

HARTLIEF CORPORATION LIMITED				
Interim condensed consolidated Statements of Comprehensive Income for the				
		6 months ended 31 Dec 2024	6 months ended 31 Dec 2023	12months ended 30 Jun 2024
<i>In thousands of Namibia Dollars</i>	Note	Unaudited	Unaudited	Audited
Revenue		220 409	211 674	413 368
Cost of sales		(189 787)	(173 073)	(335 091)
Gross profit		30 622	38 601	78 277
Other income		10 805	4 124	3 246
Operating expenses		(65 117)	(75 027)	(166 748)
Operating loss		(23 690)	(32 302)	(85 225)
Investment income		103	40	95
Finance costs		(9 327)	(21 891)	(21 536)
Loss before tax		(32 914)	(54 153)	(106 666)
Taxation	4	(21 477)	-	9 988
Loss for the period		(54 391)	(54 153)	(96 678)
Other comprehensive income items that will not be reclassified to profit or loss				
Remeasurements on net defined benefit Liability/asset		-	-	1 078
Other comprehensive income for the period net of tax		-	-	1 078
Total comprehensive loss		(54 391)	(54 153)	(95 600)

Interim condensed consolidated Statements of Financial Position at				
<i>In thousands of Namibia Dollars</i>	Note	31 Dec 2024 Unaudited	31 Dec 2023 Unaudited	30 Jun 2024 Audited
ASSETS				
Non-current assets				
Property, plant and equipment	5	315 498	299 302	305 575
Right-of-use assets	6	19 589	20 935	21 746
Intangible assets		13 670	13 052	14 501
Goodwill		103 134	103 134	103 134
		451 891	436 423	444 956
Current assets				
Inventories		39 683	66 582	51 271
Trade and other receivables		65 137	52 710	50 599
Current tax receivable		1 039	1 037	1 039
Cash and cash equivalents		2 754	4 806	4 569
Non-current assets held for sale		6 281	5 933	6 325
		114 894	131 068	113 803
Total assets		566 785	567 491	558 759
EQUITY AND LIABILITIES				
Equity				
Share capital and premium		99 168	99 168	99 168
Reserves		113 618	113 618	113 618
Accumulated loss		(285 965)	(190 127)	(231 574)
Total equity		(73 179)	22 659	(18 788)
Non-current liabilities				
Borrowings	7	-	619	58
Lease liabilities	8	17 815	12 793	17 815
Provisions		4 411	4 262	4 070
Deferred taxation		83 234	71 720	61 756
Loans from group companies		338 330	140 070	293 330
		443 790	229 464	377 029
Current liabilities				
Trade and other payables		48 079	39 805	37 271
Bank overdrafts		22 268	47 926	36 007
Borrowings	7	166	974	691
Lease liabilities	8	4 620	10 174	5 998
Loans from group companies		120 625	216 489	120 155
Liabilities of disposal groups		416	-	396
		196 174	315 368	200 518
Total liabilities		639 964	544 832	577 547
Total equity and liabilities		566 785	567 491	558 759

HARTLIEF CORPORATION LIMITED				
Interim condensed consolidated Statements of Changes in Equity for the				
		6 months ended 31 Dec 2024	6 months ended 31 Dec 2023	12 months ended 30 Jun 2024
<i>In thousands of Namibia Dollars</i>		Unaudited	Unaudited	Audited
Balance at the beginning of the period		(18 788)	76 812	76 812
Comprehensive loss		(54 391)	(54 153)	(95 600)
Balance at the end of the period		(73 179)	22 659	(18 788)
Comprising:				
Share capital		99 168	99 168	99 168
Revaluation reserve		113 618	113 618	113 618
Accumulated loss		(285 965)	(190 127)	(231 574)
		(73 179)	22 659	(18 788)

