Premier Fishing & Brands Limited

The First Choice

UNAUDITED CONDENSED CONSOLIDATED INTERIM GROUP RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2019

COVER DESIGN TO BE UPDATED

COMMENTS

GROUP PROFILE

Premier Fishing and Brands Limited through its subsidiaries operates a vertically integrated fishing business which specialises in the harvesting, processing and marketing of fish and fish-related products. The Group holds medium to long-term fishing rights in squid, lobster, small pelagics, hake deep-sea trawl, hake longline, horse mackerel, swordfish and tuna. The Group also owns an abalone farm and invests in organic fertilisers through the "Seagro" range of products.

Highlights compared to the prior period:

- Revenue increased by 55% to R287 million from R185 million.
- Gross profit increased by 72% to R130 million from R76 million.
- Operating profit increased by 200% to R60 million from R20 million.
- Profit before tax increased by 78% to R73 million from R41 million.
- Cash generated from operations for the period amounted to R55 million.
- A Maiden gross dividend of 10 cents per share has been declared after the reporting period, but before the financial statements were authorised for issue.

The Group delivered a strong performance for the period, with revenue increasing by 55% and operating profit increasing by 200% compared to the previous period.

Cash generated from operations increased by 256% to R56 million, compared to the previous period cash outflow of R21 million.

The acquisition of Talhado into the group is now fully accounted for and the benefits of the acquisition has contributed positively to our results under review.

The increase in operating profit is mainly attributable to the strong performance of the squid division.

Our abalone division continued to deliver results in line with management's expectations, whilst we continue to focus on our expansion plans with increased performance expected to be achieved once the expansion is completed.

Group headline earnings increased by 22% to R35 million from R29 million. HEPS increased to 13.49 cents per share from 11.10 cents per share and EPS increased to 13.44 cents per share from 11.10 cents per share.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 28 February 2019

	Unaudited Group 28 February 2019 6 months R'000	Unaudited Group 28 February 2018 6 months R'000	Audited Group 31 August 2018 12 months R'000
Revenue	**286 920**	184 580	490 870
Cost of sales	**(156 793)**	(108 763)	(280 651)
Gross profit	**130 127**	75 817	210 219
Other operating income	**7 388**	672	19 523
Other operating expenses	**(76 703)**	(56 220)	(138 161)
Operating profit	**60 812**	20 269	91 581
Investment revenue	**14 685**	22 325	40 975
Finance costs	**(2 013)**	(1 343)	(3 543)
Profit before taxation	**73 484**	41 251	129 013
Taxation	**(18 775)**	(12 401)	(33 672)
Profit after taxation for the period	**54 709**	28 850	95 341
Total comprehensive income for the period	**54 709**	28 850	95 341
Profit after tax attributable to:			
Shareholders of Premier	**34 940**	28 850	81 858
Non-controlling interests	**19 769**	-	13 483
Profit after taxation for the period	**54 709**	28 850	95 341
Basic and diluted earnings per share (cents)	**13.44**	11.10	31.48
Headline and diluted headline earnings per share (cents)	**13.49**	11.10	31.60
Weighted average number of shares (000s)	**260 000**	260 000	260 000

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 February 2019

	Unaudited Group 28 February 2019 6 months R'000	Unaudited Group 28 February 2018 6 months R'000	Audited Group 31 August 2018 12 months R'000
Assets			
Non-current assets	**568 374**	290 033	509 625
Property, plant and equipment	**367 718**	173 969	310 242
Goodwill	**70 129**	18 165	70 129
Intangible assets	**36 310**	66	39 550
Loans to group companies	**94 131**	97 821	89 618
Deferred tax	**86**	12	86
Current assets	**524 959**	654 770	599 460
Inventories	**48 865**	48 861	48 528
Other financial assets	**4 685**	10 665	3 424
Current tax receivable	**260**	154	264
Trade and other receivables	**128 612**	104 825	128 643
Construction deposits	**–**	8 951	–
Biological assets	**76 015**	55 872	68 021
Cash and cash equivalents	**266 522**	425 442	350 580
Total assets	**1 093 333**	944 803	1 109 085

