

HARTLIEF CORPORATION LIMITED
Interim condensed consolidated Statements
of Comprehensive Income for the

<i>In thousands of Namibia Dollars</i>	Note	6 months	6 months	12 months
		ended	ended	ended
		31 Dec 2020	31 Dec 2019	30 Jun 2020
		Unaudited	Unaudited	Audited
Revenue		177 883	166 688	257 055
Cost of sales		(128 365)	(124 012)	(197 132)
Gross profit		49 518	42 676	59 923
Other income		28	880	3 515
Operating expenses		(62 544)	(43 436)	(73 598)
Operating (loss) / profit		(12 998)	120	(10 160)
Investment income		4	36	45
Finance costs		(5 563)	(884)	(3 058)
(Loss) / profit before tax		(18 557)	(728)	(13 173)
Taxation	4	(23)	(354)	3 995
(Loss) / profit for the period		(18 580)	(1 082)	(9 178)
Other comprehensive income items that will not be reclassified to profit or loss				
Gains on property revaluation		0	0	57 450
Taxation relating to items that will not be reclassified		0	0	(19 665)
Other comprehensive income for the period net of tax		0	0	37 785
Total comprehensive (loss) / income		(18 580)	(1 082)	28 607
(Loss) / profit attributable to:				
Owners of the parent		(18 580)	(1 082)	28 607
Non-controlling interest		0	0	0
		(18 580)	(1 082)	28 607
Total comprehensive (loss) / income attributable to:				
Owners of the parent		(18 580)	(1 082)	28 607
Non-controlling interest		0	0	0
		(18 580)	(1 082)	28 607

Interim condensed consolidated
Statements of Financial Position at
In thousands of Namibia Dollars

<i>In thousands of Namibia Dollars</i>	Note	31 Dec 2020	31 Dec 2019	30 Jun 2020
		Unaudited	Unaudited	Audited
ASSETS				
Non-current assets				
Property, plant and equipment	5	245 121	233 837	248 590
Right-of-use assets		4 378	0	5 330
Intangible assets		13 898	45	12 732
Investment property		41 742	6 068	41 889
Goodwill		103 134	10 974	103 134
Deferred taxation		0	1 056	864
		408 273	251 980	412 539
Current assets				
Inventories		20 326	16 843	23 052
Trade and other receivables		19 603	20 685	17 163
Trade receivables - related parties		15 059	0	0
Current tax receivable		665	1 119	1 285
Cash and cash equivalents		3 161	7 326	5 727
		58 814	45 973	47 227
Total assets		467 087	297 953	459 766

HARTLIEF CORPORATION LIMITED
Interim condensed consolidated
Statements of Financial Position at
In thousands of Namibia Dollars

<i>In thousands of Namibia Dollars</i>	Note	31 Dec 2020	31 Dec 2019	30 Jun 2020
		Unaudited	Unaudited	Audited
EQUITY AND LIABILITIES				
Equity				
Share capital and premium		99 168	99 168	99 168
Reserves		98 828	62 138	98 828
Retained earnings		8 487	34 069	27 067
Equity attributable to equity holders of parent		206 483	195 375	225 063
Non-controlling interest		0	0	0
Total equity		206 483	195 375	225 063
Non-current liabilities				
Borrowings	6	14 962	17 662	16 087
Lease liabilities		944	4 793	2 288
Provisions		1 048	0	1 075
Deferred taxation		68 245	54 947	69 087
		85 199	77 402	88 537
Current liabilities				
Trade and other payables		37 495	12 404	12 653
Bank overdrafts		18 537	6 485	10 612
Borrowings	6	3 901	3 673	3 901
Lease liabilities		3 365	2 593	3 613
Loans from group companies		112 107	0	115 161
Current tax payable		0	21	226
		175 405	25 176	146 166
Total liabilities		260 604	102 578	234 703
Total equity and liabilities		467 087	297 953	459 766

