMUNERATION MIX

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.

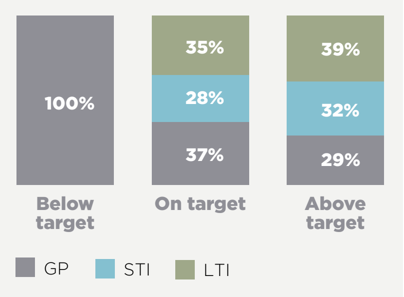
The total reward mix for the CEO and CFO is geared towards variable pay. The graph below illustrates the potential composition of the CEO and CFO at below, on target and above target. The following assumptions were used:

- 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 SARs, RS and 300% of PS, STI target performance conditions met.

CEO PAY MIX



CFO PAY MIX



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 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, who 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, 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.

The actual remuneration mix for the CEO and CFO has been detailed below

Components	CEO	CFO
GP	78%	83%
STI	0%	17%*
LTI	22%	0%
	100%	100%

* *STI relates to once-off sign-on bonus only*

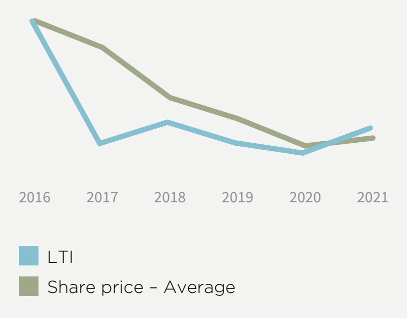
As mentioned in the Chairman and CEO's reports, the CEO resigned effective 14 February 2022, hence he did not receive an STI. For the 2021 financial year, no STI was payable to the CFO except for the sign-on bonus. In addition it is worth noting that both the CEO and Company Secretary only received what was contractually due to them once they resigned.

N Brink was appointed as Interim CEO on 14 February 2022, hence his remuneration structure willl be reflected in the 2022 integrated report.

COMPANY PERFORMANCE VERSUS AVERAGE GROWTH IN EXECUTIVE REMUNERATION

The graph below compares the group's LTI to its growth in HEPS and average share price against Oceana's financial performance for the 2021 financial year as contextualised in the CEO's report. REMCOM is satisfied that remuneration is linked to long-term performance and value creation.

LTI VS SHARE PRICE



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 FY2021 Oceana took the approach that higher average percentage increases were implemented to the lower grade employees. Therefore, the average executive increases were once again lower than that of other employees.

SHORT-TERM INCENTIVE

REMCOM resolved to not pay STIs to the Executive directors for the period under review.

In Line with the STI performance conditions, the targeted HEPS growth, operating profits, net working capital and RONA were partially achieved at the group and divisional level. The REMCOM is satisfied that the STI earned by eligible executive and employees for the financial year 2021 is an accurate reflection of the group/divisional and operational performance.

LONG-TERM INCENTIVES

The annual allocation for the CEO and CFO for the elements of LTI was approved by REMCOM during the 2021 financial year for which detail can be seen in the remuneration disclosure section below.

The following LTI allocations, which were allocated in February 2017, vested during the financial year:

Share Appreciation Rights

The performance condition for SARs is cumulative HEPS growth of CPI plus 3% in years 3, 4 and 5 post allocation. In 2021, tranche 3 of the 2016 allocation and tranche 2 of the 2017 allocation were forfeited due to the performance criteria not being met. Tranche 1 of the 2018 allocation vested as it met the performance criteria.

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. These shares vested for those individuals who were still employed by Oceana in November 2021.

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 11th position of the JSE industrial index, which placed it in the upper quartile. The performance shares therefore vested at the maximum level (300%). 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 2021, the number of equity-settled shares that have been offered to participants under the 2013 Share Plan is 1 439 555 (2020: 981 349) which is below the threshold. As at 30 September 2021, no participants' holding exceeded 400 000 shares.

EXECUTIVE REMUNERATION FOR YEAR ENDED 30 SEPTEMBER 2021

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 2021 financial year.

APPROVAL

The remuneration report was approved by the remuneration committee of Oceana Group Limited.

APPENDICES

INDEPENDENT AUDITOR'S REPORT

pwc

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Oceana Group Limited

OPINION

The summary consolidated financial statements of Oceana Group Limited, set out on *pages 124 to 149* of the 2021 Integrated Report for the year ended 30 September 2021, which comprise the summary consolidated statement of financial position as at 30 September 2021, the summary consolidated statements of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of 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 2021.

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 JSE Limited's (JSE) requirements for summary financial statements, 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 March 2022. 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.
- A section titled 'Report on other legal and regulatory requirements' where we notified users of the consolidated financial statements of a reportable irregularities that we reported to the Independent Regulatory Board for Auditors. These had no impact on the summary consolidated financial statements, and full details of this matter may be obtained in the consolidated financial statements and our audit report thereon.

PricewaterhouseCoopers Inc.,
5 Silo Square, V&A Waterfront, Cape Town 8002, P O Box 2799, Cape Town 8001
T: +27 (0) 21 529 2000, F: +27 (0) 21 814 2000, www.pwc.co.za

Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682

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 JSE's 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.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: R Jacobs

Registered Auditor

Cape Town, South Africa

25 March 2022

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Audited year ended 30 Sep 2021	Audited Restated[1] year ended 30 Sep 2020	%
		R'000	R'000	Change
Revenue	4	**7 633 416**	8 308 341	(8)
Cost of sales		**(5 062 180)**	(5 260 250)	(4)
Gross profit		**2 571 236**	3 048 091	(16)
Sales and distribution expenditure		**(364 527)**	(424 885)	(14)
Marketing expenditure		**(43 107)**	(59 993)	(28)
Overhead expenditure		**(1 078 592)**	(1 170 183)	(8)
Other income		**73 488**	1 871	
Net foreign exchange gain / (loss)		**20 757**	(3 146)	760
Net impairment reversal / (loss) on financial assets		**6 259**	(8 228)	176
Operating profit before joint ventures loss		**1 185 514**	1 383 527	(14)
Joint ventures loss		**(332)**	(874)	62
Operating profit before other operating items		**1 185 182**	1 382 653	(14)
Other operating items	6	**16 306**	17 188	(5)
Operating profit		**1 201 488**	1 399 841	(14)
Interest income		**36 320**	41 306	(12)
Interest expense		**(228 773)**	(295 256)	(23)
Profit before taxation		**1 009 035**	1 145 891	(12)
Taxation expense		**(290 535)**	(329 740)	(12)
Profit after taxation		**718 500**	816 151	(12)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Movement on foreign currency translation reserve		**(552 349)**	492 208	(212)
Movement on foreign currency translation reserve from joint ventures		**164**	5 415	(97)
Movement on cash flow hedging reserve		**51 901**	(72 334)	172
Income tax related to (gain) / loss recognised in equity		**(7 542)**	11 813	(164)
Other comprehensive (loss) / income, net of taxation		**(507 826)**	437 102	(216)
Total comprehensive income for the year		**210 674**	1 253 253	(83)
Profit after taxation attributable to:				
Shareholders of Oceana Group Limited		**676 280**	760 635	(11)
Non-controlling interests		**42 220**	55 516	(24)
		718 500	816 151	(12)
Total comprehensive income for the year attributable to:				
Shareholders of Oceana Group Limited		**168 540**	1 197 706	(86)
Non-controlling interests		**42 134**	55 547	(24)
		210 674	1 253 253	(83)
Earnings per share (cents)				
– Basic		**570.7**	650.9	(12)
– Diluted		**531.6**	603.3	(12)

1. *Refer to note 16 for further detail of reclassifications and prior period errors.*

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2021

	Notes	Audited year ended 30 Sep 2021	Audited Restated[1] year ended 30 Sep 2020	Audited Restated[1] 1 Oct 2019
		R'000	R'000	R'000
ASSETS				
Non-current assets		**7 879 826**	8 403 681	7 572 603
Property, plant and equipment	7	**2 590 207**	2 593 844	2 345 841
Right-of-use assets		**202 912**	175 815	–
Goodwill and intangible assets	8	**4 914 750**	5 453 428	4 997 605
Interest in joint ventures		**70 919**	72 229	94 908
Deferred taxation		**6 661**	20 793	26 567
Investments and loans		**94 377**	84 910	107 682
Derivative asset		**–**	2 662	–
Current assets		**3 456 548**	4 215 470	3 766 735
Inventories		**1 049 986**	1 713 485	1 876 899
Trade and other receivables	9	**1 424 268**	1 045 630	1 053 436
Taxation receivable		**48 682**	23 663	73 523
Cash and cash equivalents		**933 612**	1 432 692	762 877
Assets held for sale		**–**	19 420	–
Total assets		**11 336 374**	12 638 571	11 339 338
EQUITY AND LIABILITIES				
Capital and reserves		**5 503 115**	5 945 995	5 146 442
Share capital		**1 222 388**	1 200 493	1 193 473
Foreign currency translation reserve		**715 291**	1 268 554	770 931
Cash flow hedging reserve		**(31 778)**	(76 223)	(15 671)
Share-based payment reserve		**61 179**	99 066	93 406
Distributable reserve		**3 336 527**	3 271 309	2 993 868
Interest of own shareholders		**5 303 607**	5 763 199	5 036 007
Non-controlling interests		**199 508**	182 796	110 435
Non-current liabilities		**3 478 113**	4 391 721	4 279 201
Liability for share-based payments		**14 329**	7 919	6 044
Provisions		**39 925**	27 626	29 378
Borrowings	10	**2 663 792**	3 502 425	3 694 101
Lease liabilities		**225 539**	206 232	–
Derivative liabilities		**34 306**	113 490	26 851
Deferred taxation		**500 222**	534 029	522 827
Current liabilities		**2 355 146**	2 300 855	1 913 695
Accounts payable		**1 343 620**	1 573 146	1 315 868
Provisions		**7 776**	12 092	9 608
Borrowings	10	**697 594**	410 107	381 445
Lease liabilities		**46 528**	45 712	–
Short-term banking facility		**91 000**	–	–
Derivative liabilities		**7 194**	–	–
Liability to joint operator	16.1	**141 654**	223 203	200 205
Taxation payable		**19 780**	36 595	6 569
Total equity and liabilities		**11 336 374**	12 638 571	11 339 338