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

As at 28 February 2019 continued

	Unaudited Group 28 February 2019 6 months R'000	Unaudited Group 28 February 2018 6 months R'000	Audited Group 31 August 2018 12 months R'000
Equity and liabilities			
Equity			
Stated capital	**507 517**	507 517	507 517
Reserves	**8 014**	8 014	8 014
Retained income	**268 364**	245 416	298 424
Equity attributable to shareholders of Premier	**783 895**	760 947	813 955
Non-controlling interests	**43 032**	–	48 481
Total equity	**826 927**	760 947	862 436
Non-current liabilities	**120 108**	87 062	116 134
Other financial liabilities	**4 550**	6 564	4 663
Operating lease liability	**313**	788	333
Post-employment medical costs	**854**	1 111	984
Deferred tax	**114 391**	78 599	110 154
Current liabilities	**146 298**	96 794	130 515
Other financial liabilities	**36 215**	3 178	6 712
Current tax payable	**20 750**	23 201	19 186
Trade and other payables	**84 689**	42 151	89 937
Provisions	**4 644**	4 492	14 680
Bank overdraft	**–**	23 772	–
Total liabilities	**266 406**	183 856	246 649
Total equity and liabilities	**1 093 333**	944 803	1 109 085
Net asset value per share (cents)	**318.05**	292.67	331.71
Weighted average number of shares in issue	**260 000 000**	260 000 000	260 000 000

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the six months ended 28 February 2019

	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
Balance at the beginning of the year	**862 436**	771 097	771 097
Non-controlling interests arising on acquisition of Talhado	**–**	–	50 662
Acquisition of additional shares from non-controlling interests in subsidiaries of Talhado	**–**	–	(15 664)
Profit for the year attributable to shareholders of Premier	**34 940**	28 850	81 858
Profit for the year attributable to non-controlling interests	**19 769**	–	13 483
Dividends	**(90 218)**	(39 000)	(39 000)
Balance at the end of the year	**826 927**	760 947	862 436
Comprising of:			
Stated capital	**507 517**	507 517	507 517
Reserves	**8 014**	8 014	8 014
Retained income	**268 364**	245 416	298 424
Non-controlling interests	**43 032**	–	48 481
Total equity	**826 927**	760 947	862 436

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 28 February 2019

	Unaudited Group 28 February 2019 6 months R'000	Unaudited Group 28 February 2018 6 months R'000	Audited Group 31 August 2018 12 months R'000
Cash (used in)/generated from operations	**54 619**	(21 731)	91 187
Interest income	**9 010**	15 537	29 448
Finance cost	**(2 013)**	(1 343)	(3 543)
Tax paid	**(13 141)**	(4 644)	(54 820)
Net cash flows from operating activities	**48 477**	(12 181)	62 272
Cash flows from investing activities			
Purchases of property, plant and equipment to sustain operations	**(22 077)**	(26 488)	(28 837)
Purchases of property, plant and equipment to expand operations	**(45 679)**	(25 026)	(86 803)
Purchases of intangible assets	**(16)**	(7)	(1 862)
Purchase of biological assets	**(2 994)**	–	(520)
Business combinations	**–**		(61 239)
Acquisition of additional shares from non-controlling interests in subsidiaries of Talhado	**–**		(15 664)
Loans advanced to group companies	**(36 868)**	(20 794)	(58 721)
Loans to group companies repaid	**37 550**	11 520	60 720
Financial assets advanced	**(1 261)**	(8 959)	(341)
Net cash flows from investing activities	**(71 345)**	(69 754)	(193 267)
Cash flows from financing activities			
Proceeds received from financial liabilities	**31 362**	–	942
Repayment of other financial liabilities	**(2 334)**	(1 328)	(4 300)
Dividends paid	**(90 218)**	(39 000)	(39 000)
Net cash flows to financial activities	**(61 190)**	(40 328)	(42 358)
Total cash movement for the year	**(84 058)**	(122 263)	(173 353)
Cash at the beginning of the year	**350 580**	523 933	523 933
Total cash at the end of the year	**266 522**	401 670	350 580

1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared and presented in accordance with International Accounting Standard 34 ("IAS34"), 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 unaudited condensed consolidated interim financial statements have been prepared on the going concern basis and historical cost bases, except where otherwise indicated.

