

ENDEAVOUR HOLDINGS LIMITED
Chairman's Report

I am pleased to report on the financial performance of Endeavour Holdings Limited (EHL) for the quarter ended July 31, 2022.

Covid restrictions have been fully removed allowing businesses to recover from the previous 2 years' restrictions. EHL's financial performance in this quarter reflects this recovery.

On July 8, 2022, EHL completed the acquisition of 100 % of the Issued shares of Massy Properties (Trinidad) Limited (MPTL) for \$45M which was financed by a temporary loan from a related party.

A long term bank loan is in the process of being finalised to replace this related party debt. The post-acquisition Statement of Comprehensive Income and Statement of Financial Position of MPTL have been consolidated into EHL books as at July 31, 2022 and is reported in our quarterly financial statements.

EHL's operational profit after tax increased by \$5.0M from \$3.9M in July 2021 to \$8.9M in July 2022. This is comparable to pre-Covid profits levels. A gain of \$44M was recognised on the acquisition on the Investment in MPTL. This resulted in increasing the Net Profit for the period to \$53M

Revenue from contracts with customers increased marginally by \$200K from \$19.9M as at July 2021 to \$20.1M as at July 2022.

Rental expenses decreased by \$4.4M from \$10.0M as at July 2021 to \$5.7 as at July 2022 primarily due to the reduction in the level of discounts of \$5.4M as at July 2021 and \$646K in July 2022.

Administrative fees increased by \$915K from \$565K in July 2021 to \$1.48M in July 2022, because of increased management and legal fees. Operating expenses have decreased by \$944K from \$854K in July 2021 to negative \$90K in 2022, this resulted from the reversal of bad debt provisions.

The Company's Corporation Tax rate, Business Levy and Green Fund Levy are at zero percent (0%) due to amendments under the Finance Act 2020 granted to listed SMEs.

The net profit for MPTL for July 2022 was \$443K.

The increase in Investment Properties of \$12.2M as at July 2022 represents the fair value adjustment made in the April 2022 year-end financials.


EHL's State of Financial Position for the period also includes its recent investment in Massy Properties (Trinidad) Ltd. which is recorded at \$89M (representing the purchase price of \$45M paid by EHL for the 100% of the issued and outstanding shares of Massy Properties (Trinidad) Ltd. and the excess Net Book Value over the purchase price). The Net Book Value of MPTL is primarily two properties valued at \$90M.

Trade and Other Receivables fell by \$2.7M from July 2021 due to rigorous collections.

Trade and Other Payables decreased by \$940K from July 2021, primarily due to reduced mortgage interest payable.

Borrowings fell by \$28.0M resulting from principal repayments.

As the above narration indicates, our valued tenants are stabilising and management expects that the acquisition of Massy Properties (Trinidad) Limited will have a positive impact on EHL's performance.


John Aboud
Chairman
September 14, 2022