1. *Refer to note 16 for further detail of reclassifications and prior period errors.*

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	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
Restated as at the beginning of 1 October 2019[1]	1 193 473	770 931	(15 671)	93 406	2 993 868	**5 036 007**	110 435	**5 146 442**
IFRS 16 transition adjustment	–	–	–	–	(50 084)	**(50 084)**	(3 596)	**(53 680)**
Total comprehensive income for the year[1]	–	497 623	(60 552)	–	760 635	**1 197 706**	55 547	**1 253 253**
Movement on foreign currency translation reserve – restated[1]	–	492 208	–	–	–	**492 208**	–	**492 208**
Movement on foreign currency translation reserve from joint ventures	–	5 415	–	–	–	**5 415**	–	**5 415**
Movement on cash flow hedging reserve	–	–	(72 365)	–	–	**(72 365)**	31	**(72 334)**
Income tax related to loss recognised in equity	–	–	11 813	–	–	**11 813**	–	**11 813**
Profit for the year	–	–	–	–	760 635	**760 635**	55 516	**816 151**
Transfers between reserves[2]	6 625	–	–	(6 625)	562	**562**	(562)	**–**
Decrease in treasury shares held by share trusts	1 105	–	–	–	–	**1 105**	–	**1 105**
Increase in treasury shares held by subsidiary	(710)	–	–	–	(16 168)	**(16 878)**	–	**(16 878)**
Share-based payment expense	–	–	–	14 309	–	**14 309**	–	**14 309**
Share-based payment exercised	–	–	–	(2 024)	–	**(2 024)**	–	**(2 024)**
Gain on disposal of shares distributed to deceased employee beneficiaries of Oceana Empowerment Trust ("OET")	–	–	–	–	1 265	**1 265**	–	**1 265**
Issuance of shares to non-controlling interests[3]	–	–	–	–	–	**–**	44 636	**44 636**
Distribution to OET beneficiaries	–	–	–	–	(21 312)	**(21 312)**	–	**(21 312)**
Dividends	–	–	–	–	(397 457)	**(397 457)**	(23 664)	**(421 121)**
Restated balance as at 30 September 2020[1]	**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	**–**	**(552 185)**	**44 445**	**–**	**676 280**	**168 540**	**42 134**	**210 674**
Movement on foreign currency translation reserve	**–**	**(552 349)**	**–**	**–**	**–**	**(552 349)**	**–**	**(552 349)**
Movement on foreign currency translation reserve from joint ventures	**–**	**164**	**–**	**–**	**–**	**164**	**–**	**164**
Movement on cash flow hedging reserve	**–**	**–**	**51 987**	**–**	**–**	**51 987**	**(86)**	**51 901**
Income tax related to gain recognised in equity	**–**	**–**	**(7 542)**	**–**	**–**	**(7 542)**	**–**	**(7 542)**
Profit for the year	**–**	**–**	**–**	**–**	**676 280**	**676 280**	**42 220**	**718 500**
Transfers between reserves[4]	**–**	**(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 cancellation of treasury shares[5]	**–**	**–**	**–**	**–**	**(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 – 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)**
Balance as at 30 September 2021	**1 222 388**	**715 291**	**(31 778)**	**61 179**	**3 336 527**	**5 303 607**	**199 508**	**5 503 115**

1. *Refer to note 16 for further detail of reclassifications and prior period errors.*
2. *In the prior year R6.6 million was transferred between share capital and share- based payments reserve on exercising of equity settled incentives by employees.*
3. *In the prior year, Amawandle Pelagic Proprietary Limited, a 75% held subsidiary of Oceana Group Limited, issued new shares to shareholders in the proportion to their respective shareholding, of which an amount of R44.6 million was allocated to non-controlling interests. The allocation to non-controlling interest was settled through a right of set-off against a long-term loan.*
4. *IFRS 2 cost of R69.0 million relating to share trusts, for which rights have vested with employee beneficiaries, was transferred from the share-based payment reserve to the distributable reserve and non-controlling interest.*
5. *During the current year, 8 478 067 treasury shares were repurchased from the OET at a 30-day VWAP of R67.90. The loss relates to the difference between the value of the shares repurchased and the original cost of the shares to the Group. These shares were subsequently cancelled.*

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Audited year ended 30 Sep 2021	Audited Restated[1] year ended 30 Sep 2020
	R'000	R'000
Cash flow from operating activities		
Operating profit before joint ventures loss	**1 185 514**	1 383 527
Adjustment for non-cash and other items	**397 937**	389 569
Cash operating profit before working capital changes	**1 583 451**	1 773 096
Working capital changes	**(136 838)**	478 751
Cash generated from operations	**1 446 613**	2 251 847
Investment income received	**30 021**	41 306
Interest paid	**(224 829)**	(286 933)
Taxation paid	**(314 428)**	(234 751)
Dividends paid	**(522 967)**	(442 433)
Cash inflow from operating activities	**414 410**	1 329 036
Cash outflow from investing activities	**(358 917)**	(278 098)
Purchases of property, plant and equipment	**(398 257)**	(347 315)
Purchases of intangible assets	**(3 753)**	–
Proceeds on disposal of property, plant and equipment	**6 240**	18 497
Decrease in loans receivable from business partners	**4 724**	18 931
Proceeds on disposal of fishing rights	**–**	2 016
Proceeds on disposal of intangible assets	**–**	30 114
Proceeds on disposal of non-current asset held for sale	**32 129**	–
Purchase of additional shareholding in other investment	**–**	(341)
Cash outflow from financing activities	**(439 070)**	(436 677)
Short-term borrowings repaid	**(401 845)**	(349 899)
Long-term borrowings raised	**88 371**	–
Short-term banking facility raised	**3 593 000**	4 036 000
Short-term banking facility repaid	**(3 502 000)**	(4 036 000)
Repayment of principal portion of lease liability	**(49 260)**	(39 661)
Loans advanced	**(2 850)**	–
Payment of joint operator liability	**(21 678)**	(18 919)
Repurchase of treasury shares[2]	**–**	(16 879)
Costs associated with loan refinancing	**4 012**	(4 319)
Proceeds from sale of treasury shares	**2 360**	2 370
Proceeds on sale of treasury shares to open market[3]	**287 170**	–
Payment to OET employee beneficiaries[3]	**(420 320)**	–
Purchase of treasury shares for the settlement of long-term incentives[4]	**(16 030)**	(9 370)
Net (decrease) / increase in cash and cash equivalents	**(383 577)**	614 261
Cash and cash equivalents at the beginning of the year	**1 432 692**	762 877
Effect of exchange rate changes	**(115 503)**	55 554
Cash and cash equivalents at the end of the year	**933 612**	1 432 692

1. *Refer to note 16 for further detail of reclassifications and prior period errors.*
2. *During the prior year Lucky Star Limited repurchased 288 400 treasury shares.*
3. *Proceeds on sale includes repurchased and subsequently cancelled treasury shares of 8 478 067 from the OET beneficiaries as part of the winding down of OET.*
4. *Acquisition of shares to settle employee equity-settled share-based scheme on vesting.*

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. BASIS OF PREPARATION

The summary consolidated financial statements are prepared in accordance with the requirements of 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 summarised 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 16 and the adoption of new standards effective during the current financial year. The summarised consolidated financial statements were prepared under the supervision of the interim chief financial officer, Mr R Buddle CA(SA).

2. ADOPTION OF NEW ACCOUNTING STANDARDS

In the current year, the following new standards and amendments became effective that are relevant to the Group's operations but did not have a material impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods:

Standard / Interpretation:	Effective date: Financial years beginning on or after:
• Amendments to IFRS 9, IAS 39 and IFRS 7: IBOR reform Phase 1	1 January 2020
• Amendments to references to the Conceptual Framework and new Materiality definition: IAS 1 Presentation of Financial Statement	1 January 2020
• Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	1 January 2020

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the summarised consolidated financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

Significant judgement has been applied in determining the appropriate accounting treatment of the Group's 25% investment in Westbank, which was acquired in 2015 via the acquisition of 100% of the shares in Daybrook, a US subsidiary of the Group. Westbank is a US fishing business that has an agreement to supply Daybrook with its entire catch, which Daybrook processes for fishmeal and fish oil products. In order to fish in US waters, Westbank is required to have at least 75% of its shares held by US citizens. By shareholder agreement, certain decisions over the activities of Westbank, for example setting the operating expenditure and capital budgets, are subject to super majority voting clauses, which necessitate unanimous consent between the Group and Makimry (the 75% US citizen shareholder). Previously it was considered that these veto rights were minority protection clauses, resulting in the Group concluding that it had significant influence over Westbank, and thus treating Westbank as an associate.

In addition, consideration was given to terms of the Daybrook warrant and Makimry put options that were in place since 2018.

After extensive debate and assessment in the current year between management, the Audit Committee and the Board's accounting advisors it was concluded that the decisions subject to the super majority voting clauses were not merely minority protection rights but gave the Group the ability to exercise joint control over Westbank. Judgement was applied in determining whether this ability was substantive or not. This is because, should the Group vote against the current 75% shareholder and should this result in a deadlock, the 75% shareholder has the right to sell its shares in Westbank to Daybrook or its nominee. Without at least a 75% US citizen shareholding, Westbank would not be able to operate its fishing vessels and would not be able to supply Daybrook. Thus, it was considered whether, because of the resultant economic risk to the Group of exercising its veto rights, the Group practically only had significant influence over Westbank. This assessment was very subjective, and it was finally concluded that more weight needed to be given to the contractual rights that the Group has, resulting in Westbank being reclassified as a joint arrangement (refer to note 16.1 for more information).

As Daybrook is required to buy 100% of Westbank's output, it is considered to have, in substance, rights to the underlying assets of, and obligations for the underlying liabilities of, Westbank, resulting in Westbank being classified as a joint operation. Joint operations are accounted for by the entity recognising its share of the assets and its share of the liabilities on a line-by-line basis, akin to proportionate consolidation. Although the Group only owns 25% of the shares of Westbank, it was decided that it would be more appropriate 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 results 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 has been called 'liability to joint operator' and all changes (except for dividends paid by Westbank) are recognised in cost of sales in order to appropriately reflect the Group's cost of fish acquired from Westbank.

