

EXPRESS CATERING LIMITED

Second Quarter 2021 Interim report to our shareholders

The Directors of Express Catering Limited have taken note of the commencement of Covid-19 vaccinations towards the end of the second quarter. The expectation is a resumption of consumer confidence and the beginning of the end to the Covid-19 pandemic. Below we have summarized the Unaudited Results for the second quarter and year to date at November 30, 2020.

Operating Results

Total departing passenger count for the quarter recorded a 76.2% decline compared to the same period in the prior year. This is based on passenger statistics published by MBJ Airports Limited, operators of the Sangster International Airport. The passenger count decline had a similar effect on revenue for the quarter. Revenue of US\$748,372 was recorded for the quarter compared to US\$3.28 million for the similar period in the prior year. There is an improving trend in departing passenger count as the first quarter was 88.83% compared to 76.2% in the current quarter; there is much to be hopeful for.

With significantly reduced revenues the focus has been on ensuring that the recurring expenses are covered by the revenue. EBITDA for the quarter was \$285,037. The comparative figure for the same period in the prior year was US\$754,634. The adoption of the new IFRS 16 on Leases added a net US\$ 476,618 to the net loss for the current period.

Total departing passenger count for the six months to November 2020 declined by 83.63% when compared to the same period in the prior year. EBITDA for the six months was \$96,996. The introduction of IFRS 16 on Leases added a net of US\$1.16 million to the net loss for the six months.

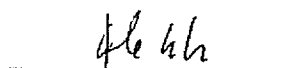
Fixed Assets expenditure of US\$128,071 was mainly in connection with the development work to revamp the post-security food and beverage lounge that is being carried out by MBJ Airports Ltd. Being the dominant food and beverage provider for the airport, Express Catering will incur some cost for the relocation to the new Food Court as well as additional cost for the new concepts to compliment the new Food Court.

We thank you, our shareholders, and all our stakeholders for the support over the years and especially now during this Covid-19 pandemic. Please continue to take care of yourselves and your loved ones and adhere to the relevant protocols.

Express Catering Limited



Ian Dear
CEO/Director

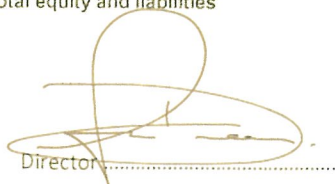


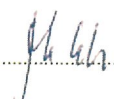
John Byles
Director

Express Catering Limited

UnAudited Statement of Financial Position as at November 30, 2020

	November 30, 2020 US\$	Audited May 31, 2020 US\$
Assets		
Non-current assets		
Property, plant and equipment	25,965,052	27,129,717
Intangible assets	1,013,505	1,004,100
	<u>26,978,557</u>	<u>28,133,817</u>
Current assets		
Inventories	386,591	332,281
Owing by related companies	3,544,181	3,636,499
Trade and other receivables	202,909	181,061
Cash and bank balances	157,953	182,700
	<u>4,291,633</u>	<u>4,332,541</u>
Total assets	<u>31,270,191</u>	<u>32,466,358</u>
Equity		
Capital and reserves		
Share capital	73,861	73,861
Capital reserve	43,490	43,490
Retained earnings	2,203,377	3,858,485
Total equity	<u>2,320,728</u>	<u>3,975,836</u>
Non-current liability		
Preference shares	3,500,000	3,500,000
Lease obligation	23,055,207	22,941,901
Deferred tax liability	89,150	89,150
	<u>26,644,357</u>	<u>26,531,051</u>
Current liabilities		
Trade and other payables	1,809,389	1,456,331
Current portion of lease obligation	495,716	495,716
Income tax payable	-	-
Bank overdraft	-	7,424
	<u>2,305,105</u>	<u>1,959,471</u>
Total liabilities	<u>28,949,462</u>	<u>28,490,522</u>
Total equity and liabilities	<u>31,270,191</u>	<u>32,466,358</u>


 Director


 Director

Express Catering Limited

Unaudited Statement of profit or loss and other comprehensive income for 6 Months to November 30, 2020

	6 Months YTD November 30, 2020 US\$	Q2 November 30, 2020 US\$	6 Months YTD November 30, 2019 US\$	Q2 November 30, 2019 US\$	Audited 12 Mths May 31, 2020 US\$
Revenue	1,192,512	748,372	7,814,017	3,277,016	14,001,360
Cost of sales	(301,705)	(142,282)	(2,130,394)	(900,719)	(4,326,339)
Gross profit	890,807	606,090	5,683,622	2,376,297	9,675,021
Other operating income	2,024	2,007	173	(7,364)	-
Administrative expenses	(792,021)	(320,772)	(3,633,634)	(1,594,549)	(4,414,748)
Promotional expenses	(3,814)	(2,316)	(30,668)	(19,750)	(46,034)
Depreciation & Amortisation	(1,126,269)	(544,406)	(306,929)	(151,638)	(2,378,389)
Operating profit for the year	(1,029,274)	(259,397)	1,712,565	602,996	2,835,850
Finance income	-	-	(1)	-	597
Finance costs	(628,800)	(314,616)	(160,064)	(76,358)	(1,293,316)
Foreign exchange gains	2,966	2,966	(20,588)	(33,223)	21,153
Profit before tax	(1,655,108)	(571,046)	1,531,912	493,415	1,564,284
Income tax expense	-	-	-	-	-
Profit for the year being total comprehensive income for the year	(1,655,108)	(571,046)	1,531,912	493,415	1,564,284
Earnings Per Share - US Cents	(0.101)	(0.035)	0.094	0.030	0.096

