CONSORTIUM FISHERIES LIMITED
Interim condensed consolidated statements of changes in equity for the 6 months ended 31 December 2019 and 12 months ended 30 June 2020

In thousands of Namibia Dollars

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
<th>6 months ended 31 Dec 2019</th>
<th>6 months ended 30 June 2020</th>
<th>12 months ended 30 June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Share capital</td>
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<td>1 903</td>
<td>1 903</td>
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<tr>
<td>4.2</td>
<td>Reserves</td>
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<td>4.3</td>
<td>Additions</td>
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<td>Interim dividends</td>
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<td>4.5</td>
<td>Revaluations</td>
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<td>4.6</td>
<td>Other changes and movements</td>
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<td>4.7</td>
<td>Share capital redemption</td>
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<td>Appropriated amounts</td>
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<td>Treasury shares</td>
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The notes to the condensed interim consolidated financial statements are an integral part of these statements.

CONSORTIUM FISHERIES LIMITED
Notes to the condensed interim consolidated financial statements for the (continued)

1. Nature of the business

The Group is a diversified Namibian fishing company engaged in the capture and sale of Namibian seafood, with operations that include fishing vessels, processing plants and sales infrastructure. The Group has operations both onshore and offshore, primarily based on Namibia’s coast. The Group is also involved in marine architectural steel operations, with the focus in Namibia and South Africa.

1.4 Interim consolidated financial statements

Audited financial statements for the year ended 30 June 2020 are available upon request from the Company’s registered office.

1.5 New Accounting Standards

The Company has adopted in these interim condensed consolidated financial statements the following new accounting standards:

1.5.1 IFRS 16 - leasings

The adoption of this standard has had the following impact on the financial statements

1.5.2 IFRS 17 - insurance contracts

The adoption of this standard has had the following impact on the financial statements:

1.6 Results of operations

The following notes provide a summary of the Group’s results for the six months ended 31 December 2019.

1.6.1 Revenue

The Group’s revenue has increased by 3.8% compared to the prior period, mostly attributable to a tender won by Kratse Marine (Pty) Ltd in the industrial steel industry and an increase in activity in the Marine & Offshore and industrial business units. This was partly offset by a decline in revenues of Hangana Seafood (Pty) Ltd.

1.6.2 Gross profit

The Group recorded an operating loss of N$ 43.0 million compared to a loss in the comparative period. Profitability also declined as margins are significantly lower for fish purchased than for which was caught by our vessels.

1.6.3 Non-current assets

The aforementioned resulted in an operating loss of N$ 43.0 million compared to a loss in the comparative period (Dec: 18: N$ 8.4 million) for this business unit.

1.6.4 Borrowings

Kratse Marine (Pty) Ltd reported revenues of N$ 47.3 million for the 6 months ended 31 December 2019. Revenue has increased by N$ 21.8 million (+58%) compared to the comparative period. This increase is largely attributable to a large tender won in the industrial steel industry and an increase in activity in the Marine & Offshore and industrial business units. As a result Kratse Marine (Pty) Ltd delivered an operating profit of N$ 0.9 million compared to an operating loss of N$ 7.3 million in the comparative period.

1.6.5 Subsequent events

On 18 February 2020, one of the Hangana fishing trawlers, The Replenish, with a carrying amount of N$ 19.4 million as at 31 December 2019, sank off the coast of Walvis Bay. Investigations are underway to assess the reasons for the loss, following which the Group will file a claim for reimbursement of the loss with Hangana’s insurance. The Group estimates that there will be a minimal impact on earnings due to the loss in trawling capacity.

1.6.6 Prospects

The Group remains positive in the long term, with defined diversification and growth strategies that will be developed over the coming years with the focus being on the group’s financial results for the period ended 31 December 2019.

1.6.7 Financial performance

The Group’s revenue has increased by 3.8% compared to the prior period, mostly attributable to a tender won by Kratse Marine (Pty) Ltd in the industrial steel industry and an increase in activity in the Marine & Offshore and industrial business units. This was partly offset by a decline in revenues of Hangana Seafood (Pty) Ltd.

The Group recorded an operating loss of N$ 43.0 million compared to a loss in the comparative period. Profitability also declined as margins are significantly lower for fish purchased than for which was caught by our vessels.

1.6.8 Notes to the condensed interim consolidated financial statements

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

Notes to the audited consolidated financial statements

The notes to the consolidated financial statements are available upon request from the Company’s registered office.

1.1 Nature of the business

The Group is a diversified Namibian fishing company engaged in the capture and sale of Namibian seafood, with operations that include fishing vessels, processing plants and sales infrastructure. The Group has operations both onshore and offshore, primarily based on Namibia’s coast. The Group is also involved in marine architectural steel operations, with the focus in Namibia and South Africa.

1.2 Interim consolidated financial statements

Audited financial statements for the year ended 30 June 2020 are available upon request from the Company’s registered office.

1.3 New Accounting Standards

The following new accounting standards have been implemented during the reporting period and are reflected in these financial statements:

1.4 Interim results

The following notes provide a summary of the Group’s results for the six months ended 31 December 2019.

1.4.1 Revenue

The Group’s revenue has increased by 3.8% compared to the prior period, mostly attributable to a tender won by Kratse Marine (Pty) Ltd in the industrial steel industry and an increase in activity in the Marine & Offshore and industrial business units. This was partly offset by a decline in revenues of Hangana Seafood (Pty) Ltd.

The Group recorded an operating loss of N$ 43.0 million compared to a loss in the comparative period. Profitability also declined as margins are significantly lower for fish purchased than for which was caught by our vessels.

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1.4.8 Notes to the condensed interim consolidated financial statements

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

Notes to the audited consolidated financial statements

The notes to the consolidated financial statements are available upon request from the Company’s registered office.
Windhoek, 1 April 2019

The interim condensed consolidated results of the Group were approved by the Board of Directors.

S Thieme
H v.d. Westhuizen

Company Registration Number 028/68