2. ACCOUNTING POLICIES

The accounting policies applied in the preparation of the condensed consolidated 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 2018, except for the adoption of accounting policies described below.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

During the reporting period the Group adopted the newly effective accounting standards, namely:

- **IFRS 9: Financial Instruments**
  - IFRS 9 Financial Instruments (replacing IAS 39 Financial Instruments: Recognition and Measurement) is applicable to the Group for the 2019 annual reporting period, with the first application in the interim Group financial statements.
  - The completed standard comprises guidance on the classification and measurement of financial assets and liabilities, and the introduction of the expected credit loss model (ECL) with respect to the measurement of impairment allowances for financial assets.

Effect of transition

- The Group has transitioned to IFRS 9 retrospectively, with any cumulative material impact being recognised in opening retained income as a result of the initial application of IFRS 9. Comparative information has therefore not been restated.

3. ADOPTION OF NEW ACCOUNTING STANDARDS continued

Classification

- IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics.
- The following table illustrates the original classification categories under IAS 39 and the new classification categories under IFRS 9.

	Original classification under IAS 39	New classification under IFRS 9	Carrying amount per IAS 39 R'000	Carrying amount per IFRS 9 R'000
Financial assets				
Loans receivable	Loans and receivables	Financial assets at amortised cost	**R94 131**	**R94 131**

- There was no material impact on classification of financial liabilities.

Impairment

- The new standard introduces a single "expected credit loss" impairment model for the measurement of financial assets.
- The Group has assessed the impact of IFRS 9 including the application of the expected credit loss (ECL) model for the measurement of the impairment allowance of our trade and other receivables (through the application of the simplified approach)as well as loans to Group Companies.

Trade Receivables

- In terms of IAS 39, trade and other receivables were impaired when there was objective evidence of default. IFRS 9 dictates that the impairment is based on the lifetime expected credit losses on trade and other receivables.
- The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward looking factors specific to trade and other receivables including the economic environment.

Loan receivables

– The Group has adopted the general approach, which takes into account the three-stage approach, with respect to the recognition of credit losses being:

	Stage 1	Stage 2	Stage 3
Description	Credit risk has not increased significantly since initial recognition	Credit risk has not increased significantly since initial recognition	Credit-impaired
Recognition of ECLs	12-month ECL	Lifetime ECL	Lifetime ECL
Recognition of interest	Effective interest on gross carrying amount	Effective interest on gross carrying amount	Effective interest on net carrying amount

– At each reporting date, the Group assess whether financial assets classified as amortised cost are credit impaired. Loans receivables are credit impaired when one or more events identified has a detrimental impact on the estimated future cash flows.

– The Group's definition of credit impaired is aligned to its internal credit risk definition of default, namely a failure to make payment when due.

– As at the reporting date, credit risk has not increased significantly since initial recognition ("Stage 1"), and therefore a 12 month ECLs has been determined, which is not material.

Based on our assessment, the application of IFRS 9 had no material impact on the reported earnings or financial position for the interim period under review.

3. ADOPTION OF NEW ACCOUNTING STANDARDS continued

- **IFRS 15: Revenue from contracts with customers**
  - IFRS 15 replaces all existing revenue requirements in IFRS and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of the standards on leases, insurance contracts and financial instruments.
  - The core principle of the standard is that revenue recognised reflects the consideration to which the Company expects to be entitled in exchange for the transfer of promised goods or services to the customer. The standard incorporates a five-step analysis to determine the amount and timing of revenue recognition.

Effect of transition

- The Group has transitioned to IFRS 15 by applying the standard retrospectively with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained income in accordance with Para C7 of IFRS 15. Comparatives have therefore not been restated.
- However, the adoption of the standard did not materially affect the manner of recognition, and therefore no adjustment to opening retained income at the date of initial application.
- IFRS 15 uses the terms 'contract liability' to describe what more might commonly be known as 'accrued revenue' and 'deferred revenue'. The Group has adopted the terminology used in IFRS 15 to describe such balances.
- No financial statement line item has been significantly affected in the current reporting period by the application of IFRS 15, as compared to IAS 18.

4. RESPONSIBILITY FOR THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

The condensed consolidated interim financial statement have been prepared by Brent Robertson CA(SA), Head of Finance under the supervision of Imraan Moosa CA(SA), the Financial Director and were not reviewed nor audited by the Group's external auditors, BDO Cape Inc.