4. REVENUE

	Audited year ended 30 Sep 2021	Audited Restated[1] year ended 30 Sep 2020
	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)	**4 099 203**	4 468 561
Fishmeal and fish oil (USA)	**1 533 381**	1 905 553
Horse mackerel, hake, lobster and squid	**1 626 114**	1 519 159
Rendering of services		
Commercial cold storage and logistics	**336 837**	383 704
Other non-trade revenue		
Canned fish and fishmeal (Africa)	**2 281**	3 275
Horse mackerel, hake, lobster and squid	**34 908**	26 830
Commercial cold storage and logistics	**692**	1 259
	7 633 416	8 308 341

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 fishmeal (Africa), horse mackerel, hake, lobster and squid of R60.7 million (2020: R100.2 million) is recognised over time.

Revenue from rendering of services is recognised over time except for handling, other minor services and income from transportation which is recognised at a point in time of R2.8 million (2020: R21.4 million).

Other non-trade revenue includes quota fees R25.1 million (2020: R19.3 million); commission R2.7 million (2020: R2.8 million) and factory processing and other minor recoveries R10.1 million (2020: R9.3 million).

5. 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 committee ("Exco") has 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.

Revenue per geographic region excludes inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation as follows: Horse mackerel, hake, lobster and squid R87.1 million (2020: R77.6 million) and Commercial cold storage and logistics R20.9 million (2020: R18.9 million).

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

The statement of financial position is reflected after eliminating inter-segmental assets and liabilities. Total assets for Commercial cold storage and logistics of R280.2 million (2020: R314.6 million) and Horse mackerel, hake, lobster and squid of R471.8 million (2020: R575.6 million) were eliminated against Canned fish and fishmeal (Africa) of R752.0 million (2020: R890.0 million). Total liabilities for Commercial cold storage and logistics of R7.5 million (2020: R2.5 million) and Horse mackerel, hake, lobster and squid of R36.6 million (2020: R70.6 million) were eliminated against Canned fish and fishmeal (Africa) of R44.1 million (2020: R73.0 million).

The Group does not have a customer who individually contributes 10% or more of the Group's revenue.

5. SEGMENTAL RESULTS continued

Audited 2021	Canned fish and fishmeal (Africa)	Fishmeal and fish oil (USA)[1]	Horse mackerel, hake, lobster and squid	Commercial cold storage and logistics	Total
	R'000	R'000	R'000	R'000	R'000
Statement of comprehensive income					
Gross revenue	4 294 021	1 533 381	1 681 705	416 168	7 925 275
Inter-segmental revenue	(192 538)	–	(20 683)	(78 638)	(291 859)
Net revenue	4 101 483	1 533 381	1 661 022	337 530	7 633 416
Operating profit before other operating items	478 609	236 900	387 236	82 437	1 185 182
Other operating items	(15 132)	(118)	4 282	27 274	16 306
Operating profit	463 477	236 782	391 518	109 711	1 201 488
Interest income	14 399	18 185	2 761	975	36 320
Interest expense	(125 001)	(89 953)	(3 555)	(10 264)	(228 773)
Profit before taxation	352 875	165 014	390 724	100 422	1 009 035
Taxation expense	(111 830)	(27 940)	(120 719)	(30 046)	(290 535)
Profit after taxation	241 045	137 074	270 005	70 376	718 500
The above profit after taxation includes the following:					
Joint ventures loss	332	–	–	–	332
Depreciation, amortisation and impairment	49 922	167 826	64 100	31 447	313 295
Statement of financial position					
Total assets[2]	2 292 312	7 810 153	848 002	385 907	11 336 374
Total liabilities[2]	2 229 651	2 890 528	487 010	226 070	5 833 259
The above amounts of assets and liabilities includes the following:					
Additions to property, plant and equipment and intangible assets	148 375	146 599	95 937	72 731	463 642
Interest in joint ventures	70 918	–	1	–	70 919

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

2021 Region	South Africa and Namibia	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	4 327 874	848 180	1 162 695	1 061 881	197 267	35 519	7 633 416
Non-current assets	1 431 076	–	6 442 089	–	–	–	7 873 165

5. SEGMENTAL RESULTS continued

Audited Restated 2020	Canned fish and fishmeal (Africa)	Fishmeal and fish oil (USA)[1]	Horse mackerel, hake, lobster and squid	Commercial cold storage and logistics	Total
	R'000	R'000	R'000	R'000	R'000
Restated statement of comprehensive income					
Gross revenue	4 628 440	1 905 553	1 568 305	483 457	8 585 755
Inter-segmental revenue	(156 604)	–	(22 316)	(98 494)	(277 414)
Net revenue	4 471 836	1 905 553	1 545 989	384 963	8 308 341
Operating profit before other operating items	522 077	425 170	353 749	81 657	1 382 653
Other operating items	14 053	–	3 135	–	17 188
Operating profit	536 130	425 170	356 884	81 657	1 399 841
Interest income	11 107	26 287	3 781	131	41 306
Interest expense	(170 086)	(109 376)	(4 720)	(11 074)	(295 256)
Profit before taxation	377 151	342 081	355 945	70 714	1 145 891
Taxation expense	(129 868)	(69 897)	(103 473)	(26 502)	(329 740)
Profit after taxation	247 283	272 184	252 472	44 212	816 151
The above profit after taxation includes the following:					
Joint ventures loss	874	–	–	–	874
Depreciation, amortisation and impairment	43 566	186 993	75 694	26 814	333 067
Restated statement of financial position					
Total assets[2]	2 800 014	8 866 828	683 054	288 675	12 638 571
Total liabilities[2]	2 664 010	3 401 392	432 302	194 872	6 692 576
The above amounts of assets and liabilities includes the following:					
Additions to property, plant and equipment and intangible assets	82 769	176 405	63 365	22 570	345 109
Interest in joint ventures	72 228	–	1	–	72 229

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

2020 Audited Restated Region	South Africa and Namibia	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	4 232 729	884 869	1 597 974	1 304 953	262 941	24 875	8 308 341
Non-current assets	1 208 822	–	7 174 066	–	–	–	8 382 888

[1] *Restated fishmeal and fish oil (USA) and North America balances and transactions. Refer to note 16.1 and 16.4.*
[2] *Restated inter-segmental elimination. Refer to note 16.7.*

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 SEPTEMBER 2021

6. 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. These comprise profits or losses on disposal and scrapping of property, plant and equipment, intangible assets and non-current assets held for sale, impairments or reversal of impairments, profits or losses on disposal of investments, operations or subsidiaries and business combination related costs or gains.

	Audited year ended 30 Sep 2021	Audited Restated[1] year ended 30 Sep 2020
	R'000	R'000
(Loss) / profit on disposal of land and buildings	**(439)**	11 799
Profit on disposal of property, plant and equipment	**3 645**	750
Impairment of computer software	**(2 369)**	–
Impairment of long-term interests in joint venture	**–**	(9 716)
Foreign exchange loss on translation of impaired long-term interests in Angolan joint venture (Oceana Boa Pesca Limitada ("OBP"))	**–**	(10 160)
Impairment of property, plant and equipment	**–**	(1 006)
Profit on disposal of intangible assets (Glenryck UK trademark)	**–**	22 107
Gain on deregistration of foreign subsidiary	**–**	3 414
Profit on disposal of non-current asset held for sale (Bayhead cold store)	**27 684**	–
Once-off transaction costs pertaining to new B-BBEE trusts	**(11 349)**	–
Trademark written off	**(866)**	–
	16 306	17 188

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").

7. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings	Leasehold land and buildings	Plant, equipment and vehicles	Aircrafts and vessels	Total
	R'000	R'000	R'000	R'000	R'000
2021					
Cost	**987 353**	**97 409**	**1 936 522**	**1 800 824**	**4 822 108**
Accumulated depreciation and impairment losses	**(326 121)**	**(44 384)**	**(1 082 118)**	**(779 278)**	**(2 231 901)**
Net book value at 30 September 2021	**661 232**	**53 025**	**854 404**	**1 021 546**	**2 590 207**
2020					
Cost	977 968	103 674	1 960 640	1 736 158	4 778 440
Accumulated depreciation and impairment losses	(336 918)	(44 208)	(1 085 716)	(717 754)	(2 184 596)
Restated net book value at 30 September 2020	641 050	59 466	874 924	1 018 404	2 593 844

Refer to note 5 for detail of segmental assets and to note 10 for detail of relating to assets provided as security for borrowings.

8. 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
2021								
Cost	**3 657 542**	**245 742**	**919 340**	**161 903**	**52 836**	**104 162**	**141 144**	**5 282 669**
Accumulated amortisation	**–**	**(44 967)**	**–**	**(107 423)**	**(52 836)**	**(95 539)**	**(63 509)**	**(364 274)**
Accumulated impairment	**(1 276)**	**–**	**–**	**–**	**–**	**–**	**(2 369)**	**(3 645)**
Net book value at 30 September 2021	**3 656 266**	**200 775**	**919 340**	**54 480**	**–**	**8 623**	**75 266**	**4 914 750**
2020								
Cost	4 051 022	281 799	1 020 008	171 510	58 621	115 567	138 662	5 837 189
Accumulated amortisation	–	(58 172)	–	(113 450)	(50 725)	(103 488)	(56 650)	(382 485)
Accumulated impairment	(1 276)	–	–	–	–	–	–	(1 276)
Restated net book value at 30 September 2020	4 049 746	223 627	1 020 008	58 060	7 896	12 079	82 012	5 453 428

Refer to note 5 for detail of segmental assets and to note 10 for detail relating to assets provided as security for borrowings.

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 a decrease of R538.7 million (2020: increased by R455.1 million) as a result of the translation of the US assets.

Goodwill includes R3 593.4 million (2020: R3 986.9 million) relating to the acquisition of Daybrook and 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. 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 current and prior year assessment also took into account the Covid-19 pandemic.

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 is not considered to be impaired in the current year.

9. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are insurance claims of R146.3 million relating to claims not yet settled as at 30 September 2021, which the Group has recognised in terms of IAS 37 which requires an asset to be recognised when the realisation of income is considered to be virtually certain. Based on management's judgement that these insurance claims meet the virtually certain recognition threshold, by virtue of their state of assessment and settlement, an insurance claims asset was recognised at 30 September 2021. The amounts that were determined to not meet the threshold for recognition in terms of IAS37 in total amounting to R82.9 million (refer to note 18) have not been accrued but have been recorded as contingent assets (refer to note 18).

