Consolidated Unaudited Results for the Nine Months Ended 31 August 2021

PRESTIGE HOLDINGS LTD.

A Restaurant Management Company

CHAIRMAN'S REPORT TO SHAREHOLDERS

CONSOLIDATED UNAUDITED FINANCIAL PERFORMANCE

During our third quarter, the restaurant sector remained completely closed for 48 of the 92 days, after being closed for 32 days in the second quarter, and eventually reopened on 19 July 2021. However, upon reopening, the dine-in channel remained closed and restaurants continue to operate with reduced opening hours due to the curfew restrictions. As was the case in the second quarter, the severe restrictions to economic activity caused by the Covid-19 pandemic, especially in the sector in which we operate, continue to have an adverse impact on our company's sales, operations and, by extension, profitability.

Our results for the nine month period for fiscal 2021 reflect a 26% reduction in sales from $666 million to $491 million and an after tax loss of $30.9 million compared to a profit of $0.9 million for the same period in 2020. (During 2020, our operations and profitability were also severely negatively impacted by the Covid-19 pandemic.) These results include a negative net adjustment of $4.8 million ($6.2 million in 2020) for the IFRS 16 Standard, which we first adopted in 2020. Net cash generated from operations for the year was $3.65 million and we ended the quarter with $42 million in cash, compared to $59.7 million at the beginning of the year, after accessing $40 million in temporary financing in order to improve liquidity and meet working capital requirements. During the third quarter, we opened one new restaurant, a Starbucks at the Shops at Trincity, and closed our Subway restaurant at Tropical Plaza in Point a Pierre, which took our restaurant count to 129.

Following on from 2020, our results reflect the difficulties our industry and other sectors in the economy have experienced during 2021 due to the impact of the Covid-19 pandemic. The virus remains present and unpredictable and this has forced us to be more adaptable and innovative in our operations and in how we interact with and reach our customers. We continue to have success with our digital strategies and in growing our delivery, drive-thru and curbside channels. We expect that with our strong brands and operations, when all Covid-19 restrictions are removed, our company will be well placed to grow sales and profitability across all channels.

Christian E. Mouttet
Chairman
28 September 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Nine (9) Months to 31 August 2021	Nine (9) Months to 31 August 2020	Year to 30 November 2020
	(UNAUDITED)	(UNAUDITED)	(AUDITED)
	$ '000	$ '000	$ '000
(Loss)/profit for the year	(30,909)	867	(17,749)
Other comprehensive loss			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	(139)	(47)	(59)
Total comprehensive (loss)/income for the period	(31,048)	820	(17,808)
Attributable To:			
Owners of the parent company	(31,048)	820	(17,808)

CONSOLIDATED INCOME STATEMENT

	Nine (9) Months to 31 August 2021	Nine (9) Months to 31 August 2021	Nine (9) Months to 31 August 2020	Three (3) Months to 31 August 2021	Three (3) Months to 31 August 2020	Year to 30 November 2020
	% Change	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(AUDITED)
		$ '000	$ '000	$ '000	$ '000	$ '000
Revenue	(26%)	490,514	666,122	97,808	237,830	896,918
Cost of sales		(332,090)	(449,390)	(66,884)	(155,222)	(602,114)
Gross profit		158,424	216,732	30,924	82,608	294,804
Other operating expenses		(130,695)	(151,402)	(32,224)	(53,855)	(204,198)
Administrative expenses		(51,461)	(50,854)	(11,968)	(15,385)	(69,075)
Impairment of goodwill		--	--	--	--	(18,634)
Other income		549	2,000	166	650	2,594
Operating (loss)/profit		(23,183)	16,476	(13,102)	14,018	5,491
Finance costs		(14,531)	(13,876)	(4,828)	(4,672)	(21,241)
(Loss)/profit before income tax		(37,714)	2,600	(17,930)	9,346	(15,750)
Income tax expense		6,805	(1,733)	4,505	(820)	(1,999)
(Loss)/profit for the period		(30,909)	867	(13,425)	8,526	(17,749)
(Loss)/profit attributable to:						
Owners of the parent company		(30,909)	867	(13,425)	8,526	(17,749)
Basic earnings per share (exclusive of treasury shares)		(50.7 cents)	1.42 cents	(22.0 cents)	13.97 cents	(29.1 cents)
Diluted earnings per share		(49.6 cents)	1.40 cents	(21.5 cents)	13.75 cents	(28.5 cents)

