



Premier Fishing & Brands Limited  
The First Choice

# UNAUDITED CONDENSED INTERIM GROUP RESULTS

for the six months ended 28 February

# 2018



# COMMENTS

## GROUP PROFILE

Premier Fishing and Brands Limited ("Premier") operates a vertically integrated fishing business which specialises in the harvesting, processing and marketing of fish and fish-related products. The Group is one of the largest black-owned and managed fishing business in South Africa and the most transformed in terms of its management and employees. The Group holds medium to long-term fishing rights in west coast rock lobster, south coast rock lobster, small pelagics, hake deep-sea trawl, hake longline, horse mackerel, swordfish and tuna, and squid. The Group also owns an abalone farm and invests in organic fertilisers through the "Seagro" range of products.

## GROUP FINANCIAL PERFORMANCE OVERVIEW

The Group delivered an operating profit of R20 million for the six months ended 28 February 2018, an increase of 14% compared to the prior period operating profit of R18 million. The increase in operating profit is attributable to the strong performance of our squid and lobster division.

The Rand strengthened against the US dollar from an average of 13,86 in the prior comparative period, to an average of 12,69 in the current period under review. The strengthening of the Rand impacted our revenue. However, this was offset by increased sales volumes in the squid and lobster division as well as increased market prices for all our divisions resulting in revenue increasing by 1% to R185 million from R183 million in the prior period.

The Group experienced improved catch rates in the squid and lobster divisions as compared to the prior period which resulted in a reduction in catch cost. This had a positive effect on the gross margin that increased to R76 million from R71 million in the prior period.

Interest income of R15 million was generated from the cash that was raised on listing of the Company on the main board of the Johannesburg Stock Exchange ("JSE"). The cash raised will be utilised to fund acquisitions and growth initiatives. The results of the prior comparative period do not include the effects of the listing.

The Group's profit after tax increased by 59% to R29 million from R18 million in the prior period mainly as a result of the strong operating performance of the squid and lobster divisions as well as the interest income generated from the cash raised on listing.

The weighted average number of shares ("WANOS") used in the calculation of earnings per share ("EPS") and headline earnings per share ("HEPS") is 260 million for the current period, which takes into account the 117 million new shares issued on listing date. The WANOS used in the calculation of EPS and HEPS for the prior comparative period is 143 million as the listing occurred after the period-end. Group headline earnings increased by 59% to R29 million from R18 million. HEPS decreased to 11.10 cents per share from 12.70 cents per share and EPS decreased to 11.10 cents per share from 12.68 cents per share even though the profit after tax increased by 59% due to the increase in the number of issued shares.

## COMMENTS continued

Cash generated from operations before working capital changes increased by 8% to R26 million from R24 million in the prior period due to the strong operational performance in the current period. There were significant catches during the month of February 2018 which resulted in an increase in the net working capital investment of R48 million as compared to R3 million in the prior period. This resulted in an outflow of R22 million of cash generated from operations compared to the cash generated from operations of R21 million in the prior period.

### ACQUISITION OF BUSINESS

On 30 November 2017, the Group announced the acquisition of a 50.31% stake in Talhado Fishing Enterprises Proprietary Limited ("Talhado") for a consideration of R85 million, subject to the fulfilment of certain conditions precedent. The conditions precedent have now been fulfilled and the transaction implemented. The Group acquired Talhado for its squid fishing rights, brand, processing facilities and in order to enhance the Group's footprint in the squid sector. Talhado is the largest squid company in South Africa.

The conditions precedent, which consisted mainly of the approval of the Competition Authorities in terms of the Competition Act No 89 of 1998 and the approval by the Ministry of Agriculture, Forestry and Fisheries or his delegated authority in terms of section 21 of the Marine Living Resources Act 18 of 1998. These approvals were obtained on the 9<sup>th</sup> May and 11<sup>th</sup> May 2018, respectively. As the conditions precedent were met after the interim period, the results of Talhado were not consolidated into Premier's current reporting period.

Talhado's revenue for the first three-month period 1 September 2017 to 30 November 2017 is R47 million and net profit was R17 million.

Talhado's revenue for the three-month period 1 December 2017 to 28 February 2018 is R51 million and net profit for the period was R29 million.