Interim condensed consolidated Statements of Cash Flows for the				
		6 months ended 31 Dec 2024	6 months ended 31 Dec 2023	12 months ended 30 Jun 2024
<i>In thousands of Namibia Dollars</i>	Note	Unaudited	Unaudited	Audited
Cash flows from operating activities				
Cash generated before working capital changes		(14 015)	(22 481)	(65 836)
Working capital changes		7 858	(15 661)	(847)
Cash used in operations		(6 157)	(38 142)	(66 683)
Taxation paid		-	63	(10)
Net interest paid		(2 569)	(8 330)	(17 308)
Net cash flows to operating activities		(8 726)	(46 409)	(84 001)
Cash flows from investing activities				
Acquisition of property, plant & equipment		(14 425)	(23 220)	(35 243)
Disposal of property, plant & equipment		1	120	328
Acquisition of intangible assets		(90)	(210)	(1 932)
Net cash flows to investing activities		(14 514)	(23 310)	(36 847)
Cash flows from financing activities				
Repayment of borrowings		(583)	(796)	(1 824)
Loans advanced from related parties		38 815	67 660	149 000
Repayment of group loans		-	-	(12 000)
Finance lease payments		(3 068)	(3 017)	(8 519)
Net cash flows from financing activities		35 164	63 847	126 657
Net change in cash and cash equivalents		11 924	(5 872)	5 809
Cash and cash equivalents at 1 July		(31 438)	(37 248)	(37 247)
Cash and cash equivalents at end of the period		(19 514)	(43 120)	(31 438)

Cash and cash equivalents consist of:			
Bank overdraft	(22 268)	(47 926)	(36 007)
Bank balances and cash	2 754	4 806	4 569
	(19 514)	(43 120)	(31 438)

Notes to the condensed interim consolidated Financial Statements

Note 1 - Reporting entity
Hartlief 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 2024 comprise 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 2024 are available upon request from the Company's registered office.

Note 2 - Statement of compliance
These unaudited 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, but is not itself reviewed or audited. 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 2024.

Note 3 - Material 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 2024.

HARTLIEF CORPORATION LIMITED				
Notes to the condensed interim consolidated Financial Statements for the (continued)				
	6 months ended 31 Dec 2024	6 months ended 31 Dec 2023	12 months ended 30 Jun 2024	
<i>In thousands of Namibia Dollars</i>	Unaudited	Unaudited	Audited	
Note 4 – Taxation				
Major components of taxation				
Namibia – Current taxation	-	-	-	
Namibia - Deferred taxation	(21 477)	-	9 988	
	(21 477)	-	9 988	
Taxation				
With the promulgation of the Income Tax Amendment Act on 16 September 2024, the changes to the ability to carry forward assessed losses has resulted in the recognition of a Deferred tax liability for taxable timing differences which are not expected to be set off against assessed losses within 5 years.				

Note 5 - Property, plant and equipment			
Net book value at beginning of the period	305 575	282 290	282 290
Additions	14 425	23 220	35 243
Disposals	-	-	(355)
Transfers and other movements	606	-	-
Depreciation and impairments	(5 108)	(6 208)	(11 603)
Net book value at end of the period	315 498	299 302	305 575
Cash and non-cash additions			
Cash payments	14 425	23 220	35 243
Non-cash payments	-	-	-
Total capital expenditure	14 425	23 220	35 243
Note 6 – Right-of-use assets			
Net book value at beginning of the period	21 746	16 153	16 153
Additions	1 673	9 473	14 415
Disposals	-	(828)	(1 636)
Other adjustments (rental)	18	-	-
Depreciation and impairments	(3 848)	(3 863)	(7 186)
Net book value at end of the period	19 589	20 935	21 746
Note 7 – Borrowings			
Non-current liabilities (secured)			
At amortised cost			
<i>Instalment sale creditors</i>			
First National Bank of Namibia Limited	166	1 593	749
- Less current portion	(166)	(974)	(691)
	-	619	58
Note 8 - Lease liabilities			
Non-current liabilities			
At amortised cost			
Avis Fleet Services	13 285	12 551	13 219
Other Property Leases	9 150	10 416	10 594
- Less current portion	(4 620)	(10 174)	(5 998)
	17 815	12 793	17 815

HARTLIEF CORPORATION LIMITED				
Notes to the condensed interim consolidated financial statements for the (continued)				
Group operational and financial review				

The Board is pleased to report on the Group's financial results for the period ended 31 December 2024.

