

ENDEAVOUR HOLDINGS LIMITED

Chairman's Report

I am pleased to report on the financial performance of Endeavour Holdings Limited (EHL) for the first quarter period ended July 31, 2020.

The Covid-19 pandemic continued to negatively affect the business environment in the country and the health regulations remained in place during the first quarter to combat the spread of the virus. Our primary strategy was to work closely with all our tenants by providing support to assist them through this difficult period to ensure their survival. A conscious decision was taken at the beginning of this pandemic to share in the financial burden by providing rental cuts and other relief measures ranging from various levels of waivers and deferrals. The result of which has also negatively impacted our profits but we are all in this together. We remain committed to our valued stakeholders in this journey

Our first quarter included the month of May 2020 when the country was still under the national shut down which started in March 2020. 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 July 2020.

Consequent to the above, the after tax profits decreased by \$3.0M (34%) from \$8.5M in July 2019 as compared to \$5.5M in July 2020.

Revenue decreased by \$6.1M (27%) from \$22.9M for quarter ended July 2019 to \$16.8M for the quarter ended July 2020.

This was due to extended concessions granted primarily to tenants in Price Plaza Mall.

Rental expenses decreased by \$0.9M from \$5.7M for quarter ended July 2019 to \$4.9M for quarter ended July 2020 due to cost reduction exercises carried out to alleviate the effects of reduced income. Operating expenses increased by \$0.5M as the Company has made provisions for Expected Credit Losses in keeping with the requirements of IFRS 9.

The reduction in taxes of \$2.2MM from \$2.7M at July 2019 to \$0.5M at July 2020 was due to the reduced tax rate of 10% for listed SMEs.

Total assets decreased by \$19M from \$915M at July 2019 to \$896M at July 2020 due to investment properties revaluations made at financial year end April 2020.

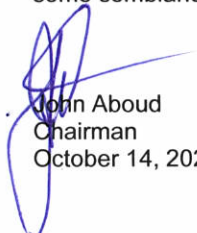
Non-current liabilities have fallen from \$318M in July 2019 to \$292M in July 2020 as debt payments have been made. Current liabilities fell by \$4.7M, as both trade and taxation payables have been reduced.

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

While the effects of the pandemic on the economy and the business environment are still being felt, EHL is continually monitoring and adapting its operations in order to minimize the impact of the pandemic on its performance. The Company believes that its strong asset base and its strong relations with its tenant base will continue to help mitigate the impact on the Company, its shareholders and its stakeholders during this challenging period.

On another note, the Company advises that on October 9, 2020 notice was received from Trinbago Commercial Development Company Limited, the operators of MovieTowne, of its intention to vacate the leased premises at Price Plaza, Chaguanas with effect from October 31, 2020. The Company is in the process of considering the impact of the foregoing on its financial statements and on its shareholders, as well as seeking legal advice on the matter. Further information will be provided in due course as more information becomes available.

EHL remains confident that during the coming months restrictions will continue to be lifted and there will be a return to some semblance of normalcy for the business environment and the country.



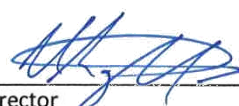
John Aboud
Chairman
October 14, 2020

Endeavour Holdings Limited
Statement of Financial Position
(Expressed in Trinidad and Tobago Dollars)