The claims relate to:

- The impact of civil unrest in Kwazulu-Natal, which resulted in the write-off of R86.1 million in canned fish inventory and R21.7 million in increased costs required to secure operations and replace lost and damaged product. A total of R88.0 million of the amount claimed has been recognised.
- The impact on the Horse Mackerel division as a result of engine damage to the MFV Desert Diamond which resulted in the vessel being non-operational for 49 days during the peak fishing period. A business interruption claim amounting to R28.1 million was lodged with insurers has been recognised.
- The increased cost of operating as a result of the enhanced safety protocols required to protect employees and ensure a safe working environment under the Covid-19 conditions. Claims to the value of R30.2 million have been submitted to insurers towards the costs incurred and have been recognised.

The insurance claims were recognised within the Consolidated Statement of Comprehensive Income as follows: R86.1 million recorded in cost of sales and R60.2 million recorded in other income. The total value of the claims recognised were received subsequent to 30 September 2021.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 SEPTEMBER 2021

10. BORROWINGS

	Audited year ended 30 Sep 2021	Audited Restated[1] year ended 30 Sep 2020
	R'000	R'000
South African Rand-denominated loans	**1 248 682**	1 533 113
USA dollar-denominated term loan	**2 112 704**	2 379 419
Total borrowings	**3 361 386**	3 912 532
Categorised between non-current and current portions		
Non-current portion of liabilities	**2 663 792**	3 502 425
Current portion of liabilities	**697 594**	410 107
Total borrowings	**3 361 386**	3 912 532

The South African rand-denominated loans include term loans of R1 237.7 million (2020: R1 518.3 million) which bear interest at a rate of JIBAR plus average margin of 1.68% (2020: 1.77%) 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. R437.8 million was structured as an amortisation payment facility maturing on 31 December 2024, R250.0 million was structured as a bullet payment facility maturing on 15 October 2025 and R550.0 million as a bullet payment facility maturing on 15 October 2026. The loans are secured by inter-company, 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 614.9 million / US$107.0 million (2020: R1 889.7 million / US$112.8 million) owing by Daybrook and R497.7 million / US$33.0 million (2020: R490.7 million / US$29.3 million) being the 100% proportionately consolidated amount owing by Westbank. The Daybrook borrowings bears interest at a rate of LIBOR plus applicable margin of 3.0% (2020: 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 the Oceana US Holdings Inc., Daybrook Investors Inc., Daybrook Holdings Inc. and Daybrook Fisheries Inc..

The Westbank borrowing includes a term loan facility and a delayed draw-down facility owing by Westbank. Both facilities bear interest at the 30-day LIBOR rate plus an applicable margin of 1.50% to 2.10% depending on Westbank's total funded debt ratio.

The balance outstanding on the delayed drawdown term facility on 30 September 2021 was R111.4 million / US$7.4 million (2020 R33.9 million / US$2.0 million) payable in minimum quarterly instalments, with no payments due through December 2020, and of R1.7 million / US$ 0.1 million to December 2021 with increasing minimum quarterly payments thereafter through December 2024, with all outstanding principle and interest being due by March 2025.

The balance outstanding on the term loan at 30 September 2021 amounts to R386.3 million / US$25.6 million (2020: R456.7 million / US$ 27.3 million) payable in minimum quarterly instalments R5.0 million / US$0.3 million to December 2020 and R6.0 million / US$0.4 million to December 2021 with increasing minimum quarterly payments thereafter through December 2024, with all outstanding principal and interest being due by March 2025.

In addition, Westbank has a revolving credit facility of R19.6 million / US$1.3 million which bears interest at the same rate as the term loan. The revolving credit loans may be repaid and the principal amount re-borrowed until March 2025.

OCEANA US HOLDING CORPORATION CALL OPTION

Oceana US Holdings Corporation ("OUSHC") has entered into a "call" agreement with the lenders, which includes call rights in favour of OUSHC, in the event of an uncured payment default by Westbank, requiring or allowing the loan made to Westbank by the lender and the related security to be assigned to and assumed by OUSHC or its designee.

10. BORROWINGS continued

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.

	2021		2020	
	Required covenant	Achieved	Required covenant	Achieved
Covenants regarding term loans and revolving credit facilities				
South African Rand-denominated term loans				
Net debt: EBITDA cover	2.50	Yes	2.50	Yes
Interest cover	3.75	Yes	3.75	Yes
Debt service cover	1.30	Yes	1.20	Yes
Daybrook USA dollar-denominated term loan				
Net debt: EBITDA cover	4.00	Yes	3.75	Yes
Fixed cover	1.25	Yes	1.25	Yes
Westbank USA dollar-denominated term loan				
Funded debt to cap ratio max[1]	50%	Yes	N/A	N/A
Net debt: EBITDA cover	N/A	N/A	4.25	Yes
Fixed cover	1:1	No	1.1	Yes
Maximum operating lease rentals[2]	R7.5 million / US$0.5 million	N/A[2]	R7.5 million / US$0.5 million	N/A[2]
Maximum capital expenditure	R57.3 million / US$3.8 million	Yes	R68.7 million / US$4.1 million	Yes

1. *Leverage ratio was replaced with funded debt to capital ratio*
2. *Westbank has no significant operating leases currently*

The SA loan covenants have been achieved and management is comfortable with the level of available headroom.

Westbank fishing operations were negatively impacted post Hurricane Ida due to poor fishing conditions contributing to an overall reduction in landings. As a result, Westbank fell short of its bank loan compliance on its fixed cover ratio for the quarter ended 30 September 2021 and accordingly, Westbank entered into negotiations with the lender to waive this covenant requirement. In terms of the loan agreement the lender has the right to provide written notice to call on the loan but did not execute this right. In December 2021, Westbank successfully concluded negotiations with the lender to grant the waiver.

In addition as a result of reduced input volumes, Daybrook was at risk of breaching of its leverage ratio covenant, at 30 September 2021, and had entered negotiations with lenders to revise the terms of its loan agreement including revising its covenant levels. Daybrook successfully concluded an amendment to its credit agreement with its lenders on 1 November 2021, within the 45 days equity cure grace period as allowed in the agreement, whereby its leverage ratio was increased to 4.0 times with retrospective effect as of 30 September 2021 resulting in Daybrook no longer breaching this covenant.

In terms of IAS 1, should a debt covenant be breached, and the lender have the contractual right to demand immediate repayment of the loan within 12 months after the reporting period, then the full loan value must be classified as a current liability. In compliance with the requirements of IFRS, the Group has accordingly recognised the long-term portion of the Westbank term loan and draw-down facility amounting to R459.1 million / US$30.4 million as current borrowings. These amounts will be classified as long-term with effect from 1 October 2021 based on the waiver obtained from the lender.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 SEPTEMBER 2021

11. DETERMINATION OF HEADLINE EARNINGS

	Audited year ended 30 Sep 2021	Audited Restated[1] year ended 30 Sep 2020
	R'000	R'000
Profit after taxation attributable to shareholders of Oceana Group Limited	**676 280**	760 635
Adjusted for:		
Impairment of capital contribution	–	4 047
Impairment reversal / impairment of property, plant and equipment and intangible assets	(1 150)	1 006
Joint venture: loss / (profit) on disposal of vessels	1 028	(710)
Net profit on disposal of non-current asset held for sale	(27 684)	–
Gain on deregistration of foreign subsidiary	–	(3 414)
Profit on disposal of intangible assets (Glenryck UK trademark)	–	(22 108)
Insurance proceeds on capital items	–	(2 576)
Net profit on disposal of property, plant and equipment	(3 323)	(12 548)
Total non-controlling interest in above	312	200
Total tax effect of adjustments	6 352	9 886
Headline earnings for the year	**651 815**	734 418
Headline earnings per share (cents)		
– Basic	550.0	628.4
– Diluted	512.3	582.5

12. DIVIDENDS

	Audited year ended 30 Sep 2021	Audited year ended 30 Sep 2020
	R'000	R'000
Dividend declared after reporting date	302 833	342 296
Dividend per share (cents)	358.0	393.0
Number of shares in issue net of treasury shares (in millions)	121 386	116 747

13. SUPPLEMENTARY INFORMATION

	Audited year ended 30 Sep 2021	Audited Restated[1] year ended 30 Sep 2020
	R'000	R'000
Insurance recoveries	**(159 592)**	(4 371)
Amortisation	**21 004**	38 956
Impairment of intangible assets	**2 369**	–
Depreciation of property, plant and equipment	**247 058**	259 056
Depreciation of right-of-use assets	**42 864**	35 055
Inventory written-off	**113 003**	16 141
Civil unrest	**86 104**	–
Damaged and obsolete	**26 899**	16 141
Share-based expenses	**37 187**	20 493
Cash-settled compensation	**6 455**	1 884
Equity-settled compensation	**30 732**	18 609
Capital expenditure (property, plant and equipment and intangible assets)	**426 118**	347 315
Replacement	**335 347**	329 914
Expansion	**90 771**	17 401
Budgeted capital commitments	**419 901**	571 334
Contracted	**68 748**	185 965
Not contracted	**351 153**	385 369

A provision of R17.1 million raised in previous years against the damaged and obsolete stock was released at time of write-off.

14. ELIMINATION OF TREASURY SHARES

	Audited number of shares 2021	Audited number of shares 2020
	'000	'000
Weighted average number of shares in issue	**130 432**	130 432
Less: Weighted average treasury shares held by OET	**(7 091)**	(13 433)
Less: Weighted average treasury shares held by Lucky Star Limited	**(288)**	(119)
Less: Weighted average treasury shares held by Oceana Group Share Trust	**(17)**	(17)
Less: Weighted average treasury shares held by Saam-Sonke Trust	**(4 181)**	–
Less: Weighted average treasury shares held by OSET	**(348)**	–
Weighted average number of shares on which basic earnings per share and basic headline earnings per share are based	**118 507**	116 863
Weighted average number of shares on which diluted earnings per share and diluted headline earnings per share are based	**127 211**	126 087

As part of the wind up process employees were afforded the opportunity to sell their shares to the Company, retain them or request the Company to facilitate the sale of the shares for their benefit. The lock-in period for the OET expired in January 2021 and the Trust's winding up process commenced in terms of the Trust deed. To facilitate the establishment of two new B-BBEE Trusts the Company repurchased 8 478 067 shares from the beneficiaries of the OET. These shares were subsequently delisted and cancelled.