## **PRO FORMA FINANCIAL INFORMATION**

The effective date of the Talhado acquisition transaction is 30 November 2017. However, in terms of IFRS 3, Business Combinations, the results of Talhado can only be consolidated from the date when all conditions precedent were met. As a result, the interim financial statements do not include the results of Talhado for the 3 months from 1 December 2017 to 28 February 2018.

*Pro forma* results have been prepared for illustrative purposes only, in order to provide information about the impact of the Talhado acquisition on revenue, operating profit, profit before tax and profit after tax for the 6-month period ended 28 February 2018, in order to show the growth in Premier in relation to the acquisition of Talhado. Because of its nature, the *pro forma* financial information may not fairly present Premier's financial position, changes in equity, results of operations and cash flows.

The *pro forma* financial effects are presented in accordance with the JSE Listings Requirements, the Guide on *Pro Forma* Financial Information issued by SAICA and the measurement and recognition requirements of IFRS.

The accounting policies applied in quantifying *pro forma* adjustments are consistent with Premier's accounting policies at 28 February 2018. The *pro forma* results are the responsibility of the board and were not reviewed or reported on by Premier's auditors.

## PRO FORMA 6 MONTH RESULTS FOR THE 6 MONTH PERIOD ENDED 28 FEBRUARY 2018

	<i>Pro forma</i> 6 months ended 28 February 2018 Rm	<i>Pro forma</i> 6 months ended 28 February 2017 Rm	Growth %
Revenue	<b>234 649</b>	182 667	28.5%
Operating profit	<b>60 130</b>	17 792	238.0%
Profit before tax	<b>80 734</b>	23 919	237.5%
Profit after tax	<b>58 087</b>	18 126	220.5%

## PRO FORMA FOR THE PERIOD ENDED 28 FEBRUARY 2018

	Premier Unaudited for the 6 months ended 28 February 2018	Talhado Unaudited for the 3 months ended 28 February 2018	Premier <i>pro forma</i> after the inclusion of Talhado for the 6 months ended 28 February 2018
Revenue	<b>184 580</b>	50 069	234 649
Operating profit	<b>20 269</b>	39 861	60 130
Profit before tax	<b>41 251</b>	39 483	80 734
Profit after tax	<b>28 850</b>	29 237	58 087

<sup>1</sup> The column titled 'Premier unaudited 6 months ended 28 February 2018' represents the unaudited results for Premier Group for the 6 months ended 28 February 2018.

<sup>2</sup> The column titled 'Talhado unaudited 3 months ended 28 February 2018' represents the unaudited results for Talhado for the 3 months ended 28 February 2018 that would have been consolidated had the conditions precedent, being the approval of the Competition Authorities and the approval of the Ministry of Agriculture, Forestry and Fishing been met prior to 28 February 2018.

<sup>3</sup> The column titled 'Premier *pro forma* after all adjustments 6 months ended 28 February 2018' represents the Premier Group *pro forma* results after the adjustments if Talhado 2018' represents the Premier Group *pro forma* results after the adjustments if Talhado had been consolidated.

All *pro forma* adjustments will have a continuing effect on the financial results of Premier.

# CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Group 28 February 2018 6 months R'000	Unaudited Group 28 February 2017 6 months R'000	Audited Group 31 August 2017 12 months R'000
Revenue	<b>184 580</b>	182 667	410 733
Cost of sales	<b>(108 763)</b>	(111 800)	(230 586)
<b>Gross profit</b>	<b>75 817</b>	70 867	180 147
Other income	<b>672</b>	1 997	1 249
Other expenses	<b>(56 220)</b>	(55 072)	(116 245)
<b>Operating profit</b>	<b>20 269</b>	17 792	65 151
Investment revenue	<b>22 325</b>	7 326	33 015
Finance cost	<b>(1 343)</b>	(1 199)	(3 323)
<b>Profit before tax</b>	<b>41 251</b>	23 919	94 843
Tax	<b>(12 401)</b>	(5 793)	(26 743)
<b>Profit for the year</b>	<b>28 850</b>	18 126	68 100
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	<b>28 850</b>	18 126	68 100
Basic and diluted earnings per share (cents)	<b>11.10</b>	12.68	33.77
Headline and diluted headline earnings per share (cents)	<b>11.10</b>	12.70	34.59
Weighted average number of shares used in the calculation of earnings per share (OOOs)	<b>260 000</b>	143 000	201 660

# CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Unaudited Group 28 February 2018 6 months R'000	Unaudited Group 28 February 2017 6 months R'000	Audited Group 31 August 2017 12 months R'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<b>173 969</b>	126 136	130 107
Goodwill	<b>18 165</b>	18 165	18 165
Intangible assets	<b>66</b>	65	62
Loans to group companies	<b>97 821</b>	73 345	81 758
Deferred tax	<b>12</b>	52	65
	<b>290 033</b>	<b>217 763</b>	<b>230 157</b>
<b>Current assets</b>			
Inventory	<b>48 861</b>	39 127	43 083
Other financial assets	<b>10 665</b>	7 392	1 707
Current tax receivable	<b>154</b>	154	154
Trade and other receivables	<b>104 825</b>	59 762	89 620
Construction deposits	<b>8 951</b>	-	-
Biological assets	<b>55 872</b>	48 359	54 323
Cash and cash equivalents	<b>425 442</b>	30 872	541 919
	<b>654 770</b>	<b>185 666</b>	<b>730 806</b>
<b>Total assets</b>	<b>944 803</b>	<b>403 429</b>	<b>960 963</b>

# CONDENSED GROUP STATEMENT OF FINANCIAL POSITION continued

	Unaudited Group 28 February 2018 6 months R'000	Unaudited Group 28 February 2017 6 months R'000	Audited Group 31 August 2017 12 months R'000
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	<b>507 517</b>	–	507 517
Reserves	<b>8 014</b>	8 014	8 014
Retained income	<b>245 416</b>	205 592	255 566
<b>Total equity</b>	<b>760 947</b>	<b>213 606</b>	<b>771 097</b>
<b>Non-current liabilities</b>			
Other financial liabilities	<b>6 564</b>	10 162	7 651
Operating lease liability	<b>788</b>	1 653	1 243
Post-employment medical costs	<b>1 111</b>	1 007	1 075
Deferred tax	<b>78 599</b>	74 468	72 341
	<b>87 062</b>	<b>87 290</b>	<b>82 310</b>
<b>Current liabilities</b>			
Other financial liabilities	<b>3 178</b>	3 245	3 419
Current tax payable	<b>23 201</b>	7 217	21 752
Trade and other payables	<b>42 151</b>	56 915	55 455
Provisions	<b>4 492</b>	8 953	8 944
Bank overdraft	<b>23 772</b>	26 203	17 986
	<b>96 794</b>	102 533	107 556
Total liabilities	<b>183 856</b>	<b>189 823</b>	<b>189 866</b>
Total equity and liabilities	<b>944 803</b>	<b>403 429</b>	<b>960 963</b>
Net asset value per share (cents)	<b>292.67</b>	<b>149.38</b>	<b>296.58</b>



## CONDENSED STATEMENT OF CHANGES IN EQUITY

	<b>Unaudited Group 28-Feb-18 6 months R'000</b>	Unaudited Group 28-Feb-17 6 months R'000	Audited Group 31-Aug-17 12 months R'000
Opening balance	<b>771 097</b>	225 480	225 480
Net proceeds from share issue	-	-	507 517
Profit for the period	<b>28 850</b>	18 126	68 100
Dividends paid	<b>(39 000)</b>	(30 000)	(30 000)
Closing balance	<b>760 947</b>	213 606	771 097

On 2 March 2017, an additional 117 000 000 ordinary shares were issued to the public on a private placement as part of a capital raising exercise and the listing of the Company on the main board of the JSE. The Company successfully raised R526.5 million on listing.

## RECONCILIATION OF NUMBER OF SHARES ISSUED

	<b>Unaudited Group 28 February 2018</b>	Unaudited Group 28 February 2017	Unaudited Group 31 August 2017
Opening balance	<b>260 000 000</b>	100	100
Share split		142 999 900	142 999 900
Issue of shares			117 000 000
Closing balance	<b>260 000 000</b>	<b>143 000 000</b>	<b>260 000 000</b>

Premier was listed on the main board of the JSE on 2 March 2017. In preparation for the listing, on 1 February 2017, there was a subdivision of the authorised and issued shares of Premier in which one share was subdivided into 1 430 000 shares. The issued share capital of Premier increased from 100 ordinary shares into 143 000 000 shares at that date. On 2 March 2017, an additional 117 000 000 ordinary shares were issued to invited investors in a private placement as part of a capital raising exercise and the listing of the company on the main board of the JSE.