5. SEGMENTAL ANALYSIS

	SEGMENT REVENUE			SEGMENT PROFIT BEFORE TAX		
	Unaudited 28 February 2019 6 months R'000	Unaudited 28 February 2018 6 months R'000	Audited 31 August 2018 12 months R'000	**Unaudited 28 February 2019 6 months R'000**	Unaudited 28 February 2018 6 months R'000	Audited 31 August 2018 12 months R'000
Lobster	**58 663**	89 170	202 318	**15 728**	18 173	53 941
Pelagics	**18 512**	20 101	62 904	**3 902**	4 212	16 379
Hake	**13 429**	15 644	31 492	**5 021**	5 046	8 893
Squid	**171 661**	30 627	128 169	**59 593**	8 338	58 018
Abalone	**16 199**	15 337	31 291	**4 748**	4 615	12 175
Horse mackerel	**231**	569	879	**231**	569	879
Cold storage	**5 623**	5 378	10 453	**448**	387	359
Seagro	**3 955**	2 885	5 790	**918**	712	1 193
Processing and marketing	**1 676**	6 963	23 486	**306**	1 045	5 503
	289 949	186 674	496 782	**90 895**	43 097	157 340
Less: inter segmental sales	**(3 029)**	(2 094)	(5 912)	**–**	–	–
Administration and support services	**–**	–	–	**(35 083)**	(24 378)	(78 937)
Fair value gains	**–**	–	–	**5 000**	1 550	13 178
Interest income	**–**	–	–	**14 685**	22 325	40 975
Finance costs	**–**	–	–	**(2 013)**	(1 343)	(3 543)
Total	**286 920**	184 580	490 870	**73 484**	41 251	129 013

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

5. SEGMENTAL ANALYSIS continued

SEGMENT ASSETS

	Unaudited 28 February 2019 6 months R'000	Unaudited 28 February 2018 6 months R'000	Audited 31 August 2018 12 months R'000
Lobster	**69 119**	85 245	77 566
Pelagics	**90 887**	100 478	103 806
Hake	**6 290**	5 214	11 457
Squid	**220 066**	26 140	220 602
Abalone	**229 023**	115 508	190 774
Cold storage	**1 035**	619	839
Seagro	**1 915**	2 954	3 193
Processing and marketing	**24 080**	35 648	19 522
Administration and support services	**450 832**	572 985	481 240
Total segment assets	**1 093 247**	944 791	1 108 999
Unallocated	**86**	12	86
Consolidated total assets	**1 093 333**	944 803	1 109 085

SEGMENT LIABILITIES

	Unaudited 28 February 2019 6 months R'000	Unaudited 28 February 2018 6 months R'000	Audited 31 August 2018 12 months R'000
Lobster	**18 317**	15 340	15 877
Pelagics	**5 297**	8 852	11 600
Hake	**4 698**	3 698	5 347
Squid	**43 249**	8 635	25 665
Abalone	**6 637**	1 950	16 290
Processing and marketing	**10 687**	6 677	14 980
Administration and support services	**63 130**	60 105	46 736
Total segment liabilities	**152 015**	105 257	136 495
Unallocated	**114 391**	78 599	110 154
Consolidated total liabilities	**266 406**	183 856	246 649

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.

5. SEGMENTAL ANALYSIS continued

INCLUDED IN THE SEGMENTAL RESULTS ARE:

	DEPRECIATION AND AMORTISATION			ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT		
	Unaudited 29 February 2019 6 months R'000	Unaudited 28 February 2018 6 months R'000	Audited 31 August 2018 12 months R'000	**Unaudited 28 February 2019 6 months R'000**	Unaudited 28 February 2018 6 months R'000	Audited 31 August 2018 12 months R'000
Lobster	**2 733**	2 684	4 994	**7 271**	12 772	12 470
Pelagics	**2 953**	3 739	5 648	**11 339**	12 414	14 234
Squid	**6 684**	390	5 237	**504**	785	5 237
Abalone	**1 630**	565	1 051	**45 711**	25 890	87 625
Cold storage	**38**	40	40	**–**	–	–
Seagro	**146**	108	134	**–**	–	–
Processing and marketing	**1**	–	–	**–**	–	17
Administration and support services	**162**	127	380	**2 931**	49	762
Total	**14 347**	7 653	17 485	**67 756**	51 514	116 400