	UNAUDITED As At 31st July 2020 \$	UNAUDITED As At 31st July 2019 \$	AUDITED As At 30th April 2020 \$
Assets			
Non-Current Assets			
Investment Properties	837,600,000	863,800,000	837,600,000
Property, plant and equipment	1,039,640	208,305	801,171
	<u>838,639,640</u>	<u>864,008,305</u>	<u>838,401,171</u>
Current Assets			
Trade and other receivables	19,485,219	21,939,284	17,450,997
Cash and cash equivalents	38,101,302	29,502,835	31,530,019
	<u>57,586,521</u>	<u>51,442,119</u>	<u>48,981,016</u>
Total Assets	<u>896,226,161</u>	<u>915,450,424</u>	<u>887,382,187</u>
Equity and Liabilities			
<i>Equity attributable to equity holders of the company</i>			
Share capital	43,058,438	32,003,200	43,058,438
Maintenance reserve fund	4,407,401	4,030,223	4,313,107
Retained earnings	502,857,253	503,284,400	497,313,823
Total Equity	<u>550,323,092</u>	<u>539,317,823</u>	<u>544,685,368</u>
Non-Current Liabilities			
Deferred income tax liability	50,668,060	48,209,229	50,100,637
Borrowings	241,891,969	269,901,359	241,803,973
	<u>292,560,029</u>	<u>318,110,588</u>	<u>291,904,610</u>
Current Liabilities			
Due to related parties	526,437	571,794	840,079
Borrowings	28,461,538	28,461,538	28,461,538
Trade and other payables	20,004,731	21,570,455	15,422,603
Taxation payable	4,350,334	7,418,226	6,067,989
	<u>53,343,040</u>	<u>58,022,013</u>	<u>50,792,209</u>
Total Equity and Liabilities	<u>896,226,161</u>	<u>915,450,424</u>	<u>887,382,187</u>



 Director
 Date: October 14, 2020



 Director

Endeavour Holdings Limited
Statement of Comprehensive Income
(Expressed in Trinidad and Tobago Dollars)

	UNAUDITED 3 Months Ended 31st July 2020 \$	UNAUDITED 3 Months Ended 31st July 2019 \$	AUDITED Year Ended 30th April 2020 \$
Revenue from contracts with customers	<u>16,891,671</u>	<u>22,985,040</u>	<u>88,417,695</u>
Rental Expenses	<u>(4,860,257)</u>	<u>(5,752,720)</u>	<u>(22,638,524)</u>
Net Rental Income	<u>12,031,414</u>	<u>17,232,320</u>	<u>65,779,171</u>
Other Income			
Fair value adjustment on investment property	-	-	(26,200,000)
Other income	<u>-</u>	<u>75,541</u>	<u>281,660</u>
	<u>58,856</u>	<u>75,541</u>	<u>(25,918,340)</u>
Expenses			
Administrative	(405,886)	(494,095)	(2,111,095)
Operating	<u>(934,927)</u>	<u>(456,412)</u>	<u>(3,486,147)</u>
	<u>(1,340,813)</u>	<u>(950,507)</u>	<u>(5,597,242)</u>
Operating Profit	<u>10,749,457</u>	<u>16,357,354</u>	<u>34,263,589</u>
Finance costs	<u>(4,178,449)</u>	<u>(4,550,554)</u>	<u>(17,742,786)</u>
Profit before income tax	<u>6,571,008</u>	<u>11,806,800</u>	<u>16,520,803</u>
Taxation			
Current	(460,156)	(2,715,246)	(7,561,904)
Deferred taxation	<u>(567,422)</u>	<u>(630,470)</u>	<u>(2,521,878)</u>
	<u>(1,027,578)</u>	<u>(3,345,716)</u>	<u>(10,083,782)</u>
Profit for the period	<u>5,543,430</u>	<u>8,461,084</u>	<u>6,437,021</u>
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u><u>5,543,430</u></u>	<u><u>8,461,084</u></u>	<u><u>6,437,021</u></u>
Earnings per share			
Basic earnings per share including fair value adjustment on investment properties	<u>\$ 0.17</u>	<u>\$ 0.26</u>	<u>\$ 0.20</u>
Basic earnings per share excluding fair value adjustment on investment properties	<u>\$ 0.17</u>	<u>\$ 0.26</u>	<u>\$ 0.99</u>

Endeavour Holdings Limited
Statement of Changes in Equity
(Expressed in Trinidad and Tobago Dollars)