Interim condensed consolidated Statements
of Changes in Equity for the

<i>In thousands of Namibia Dollars</i>	Note	6 months	6 months	12 months
		ended	ended	ended
		31 Dec 2020	31 Dec 2019	30 Jun 2020
		Unaudited	Unaudited	Audited
Balance at the beginning of the period		225 063	202 882	202 882
Comprehensive (loss) / income		(18 580)	(1 082)	28 607
Share buy back		0	(6 425)	(6 426)
Balance at the end of the period		206 483	195 375	225 063

Comprising:

Share capital	99 168	99 168	99 168
Change in ownership reserve	0	0	0
Other NDR	0	269	0
Revaluation reserve	98 828	61 869	98 828
Retained earnings	8 487	34 069	27 067
	206 483	195 375	225 063
Non-controlling interest	0	0	0
	206 483	195 375	225 063

HARTLIEF CORPORATION LIMITED
Interim condensed consolidated Statements
of Cash Flows for the

<i>In thousands of Namibia Dollars</i>	Note	6 months	6 months	12 months
		ended	ended	ended
		31 Dec 2020	31 Dec 2019	30 Jun 2020
		Unaudited	Unaudited	Audited
Cash flows from operating activities				
Cash generated before working capital changes		(5 439)	5 974	4 356
Working capital changes		22 153	(1 981)	1 085
Cash generated by operations		16 714	3 993	5 441
Dividends received		0	0	40
Taxation refunded		395	0	(122)
Net finance cost		(5 559)	(848)	(3 053)
Net cash flows from operating activities		11 550	3 145	2 306
Cash flows from investing activities				
Acquisition of property, plant & equipment		(3 470)	(6 689)	(7 459)
Disposal of property, plant & equipment		621	1	1 295
Acquisition of intangible assets		(1 334)	0	(368)
Financial assets increased		0	0	0
Net cash flows from investing activities		(4 183)	(6 688)	(6 532)
Cash flows from financing activities				
Net cash flows from financing activities		(17 858)	4 662	(381)
Net change in cash and cash equivalents		(10 491)	1 119	(4 607)
Cash and cash equivalents at 1 July		(4 885)	(278)	(278)
Cash and cash equivalents at end of the period		(15 376)	841	(4 885)
Cash and cash equivalents consist of:				
Bank overdraft		(18 537)	(6 485)	(10 612)
Bank balances and cash		3 161	7 326	5 727
		(15 376)	841	(4 885)

Notes to the condensed interim consolidated
Financial Statements for the (continued)

<i>In thousands of Namibia Dollars</i>	6 months	6 months	12 months
	ended	ended	ended
	31 Dec 2020	31 Dec 2019	30 Jun 2020
	Unaudited	Unaudited	Audited

Notes to the condensed interim consolidated Financial Statements
Note 1 - Reporting entity

Hartliet Corporation Limited is a company domiciled in the Republic of Namibia. The interim condensed consolidated financial statements of the Group as at and for the period ended 31 December 2020 is comprised of the Company and its subsidiaries (together referred to as the "Group"). The audited consolidated financial statements of the Group as at and for the year ended 30 June 2020 are available upon request from the Company's registered office.

Note 2 - Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and disclosure requirements of IAS 34, Interim Financial Reporting and the requirements of the Namibian Companies Act. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2020.

Note 3 - Significant accounting policies

The accounting policies applied by the Group in these interim condensed consolidated financial statements are substantially the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2020.

Note 4 – Taxation
Major components of taxation

Namibia – Current taxation	(0)	(60)	226
Namibia - Deferred taxation	(23)	(294)	(4 221)
	(23)	(354)	(3 995)

Note 5 - Property, plant and equipment

Net book value at beginning of the period	248 590	225 283	225 283
Additions	3 470	14 075	14 808
Disposals	(592)	(1)	(315)
Revaluations	0	0	57 450
Transfers	(645)	0	(36 248)
Depreciation and impairments	(5 702)	(5 520)	(12 388)
Net book value at end of the period	245 121	233 837	248 590

HARTLIEF CORPORATION LIMITED
Notes to the condensed interim consolidated
financial statements for the (continued)