REVENUE PER REGION

	Unaudited 28 February 2019 6 months R'000	Unaudited 28 February 2018 6 months R'000	Audited 31 August 2018 12 months R'000
United States of America	**45 278**	63 277	128 058
Far East	**26 788**	41 546	154 998
Europe	**185 090**	43 230	107 934
South Africa	**29 764**	36 527	99 880
Total	**286 920**	184 580	490 870

6. ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT

During the current interim reporting period, the carrying value of property plant and equipment increased from R310 million to R368 million, the majority of which is attributed to the abalone farm expansion.

7. HEADLINE EARNINGS

	Unaudited 28 February 2019 6 months R'000	Unaudited 28 February 2018 6 months R'000	Audited 31 August 2018 12 months R'000
Earnings attributable to ordinary equity holders of parent entity	**34 940**	28 850	81 858
Adjusted for:			
– Effect of (profit)/loss on disposal of property, plant and equipment	**199**	–	409
– Taxation effect	**(56)**	–	(115)
Headline earnings	**35 083**	28 850	82 152
Weighted average number of shares on which earnings and headline earnings per share is based	**260 000 000**	260 000 000	260 000 000
Headline earnings per share (cents)	**13.49**	11.10	31.60

8. RELATED PARTY TRANSACTIONS

During the period under review, in the ordinary course of business, the Group entered into related party transactions, the substance of which is disclosed in the Group's 2018 Annual Financial Statements.

9. SUBSEQUENT EVENTS

A maiden gross interim dividend of 10 cents per share has been declared after the reporting period but before the financial statements were authorised for issue.

Furthermore, the directors are not aware of any other material facts or circumstances which occurred between the statement of financial position date and the date of approval.

10. DIVIDENDS

Dividend declared after reporting date*	
Dividends per share (cents)	

*These dividends were declared subsequent to the respective reporting period.

CASH DIVIDEND DECLARATION

The Board of directors are pleased to announce that it has approved and declared a maiden gross interim dividend of 10 cents per share for the interim period ended 28 February 2019 from income reserves. The final dividend amount, net of South African dividend tax of 20% which equate to cents per share and is therefore a net cents per share for those shareholders that are not exempt from dividend tax.

The number of ordinary shares in issue at the declaration date is 260 000 000 and the income tax number of the Company is 9246036033.

The salient dates of the dividend distribution are as follows:

Gross dividend (cents per share)	
Dividend net of dividend withholding tax (cents per share)	
Announcement date	
Last day to trade *cum* dividend	
Trading *ex*-dividend commences	
Record date	
Date of payment	

Share certificates may not be dematerialised between Wednesday, 21 November 2018 and Friday 23 November 2018, both days inclusive.

11. CHANGES TO THE BOARD OF DIRECTORS

As previously reported on the JSE Stock Exchange News Service, the following changes to the Board of Directors were effected during the period:

- Reverend Dr Vukile Charles Mehana resigned as independent non-executive director with effect from 14 March 2019. The Board expresses its appreciation and wishes Dr Vukile Charles Mehana the very best for his future endeavours.
- Mr Isaiah Tatenda Bundo has taken up an executive role within an associate of the Group, and hence has stepped down as Chief Financial officer ("CFO") with effect from 21 January 2019. The Board would like to thank Tatenda for his valuable contribution and wishes him well in his new role.
- Mr Imraan Yousuf Moosa has subsequently been appointed as CFO with effect from 21 January 2019.

12. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Condensed Consolidated Interim results were authorised for issue by the Company's Board of Directors on 10 April 2019.

13. AUDIT OPINION

The Condensed Consolidated Interim results have not been reviewed nor audited.

REVIEW OF OPERATIONS

LOBSTER

The 2018/19 total allowable catch ("TAC") for South Coast Rock Lobster ("SCRL") is 316 tons resulting in a slight reduction from the prior year TAC of 331 tons. The quota which is available to Premier is 129 tons (2018: 135 tons). The South Coast rock lobster specie remains a stable fishery and well managed resource.

The West Coast Rock Lobster ("WCRL") sector remains a challenge for the industry and Premier Fishing currently contributes positively as an industry player to ensure the resource remains sustainable for the foreseeable future. The WCRL's contribution to revenue and profits of the Group is less than 10%.

