



TRADING UPDATE FOR THE THREE MONTHS ENDED 30 JUNE 2020

TRADING ENVIRONMENT

The business environment continued to be challenging due to instability in the market. The COVID-19 pandemic and the resultant lockdown measures limited trading hours and the movement of people. The reduction in operating hours disrupted production and supply to our stores as well as constrained activity in our stores. Currency depreciation resulted in frequent price increases in a situation of limited disposable incomes, leading to subdued demand. Generally, however, the stores were reasonably stocked since the lockdown started on 30th March 2020. Unfortunately, this year we could not run our biggest annual promotion, The OK Grand Challenge Jackpot Promotion, because of the disruption caused by COVID-19.

EFFECTS OF COVID-19 ON THE BUSINESS

To minimize the impact of the pandemic and the lockdown the company continues with monitoring the following measures:-

- Providing personal protective equipment to all staff;
- Temperatures checks of staff, customers and other stakeholders' on entering the company premises;
- Allowing a limited number of customers in the stores at any one time to promote and maintain social distancing;
- With assistance from public health practitioners, enhance hygienic procedures including provision of sanitizers, hand washing facilities for use by both staff and our customers and increased frequency of cleaning of facilities;
- Engaging suppliers to ensure availability of merchandise for trading in the stores;

BUSINESS PERFORMANCE

Revenue for the quarter was below prior year by 13% (inflation adjusted) and grew by 661% (historical) over the same period. Sales volumes for the quarter were 32.7% below same period in prior year.

Profit margins are within expectations.

SOLVENCY POSITION

The Directors and management have assessed the company's cash generating capacity and are satisfied that the company is capable of settling all its obligations as they fall due as well as continue operating profitably. In addition, the company has banking facilities in place which can be utilized if the need arises.

OUTLOOK AND BUSINESS CONTINUITY

The COVID-19 pandemic is expected to persist for most of 2020. However, the operations of the company are sound and it should continue to be a viable business.

By the order of the Board



M. Munyuru (Mrs.)
Company Secretary

3 August 2020