

ENDEAVOUR HOLDINGS LIMITED

Chairman's Report

I am pleased to report on the financial performance of Endeavour Holdings Limited (EHL) for the half year period ended October 31, 2020.

The business environment in the country continued to be affected by the Covid 19 pandemic as health regulations remained in place during the period.

From June 1, 2020 there was a phased resumption of business activities with various restrictions and guidelines on operations and opening hours that continued into October 2020.

After tax profits decreased by \$4.7M (28%) from \$16.7M in October 2019 as compared to \$12.0M in October 2020.

This was primarily due to a decrease in revenue by \$9.1M (27%) from \$33.3M for half year ended October 2019 to \$24.2M for the half year ended October 2020 which was due to extended concessions granted primarily to tenants in Price Plaza Mall.

Rental expenses decreased by \$2.3M (18%) from \$12.5M for half year ended October 2019 to \$10.2M for half year ended July 2020 due to cost reduction exercises carried out to alleviate the effects of reduced income.

Operating expenses increased by \$0.6M as primarily due to provisions for Expected Credit Losses in keeping with the requirements of IFRS 9.

The reduction in taxes of \$3.9M (80%) from \$4.9M at October 2019 to \$1.0M at October 2020 was due to the reduction in the profit before income tax and the reduced tax rate of 10% for listed SMEs.

Non-current assets decreased by \$ 25.4M from \$864M at October 2019 to \$838.6M at October 2020 due to investment properties revaluations made at financial year end April 2020.

Current assets increased by \$18.2M from \$40.1M at October 2019 to \$58.3M at October 2020 primarily due to increase in cash balances from monies received from the IPO in November 2019 and the deferral of the principal payment on the October 2020 bond installment.

Non-current liabilities have fallen from \$304M in October 2019 to \$293M in October 2020 as debt principal payments for the March 2020 installment were paid.

Current liabilities fell by \$5.0M, as both trade and taxation payables have been reduced.


The increased equity of \$11M resulted from share capital raised by the IPO in December 2019.

The Company previously advised that on October 9, 2020 notice was received from Trinbago Commercial Development Company Limited, the operators of MovieTowne, that they were vacating the leased premises at Price Plaza, Chaguanas with effect from October 31, 2020. The Company is exploring options for a replacement tenant and or new use and is also awaiting legal advice on this matter. Further information will be provided in due course as more information becomes available.

EHL management is very confident that with the expected availability of vaccines for the Covid 19 there will be a positive effect on the business environment and normalization of the operations will occur in the coming months.

Our primary focus is to work with our tenants to ensure they survive this pandemic and maintain their tenancies which will ultimately redound to the benefit of our shareholders.

We are confident that with prudent and skillful navigation of this period we will emerge a more resilient company.



John Aboud
Chairman
December 14, 2020