Our South Coast rock lobster brand is a top leading brand in the US market due to high quality standards therefore we are able to attract premium prices. The favourable size mix resulted in the Group achieving an increase of 4% in US dollar pricing for SCRL as compared to the prior period. The Group experienced increased landings due to good catch rates for the lobster division.

SMALL PELAGICS

The Groups quota allocation for pilchards were not issued for the reporting period. The industrial fish quota was set at 348 tons.

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 profit 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 squid division delivered strong returns for the period, even though catch rates were down compared to the same period in the prior period. The Squid division with the acquisition of Talhado contributes to more than 60% of the revenue contribution. In the prior period the revenue contribution from the squid division was less than 20%.

The market for South African squid remains strong, with a steady increase in the average Euro selling price.

The good catch rates, steady increase in the average Euro selling price and consolidation of Talhado, resulted in an increase of 483% in operating profits for the division.

COMMENTS continued

HAKE

The Group's hake quota is caught, processed and marketed through a joint operation with Blue Continents Products (Pty) Ltd. The 2019 TAC for hake is 122 430 tons, with Premier's quota being 691 tons. The division continues to deliver good performance with the division experiencing favourable size mixes as part of its catches. Market prices remained relatively stable resulting in the division maintaining its margins.

ABALONE

The Group remained focused with the expansion of the abalone farm with a target holding capacity between 300 to 350 tons upon completion. The division increased its spat ("Baby Abalone") production from an average of 100 000 spat per month to an average of 200 000 spat per month, when compared to the previous period. The hatchery continues to produce good quality spat which provides a good platform for our planned expansion in production output.

Sales volumes for the period remained similar to that of the prior period, as the farm continues to strategically grow out abalone to a larger size, in order to meet market demand, and thereby maximising the value received for our abalone.

HORSE MACKEREL

The Group was awarded a horse mackerel quota of 800 tons during the Fishing Rights Application Process 2015/2016. 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. The division performed in line with management's expectation, with sales volumes slightly increasing when compared to the prior period, with profitability remaining relatively stable when compared to the prior period.

FUTURE PROSPECTS

The future outlook of the Group is a positive one, as the Group is well positioned to create and maintain shareholder value through organic and acquisitive growth, thereby ensuring delivery on our stakeholder commitments.

Our main strategic focus area is the FRAP 2020 process, with the Group continuing to be well positioned for the 2020 Fishing Rights Application Process (FRAP).

The abalone farm expansion continues to progress well and upon completion, production capacity will increase from 120 tons to between 300 to 350 tons per annum which will increase revenues and profits once the expansion is completed.

The Group continues to pursue strategic acquisitions within the fishing industry, in line with its growth strategy.

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 2019, comprises of Premier the Company, its subsidiaries and interests in joint ventures operations.

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.

Salim Young
Independent Non-executive Deputy Chairman

Mr Mogamat Samir Saban
Chief Executive Officer

Cape Town
10 April 2019

CORPORATE INFORMATION

PREMIER FISHING AND BRANDS LIMITED
(Incorporated in the Republic of South Africa)
Registration number 1998/018598/06
Share code: PFB and ISIN: ZAE000247516
("PFB" or "the Company" or "the Group" or "Premier")

DIRECTORATE AND STATUTORY INFORMATION

DIRECTORS

#* Salim Young (Independent Non-executive deputy chairman
#* Khalid Abdulla
* Mogamat Samir Saban (Chief executive officer)
* Imraan Yousuf Moosa
* Rushaan Isaacs
#* Rosemary Phindile Mosia
#* Aziza Begum Amod
#* Clifford Leonard van der Venter
#* Advocate Ngoako Ramatlhodi
#* Sebenzile Patrick Mngconkola

* Executive directors
#* Non-executive directors

COMPANY SECRETARY

Wazeer Moosa
Quay 7, East Pier, V & A Waterfront, Cape Town, 8001

Email: wazeerm@premfish.co.za

REGISTERED ADDRESS

Quay 7, East Pier, V & A Waterfront, Cape Town 8001

TRANSFER SECRETARIES

Link Market Services South Africa (Pty) Ltd,
Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001

AUDITORS

BDO Cape Inc.

SPONSOR

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