# CONDENSED GROUP STATEMENT OF CASH FLOWS

	<b>Unaudited Group 28 February 2018 6 months R'000</b>	Unaudited Group 28 February 2017 6 months R'000	Audited Group 31 August 2017 12 months R'000
<b>Cash (used in)/generated from operations</b>	<b>(21 731)</b>	21 043	40 094
Interest Income	<b>15 537</b>	825	17 446
Finance cost	<b>(1 343)</b>	(1 199)	(3 323)
Tax paid	<b>(4 644)</b>	(4 105)	(12 659)
<b>Net cash flows from operating activities</b>	<b>(12 181)</b>	<b>16 564</b>	<b>41 558</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment to sustain operations	<b>(26 488)</b>	(8 495)	(14 066)
Purchases of property, plant and equipment to expand operations	<b>(25 026)</b>	-	(7 995)
Purchases of intangible assets	<b>(7)</b>	(27)	(27)
Loans advanced to group companies	<b>(20 794)</b>	(18 446)	(21 485)
Loans repaid by group companies	<b>11 520</b>	-	-
Repayment of loans from group companies	-	(1 478)	(1 478)
Net movement in other financial assets	<b>(8 959)</b>	(5 152)	(641)
<b>Net cash flows to investing activities</b>	<b>(69 754)</b>	<b>(33 598)</b>	<b>(45 692)</b>
<b>Cash flows from financing activities</b>			
Proceeds on share issue	-	-	526 500
Share issue costs	-	-	(18 983)
Repayment of other financial liabilities	<b>(1 328)</b>	(1 813)	(2 966)
Dividends paid	<b>(39 000)</b>	-	-
<b>Net cash flows to financial activities</b>	<b>(40 328)</b>	<b>(1 813)</b>	<b>504 551</b>
Total cash movement for the year	<b>(122 263)</b>	(18 847)	500 417
Cash at the beginning of the year	<b>523 933</b>	23 516	23 516
Total cash at the end of the year	<b>401 670</b>	<b>4 669</b>	<b>523 933</b>

# SEGMENT REPORTING

	Segment Revenue			Segment Profit before tax		
	Unaudited 28 February 2018 6 months R'000	Unaudited 28 February 2017 6 months R'000	Audited 31 August 2017 12 months R'000	Unaudited 28 February 2018 6 months R'000	Unaudited 28 February 2017 6 months R'000	Audited 31 August 2017 12 months R'000
Lobster	89 170	85 997	190 589	18 173	17 891	52 106
Pelagics	20 101	27 808	80 778	4 212	6 012	23 636
Hake	15 644	15 143	31 210	5 046	5 036	12 013
Squid	30 627	18 048	34 428	8 338	4 602	10 916
Abalone	15 337	18 765	36 186	4 615	6 136	13 241
Horse mackerel	569	-	-	569	-	-
Cold storage	5 378	4 552	9 555	387	371	332
Seagro	2 885	1 667	5 174	712	397	1 013
Processing and marketing	6 963	12 778	26 909	1 045	2 215	6 996
	<b>186 674</b>	184 758	414 829	<b>43 097</b>	42 660	120 253
Less: inter segmental sales	(2 094)	(2 091)	(4 096)			
Administration and support services	-	-	-	(24 378)	(25 058)	(61 255)
Fair value gains	-	-	-	1 550	190	6 153
Interest income	-	-	-	22 325	7 326	33 015
Finance costs	-	-	-	(1 343)	(1 199)	(3 323)
Total	<b>184 580</b>	182 667	410 733	<b>41 251</b>	23 919	94 843

The inter-segmental sales are in respect of cold storage charges to the lobster segment.

Segment profit represents the profit before tax earned by each segment without the allocation of central administration costs, fair value adjustments, interest income and finance costs.

This is the measure that is reported to the chief operating decision-maker for the purposes of assessing the segment performance and resource allocation.