Director

Director

Notes:

1. The Consolidated Financial Statements include the activities of Prestige Holdings Limited, the Parent Company (KFC, Pizza Hut, Subway and Starbucks), Weekenders Trinidad Limited (TGI Fridays Trinidad) and Prestige Restaurants Jamaica Limited (TGI Fridays Jamaica).
2. The principal accounting policies applied in the preparation of these summary financial statements are consistent with those disclosed in the audited financial statements as at and for the year ended November 30, 2020, and have been consistently applied to all periods presented, unless otherwise stated.

CONSOLIDATED BALANCE SHEET

	31 August 2021	31 August 2020	30 November 2020
	(UNAUDITED)	(UNAUDITED)	(AUDITED)
	$ '000	$ '000	$ '000
ASSETS			
Property, plant and equipment	287,267	307,635	300.088
Right-of-use assets	260,314	233.420	288,699
Intangible assets	60,732	80,855	61,552
Other non current assets	14,360	3.692	5,179
Current assets	121,988	134,085	143,046
Total assets	744,661	759,687	798,564
EQUITY AND LIABILITIES			
Share capital	23,759	23,759	23,759
Other reserves	26,497	26,648	26,636
Retained earnings	216,124	269,309	250,693
	266,380	319,716	301,088
Treasury shares	(11,340)	(11,340)	(11,340)
Total equity	255,040	308,376	289,748
Non-current liabilities - lease liabilities	242,334	193,663	265,992
Other non current liabilities	54,623	58,710	48,888
Current liabilities - lease liabilities	31,182	45,575	31,155
Other current liabilities	161,482	153,363	162,781
Total liabilities	489,621	451,311	508,816
Total equity and liabilities	744,661	759,687	798,564

CONSOLIDATED CASH FLOW STATEMENT

	31 August 2021	31 August 2020	30 November 2020
	(UNAUDITED)	(UNAUDITED)	(AUDITED)
	$ '000	$ '000	$ '000
Cash flow from operating activities			
Cash generated from operations	20,067	61,007	85,437
Interest paid	(14,531)	(13,876)	(21,241)
Income tax paid	(1,885)	(10,514)	(11,844)
Net cash generated from operating activities	3,651	36,617	52,352
Net cash used in investing activities	(19,393)	(46,070)	(49,647)
Net cash used in financing activities	(1,953)	(4,961)	(7,282)
Net decrease in cash and cash equivalents	(17,695)	(14,414)	(4,577)
Cash and cash equivalents at the beginning of the year	59,713	64,290	64,290
Cash and cash equivalents at the end of the period	42,018	49,876	59,713

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Other Reserves	Retained Earnings	Total	Treasury Shares	Total Equity
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Balance at 1 December 2019	23,759	26,695	268,442	318,896	(10,938)	307,958
Comprehensive loss						
Loss for the year	--	--	(17,749)	(17,749)	--	(17,749)
Other comprehensive loss						
Currency translation differences	--	(59)	--	(59)	--	(59)
Total comprehensive loss for the year	--	(59)	(17,749)	(17,808)	--	(17,808)
Transactions with owners						
Purchase shares	--	--	--	--	(402)	(402)
Balance at 30 November 2020	23,759	26,636	250,693	301,088	(11,340)	289,748
Balance at 1 December 2020	23,759	26,636	250,693	301,088	(11,340)	289,748
Comprehensive loss						
Loss for the period	--	--	(30,909)	(30,909)	--	(30,909)
Other comprehensive loss						
Currency translation differences	--	(139)	--	(139)	--	(139)
Total comprehensive loss for the period	--	(139)	(30,909)	(31,048)	--	(31,048)
Transactions with owners						
Net dividends for 2020						
-Paid 6 cents per share	--	--	(3,660)	(3,660)	--	(3,660)
Total transactions with owners	--	--	(3,660)	(3,660)	--	(3,660)
Balance at 31 August 2021	23,759	26,497	216,124	266,380	(11,340)	255,040