

ENDEAVOUR HOLDINGS LIMITED

Chairman's Report

Fellow shareholders, I am very pleased to report to you our most recent results for our nine months ended 31 January 2023.

The post-acquisition Statement of Comprehensive Income and Statement of Financial Position of Endeavour POS Properties Limited (EHLPOS) (formerly Massy Properties (Trinidad) Limited) have been consolidated into EHL's books as at 8 July 2022 and is reported in our financial statements.

EHL's Profit after tax increased by \$50.3M from \$21.4M in January 2022 to \$71.7M in January 2023. This includes a gain of \$43.8M which was recognised on the acquisition of EHLPOS.

Operational profit excluding the acquisition gain is \$27.9M increasing by \$ 6.5M as compared to January 2022.

Revenue from contracts with customers increased by \$3.7M from \$59.9M as at January 2022 to \$63.6M as at January 2023 due to the inclusion of revenue from EHLPOS.

Rental expenses decreased by \$6.7M from \$24.1M as at January 2022 to \$17.4M as at January 2023. This decrease is primarily credited to the reduction in rental discounts (primarily made available by the Company to tenants during the Covid-19 pandemic) from \$8.9M as at January 2022 to \$1.1M as at January 2023.

Administrative fees increased by \$3.6M from \$1.2M in January 2022 to \$4.8M in January 2023 because of increased management and legal fees combined with EHLPOS expenses. There was an increase in operating expenses by \$427K from \$217K in January 2022 to \$644K in 2023.

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 and 30% for the subsidiary company.

The net profit of the newly acquired subsidiary for July 2022 to January 2023 was \$3.9M.

The increase in Investment Properties of \$106M as at January 2023 represents the EHLPOS properties at \$90M, fair value adjustment made in the April 2022 year-end financials of \$12.2M and in addition building improvements at Price Plaza.

Trade and Other Receivables remained at the \$12M level.

Trade and Other Payables increased by \$911K from January 2022, due to the inclusion of EHLPOS trade and other payables.

Borrowings increased by \$16.8M, which reflects the net result of principal repayments of \$28M and the related party loan of \$45M for the acquisition of EHLPOS.

Dividends of 40 cents per common share were declared on 30 November 2022 and paid in December 2022.

The Board and Management are pleased with this continued improvement in the Company's performance during the period under review.

In looking forward, the Company expects to refinance its bond balloon payment at the end of March 2023, funding for which has already been secured by the Company and CinemaOne Ltd's Multi Cineplex is expected to open in Price Plaza North in May 2023.



John Aboud
Chairman
13 March 2023