

Jetcon Corporation Limited

INTERIM RESULTS

Third Quarter ended September 2021

Unaudited Financial Statements

Report of the Directors to Shareholders of Jetcon Corporation Limited

For the Third quarter & nine months to September 2021

Jetcon Corporation's recovery in sales and profit continue as it completed its third quarter with increased sales representing a turnaround from a loss last year, in spite of the effects of the several days of lockdowns in August as a result of the spread of COVID-19 that disrupted operations and sales.

The quarter for 2021 ended with a profit of \$5.7 million, compared with a \$2 million loss during the same period last year. Revenues for the quarter climbed 28 percent to \$196 million, compared with \$153 million for the similar period in 2020. Cost of Sales increased 29 percent from \$128 million in 2020 to \$166 million in 2021, directly in line with the increase in sales.

For the nine months to September revenues jumped 30 percent from \$467 million in 2020 to \$607 million this year and profit of \$3 million reported to September 2020 climbed 283 percent to \$11.5 million.

Balance Sheet: We have responded to the uptick in activity by increasing our inventory, up 13 percent from the same period in 2020, to \$445 million, which includes spares parts and goods in transit. Payables are up from \$32 million at the end of September 2020 to \$110 million and includes deposit for goods ordered but not yet delivered. This was an effort to shore up stock before the effects of the price increases in supply materialized.

Outlook: Jetcon continues to enjoy a relatively strong financial position. With smart marketing and pricing strategies, and with increasing vaccination rates, and decreasing covid case rates, we hope that restrictions will continue to ease, thus helping to fuel our recovery will. To date, sales for the fourth quarter are stronger still, with units sold in November at our regular pre-pandemic levels and already exceeding sales for the third quarter. This upward swing continues into December, and with increased bookings to date, your directors hope that we will be able to deliver a high number of vehicles before the 2021 comes to an end.

The board has set January 25th 2022 as the date for the AGM for to consider the 2020 financial results.

We thank our dedicated staff, our customers and other stake holders for their continued support.



John Jackson

Chairman



Andrew Jackson

Managing Director

JETCON CORPORATION LIMITED
Statement of Comprehensive Income
Third Quarter Ending September 30, 2021

	3rd Quarter 2021	3rd Quarter 2020	Nine Months to September	
			2021	2020
REVENUES	196,423,199	153,430,361	606,948,445	467,160,462
Less Cost of Sales	166,271,165	128,013,670	520,169,560	391,005,052
Gross Profit	<u>30,152,034</u>	<u>25,416,691</u>	<u>86,778,885</u>	<u>76,155,410</u>
EXPENSES				
Sales and Marketing	4,707,630	4,245,715	15,862,298	15,215,577
Administrative and Other	16,737,102	14,447,739	47,938,499	41,133,904
Other Operating Expenses	2,777,334	3,616,744	9,796,732	11,086,259
Finance costs	<u>220,392</u>	<u>1,084,632</u>	<u>1,592,157</u>	<u>3,162,238</u>
Total Expenses	<u>24,442,458</u>	<u>23,394,830</u>	<u>75,189,686</u>	<u>70,597,978</u>
Profit before taxation	5,709,576	2,021,861	11,589,199	5,557,432
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive Income	<u>\$5,709,576</u>	<u>2,021,861</u>	<u>11,589,199</u>	<u>5,557,432</u>
Earnings Per Share (Cents)	<u>1.00</u>	<u>0.35</u>	<u>2.00</u>	<u>0.95</u>

JETCON CORPORATION LIMITED
Statement of Financial Position
Third Quarter Ending September 30, 2021

	Unaudited September 2021	Unaudited September 2020	Audited December 2020
ASSETS			
NON-CURRENT ASSETS:			
Fixed Assets	143,378,944	140,647,052	137,932,195
Lease Right- of-use asset	28,292,337	-	39,810,625
Investment	72,232	93,309	66,135
Total Non-Current Asset	<u>171,453,513</u>	<u>140,740,361</u>	<u>177,808,955</u>
CURRENT ASSETS:			
Inventories	445,809,568	394,931,155	391,858,946
Receivables	67,180,857	62,579,600	45,572,477
Due from Parent	10,345,639	2,345,639	8,345,639
Cash and Equivalents	13,063,189	26,478,225	26,357,714
Total Current Assets	<u>536,399,254</u>	<u>486,334,619</u>	<u>472,134,776</u>
TOTAL ASSETS	<u>708,142,767</u>	<u>627,074,980</u>	<u>649,943,731</u>
CURRENT LIABILITIES:			
Payables	110,502,902	31,903,185	53,938,220
Overdraft and Short Term Loans	18,820,799	10,326,899	-
Current Portion of Long Term Liability	-	-	10,377,480
Right of Use Liability	15,537,718	-	15,357,718
Total Current Liabilities	<u>114,681,420</u>	<u>42,230,084</u>	<u>79,673,418</u>
NET CURRENT ASSETS	391,717,834	444,104,535	392,461,358
NON CURRENT LIABILITY			
Long Term Liability	-	31,947,712	6,879,877
Right of Use Liability	11,294,419	-	22,812,707
Total Non Current Liabilities	<u>11,294,419</u>	<u>31,947,712</u>	<u>29,692,584</u>
	<u>\$552,166,928</u>	<u>552,897,184</u>	<u>540,577,729</u>
SHAREHOLDERS' EQUITY	<u>\$552,166,928</u>	<u>552,897,184</u>	<u>540,577,729</u>