The accounting policies of the of the reportable segments are the same as the Group's accounting policies.

# SEGMENTAL REPORTING continued

## SEGMENT ASSETS

	Unaudited 28 February 2018 6 months R'000	Unaudited 28 February 2017 6 months R'000	Audited 31 August 2017 12 months R'000
Lobster	<b>85 245</b>	72 902	75 140
Pelagics	<b>100 478</b>	79 158	94 743
Hake	<b>5 214</b>	8 224	15 935
Squid	<b>26 140</b>	17 103	10 701
Abalone	<b>115 508</b>	72 303	84 216
Cold storage	<b>619</b>	1 074	628
Seagro	<b>2 954</b>	2 579	6 181
Processing and marketing	<b>35 648</b>	29 593	35 358
Administration and support services	<b>572 985</b>	120 441	637 996
Total segment assets	<b>944 791</b>	403 377	960 898
Unallocated	<b>12</b>	52	65
Consolidated total assets	<b>944 803</b>	403 429	960 963

# SEGMENTAL REPORTING continued

## SEGMENT LIABILITIES

	Unaudited 28 February 2018 6 months R'000	Unaudited 28 February 2017 6 months R'000	Audited 31 August 2017 12 months R'000
Lobster	<b>15 340</b>	11 698	12 820
Pelagics	<b>8 852</b>	9 280	11 258
Hake	<b>3 698</b>	5 257	4 757
Squid	<b>8 635</b>	6 547	7 124
Abalone	<b>1 950</b>	2 782	6 478
Processing and marketing	<b>6 677</b>	15 820	14 158
Administration and support services	<b>60 105</b>	63 971	60 929
Total segment liabilities	<b>105 257</b>	115 355	117 525
Unallocated	<b>78 599</b>	74 468	72 341
Consolidated total liabilities	<b>183 856</b>	189 823	189 866

For the purposes of monitoring segment performances and resource allocations between segments all assets and liabilities are allocated to reportable segments other than deferred tax assets and liabilities.

## SEGMENTAL REPORTING continued

Included in the segment results are:

	Depreciation and amortisation			Additions to property, plant and equipment		
	Unaudited 28 February 2018 6 months R'000	Unaudited 28 February 2017 6 months R'000	Audited 31 August 2017 12 months R'000	Unaudited 28 February 2018 6 months R'000	Unaudited 28 February 2017 6 months R'000	Audited 31 August 2017 12 months R'000
Lobster	2 684	2 781	5 669	12 772	2 783	3 238
Pelagics	3 739	3 100	6 307	12 414	4 606	10 505
Squid	390	280	623	389	735	1 270
Abalone	565	536	1 148	25 890	271	6 671
Cold storage	40	40	46	-	-	-
Seagro	108	-	237	-	-	-
Processing and marketing	-	1	1	-	-	-
Administration and support services	127	131	230	49	100	377
<b>Total</b>	<b>7 653</b>	<b>6 869</b>	<b>14 261</b>	<b>51 514</b>	<b>8 495</b>	<b>22 061</b>

## SEGMENTAL REPORTING continued

### REVENUE PER REGION

	Unaudited 28 February 2018 6 months R'000	Unaudited 28 February 2017 6 months R'000	Audited 31 August 2017 12 months R'000
United States of America	<b>63 277</b>	64 576	118 801
Far East	<b>41 546</b>	45 508	110 029
Europe	<b>43 230</b>	31 509	60 232
South Africa	<b>36 527</b>	41 074	121 671
<b>Total</b>	<b>184 580</b>	182 667	410 733

## SEGMENTAL REPORTING continued

### DETERMINATION OF HEADLINE EARNINGS

	Unaudited 28 February 2018 6 months R'000	Unaudited 28 February 2017 6 months R'000	Audited 31 August 2017 12 months R'000
Earnings attributable to ordinary equity holders of parent entity	<b>28 850</b>	18 126	68 100
Adjusted for:			
- Effect of loss on disposal of property, plant and equipment	-	56	2 295
- Taxation effect	-	(16)	(643)
Headline earnings	<b>28 850</b>	18 166	69 752
Weighted average number of shares on which earnings and headline earnings per share is based	<b>260 000 000</b>	143 000 000	201 660 000
Headline earnings per share (cents)	<b>11.10</b>	12.70	34.59

Earnings per share was calculated after taking into account the share split which occurred on 1 February 2017 and the share issue which occurred on 2 March 2017. The number of shares in issue in the prior year only includes the share split as the issue of shares occurred after the reporting period. As a result, headline earnings of 11.10 cents per share is lower than that of the comparative period of 12.70 cents per share even though the profit after tax is higher than that of the comparative period.