Express Catering Limited

UnAudited Statement of Cash Flows for the 6 months ended November 30, 2020

Note	November 30, 2020 US\$	November 30 2019 US\$
Cash flows from operating activities:		
Profit for the year	(1,655,108)	1,531,913
Adjustments for:		
Depreciation and amortisation	1,126,269	306,929
Interest expense	628,800	160,064
Foreign Exchange	-	-
	<u>99,962</u>	<u>1,998,905</u>
(Increase)/Decrease in inventories	(54,310)	(52,977)
(Increase)/ Decrease in trade and other receivables	(21,848)	690,132
(Increase)/decrease in owing by related companies	92,318	(2,279,661)
Increase /(Decrease) in trade and other payables	353,058	12,611
	<u>469,181</u>	<u>369,010</u>
Cash generated from operations	469,181	369,010
Interest paid	(166,705)	(160,064)
Income Tax Paid	-	(0)
Net cash provided by operating activities	302,476	208,945
Cash flows from investing activity		
Purchase of property, plant and equipment	(128,071)	(58,080)
Net cash used in investing activity	(128,071)	(58,080)
Cash flows from financing activity		
Dividends Paid	-	-
Lease Obligations	(191,729)	(10,119)
Repayment of bank/other loans	-	-
Net cash used in financing activity	(191,729)	(10,119)
Increase in cash and cash equivalents	(17,323)	140,747
Cash and cash equivalents at beginning of year	175,276	72,630
Cash and cash equivalents at end of year	<u>157,953</u>	<u>213,377</u>

Express Catering Limited

Unaudited Statement of Changes in Equity for the 6 Months to November 30, 2020

	Share Capital US\$	Capital Reserves US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2020	73,861	43,490	3,858,485	3,975,836
Changes in equity 6 months to November 30, 2020				
Dividends	-	-	-	-
Profit for the 6 months to November 30, 2020 being total Comprehensive Income	-	-	(1,655,108)	(1,655,108)
Balance at November 30, 2020	73,861	43,490	2,203,377	2,320,728

Unaudited Statement of Changes in Equity for the 6 Months to November 30, 2019

	Share Capital US\$	Capital Reserves US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2019	73,861	43,490	3,096,576	3,213,927
Changes in equity 6 months to November 30, 2019				
Dividends	-	-	-	-
Profit for the 6 months to November 30, 2019 being total Comprehensive Income	-	-	1,531,912	1,531,912
Balance at November 30, 2019	73,861	43,490	4,628,488	4,745,839

Notes to the Financial Statements

1 Identification

The company was incorporated under the Laws of Jamaica on June 26, 2001. Its registered office is Unit 16 M19 Southern Cross Boulevard, Montego Freeport, Montego Bay.

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on July 21, 2017.

Its main activities during the year were the operation of branded sports bars and restaurants at Sangster International Airport, Montego Bay.

The company is a subsidiary of Margaritaville St. Lucia Inc, whose ultimate parent is Margaritaville Caribbean Limited, a company registered under the Bahamas IBC Act of 2000.

2. Basis of preparation

(i) Statement of compliance and basis of preparation

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been prepared under the historical cost convention, except for certain non-financial assets measured at fair value.

(ii) There have been no changes in accounting policies since the most recent audited accounts as at May 31, 2020.

3 Functional and presentation currency:

The financial statements are prepared and presented in United States dollars, which is the functional currency of the company.

EXPRESS CATERING LIMITED

Top Ten ShareHoldings

As at November 30, 2020

NAMES		VOLUME	PERCENTAGE
MARGARITAVILLE ST. LUCIA	CASTRIES, ST LUCIA	1,134,221,961	69.265%
HARRIAT P MARAGH	KINGSTON	186,483,322	11.388%
NATIONAL INSURANCE FUND	KINGSTON	181,789,338	11.102%
MAYBERRY JAMAICAN EQUITIES LIMITED	KINGSTON	17,924,338	1.095%
MCG EMPLOYEES TRUST	MONTEGO BAY	11,794,200	0.720%
MF&G TRUST & FINANCE LTD - A/C 57	KINGSTON	10,741,577	0.656%
KONRAD BERRY	KINGSTON	6,822,776	0.417%
JMMB T1 EQUITY FUND (JMD)	KINGSTON	5,694,954	0.348%
ABLE-DON FOOTE	KINGSTON	2,809,312	0.172%
JMMB SECURITIES LIMITED - HOUSE A/C #2	KINGSTON	2,713,664	0.166%
		1,560,995,442	95.328%

Total Ordinary Stock Issued - 1,637,500,000

Total Number of Stock Holders - 1855

Directors ShareHoldings

As at November 30, 2020

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
HERRICK WINSTON DEAR	-	-	-	0.000%
TANIA WALDRON-GOODEN	164,466	-	164,466	0.010%
IAN B. DEAR	-	1,134,221,961	1,134,221,961	69.265%
JOHN G. BYLES	-	-	-	0.000%
ROLAND P CLARKE	2,193,453	-	2,193,453	0.134%
HARRIAT P. MARAJH	186,483,322	-	186,483,322	11.388%
	188,841,241	1,134,221,961	1,323,063,202	80.798%

Senior Managers ShareHoldings

As at November 30, 2020

NAMES	DIRECT	CONNECTED	TOTAL	PERCENTAGE
ROLAND P CLARKE	2,193,453	-	2,193,453	0.134%
MARK SUTHERLAND	1,340,524	-	1,340,524	0.082%
ALTHON THELWELL	-	-	-	0.000%
	3,533,977	-	3,533,977	0.216%