 John Jackson
 Chairman


 Andrew Jackson
 Managing Director

JETCON CORPORATION LIMITED
Statement of Cash Flows
Third Quarter Ending September 30, 2021

	2021	2020
	<u>\$</u>	<u>\$</u>
Cash Flow from Operating Activities		
Net profit	11,589,199	5,557,432
Non-Cash Items:		
Depreciation - owned and leased assets	2,220,000	840,000
Amortisation of right of use asset	11,518,288	0
Other Adjustments	<u>0</u>	<u>(304)</u>
Net Cash Provided by Operations	25,327,487	6,397,128
Changes in Working Capital	<u>(20,994,321)</u>	<u>11,628,885</u>
	<u>4,333,166</u>	<u>18,026,013</u>
Financing Activities		
Loan Repaid Net	<u>(17,257,357)</u>	<u>(6,792,477)</u>
Net cash out flows from Financing Activities	<u>(17,257,357)</u>	<u>(6,792,477)</u>
Net Investment Activity		
	<u>(19,191,133)</u>	<u>(5,757,583)</u>
	<u>(19,191,133)</u>	<u>(5,757,583)</u>
Net Increase in Cash and cash equivalent	(32,115,324)	5,475,953
Cash Balance at Beginning of Period	<u>26,357,714</u>	<u>10,675,373</u>
Cash Balance as End of Period	<u>(5,757,610)</u>	<u>16,151,326</u>
Represented by cash and equivalent		
Bank Overdraft	(18,820,799)	(10,326,899)
Net Cash and Cash Equivalent	<u>13,063,189</u>	<u>26,478,225</u>
Cash and Bank Balance	<u>(5,757,610)</u>	<u>16,151,326</u>

JETCON CORPORATION LIMITED
Statement of changes in Shareholders' Equity
Third quarter ended September 30, 2021

	No. of Shares	Share capital \$	Capital reserves \$	Retained earnings \$	Total \$
Balance as at December 2019	583,500,000	88,817,218	16,803,819	441,718,715	547,339,752
Total comprehensive income:	-	-	-	3,509,774	3,509,774
Balance as at September 2020	<u>583,500,000</u>	<u>88,817,218</u>	<u>16,803,819</u>	<u>445,228,489</u>	<u>550,849,426</u>
Balance as at December 2020	583,500,000	88,817,218	16,776,645	434,983,866	540,577,729
Total comprehensive income:	-	-	-	11,589,199	11,589,199
Balance as at September 2021	<u>583,500,000</u>	<u>88,817,218</u>	<u>16,776,645</u>	<u>446,573,065</u>	<u>552,166,928</u>

Jetcon Corporation Limited

Notes to the Financial Statements

For the Third Quarter ending September 30, 2021

1. IDENTIFICATION

Jetcon Corporation Limited is incorporated and domiciled in Jamaica. Its registered office is situated at 2 Sandringham Avenue, Kingston 10, Jamaica, WI.

The Company is listed on the Junior Market of the Jamaica Stock Exchange. The principal activity of the company is the importation of motor vehicles for resale in Jamaica.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance

The interim financial report for the reporting period ended September 30, 2021 has been prepared in accordance with Accounting Standard IAS 34 'Interim Financial Reporting'.

Changes in significant accounting policies relevant to the company's operations:

IFRS 9, Financial instruments replaces the provisions of IAS 39 that relates to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, and impairment of financial assets. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' [ECL], which means that a loss event will no longer need to occur before an impairment allowance is recognised. The impact of the application of **IFRS 9** is not considered material to the company's disclosure. The immateriality disclosure exemption under IAS 1 'Presentation of Financial Statements', has been applied.

The company applies the simplified approach permitted by **IFRS 9**, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using the ECL. As a practical expedient, a provision matrix is utilized in determining the lifetime ECLs for trade receivables.

The adoption of **IFRS 9** from January 1, 2018 resulted in no adjustments to the comparative figures presented in the financial statements. Further, as stated above, the immateriality exemption under IAS 1 'Presentation of Financial Statements', has been applied.

Jetcon Corporation Limited
Notes to the Financial Statements
For the Third quarter ending September 30, 2021

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (continued)

BASIS OF PREPARATION

(b) Property, plant and equipment

Items of property, plant and equipment are stated at cost and valuation less accumulated depreciation. Depreciation is recognized on profit or loss on the straight-line basis, over the estimated useful lives of property, plant, motor vehicles and equipment except for land and investment properties.

(c) Borrowings

Borrowings are recognized initially as the proceeds received net of transaction costs incurred and are subsequently stated at amortized cost using the effective interest method with any differences between proceeds net of transactions cost and the redemption value recognized in income along with regular interest charges over the period of the borrowings.

(d) Inventories

Inventories are valued at the lower of cost or net realisable value.

3. EARNINGS PER SHARE

Earnings per share is based on 583,500,000 shares issued.

4. SHARE CAPITAL

The total number of shares issued amounts to 583,500,000 units for 2020 and 2021.