## REVIEW OF OPERATIONS

### LOBSTER

The 2018 total allowable catch ("TAC") for South Coast Rock Lobster ("SCRL") is 335 tons up by 1% from the prior year TAC of 331 tons. The quota which is available to Premier is 135 tons (2017: 133 tons).

The 2018 TAC for West Coast Rock Lobster ("WCRL") remained unchanged from the prior year at 1 924 tons, however, the offshore allocation decreased from 1 204 tons to 995 tons. The quota which is available to Premier is 64 tons (2017: 87 tons). The total WCRL contracted quota acquired for 2018 is 101 tons (2017: 96 tons). The WCRL's contribution to revenue and profits of the Group is less than 15%.

The Group experienced increased landings due to good catch rates for the lobster division as well as a favourable size mix for SCRL. The favourable size mix resulted in the Group achieving an increase of 3% in US dollar pricing for SCRL as compared to the prior period. The increased landings also resulted in increased sales volumes for the division as compared to the prior period. The good catch rates, increased market prices and volumes resulted in the division maintaining its margin despite the strengthening of the Rand against the Dollar in the current period.

### SMALL PELAGICS

The Group's 2018 quota allocation for Pilchards is 4 396 tons (2017: 3 383 tons). The catch rates for Pilchards have improved slightly compared to the prior period and if the trend continues, the Group expects improved performance for the division in the current financial year. Industrial fish catch rates were the same as those experienced in the prior year. The Group had less fishing days for the current period as compared to the prior period which resulted in lower volumes landed and lower revenues and profits for the division in the current period. However, the Group expects the landings at year-end to improve, which will contribute positively to the divisional performance by year-end.

### SQUID

The fishing rights and the number of fishing vessels utilised for Squid remained unchanged in the current period. The Squid industry experienced exceptional catch rates in the current period. The landed volumes and sales volumes for the division were more than double those of the prior period. The market for South African Squid remained stable despite the significant increase in landed volumes and the Euro sales prices achieved by the Group were the same as that of the prior period. The exceptional catch rates and increased sales volumes resulted in improved margins and in an increase of 81% in operating profits of this division.

### HAKE

The 2018 TAC for Hake is 133 119 tons. The quota which is available to Premier is 700 tons. The Group's Hake quota is caught, processed and marketed through a joint operation with Blue Continent Products (Pty) Ltd. The catch rates for this division are similar to those of the prior period and the division also experienced a favourable size mix for its catches. There was a marginal improvement in the market prices for Hake which resulted in the division maintaining its margins despite the strengthening of the Rand in the current period.

## **ABALONE**

The Group commenced with the expansion construction of its Abalone farm. 30 tons of additional animal rearing capacity has been added to date and construction is anticipated to be completed by the end of Quarter 1 in 2019. The division remains focused on increasing its spat ("Baby Abalone") production and stock holding in preparation for the farm's expansion. Sales volumes for the period were less than those of the prior period as the Group continues to grow out the animals to a bigger size for the market. Sales volumes are expected to increase once construction at the farm has been completed.

## **HORSE MACKEREL**

The Group was awarded a Horse Mackerel quota of 800 tons during the Fishing Rights Application Process 2015/2016 process. The Group's Horse Mackerel quota is caught, processed and marketed by Dessert Diamond Fishing (Pty) Ltd. 30% of the quota was caught during the current period and the Group anticipates the full quota to be caught by year-end.

## **SEAGRO**

Seagro is an organic fertiliser produced from fish oil which is a by-product of the fishmeal making process. There was an increased availability of fish oil in the current period which resulted in production of seagro and increased sales volumes as compared to the prior period. The increased sales volumes in the current period resulted in increased profitability compared to the prior period.

