

HARTLIEF CORPORATION LIMITED
Interim condensed consolidated statements

of comprehensive income for the		6 months	6 months	12 months
		ended	ended	ended
		31 Dec 2023	31 Dec 2022	30 Jun 2023
<i>In thousands of Namibia Dollars</i>	Note	Unaudited	Unaudited	Audited
Revenue		211 674	179 164	398 208
Cost of sales		(173 073)	(144 969)	(305 795)
Gross profit		38 601	34 195	92 413
Other income		4 124	939	1 953
Operating expenses		(75 027)	(63 791)	(145 285)
Operating loss		(32 302)	(28 657)	(50 919)
Investment income		40	12	42
Finance costs		(21 891)	(10 522)	(26 144)
Loss before tax		(54 153)	(39 167)	(77 021)
Taxation	4	-	1 561	2 394
Loss for the period		(54 153)	(37 606)	(74 627)
Other comprehensive income (OCI) items that will not be reclassified to profit/loss				
Remeasurements on net defined benefit Liability/asset		-	-	(475)
Taxation related to OCI		-	-	-
OCI for the period net of tax		-	-	(475)
Total comprehensive loss		(54 153)	(37 606)	(75 102)

Interim condensed consolidated
statements of financial position at

		31 Dec 2023	31 Dec 2022	30 Jun 2023
<i>In thousands of Namibia Dollars</i>	Note	Unaudited	Unaudited	Audited
ASSETS				
Non-current assets				
Property, plant and equipment	5	299 302	247 209	282 290
Right-of-use assets	6	20 935	13 931	16 153
Intangible assets		13 052	13 218	13 019
Investment property		-	43 938	-
Goodwill		103 134	103 134	103 134
Deferred taxation		-	14	-
		436 423	421 444	414 596
Current assets				
Biological assets		66 582	30 051	61 090
Trade and other receivables		52 710	37 419	52 169
Current tax receivable		1 037	1 172	1 100
Cash and cash equivalents		4 806	2 325	1 194
Non-current assets held for sale		5 933	-	6 439
		131 068	70 967	121 992
Total assets		567 491	492 411	536 588
EQUITY AND LIABILITIES				
Equity				
Share capital and premium		99 168	99 168	99 168
Reserves		113 618	113 618	113 618
Accumulated losses		(190 127)	(98 478)	(135 974)
Total equity		22 659	114 308	76 812
Non-current liabilities				
Borrowings	7	619	1 673	749
Lease liabilities	8	12 793	9 830	12 843
Deferred taxation		71 720	72 501	71 720
Loans from group companies		140 070	-	140 070
Provisions		4 262	5 229	4 340
		229 464	89 233	229 722
Current liabilities				
Trade and other payables		39 805	53 014	49 506
Bank overdrafts		47 926	52 134	38 442
Borrowings	7	974	1 635	1 640
Lease liabilities	8	10 174	4 902	4 728
Loans from group companies		216 489	177 185	135 308
Liabilities of disposal groups		-	-	430
		315 368	288 870	230 054
		544 832	378 103	459 776
Total equity and liabilities		567 491	492 411	536 588

HARTLIEF CORPORATION LIMITED
Interim condensed consolidated statements

of changes in equity for the		6 months	6 months	12 months
		ended	ended	ended
		31 Dec 2023	31 Dec 2022	30 Jun 2023
<i>In thousands of Namibia Dollars</i>	Note	Unaudited	Unaudited	Audited
Balance at the beginning of the period		76 812	151 914	151 914
Comprehensive loss		(54 153)	(37 606)	(75 102)
Balance at the end of the period		22 659	114 308	76 812
<i>Comprising:</i>				
Share capital and premium		99 168	99 168	99 168
Revaluation reserve		113 618	113 618	113 618
Accumulated losses		(190 127)	(98 478)	(135 974)
		22 659	114 308	76 812

Interim condensed consolidated statements

of cash flows for the		6 months	6 months	12 months
		ended	ended	ended
		31 Dec 2023	31 Dec 2022	30 Jun 2023
<i>In thousands of Namibia Dollars</i>	Note	Unaudited	Unaudited	Audited

Cash flows from operating activities

Cash utilized before working capital changes	(22 481)	(20 798)	(36 731)
Working capital changes	(15 661)	(805)	(43 225)
Cash utilized by operations	(38 142)	(21 603)	(79 956)
Taxation refunded	63	-	-
Net finance cost	(8 330)	(6 464)	(14 456)
Net cash flows to operating activities	(46 409)	(28 067)	(94 412)

Cash flows from investing activities

Acquisition of property, plant & equipment	(23 220)	(1 481)	(3 449)
Disposal of property, plant & equipment	120	191	511
Transfer to disposal assets held for sale	-	-	(360)
Acquisition of intangible assets	(210)	(32)	-
Net cash flows to investing activities	(23 310)	(1 322)	(3 298)

Cash flows from financing activities

Repayment of borrowings	(796)	(944)	(2 005)
Loans advanced from related parties	67 660	31 900	117 400
Finance lease payments	(3 017)	(3 040)	(6 597)
Net cash flows from financing activities	63 847	27 916	108 798

Net change in cash and cash equivalents

Cash and cash equivalents at 1 July	(37 248)	(48 336)	(48 336)
Cash and cash equivalents at end of the period	(43 120)	(49 809)	(37 248)

Cash and cash equivalents consist of:

Bank overdraft	(47 926)	(52 134)	(38 442)
Bank balances and cash	4 806	325 194	1 194
	(43 120)	(49 809)	(37 248)

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 2023 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 2023 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 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 2023.

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 2023.