<i>In thousands of Namibia Dollars</i>	6 months	6 months	12 months
	ended	ended	ended
	31 Dec 2020	31 Dec 2019	30 Jun 2020
	Unaudited	Unaudited	Audited
Note 6 - Other financial liabilities			
Non-current liabilities (secured)			
At amortised cost			
<i>Instalment sale creditors</i>			
First National Bank of Namibia Limited	9 543	10 217	10 469
- Less current portion	(1 936)	(1 955)	(1 862)
	7 607	8 262	8 607
<i>Mortgage bonds</i>			
First National Bank of Namibia Limited	9 320	11 118	9 519
- Less current portion	(1 965)	(1 718)	(2 039)
	7 355	9 400	7 480
	14 962	17 662	16 087
Current liabilities (secured)			
At amortised cost			
<i>Instalment sale creditors</i>			
Bank loan	1 936	1 955	1 862
Bank loan	0	0	0
Mortgage bonds	1 965	1 718	2 039
	3 901	3 673	3 901
Current liabilities (unsecured)			
At fair value through profit and loss			
<i>Foreign exchange contracts</i>			
	0	0	0
	3 901	3 673	3 901

Group operational and financial review

The Board is pleased to report on the Group's financial results for the period ended 31 December 2020.

Financial performance

The Group acquired Windhoek Schlachtereie on 30 June 2020. This contributed to the increase of revenue and operating expenses of 6.3% and 30.6% respectively due to the increased operations. The economic effects of Covid-19 and increased meat prices were apparent throughout the reporting period. Finance costs also increased as the purchase of Windhoek Schlachtereie was financed through an intercompany loan of N\$110 million.

The Group recorded an operating loss of N\$13 million compared to an operating profit of N\$120 thousand in the comparative period.

Processed and Fresh Meats

Hartliet Continental Meat Products (Pty) Ltd reported revenue of N\$ 177.9 million for the 6 months ended 31 December 2020. This was N\$ 11.1 million (6.7%) above the comparative period. The sales decreased significantly due to a decline in consumer spend as Covid-19 impacted the local and regional economy. The acquisition of Windhoek Schlachtereie however resulted in an additional N\$ 60.2 million revenue and contributed N\$ 10.9million in gross profit.

Namibia Dairies managed a significant portion of the distribution function, allowing for a significant increase in the logistic footprint of the Hartliet products. This benefit was however offset by a general decline in spending power of consumers due to the adverse impact of the Covid-19 pandemic on the economy.

South Africa

Hartliet Continental Meat Products (SA) (Pty) Ltd reported revenues of N\$22 million for the 6 months ended 31 December 2020. Revenue has decreased by N\$1.7 million (6.9%) compared to the comparative period. This was mostly due to the Covid-19 lockdown restrictions resulting in a slow start for the financial period.

Subsequent event

No significant subsequent events occurred after the reporting date.

Prospects

All Windhoek Schlachtereie operations have been integrated at the Hartliet factory and significant synergies will benefit the Group's future financial performance.

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Directors

S Thieme, H van der Westhuizen, G Hanke,
G Ling, HB Gerdes, G Shilongo, B Mukuahima, W Raith

Holding company

Ohlthaver & List Finance and Trading Corporation Limited
(incorporated in Namibia)

Ultimate holding entity

Sven Thieme Holdings (Pty) Ltd
(registered in Namibia)

Secretaries

Ohlthaver & List Centre (Pty) Ltd
P O Box 16
Windhoek

Windhoek, 31 March 2021

The interim condensed consolidated results of the Group were approved by the Board of Directors and signed on behalf of the Board of Directors by:

S Thieme

H van der Westhuizen

Company Registration Number 96/442



HARTLIEF CORPORATION LIMITED

Interim Condensed Consolidated

Financial Statements

The unaudited interim condensed
consolidated results of the Group
for the period ended
31 December 2020



Ohlthaver & List
GROUP

CREATING A FUTURE, ENHANCING LIFE