The Saam-Sonke Trust subscribed for 7 825 908 shares in Oceana Group Limited in March 2021 at a cost of 1 cent per share. The participatory rights to acquire these shares were allocated to qualifying employees of the Company on 30 September 2021 at a grant price of R67.70. The rights vest in three tranches, one third after a period of eight years, one third over a period of nine years and a final third after ten years provided the employee remains in service. These equity settled rights are valued at fair value on grant date using a Black Scholes option pricing model taking into account terms and conditions upon which rights have been granted. An expense of fifty three thousand rand was recognised during the year.

The OSET was also established in March 2021 and subscribed for 652 159 shares in Oceana Group Limited at a cost of 1 cent per share. No allocations have been made to beneficiaries as at year end 30 September 2021. Once off transaction costs of R11.3 million were incurred in relation to the specific repurchase of shares from the OET and the establishment of Saam-Sonke Trust and OSET.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 SEPTEMBER 2021

15. 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

16. PRIOR PERIOD ERRORS AND RESTATEMENTS

The Group has restated its previously reported consolidated financial statements and all related disclosures following a process which included both an internal review conducted as part of a continuous assessment of compliance with IFRS and the JSE Limited listing requirements regulations and a review by our auditors.

In particular, this review process identified:

- That the exchange rate used in translating the USA statement of financial position did not fully comply with IAS 21. Refer to note 16.4 below.
- In addition, significant judgement was applied in determining that the Group's 25% investment in Westbank should be classified as a proportionately consolidated joint operation in terms of IFRS 11 and not as an associate on the equity method. Refer to note 16.1.
- An amount was incorrectly reflected as a net receivable and should have been recorded on a gross basis against goodwill, liability for joint operations and distributable reserves. Refer to note 16.1.
- Items within the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cashflow were incorrectly classified. Refer to note 16.

The errors noted above had no material impact on previously reported profits and headline earnings and have been corrected by restating each of the affected financial statement line items.

16. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

Consolidated Statement of Comprehensive Income	Audited Restated 2020 Previously reported	Effect of exchange rate change	Effect of joint operation	Other effect	Restated
(extract)	R'000	R'000	R'000	R'000	R'000
Revenue	8 308 341	–	–	–	8 308 341
Cost of sales	(5 338 068)	–	115 383	(37 565)	(5 260 250)
Gross profit	2 970 273	–	115 383	(37 565)	3 048 091
Sales and distribution expenditure	(461 095)	–	–	36 210	(424 885)
Marketing expenditure	(59 993)	–	–	–	(59 993)
Overhead expenditure	(1 082 222)	–	(95 673)	7 712	(1 170 183)
Other income	–	–	–	1 871	1 871
Net foreign exchange loss	(3 146)	–	–	–	(3 146)
Net impairment loss on financial assets	–	–	–	(8 228)	(8 228)
Operating profit before joint ventures loss	1 363 817	–	19 710	–	1 383 527
Joint ventures loss	18 462	–	(19 336)	–	(874)
Operating profit before other operating items	1 382 279	–	374	–	1 382 653
Other operating items	17 188	–	–	–	17 188
Operating profit	1 399 467	–	374	–	1 399 841
Interest income	18 383	–	22 923	–	41 306
Interest expense	(271 959)	–	(23 297)	–	(295 256)
Profit before taxation	1 145 891	–	–	–	1 145 891
Taxation expense	(329 740)	–	–	–	(329 740)
Profit after taxation	816 151	–	–	–	816 151
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Movement on foreign currency translation reserve	524 635	(61 055)	17 573	11 055	492 208
Movement on foreign currency translation reserve from joint ventures	31 643	(2 911)	(23 317)	–	5 415
Movement on cash flow hedging reserve	(69 609)	–	(2 725)	–	(72 334)
Movement on cash flow hedging reserve from associate	(2 120)	–	2 120	–	–
Income tax related to loss recognised in equity	11 208	–	605	–	11 813
Other comprehensive income, net of taxation	495 757	(63 966)	(5 744)	11 055	437 102
Total comprehensive income	1 311 908	(63 966)	(5 744)	11 055	1 253 253
Profit after taxation attributable to:					
Shareholders of Oceana Group Limited	760 635	–	–	–	760 635
Non-controlling interests	55 516	–	–	–	55 516
	816 151	–	–	–	816 151
Total comprehensive income attributable to:					
Shareholders of Oceana Group Limited	1 256 361	(63 966)	(5 744)	11 055	1 197 706
Non-controlling interests	55 547	–	–	–	55 547
	1 311 908	(63 966)	(5 744)	11 055	1 253 253
Notes		16.4	16.1	16.3	

16. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

Consolidated Statement of Financial Position	Audited Restated 2020 Previously reported	Effect of exchange rate change	Effect of joint operation	Other effect	Restated
(extract)	R'000	R'000	R'000	R'000	R'000
ASSETS					
Non-current assets					
Property, plant and equipment	1 856 973	(21 500)	758 371	–	2 593 844
Right-of-use assets	173 507	2 308	–	–	175 815
Goodwill and intangible assets	5 388 881	(84 149)	15 134	133 562	5 453 428
Interest in joint ventures	322 664	(4 064)	(244 601)	(1 770)	72 229
Deferred taxation	20 793	–	–	–	20 793
Investment and loans	84 910	–	–	–	84 910
Derivative asset	–	–	2 662	–	2 662
Total non-current assets	7 847 728	(107 405)	531 566	131 792	8 403 681
Current assets					
Inventories	1 695 975	(6 232)	23 742	–	1 713 485
Trade and other receivables	1 271 898	(6 653)	36 234	(255 849)	1 045 630
Taxation receivable	23 663	–	–	–	23 663
Cash and cash equivalents	1 212 697	(12 129)	232 124	–	1 432 692
Total current assets	4 204 233	(25 014)	292 100	(255 849)	4 215 470
Assets held for sale	19 420	–	–	–	19 420
Total assets	12 071 381	(132 419)	823 666	(124 057)	12 638 571
EQUITY AND LIABILITIES					
Share capital	1 200 493	–	–	–	1 200 493
Foreign currency translation reserve	1 352 491	(89 248)	(5 744)	11 055	1 268 554
Cash flow hedging reserve	(76 223)	–	–	–	(76 223)
Share-based payment reserve	99 066	–	–	–	99 066
Distributable reserve	3 221 312	–	49 997	–	3 271 309
Interest of own shareholders	5 797 139	(89 248)	44 253	11 055	5 763 199
Non-controlling interests	182 796	–	–	–	182 796
Total capital and reserves	5 979 935	(89 248)	44 253	11 055	5 945 995
Non-current liabilities					
Liability for share-based payments	7 919	–	–	–	7 919
Provisions	–	–	2 881	24 745	27 626
Borrowings	3 069 338	(29 528)	462 615	–	3 502 425
Lease liabilities	204 457	(218)	1 993	–	206 232
Derivative liabilities	85 721	(931)	28 700	–	113 490
Deferred taxation	541 257	(7 228)	–	–	534 029
Total non-current liabilities	3 908 692	(37 905)	496 189	24 745	4 391 721
Current liabilities					
Accounts payable	1 680 101	(2 878)	31 035	(135 112)	1 573 146
Provisions	37 199	(362)	–	(24 745)	12 092
Borrowings	383 688	(1 631)	28 050	–	410 107
Lease liabilities	45 006	(230)	936	–	45 712
Liability to joint operator	–	–	223 203	–	223 203
Taxation payable	36 760	(165)	–	–	36 595
Total current liabilities	2 182 754	(5 266)	283 224	(159 857)	2 300 855
Total liabilities	6 091 446	(43 171)	779 413	(135 112)	6 692 576
Total equity and liabilities	12 071 381	(132 419)	823 666	(124 057)	12 638 571
Notes		16.4	16.1	16.5; 16.6	

16. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

Consolidated Statement of Financial Position (extract)	Audited Restated 2019 Previously reported R'000	Effect of exchange rate change R'000	Effect of joint operation R'000	Other effect R'000	Restated R'000
ASSETS					
Non-current assets					
Property, plant and equipment	1 697 221	(5 253)	653 873	–	2 345 841
Goodwill and intangible assets	4 886 609	(23 421)	13 680	120 737	4 997 605
Interest in joint ventures	324 233	(1 154)	(228 171)	–	94 908
Deferred taxation	26 567	–	–	–	26 567
Investments and loans	107 682	–	–	–	107 682
Total non-current assets	7 042 312	(29 828)	439 382	120 737	7 572 603
Current assets					
Inventories	1 852 707	(2 561)	26 753	–	1 876 899
Trade and other receivables	1 243 324	(2 418)	47 490	(234 960)	1 053 436
Taxation receivable	73 820	(297)	–	–	73 523
Cash and cash equivalents	588 036	(2 250)	177 091	–	762 877
Total current assets	3 757 887	(7 526)	251 334	(234 960)	3 766 735
Total assets	10 800 199	(37 354)	690 716	(114 223)	11 339 338
EQUITY AND LIABILITIES					
Share capital	1 193 473	–	–	–	1 193 473
Foreign currency translation reserve	796 213	(25 282)	–	–	770 931
Cash flow hedging reserve	(15 671)	–	–	–	(15 671)
Share-based payment reserve	93 406	–	–	–	93 406
Distributable reserve	2 943 871	–	49 997	–	2 993 868
Interest of own shareholders	5 011 292	(25 282)	49 997	–	5 036 007
Non-controlling interests	110 435	–	–	–	110 435
Total capital and reserves	5 121 727	(25 282)	49 997	–	5 146 442
Non-current liabilities					
Liability for share-based payments	6 044	–	–	–	6 044
Provisions	–	–	3 102	26 276	29 378
Borrowings	3 298 904	(8 610)	403 807	–	3 694 101
Derivative liabilities	10 320	(31)	16 562	–	26 851
Deferred taxation	524 875	(2 048)	–	–	522 827
Total non-current liabilities	3 840 143	(10 689)	423 471	26 276	4 279 201
Current liabilities					
Accounts payable	1 444 497	(946)	(13 460)	(114 223)	1 315 868
Provisions	36 005	(121)	–	(26 276)	9 608
Borrowings	351 258	(316)	30 503	–	381 445
Liability to joint operator	–	–	200 205	–	200 205
Taxation payable	6 569	–	–	–	6 569
Total current liabilities	1 838 329	(1 383)	217 248	(140 499)	1 913 695
Total liabilities	5 678 472	(12 072)	640 719	(114 223)	6 192 896
Total equity and liabilities	10 800 199	(37 354)	690 716	(114 223)	11 339 338
Notes		16.4	16.1	16.5; 16.6	

16. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

Consolidated Statement of Cash Flows (extract)	Audited Restated 2020 Previously reported R'000	Effect of exchange rate change R'000	Effect of joint operation R'000	Other effect R'000	Restated R'000
Cash generated from operations	2 082 631	–	169 216	–	2 251 847
Investment income received	32 047	–	9 259	–	41 306
Interest paid	(269 456)	–	(17 477)	–	(286 933)
Taxation paid	(235 069)	–	318	–	(234 751)
Dividends paid	(442 433)	–	–	–	(442 433)
Net cash inflow from operating activities	1 167 720	–	161 316	–	1 329 036
Purchases of property, plant and equipment	(239 858)	–	(107 457)	–	(347 315)
Proceeds on disposal of property, plant and equipment	18 497	–	–	–	18 497
Decrease in loans receivable from business partners	18 931	–	–	–	18 931
Proceeds on disposal of fishing right	2 016	–	–	–	2 016
Proceeds on disposal of intangible assets	30 114	–	–	–	30 114
Purchase of additional shareholding in other investment	(341)	–	–	–	(341)
Cash flows used in investing activities	(170 641)	–	(107 457)	–	(278 098)
Repurchase of treasury shares	(16 879)	–	–	–	(16 879)
Short-term banking facility raised	–	–	–	4 036 000	4 036 000
Short-term banking facility repaid	–	–	–	(4 036 000)	(4 036 000)
Short-term borrowings repaid	(365 583)	–	15 684	–	(349 899)
Payment of joint operator liability	–	–	(18 919)	–	(18 919)
Costs associated with loan refinancing	–	–	(4 319)	–	(4 319)
Repayment of principal portion of lease liability	(38 816)	–	(845)	–	(39 661)
Proceeds from sale of treasury shares	2 370	–	–	–	2 370
Purchase of treasury shares for the settlement of long-term incentives	(9 370)	–	–	–	(9 370)
Cash flows used in financing activities	(428 278)	–	(8 399)	–	(436 677)
Net increase in cash and cash equivalents	568 801	–	45 460	–	614 261
Net cash and cash equivalents at the beginning of the year	588 036	(2 249)	177 090	–	762 877
Effect of exchange rate changes	55 860	(9 879)	9 573	–	55 554
Cash and cash equivalents at end of the year	1 212 697	(12 128)	232 123	–	1 432 692

16.1. JOINT OPERATION

In terms of IFRS 11 – Joint Arrangements, a joint arrangement is defined as being an arrangement whereby two or more parties contractually agree to share control. Joint control exists only when the decisions about activities that significantly affect the returns of an arrangement require the unanimous consent of the parties sharing control.

The Group acquired a 25% shareholding in Westbank in 2015 and at the time of the acquisition concluded that it had significant influence over Westbank and accordingly classified it as an associate and applied the equity method of accounting (refer to note 3). Although certain decisions, for example setting the operating expenditure budget and the capital expenditure budget, require approval by at least 76% of the votes (a 'super majority vote'), it was considered that these were minority protection rights, and that the party with the 75% shareholding had control over Westbank.

During the current year the nature of the Westbank investment, under IFRS, in Westbank was revisited and extensively assessed. Since Daybrook is not at least 75%-owned by a US citizen, if it were to acquire the shares in Westbank, Westbank would not be permitted to operate its fishing vessels in US waters. Thus, it could be said that there is a significant economic disincentive for Daybrook to vote against the current 75% shareholder, effectively giving the 75% shareholder de facto control. However given Daybrook retains the contractual right to exercise joint control, effect should still be given to the contractual rights, resulting in Westbank being reclassified as a joint arrangement. Furthermore, Daybrook is unable to unilaterally remove the other shareholder from the Westbank structure in their managerial and ownership capacity, which suggests that Daybrook does not have the ability to unilaterally control Westbank.

16. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

16.1 JOINT OPERATION continued

During the process of revising the accounting treatment for the interest in Westbank, the accounting treatments of a payment made to Westbank Fishing Partners LLC ("WBFP") of R120.7 million / US$7.9 million and a special dividend received from Westbank of R66.7 million / US$4.4 million, both of which ultimately resulted in a net receivable of R52.8 million / US$3.5 million reflected on the balance sheet, were reconsidered.

In 2015 when the Group acquired 100% of the shares in Daybrook together with 25% of the shares in Westbank, the previous shareholders of Daybrook, namely WBFP, were granted a put option against Daybrook in respect of their 75% shareholding in Westbank. The put option was taken into account at the date of acquisition in determining the Group's purchase price of its investments in Daybrook and Westbank and the resultant goodwill. However, a portion of the amount payable under the put option, the value of which would depend on future profits of Daybrook and Westbank, was incorrectly excluded from this assessment. When this amount, which constituted R120.7 million / US$7.9 million, was paid by Daybrook during the 2019 financial year, it was recognised as a receivable from Westbank. Had this component of the put option been treated correctly from the date of acquisition, it would have resulted in an increase in the recognition of goodwill of R120.7 million / US$7.9 million and not as a receivable. This incorrect treatment has now been corrected. The impact of the correction is reflected as part of the effect of reclassifications and errors (refer to note 16.2.2). In 2019, Westbank paid a special dividend of R66.7 million / US$4.4 million only to Daybrook. At the time of receipt, the amount was reflected as a reduction against the aforementioned receivable that had been recognised of R120.7 million / US$7.9 million, resulting in a net receivable of R52.8 million/ US$3.5 million. Had this dividend received been accounted for correctly at the time, it should have been treated partly as a reduction of the investment in Westbank, to the extent of 25% (R16.6 million / US$1.1 million), and as a gain, to the extent of 75% (R50.0 million / US$3.3 million), since the 75% shareholder did not participate in the special dividend. Thus, the restatement of the accounting for Westbank reflects an increase of R50.0 million / US$3.3 million in distributable reserves.

16.2. RESTATEMENT OF GOODWILL AND INTANGIBLE ASSETS

1.1.1. In 2020 the classification of cost and accumulated impairment within the goodwill and intangible assets note was incorrectly disclosed, resulting in an overstatement of the cost of goodwill by R27.6 million and goodwill accumulated impairment by R27.6 million. The trademark cost was overstated by R13.2 million and trademark accumulated impairment by R13.2 million.

1.1.2. The amount of R120.7 million / US$7.9 million referred to in note 16.1 had been recognised incorrectly as a receivable as opposed to goodwill. The impact of correctly recording the value as goodwill has been included in the impact of the effect of reclassifications and errors on the consolidated statement of financial position as set out below.

Consolidated Statement of Financial Position	2020 Effect of change	2019 Effect of change
(extract)	R'000	R'000
ASSETS		
Non-current assets		
Goodwill and intangible assets	**133 562**	120 737
Interest in joint ventures	**(1 770)**	–
Total non-current assets	**131 792**	120 737
Current assets		
Trade and other receivables	**(120 737)**	(120 737)
Total current assets	**(120 737)**	(120 737)
Total assets	**11 055**	–
EQUITY AND LIABILITIES		
Capital and reserves		
Foreign currency translation reserve	**11 055**	–
Interest of own shareholders	**11 055**	–
Total capital and reserves	**11 055**	–

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 SEPTEMBER 2021

16. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

16.3. RECLASSIFICATION WITHIN THE STATEMENT OF COMPREHENSIVE INCOME

The Group identified expenses that were erroneously classified and reflected as part of the "Cost of Sales" as opposed to "Sales and distribution" and "Overhead expenditure" during the 30 September 2020 period. In addition, in terms of IAS 1 and IFRS 9, impairment loss on financial assets must be separately disclosed on the statement of comprehensive income reducing "Overhead expenditure" and increasing "Net impairment loss on financial assets" with R8.2 million. Although the amount is not material the Group has restated the results to align with these requirements.

16.4. CORRECTION OF TRANSLATION RATE USED

The exchange rate used in translating a USA subsidiary's statement of financial position did not fully meet the requirements of IAS 21 – The Effects of Changes in Foreign Exchange Rates. This restatement had no impact on the profit after tax for the prior period and has been revised in each of the respective financial statement line items.

16.5. RECLASSIFICATION OF REBATES AND TRADE ALLOWANCES

Rebates and trade allowances balances owing to customers were reflected as part of the 'Trade and other payables' balance as opposed to offsetting these against the 'Trade and other receivables' as required by the accounting standard. The reclassification has affected the financial statement line items as follows:

Consolidated Statement of Financial Position	2020 Effect of change	2019 Effect of change
(extract)	R'000	R'000
Current assets		
Trade and other receivables	**(135 112)**	(114 223)
Total current assets	**(135 112)**	(114 223)
Total assets	**(135 112)**	(114 223)
Current liabilities		
Trade and other payables	**135 112**	114 223
Total current liabilities	**135 112**	114 223
Total liabilities	**135 112**	114 223

16.6. RECLASSIFICATION OF LONG-TERM PROVISION TO NON-CURRENT LIABILITIES

As part of our review of disclosure against IAS 1 - Presentation of Financial Statements requirements we identified that provisions relating to the ex-gratia retirement provision and the non-qualified deferred compensation benefits would be settled in greater than 12 months and therefore, should be reflected as non-current liabilities. The prior year values were restated to align with the requirements of the standard.