HARTLIEF CORPORATION LIMITED
Notes to the condensed interim consolidated

financial statements for the (continued)		6 months	6 months	12 months
		ended	ended	ended
		31 Dec 2023	31 Dec 2022	30 Jun 2023
<i>In thousands of Namibia Dollars</i>	Note	Unaudited	Unaudited	Audited
Note 4 – Taxation				
Major components of taxation				
Namibia - Deferred taxation		-	1 561	2 394
Namibia - Normal taxation		-	-	-
		-	1 561	2 394
Note 5 - Property, plant and equipment				
Net book value at beginning of the period		282 290	250 579	250 579
Additions		23 220	1 481	3 449
Disposals		-	(2)	(230)
Transfer from investment property		-	-	37 824
Depreciation and impairments		(6 208)	(4 849)	(9 332)
Net book value at end of the period		229 302	247 209	282 290
Cash and non-cash additions				
Cash payments		23 220	1 481	3 449
Non-cash additions		-	-	-
Total capital expenditure		23 220	1 481	3 449
Note 6 – Right-of-use assets				
Net book value at beginning of the period		16 153	8 302	8 302
Additions		9 473	8 665	14 800
Disposals		(828)	(266)	(653)
Depreciation and impairments		(3 863)	(2 770)	(6 296)
Net book value at end of the period		20 935	13 931	16 153
Note 7 - Other financial liabilities				
Non-current liabilities (secured)				
At amortised cost				
<i>Instalment sale creditors</i>				
- First National Bank of Namibia Limited		1 593	308	2 389
- Less current portion		(974)	(1 635)	(1 640)
		619	673	749
Note 8 - Lease liabilities				
Non-current liabilities				
At amortised cost				
- Avis Fleet Services		12 551	9 908	10 844
- First National Bank of Namibia Limited		-	54	-
- Other property leases		10 416	4 770	6 727
- Less current portion		(10 174)	(4 902)	(4 728)
		12 793	9 830	12 843

HARTLIEF CORPORATION LIMITED
Notes to the condensed interim consolidated

financial statements for the (continued)		6 months	6 months	12 months
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<i>In thousands of Namibia Dollars</i>	Note	Unaudited	Unaudited	Audited
Group operational and financial review				
The Board is pleased to report on the Group's financial results for the period ended 31 December 2023.				
Financial Performance				
The Group recorded an operating loss of N\$ 32.3 million for the six months compared to an operating loss of N\$ 28.7 million in the previous six months.				
The Group's operating loss increased with 13% from the comparative period, mainly as a result of the price and availability of pork, coupled with lower than expected lamb export sales in Farmers Meat.				
The South African border remained closed for the past 6 months as a result of the Foot and Mouth Disease (FMD) crisis, resulting in pork being imported from Europe and Botswana to account for the shortfall in pork that can be sourced locally.				
Operational expenses increased with 17.6% from the comparative period, which is mainly attributable to the operational expenses of Farmers Meat which was operational for the full 6 months in the current period compared to 2 months during the comparative period.				
The gross profit margin decreased from 19.1% in the comparative period to 18.2% in the current period.				
Processed and Fresh Meats				
Hartlief Continental Meat Products (Pty) Ltd reported revenue of N\$ 188.4 million for the 6 months ended 31 December 2023. This was N\$ 26 million (16%) higher than the comparative period.				
South Africa				
Hartlief Continental Meat Products (SA) (Pty) Ltd reported revenues of N\$ 26.8 million for the 6 months ended 31 December 2023. Revenue remained flat compared to the comparative period. Despite the consistent revenue, a net loss of N\$ 4.2 million was reported for the period compared to a net loss of N\$ 1.7 million in the previous period. This is as a result of an increase in the cost of raw materials which cannot be passed on to the consumer in order to remain competitive in the market, in addition to the closure costs for the Hermanus Deli in August 2023 of N\$1.4 million. Sales prices of all products are currently being revised to ensure costs are recovered to prevent the erosion of margins.				
Farmers Meat				
Farmers Meat Market Mariental Abattoir (Pty) Ltd reported revenues of N\$ 17 million for the 6 months ended 31 December 2023. This was N\$12 million higher than the comparative period. Sales in Farmers Meat for the past 6 months are comprised of sales to Hartlief Factory and regional sales to Botswana and Seychelles.				
This increased revenue was offset by significant increase in operational costs and therefore operating losses of N\$13.3 million were incurred for the period compared to N\$5.2 million in the comparative period (155.8% increase year on year).				
Subsequent event				
No significant subsequent events occurred after the reporting date.				
Prospects				
The Group remains under pressure as raw material prices and availability is still a major constraint. The Group is focusing on its sales strategy and portfolio and its procurement strategy to reduce the cost at which raw material is procured and maximize returns on available raw material.				

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Directors

S Thieme, H v.d. Westhuizen, W J Oosthuizen
M Wenk, N Tinschmann, HB Gerdes, A Kesselman

Holding company

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

Ultimate holding entity

Sven Thieme Trading Enterprises (Proprietary) Limited
trading as SAN (Proprietary) Limited
(Incorporated in Namibia)

Secretaries

Ohlthaver & List Centre (Pty) Ltd
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Auditors

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P O Box 47
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Attorneys

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The interim condensed consolidated results of the Group were approved by the Board of Directors in Windhoek on 28 March 2024 and are signed on their behalf by:

S Thieme

H v.d. Westhuizen

Company Registration Number 1968/0028



HARTLIEF CORPORATION LIMITED

Interim Condensed Consolidated

Financial Statements

The unaudited interim condensed
consolidated results of the Group

for the period ended

31 December 2023



SINCE 1919

Ohlthaver & List
GROUP

CREATING A FUTURE, ENHANCING LIFE