	Share Capital \$	Maintenance Reserves \$	Retained Earnings \$	Total Equity \$
Period ended 31st July 2019				
Balance At 1st May 2019	32,003,200	3,935,929	494,823,316	530,762,445
Total comprehensive Income for the period				
Profit for the period	-	-	8,461,084	8,461,084
Transfer to maintenance reserve	-	94,294	-	94,294
Transactions with owners in their capacity as owners				
Dividends for the period	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Balance At 31st July 2019	<u>32,003,200</u>	<u>4,030,223</u>	<u>503,284,400</u>	<u>539,317,823</u>
Year ended 30th April 2020				
Balance At 1st May 2019	32,003,200	3,935,929	494,823,316	530,762,445
Total comprehensive Income for the year				
Profit for the year	-	-	6,437,021	6,437,021
Transfer to maintenance reserve	-	377,178	-	377,178
Transactions with owners in their capacity as owners				
Issue of shares	11,055,238			11,055,238
Dividends for the period	-	-	(3,946,514)	(3,946,514)
Other comprehensive income for the period	-	-	-	-
Balance At 30th April 2020	<u>43,058,438</u>	<u>4,313,107</u>	<u>497,313,823</u>	<u>544,685,368</u>
Period ended 31st July 2020				
Balance At 1st May 2020	43,058,438	4,313,107	497,313,823	544,685,368
Total comprehensive Income for the period				
Profit for the period	-	-	5,543,430	5,543,430
Transfer to maintenance reserve	-	94,294	-	94,294
Transactions with owners in their capacity as owners				
Issue of shares	-	-	-	-
Dividends for the period	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Balance At 31st July 2020	<u>43,058,438</u>	<u>4,407,401</u>	<u>502,857,253</u>	<u>550,323,092</u>

Endeavour Holdings Limited
Cashflow Statement
(Expressed in Trinidad and Tobago Dollars)

	UNAUDITED 3 Months Ended 31st July 2020 \$	UNAUDITED 3 Months Ended 31st July 2019 \$	AUDITED YEAR ENDED 30th April 2020 \$
Cash flows from operating activities			
Profit before income tax	6,571,008	11,806,800	16,520,803
<i>Adjustments for:</i>			
Fair value adjustment on investment properties	-	-	26,200,000
Finance costs	4,178,449	4,550,554	17,742,786
Loss on disposal of asset	-	-	-
Depreciation	39,750	447,651	508,925
Operating profit before working capital changes	10,789,207	16,805,005	60,972,514
Increase/(decrease) in trade and other receivables	(2,034,222)	(2,683,148)	1,805,139
(Decrease)/Increase in trade and other payables	494,270	6,238,902	35,917
Decrease in due from related party	-	9,685	9,685
Increase/(decrease) in due to related party	(313,642)	(122,474)	145,811
Net cash generated from operations	(1,853,594)	3,442,965	1,996,552
Interest paid	(2,592)	(4,550,551)	(17,323,502)
Tax paid	(2,177,813)	(2,265,677)	(8,462,570)
Net cash inflow from operating activities	6,755,208	13,431,742	37,182,994
Cashflow from investing activities			
Purchase of property, plant and equipment	(278,219)	-	(654,140)
Cashflow from financing activities			
Proceeds from issue of shares	-	-	11,055,238
Repayment of borrowings	-	-	(28,461,536)
Transfer to maintenance reserve fund	94,294	94,294	377,178
Dividend paid	-	-	(3,946,514)
Cash provided by financing activities	94,294	94,294	(20,975,634)
Increase in cash and cash equivalents	6,571,283	13,526,036	15,553,220
Cash and cash equivalents at beginning of the period	31,530,019	15,976,799	15,976,799
Cash and cash equivalents at end of the period	38,101,302	29,502,835	31,530,019

Endeavour Holdings Limited

Notes to the summary financial statements for the quarter ended 31st July, 2020

The accompanying notes are an integral part of these financial statements.

1) Basis of Accounting

These summary financial statements have been prepared by Management in accordance with International Financial Reporting Standards.

2) Significant Accounting Policies

The principal accounting policies used in the preparation of these summary financial statements are consistent with those used in the preparation and disclosed in the audited financial statements for the year ended 30th April, 2020.