

Report on the 2020 Audited Financial Statements to our Shareholders

The Board of Directors is pleased to report to its Shareholders on the performance of Group Consolidated Financial Statements (Group) as well as the Financial Statements for Derrimon Trading Company Limited (Company) for the year ended December 31, 2020. Despite the impact of the global COVID-19 pandemic, this year's results demonstrate the Group's agility and the ability of its management team to innovate and quickly make strategic decisions in order to navigate the market dynamics.

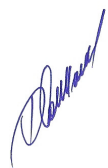
The strategy of building a diversified Group of Companies ensured that the many challenges that came with the market decisions and restrictions, associated with the Covid-19 pandemic, were cushioned due to the diversity of the revenue streams. These challenges included:

- Negative impact on revenue and costs associated with sporadic closure of wholesale and retail stores due to curfews that reduced the hours for economic activity.
- Significant downturn in the beverage portfolio primarily due to the closure of schools and the food service industry.
- The increase in short-term debt in the last quarter of the financial year to fund the deposit required for the US acquisitions.

Notwithstanding the abovementioned challenges, the Group experienced an increase in both revenue and profitability from the subsidiaries (Woodcats and CFF), the retail and online segments of the business and from several portfolios within the distribution segment.

The Consolidated Group and the Company's financial performance were stable during this reporting period. As we continue to navigate the Covid-19 pandemic, we will build on our successes, manage our cost and implement strategies that will continue to generate growth for the Group.

The Board wishes to thank our loyal management team and employees for their commitment and dedication during this year as well as our shareholders, customers and other stakeholders for their support.



Derrick Cotterell
Chairman & CEO