

Report on the 31 December 2022 Audited Financial Statements to our Shareholders

The Board of Directors is pleased to report to its shareholders on the performance of Derrimon Trading Company Limited (Group Consolidated) and Derrimon Trading Company Limited (Company) for the year ended December 31, 2022.

During this year, our company continued with its various innovations as well as the expansion and diversification strategy that is being pursued. The agility of our USA market and domestic operations were pivotal to the Group navigating the adverse market dynamics which affected us such as: the lingering impacts of the global pandemic, inflationary economic pressures and the general slowdown of economies.

The strategy of building a diversified Group of Companies continues to positively impact the financial performance of the Group as is outlined in the attached financial statements for this reporting period.

During the financial year, there were many accomplishments contributing to the growth of our business and several factors which influenced the positive financial outcome reported by the Group. These include:

- Successful completion of the new Select Grocers Supermarket at the Millennium Mall in May Pen, Clarendon and the opening of this modern state of the art facility on November 16, 2022.
- Completion of the acquisition of Spicy Hill Farms Limited and the build out and retrofitting with equipment of the new factory in Kingston.
- Negotiation with the shareholders of Arosa Limited and full takeover of operations on April 1, 2022.
- Implementation of the new retail technology platform – Microsoft LS Retail in the new Select Grocers supermarket and further roll out in all the retail stores.
- Expansion of our proprietary brand, Delect, and the active development and implementation of the route to market strategies.
- Continued growth in revenue, margins and profitability from the Retail, Distribution and e-Commerce Segments of the business.

The aforementioned list of accomplishments and factors influencing the results of our Group took immense dedication during uncertain times and sends a strong message of our intent to deliver on our strategies over the coming years.

The Consolidated Group and Company's financial performance shows the following growth:

- Consolidated total assets of \$15.373 billion which represents a 33.57% or \$3.864 billion growth over the \$11.509 billion reported for the similar period ending December 31, 2021.
- Consolidated revenue of \$18.420 billion, a \$0.675 billion or 3.81% increase over the 2021 reporting period
- Consolidated Gross Profit of \$4.640 billion, a \$1.230 billion or 36.09% increase over the \$3.409 billion reported in 2021 reporting period.

- Operating Profit of \$1.190 billion representing a 51.15% or \$402.585million increase over the \$787.04 million reported in 2021.
- Consolidated profit before tax of \$726.046 million, a \$170.327 million or 30.65% % increase over the 2021 reporting period.
- Net profit of \$617.629 million, a \$169.45million or 37.81% increase over the 2021 reporting period.

Notwithstanding our financial results, the operations of our Group of companies in many markets continue to expose us to various risks and challenges however, given the diversification strategies, competence of our leadership and team, our vision and our focus, we are confident that our Group will continue to produce positive results to create and maintain value for our shareholders.

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 continued support.



Derrick Cotterell
Chairman and Chief Executive Officer