

ENDEAVOUR HOLDINGS LIMITED

Chairman's Report

Dear Shareholders,

I am pleased to present our report on the Group's financial performance for the nine months ending 31 January 2024. This report aims to provide you with an overview of our company's recent results and financial position.

Financial Performance:

The profit after tax for the nine months ended 31st January 2024 is \$29.4M, an increase of \$1.4M when compared to the profit after tax of \$28.0M in January 2023 (excluding the gain on the acquisition of the subsidiary in July 2022). The profit, including the gain on acquisition, amounted to \$71.7M in January 2023.

Revenue and Expenses:

Revenue from contracts with customers recorded an increase of \$3.1M, increasing from \$63.6M in January 2023 to \$66.7M in January 2024. This increase can be attributed to the inclusion of nine months' revenue from the subsidiary, as opposed to seven months in 2023, coupled with increased rental income from the new cinema at Price Plaza North from May 2023.

Rental expenses increased by \$2.1M from \$17.4M in January 2023 to \$19.5M in January 2024.

The increase was primarily due to the inclusion of nine months' expenses for the subsidiary, compared to seven months in 2023. This was partially offset by to the continued reduction of rental discounts, which decreased from \$1.1M in 2023 to \$0.4M in 2024.

Administrative fees experienced a decrease of \$1.3M, dropping from \$4.8M in January 2023 to \$3.5M in January 2024. This reduction is primarily attributed to a decrease in legal and professional fees.

Operating expenses also saw a marginal increase of \$0.7M, moving from \$0.6M in January 2023 to \$1.3M in 2024, mainly due to a reduction in bad debts recoveries.

Taxation:

Our parent company currently benefits from a 0% Corporation Tax rate, Business Levy, and Green Fund Levy, due to amendments under the Finance Act 2020 granted to listed SMEs. Our subsidiary company operates at a 30% tax rate.

Financial Position:

Our Investment Properties decreased by \$9.2M as of January 2024 due to a fair value write-down of \$10.6M at year-end, net of building improvements at Price Plaza, moving from \$917.6M in January 2023 to \$908.4M in January 2024.

Trade and Other Receivables remained consistent at \$11.9M. Trade and Other Payables increased by \$0.5M from \$11.5M in January 2023 to \$12.0M in January 2024.

The non-current portion of borrowings increased by \$122.1M resulting from new loans of \$125M by the Company and \$40M by the subsidiary.

The current portion of borrowings decreased by \$122.1M due to the repayment of the \$125M portion of the bond in March 2023.

The related party loan of \$45M was paid off in February 2023.

Dividends:

A Final dividend of 40 cents per common share, for the financial year ended 30 April 2023 was paid in July 2023. Interim dividends for the financial year ending 30 April 2024 of 40 cents per common share was paid on 13 December 2023.

Amalgamation:

On 31 January 2024, the Company, and its wholly owned subsidiary, Endeavour POS Properties Limited were amalgamated. Operations will now be conducted under EHL as the surviving entity.

In conclusion, your Board is confident that a degree of stability has returned, with occupancy levels almost to Pre-pandemic levels. We are actively pursuing opportunities at home and within the CARICOM region that will redound to the benefit of shareholders in the medium to long term.

John Aboud
Chairman
12 March 2024