Consolidated Statement of Financial Position	2020 Effect of change	2019 Effect of change
(extract)	R'000	R'000
Liabilities		
Non-current liabilities		
Provisions	**24 745**	26 276
Total non-current liabilities	**24 745**	26 276
Current liabilities		
Provisions	**(24 745)**	(26 276)
Total current liabilities	**(24 745)**	(26 276)

16.7. RECLASSIFICATIONS WITHIN SEGMENTS

The separate classification and disclosure of the finance segment did not meet the requirements set out in IFRS 8 - Operating Segments. In light of this, the prior year segmental report has been restated to incorporate the finance segment within the other operating segments in line with how these values are managed. In addition, the Group identified that the consolidation of inter-segmental assets and liabilities was incorrectly reflected against the canned fish and fishmeal segment. Refer to note 5.

16.8. CHANGE IN DISCLOSURE OF RELATED PARTIES

The related party note did not include all transactions as required in terms of IAS 24 - Related Party Disclosures, with specific reference to disclosing the details of the parties transacted with and details of transactions with companies affiliated to our 25% shareholder, Brimstone Investment Corporation (Sea Harvest Group Limited, House of Monatic Proprietary Limited). The full amount of related party transactions relating to these affiliated companies amounts to R6.9 million (2020: R3.9 million). Refer to note 17.

16.9. RECLASSIFICATION WITHIN THE STATEMENT OF CASH FLOWS

In terms of IFRS 7 - Financial instruments: Disclosures, the movements of short term banking facilities are required to separately reflect the total facilities raised and facilities repaid in the statement of cashflows. There was no short term banking facility balance as at 30 September 2020, however, the separate movement should have been disclosed on the face of the cashflow. The cashflow statement has been updated to reflect the gross movements.

17. RELATED PARTY TRANSACTIONS

The Group entered 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, other than the purchase of the Oceana Boa Pesca Limitada fishmeal plant that was acquired as part of the exit from the Angolan operation.

Related party relationships exist between shareholders, subsidiaries and joint venture 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.

Transactions with joint operations are proportionately consolidated, however, where companies within the Group transact with the joint operations, the portion not consolidated is effectively a transaction with a related party.

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.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 SEPTEMBER 2021

17. RELATED-PARTY TRANSACTIONS continued

	2021	Audited Restated[1] 2020	Audited Previously reported 2020
	R'000	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	**6 396**	2 607	534
Net interest received from	**334**	360	381
Goods and services sold	**(6 898)**	(11 723)	–
Goods and services procured	**40 557**	37 165	–
Amount payable	**(7 278)**	(9 809)	–
Transactions and balances with subsidiaries and joint ventures			
Administration fees received			
Etosha Fishing Corporation Limited	**565**	543	543
Goods and services sold to joint ventures			
Etosha Fishing Corporation Limited	**36 453**	135 363	–
Goods and services bought from joint ventures	**177 103**	152 447	781 150
Etosha Fishing Corporation Limited	**176 938**	152 289	98 055
MFV Romano Paulo Vessel	**165**	158	–
Westbank Fishing Limited Liability Company[2]	**–**	–	683 095
Interest paid to			
Etosha Fishing Corporation Limited	**1 120**	589	–
Amount (payable)/receivable from joint ventures	**(10 099)**	(40 962)	14 509
Etosha Fishing Corporation Limited	**(10 099)**	(52 863)	109
MFV Romano Paulo Vessel	**–**	(16)	–
Westbank Fishing Limited Liability Company[2]	**–**	–	2 483
Oceana Boa Pesca Limitada	**–**	11 917	11 917
Transactions and balances with other related parties			
Good and services procured from other related parties[1]	**6 620**	4 108	–
Obsidian Health Proprietary Limited	**2 351**	–	–
Sea Harvest Group Limited	**2 343**	1 279	–
House of Monatic Proprietary Limited	**–**	529	–
Ulwandle Management Services Proprietary Limited	**1 479**	1 461	–
Ulwandle Fishing Proprietary Limited	**447**	839	–
Goods and services sold to other related parties[1]			
Sea Harvest Group Limited	**(16)**	–	–
Interest received from[1]			
Ulwandle Fishing Proprietary Limited	**(7 135)**	(6 891)	–
Amount (payable)/receivable from other related parties[1]	**(96)**	(10)	–
Sea Harvest Group Limited	**–**	82	–
Ulwandle Management Services Proprietary Limited	**(96)**	(92)	–
Loans receivable from shareholders of subsidiary companies			
Ulwandle Fishing Proprietary Limited	**90 783**	82 359	83 331
Loans payable to shareholders of subsidiary companies			
Ulwandle Fishing Proprietary Limited	**(14 768)**	(10 947)	–
Compensation of key management personnel	**90 537**	58 142	58 142
Short-term employee benefits	**54 175**	47 265	47 265
Post-employment benefits	**3 194**	2 295	2 295
Share-based payments – cash-settled compensation scheme	**2 521**	1 245	1 245
Share-based payments – equity-settled compensation scheme	**19 397**	2 980	2 980
Share-based payments – OET	**5 966**	104	104
Non-executive directors' emoluments	**5 284**	4 253	4 253

1. Restated related party balances and transactions. Refer to note 16.8.
2. Restated related party balances and transactions. Refer to note 16.1.

The Group acquired the Angolan based fishmeal plant equipment to the value of R21.6 million as part of winding down of OBP joint venture.

17. 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. These related parties arose by virtue of their relationship with the Group's 25% shareholder as well as outside shareholders who have significant influence over subsidiaries. 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.

18. CONTINGENT ASSETS

The Group's USA fishmeal and fish oil operations' ability to process fish was interrupted due to the disruption of the supply of power, fuel and water following Hurricane Ida which made landfall on 29 August 2021. In September 2021, the Group lodged a business interruption insurance claim to the value of R63.1 million relating to the operational impact of the disruption. Subsequent to the claim being approved by the insurer's, other income and overall operating profit will increase by R63.1 million. For the Group to recognise the amount within the current reporting period, the Group must have been virtually certain of settlement, however, as the review and approval of the claim had not been finalised by the assessor nor the insurer at 30 September 2021, the income and corresponding receivable was not recognised. The claim was assessed on 7 October, approved for settlement on 14 October and settled in full on 27 October 2021.

In July 2021 the Group suffered R107.8 million loss due to the civil unrest in KZN, which resulted in inventory write off of R86.1 million and R21.7 million in increased costs required to secure operations and replace lost and damaged product. The Group has adequate South African Special Risks Insurance Association (SASRIA) and general insurance cover for material damage to assets, inventory and business interruption, however, at 30 September 2021 only accounted for R88.0 million as accrued revenue based on initial interim settlements which have also subsequently been settled by insurers. The balance of R19.8 million has not been recognised as a receivable at 30 September 2021 as no agreements of loss had been received from the respective insurers.

19. REPORTABLE IRREGULARITIES

Subsequent to the financial year end, five Reportable Irregularities (RI's) were lodged by our external auditors, PwC, with the Independent Regulatory Board for Auditors ("IRBA") as required by the Auditing Profession Act (APA).

These are summarised below:

1. Non-disclosure of a conflict of interest by a senior member of management relating to a relationship conflict with a staff member, for whom an ex gratia payment was approved and paid ("RI 1").
2. Behavioural matters that contributed towards a culture of dominance and bullying involving a senior member of management ("RI 2").
3. The obstruction and / or interference with the forensic investigation by deletion of certain information from their electronic devices by two senior members of management in contravention of a 'hold notice' that was issued to the management team to hold and preserve all email and electronic records during the investigation ("RI 3").

   RI 1, RI 2 and RI 3, pertain to behavioural and conduct matters where disciplinary action is in process or the individuals are no longer with the Company. The contraventions are in respect of non-financial matters and no financial loss has been caused to the Company, nor has there been any impact on the financial statements.
4. Suspected irregularities by management in the submission of an insurance claim relating to the backdating of an internal approval document submitted with the final claim to the date of the initial claim notification to the insurer. ("RI 4").
5. Two members of management implicated in RI 4 were found to have contravened a confidentiality instruction from the forensic investigators ("RI 5") to not discuss the investigation. The forensic investigation took appropriate steps to ensure that the integrity of the investigation was not compromised by this contravention.

The forensic investigation in respect of RI 4 and RI 5 did not identify any deliberate attempt to misrepresent through the backdating of the insurance claim or any intent to mislead the investigation through the confidentiality breach. The proceeds of the claim have been recorded in the 2022 financial year following a review in terms of IFRS recognition requirements, and no loss has been suffered by the Group. Remedial actions in respect of RI 4 and RI 5 are in the process of being initiated.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 SEPTEMBER 2021

19. REPORTABLE IRREGULARITIES continued

PwC have reviewed the responses by management and are satisfied that the reportable irregularities described above are no longer taking place (classified as "not ongoing" from a regulatory reporting perspective) and where appropriate, the Company has or is in the process of taking disciplinary action in accordance with the Company's disciplinary code and procedures and with due cognisance of applicable labour legislation. PwC have notified the IRBA accordingly that the reportable irregularities listed above are not ongoing.

20. EVENTS AFTER THE REPORTING DATE

INVESTIGATIONS

The independent forensic investigations initiated by the Board in response to the whistle-blower concerns and subsequent backdated document concerns were concluded in December 2021 and March 2022 respectively. The investigations concluded that none of the matters considered resulted in financial loss to the Company nor was there any evidence of fraud or criminal conduct. A detailed summary of the findings of the forensic investigation completed in December 2021, as well as a preliminary update on the forensic investigation pertaining to the backdated document matter, is available on the Company's website at ***http://oceana.co.za/investors/sens-announcements/***.

COVENANT WAIVERS

Due to the delay in the publishing of the financial results for the financial year ended 30 September 2021 the Company obtained default waivers from lenders. The waiver obtained from SA lenders requires the Group's audited annual financial statements to be published by no later than 15 April 2022. Lenders also require the audited financial statements for Daybrook Inc. for the year ended 30 September 2021 to be completed by no later than 30 June 2022. The Company is confident that it will comply with these dates and that no disruption to banking facilities likely to occur.

FISHING RIGHTS ALLOCATION PROCESS ("FRAP")

The Company is pleased with the conclusion of the Department of Forestry, Fisheries and the Environment's 2021/22 Fishing Rights Allocation Process which was announced on 28 February 2022. The outcome secures the Group's rights in 5 key species for the next 15 years and ensures that current South African fishing operations will continue unimpacted. There has been no material change to the Group's previous rights.