## **PROCESSING AND MARKETING**

The total WCRL contracted quota acquired for 2018 is 101 tons (2017: 96 tons). The total wild abalone contracted quota acquired for 2018 is 31 tons (2017: 30 tons). Landed volumes for the current period were lower than those of the prior year due to the reduced number of fishing days. The lower landed volumes resulted in lower sales volumes and revenue and profits for the current period. Landed volumes increased significantly after the reporting period and the Group anticipates the full quotas to be caught by year end.

## **FUTURE PROSPECTS**

The Group continues to focus on the expansion of its abalone farm, additional acquisitions and increasing the diversification of its product basket. Talhado generated a significant increase in revenue and profit due to the exceptional catch rates being experienced in the Squid industry. The Group expects Talhado to contribute significantly to the operational performance of the Group. The Group also expects to realise synergies with Talhado once the acquisition is finalised.

## DIVIDENDS

No interim dividend have been declared or proposed for the six months ended 28 February 2018.

## REPORTING ENTITY

Premier is a Company domiciled in South Africa. These condensed unaudited consolidated interim financial statements ("interim financial statements") as at and for the six months ended 28 February 2018, comprises of Premier the Company, its subsidiaries and interests in joint ventures operations.

## BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared and presented in accordance with International Accounting Standard 34 ("IAS 34"), the Listings Requirements of the JSE Limited ("JSE") ("the Listings Requirements"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa (No. 71 of 2008), as amended, applicable to summarised financial statements.

The accounting policies applied in the preparation of the interim financial statements, which are based on reasonable judgement and estimates, are in accordance with International Financial Reporting Standards ("IFRS") and are consistent with those applied in the audited annual financial statements for the year ended 31 August 2017. The condensed consolidated interim financial statement have been prepared by Brent Robertson CA(SA), Head of Finance under the supervision of Isaiah Tatenda Bundo CA(SA), the Finance Director and were not reviewed or audited by the Group's external auditors, BDO Cape Inc.

These interim financial statements were authorised for issue by the Company's Board of Directors on 17 May 2018.

## USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited consolidated financial statements for the year ended 31 August 2017.

## MEASUREMENT OF FAIR VALUES

The Group has an established control framework with respect to the measurement of fair values. The fair-valuation calculations are performed by the Group's finance department and operational team on an annual basis. The finance department reports to the Group's Finance Director. The valuation reports are approved by the investment committee in accordance with the Group's reporting policies.

## APPRECIATION

We wish to thank our employees, Group executives, management, our Board of directors, as well as our strategic partners, stakeholders and business partners for their loyalty and dedication in contributing to the success of the Group.

**Prof Vukile Mehana**

*Non-executive chairman*

**Mr Mogamat Samir Saban**

*Chief executive officer*

Cape Town  
17 May 2018

# CORPORATE INFORMATION

## **Premier Fishing and Brands Limited**

(previously Premier Food and Fishing Limited)

(Incorporated in the Republic of South Africa)

Registration number 1998/018598/06

Share code: PFB and ISIN: ZAE000247516

("Premier" or "the Group" or "the Company")

## **DIRECTORS**

\*\*\* Reverend Dr Vukile Mehana (Independent Non-executive chairman):

\*\* Khalid Abdulla (Deputy Chairman)

Mogamat Samir Saban (Chief executive officer);

Isaiah Tatenda Bundo (Chief financial officer);

Rushaan Isaacs (Sales and marketing director);

\*\*\* Salim Young;

\*\*\* Rosemary Phindile Mosia;

\*\* Aziza Begum Amod;

\*\* Cherie Felicity Hendricks;

\*\*\* Clifford Leonard van der Venter;

\*\*\* Advocate Ngoako Ramatlhodi (appointed 7 March 2018);

\*\*\* Sebenzile Patrick Mngconkola (appointed 7 March 2018)

\*\*\* *Independent Non-executive*

\*\* *Non-executive*

**Company secretary:** Nobulungisa Mbaliseli

**Registered address:** Quay 7, East Pier, Victoria & Alfred Waterfront, Cape Town 8001

**Email:** Nobulungisa@aeei.co.za

**Transfer secretaries:** Link Market Services South Africa (Pty) Ltd.

**Auditors:** BDO Cape Inc.

**Sponsor:** PSG Capital