Financial performance
The Group recorded an operating loss of N\$ 23.7 million for the six months compared to an operating loss of N\$ 32.3 million for the comparative period.

The Group’s operating loss improved by 26% from the comparative period, mainly as a result of a 4.0% increase in revenue and 13.2% reduction in operational expenses.

The Group gross profit margin decreased from 18.2% in the comparative period to 13.9% in the current period. The reduction in margin is as a result of Hartlief having to implement a defensive pricing strategy since July 2024 to protect its market share and counter significant competitor products entering the formal trade both from South Africa as well as Namibian suppliers.

South Africa

Hartlief Continental Meat Products (SA) (Pty) Ltd reported revenue of N\$ 28.4 million for the 6 months ended 31 December 2024 compared to revenue of N\$ 26.8 million for the comparative period. This represents an increase of 6% in revenue year-on-year. The entity managed to break-even for the 6 months ending 31 December 2024 compared to a net loss of N\$ 4.2 million for the comparative period. The improvement in net result is driven by a N\$ 1.6 million increase in sales, a N\$ 1.3 million covid business interruption insurance relief claim payout and a reduction of N\$ 1.8 million in operational expenditure.

Farmers Meat

Farmers Meat Market Mariental Abattoir (Pty) Ltd reported revenues of N\$ 33.7 million for the 6 months ended 31 December 2024. This was N\$ 16.7 million higher than the comparative period. Turnover for the period under review was generated mostly through local and regional sales with new opportunities realized within the Norwegian and European markets.

Going concern

We draw attention to the fact that at 31 December 2024, the Group incurred negative operating cash flows of N\$ 8,7million and N\$ 84 million in the comparative period and as at that date its total liabilities exceeded its total assets by N\$73.2 million (30 June 2024: N\$18.7million). The Group continues to incur losses.

The Group's ability to continue as a going concern is dependent on the resumption of profitable operations and the continuation of the existent levels of finance from the shareholders until the Group is able to meet its obligations in the ordinary course of business. The shareholder loan due to Ohlthaver & List Finance and Trading Corporation Limited, has been subordinated, to the extent that liabilities exceed the assets of the company, in favour of other creditors of the company.

Subsequent event

No significant subsequent events occurred after the reporting date.

Prospects

The Group remains under pressure as competitor activity within the processed products category continues to place pressure on both volumes and pricing, while raw material pricing for specifically beef and MDM remain high due to shortages in both the local and international markets. Robust pricing strategies in conjunction with operational efficiencies and fixed cost savings will remain Hartlief Namibia and South Africa’s primary focus for the remainder of the financial year. Farmer Meat has seen an increase in demand from both the Norwegian as well as European markets. While lamb availability remains subdued due to the drought conditions in Namibia, we are confident that this will improve by April 2025.

Registered Address
1 Ruhr Street
Northern Industrial
Windhoek
Namibia

P.O. Box 428, Windhoek, Namibia
Tel +264 61 207 700
Fax +264 61 234 021

Directors
S Thieme, WJ Oosthuizen,
M Wenk and J Iben

Holding company
Ohlthaver & List Finance and Trading Corporation Limited
(Incorporated in Namibia)

Ultimate holding entity
Ohlthaver & List Holdings (Proprietary) Limited,
Controlled by Thieme List Trust

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

Auditors
Deloitte & Touche (Namibia)
P O Box 47
Windhoek

Attorneys
Engling Stritter & Partners
P O Box 43
Windhoek

The interim condensed consolidated results of the Group were approved by the Board of Directors in Windhoek on 24 March 2025 and are signed on their behalf by:

S Thieme

WJ Oosthuizen

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 2024