ENGAGEMENT WITH JOHANNESBURG SECURITIES EXCHANGE (JSE)

We have engaged extensively with the JSE over the delay in the announcement of our results, and continue to give them full co-operation on all issues and concerns raised.

FSCA INVESTIGATION UPDATE

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

The Company has engaged with the FSCA in this regard on 23 February 2022. We await their conclusion on the matter and will continue to co-operate fully with them.

DIRECTOR AND OFFICER CHANGES

As announced on 7 February 2022, Ms Hajra Karrim, the Group's Chief Financial Officer ("CFO") was suspended on a precautionary basis pending a disciplinary process and a subsequent grievance has been lodged by the CFO in relation to the suspension. Mr Imraan Soomra resigned as executive director and Chief Executive Officer ("CEO") effective 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. Mr Ralph Buddle was appointed as Interim CFO effective 23 February 2022.

Ms Adela Fortune resigned as Company Secretary on 4 March 2022. Mr Ralph Buddle was appointed as Interim Company Secretary (pending dispensation from the JSE) effective 9 March 2022.

TAX RATE CHANGE

On 24 February 2021, the South African Minister of Finance announced a change in the companies tax rate from 28% to 27% for companies for tax years commencing on or after 1 April 2022. The Minister confirmed this rate change on 23 February 2022. The change in rate has no impact on the 2021 financial results as the change has not yet been substantively enacted. The rate change will affect the deferred tax for the year ending 31 September 2022 and the income tax for the year ending 31 September 2023.

Other than the dividend that has been declared (refer to note 12) after the reporting period, and the items noted above no further events occurred after the reporting date that may have an impact on the Group's reported position at 30 September 2021 or require separate disclosure in these summarised consolidated financial statements.

SHAREHOLDER ANALYSIS

AS AT 30 SEPTEMBER 2021

SHAREHOLDER SPREAD	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	6 329	82.30	906 267	0.70
1 001 – 10 000 shares	852	11.10	2 907 996	2.22
10 001 – 100 000 shares	370	4.80	12 375 122	9.49
100 001 – 1 000 000 shares	123	1.60	36 489 241	27.98
1 000 001 shares and over	16	0.20	77 753 178	59.61
	7 690	100.00	130 431 804	100.00

DISTRIBUTION OF SHAREHOLDERS				
Banks	91	1.20	8 956 252	6.87
Brokers	30	0.40	774 199	0.60
Close Corporations	47	0.60	34 555	–
Empowerment	4	0.10	33 429 243	25.63
Individuals	5 626	73.20	3 185 645	2.50
Insurance companies	41	0.50	1 807 935	1.40
Investment companies	3	–	240 870	0.20
Mutual funds	288	3.70	38 252 127	29.30
Nominees and trusts	892	11.60	955 636	0.70
Other corporate bodies	70	0.90	3 656 511	2.80
Pension funds	405	5.30	29 659 869	22.80
Private companies	186	2.40	422 173	0.30
Public companies	2	–	11 301	–
Treasury Shares held by share trusts	4	0.10	8 757 088	6.70
Treasury Shares held by subsidiary	1	–	288 400	0.20
	7 690	100.00	130 431 804	100.00

SHAREHOLDER TYPE				
Non-public shareholders	24	0.30	42 661 731	32.70
Treasury Shares Held By Share Trusts	4	0.10	8 757 088	6.70
Treasury Shares held by Subsidiary	1	–	288 400	0.20
Other holdings greater than 10%[1]	1	–	32 627 113	25.00
Empowerment	3	–	802 130	0.60
Directors and employees	15	0.20	187 000	0.20
Public shareholders	7 666	99.70	87 770 073	67.30
	7 690	100.00	130 431 804	100.00

[1] *Brimstone Investment Corporation Limited*

SHAREHOLDERS HOLDING 5% OR MORE				
Brimstone Investment Corporation Limited			32 627 113	25.00
M&G Investments Proprietary Limited			13 623 726	10.40
Public Investment Corporation (SOC) Limited[1]			13 286 677	10.20
Foord Asset Management Proprietary Limited			9 400 079	7.20
Oceana Empowerment Trusts[2]			7 825 908	6.00
Coronation Fund Managers Limited			6 931 093	5.30

[1] *Includes Government Employees Pension Fund, Compensation Commissioner Pension Fund and Unemployment Insurance Fund*

[2] *Includes Oceana Empowerment Trust, Saam-Sonke Trust, Oceana Stakeholder Empowerment trust and Oceana Share Trust*

CLIMATE CHANGE – TCFD TABLE

The table below offers guidance on where to find information relating to each of the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). This is in line with our stakeholders' increasing expectations for greater transparency around climate change.

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.

Recommended disclosures	References	Pages
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 2021	*IR 100*
	Towards energy security and carbon neutrality	*SR 48-51*
	CDP Climate Response 2021 (Q C1 Governance)	
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Environmental management	*IR 79*
	Towards energy security and carbon neutrality	*SR 48*
	CDP Climate Response 2021 (Q C1.2 Management responsibility)	
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	*IR 42*
	Towards energy security and carbon neutrality	*SR 48-51*
	Responding to climate pressures	*SR 48-51*
	CDP Climate Response 2021 (Q C2 Risks and opportunities)	
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	*IR 79-81*
	Responding to climate pressures	*SR 48-51*
	CDP Climate Response 2021 (Q C2 Risks and opportunities)	
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Oceana does not use climate-related scenario analysis to inform its strategy due to no sector-specific methodologies available for agriculture or fishing sector companies at present.	
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 pressures	*SR 48*
	CDP Climate Response 2021 (Q C2.2)	
b) Describe the organisation's processes for managing climate-related risks.	CDP Climate Response 2021 (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 2021 (Q C2.2)	
Metrics & 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.	Towards energy security and carbon neutrality	*SR 48*
	CDP Climate Response 2021 (Q C2.3a, C2.4a)	
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	*IR 81*
		SR 48-51
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.		*SR 48-51*

GLOSSARY

ACI	African, Coloured and Indian as defined in South African B-BBEE codes
AFS	Annual Financial Statements
B-BBEE	Broad-based black economic empowerment
BCP	Blue Continent Products (Proprietary) Limited
BEE	Black economic empowerment
CAGR	Compound annual growth rate
CCS	Commercial Cold Storage Group Limited
CDP	Formerly known as the Carbon Disclosure Project
CEO	Chief executive officer
CFO	Chief financial officer
COBIT	Control objectives for information technologies
CSI	Corporate social investment
DFFE	Department of Forestry, Fisheries and Environment (South Africa)
DMA	Direct market access
DoE&L	Department of Employment and Labour
DPW	Department of Public Works (South Africa)
Dti	Department of Trade and Industry (South Africa)
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECS	Environmental control system
EIA	Environmental impact assessment
ERP	Enterprise resource planning
FAWU	Food and Allied Workers Union
FCP	Fisheries Conservation Project
FDA	Food and drug administration
FEMAS	Feed materials assurance scheme
FMO	Fishmeal and fish oil
FRAP	Fishing Rights Allocation Process
GHG	Greenhouse gas
GIBS	Gordan Institute of Business Science
GMP	Good manufacturing process
GP	Gross profit
GSMFC	Gulf States Marine Fisheries
HACCP	Hazard Analysis Critical Control Point
HDIs	Historically disadvantaged individuals
HEPS	Headline earnings per share
HES	Health, Environment and Safety Policy
HR	Human resources
IFFO RS	The International Fishmeal and Fish Oil Organisation Responsible Supply
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IQF	Individually quick frozen
IR	Integrated reporting
IT	Information technology
IUU	Illegal, unreported and unregulated
JSE	Johannesburg Stock Exchange
JV	Joint venture
LTI	Long term incentive
LTIFR	Lost time injury frequency rate
MFMR	Ministry of fisheries and marine resources
MOI	Memorandum of Incorporation
MPA	Marine protected area
MSC	Marine Stewardship Council
NAFAU	Namibia Food & Allied Workers Union
NATAU	Namibia Transport & Allied Workers Union
NCFAWU	National Certificated Fishing and Allied Workers Union
NEEEF	National equitable economic empowerment framework
NGO	Non-governmental organisation
NIPDB	Namibia Investment Promotion and Development Board
NSX	Namibian Stock Exchange
OET	Oceana Empowerment Trust
OMAP	Oceana management advancement programme
OLAP	Oceana leadership acceleration programme
OPP	Onshore processing plant
PI	Price increase after discounts and rebates
PIC	Public Investment Corporation
PMCL	Precautionary maximum catch limit
R&D	Research and Development
RFA	Responsible Fisheries Alliance
RTM	Root to market
POPI	Protection of personal information
PSFA	Peninsula school feeding association
SACTWU	Southern African clothing and textile workers union
SAMSA	South African maritime safety authority
SASSI	Southern African Sustainable Seafood Initiative
SCRL	South Coast rock lobster
SDGs	Sustainable Development Goals
SENS	Stock Exchange News Service
SME	Small and medium sized enterprise
SMME	Small, medium and micro enterprise
SR	Sustainability Report
SRM	Safety risk management
STI	Short term incentive
TAC	Total allowable catch
TALFU	Trawler and Line Fishermen's Union
TCFD	Task Force on Climate-related Financial Disclosures
UDF & CWU	United Democratic Food and Combined Workers Union
UNGC	United Nations Global Compact
VWAP	Volume weighted average price
WWF	Worldwide Fund for Nature
WCRL	West Coast rock lobster

ADMINISTRATION

CORPORATE INFORMATION AND ADVISORS

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: ***companysecretary@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 ("JIS")
13th floor
19 Ameshoff Street
Braamfontein, Johannesburg, 2000
PO Box 4844, Johannesburg, 2000

COMPANY SECRETARY

R Buddle (appointed Interim Company Secretary on 9 March 2022)
A Fortune (resigned effective 15 March 2022)

BANKERS

The Standard Bank of South Africa Limited
Investec Bank Limited
Rand Merchant Bank Holdings Limited
BMO Harris Bank N.A.

EXTERNAL AUDITORS

PricewaterhouseCoopers Inc.

INTERNAL AUDITORS

BDO South Africa Incorporated

JSE SPONSOR

The Standard Bank of South Africa Limited

NSX SPONSOR

Old Mutual Investment Services (Namibia) (Proprietary) Limited