



PADENGA
HOLDINGS LIMITED

FINANCIAL RESULTS FY2020

Profit Warning

The Board of Directors of Padenga Holdings Limited wishes to advise shareholders of a material change in the Group's profits for the 2020 trading year.

The Group's crocodile and alligator businesses have been impacted by market dynamics resultant from the Covid pandemic and in particular a softening of international markets for luxury exotic skin products resulting in one of the most depressed trading environments ever. There were limited sales opportunities for skins not meeting exacting quality standards and when found, sold at very depressed prices particularly for alligator skins from the United States based subsidiary, Tallow Creek Ranch. Notwithstanding these challenges, both businesses were able to sustain skins supply contracts with premium customers at a time when most crocodilian operations worldwide had no viable market and have ceased production. We believe that our customers will be at the forefront of the market recovery post Covid and that we will play our part in making that happen.

The closure of restaurants across Europe due to Covid-19 induced lockdowns meant that demand for crocodile meat collapsed completely and no export sales were achieved in the period.

The newly acquired Dallaglio mining venture met production and revenue expectations in the period.

The net impact of these factors is that the forthcoming results for the financial year ended 31 December 2020 will reflect a significant reduction in profits relative to prior year.

Shareholders are accordingly advised to exercise due caution in the trading of their shares.

T N Sibanda
Chairman
17 March 2021

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