INTERIM REPORT

Team JBG came together to refurbish the playground at High House Basic School in St. Catherine.

29 JANUARY 2022

[Q3]

QUARTER THREE

THIRD QUARTER REPORT

2021 / 2022 FISCAL YEAR | NINE MONTHS | UNAUDITED RESULTS

[Q3]

INTERIM REPORT TO OUR SHAREHOLDERS

The Directors of Jamaica Broilers Group Limited now release the unaudited financial results for the quarter ended 29 January 2022 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The nine-month performance of the Group was commendable despite our Jamaica Operations reporting a 6% decline in segment profit when compared to the prior year, and this decrease was attributed mainly to increased grain prices and international shipping costs, **which increased production costs, all of which were not passed on to our customers**.

Net profit for the nine months amounted to $2 billion, a 9% increase over the corresponding nine month period in the prior year. Our US Operations was the major driver in this performance with a 111% increase in segment profit versus the prior year, following our expansion into producing and supplying The Best Dressed Chicken in the US market.

Group revenues for the nine months amounted to $55.1 billion, a 33% increase above the $41.3 billion achieved in the corresponding nine months of the previous year. Our gross profit for the nine months was $11.8 billion, a 15% increase over the previous year, however our gross profit as a percentage of sales (gross margin) declined from 25% to 21% when compared with the prior year. The decline in gross margin is primarily attributable to increased input costs, which was partially mitigated by the significant growth in the US business.

Jamaica Operations reported a segment result of $2.9 billion, which was $176 million or 6% below last year's segment result of $3.1 billion. Total revenue for our Jamaica Operations showed an increase of 29%.

Our US Operations reported a segment result of $2.4 billion, which was a 111% increase over the prior year's result of $1.3 billion. This increase was primarily driven by (1) the increased production and sales in The Best Dressed Chicken line of products and (2) the Operation's participation in the employee benefit programme which was offered to alleviate the impact of COVID-19, amounting to $584 million which is reported as other income, during the quarter. Total revenue showed an increase of 48%.

Haiti Operations reported a segment loss of $10.6 million compared to the prior year loss of $23.3 million, an improvement of $12.7 million. Total revenue reduced by 36% as Haiti continues to experience economic and political instability which continues to impact our operations in that country.

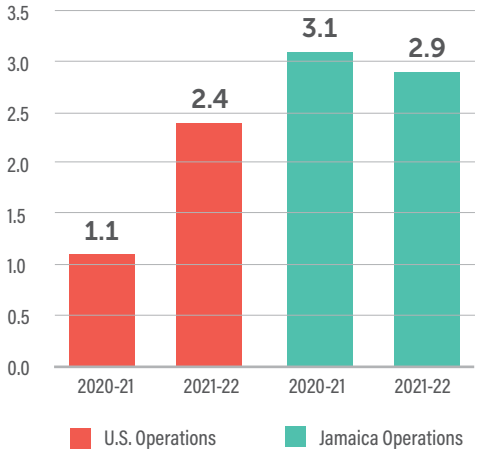
The Staff, Management and the Board of Directors of Jamaica Broilers Group Limited continue to trust in the Lord's guidance for our company and are grateful for His Blessings and Provision.

ROBERT E. LEVY
Chairman

CHRISTOPHER E. LEVY
Group President & CEO

March 9, 2022

YTD SEGMENT PROFIT (J$B)



21% GROSS MARGIN ⬇ 4% YOY	**J$55B** REVENUE
J$55.5B TOTAL ASSETS	**J$2.04** EARNINGS PER STOCK UNIT

GROUP STATEMENT OF COMPREHENSIVE INCOME

JAMAICA BROILERS GROUP LIMITED
NINE MONTHS ENDED 29 JANUARY 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Quarter ended 29 January 2022	Quarter ended 30 January 2021	Nine months ended 29 January 2022	Nine months ended 30 January 2021
	$'000	$'000	$'000	$'000
Revenue	19,306,172	14,774,666	55,133,498	41,318,105
Cost of sales	(14,830,216)	(10,938,791)	(43,308,238)	(31,028,866)
Gross Profit	4,475,956	3,835,875	11,825,260	10,289,239
Other income	682,635	225,008	937,019	453,477
Distribution costs	(644,594)	(600,837)	(1,866,798)	(1,702,469)
Administration and other expenses	(2,774,565)	(2,190,094)	(7,450,914)	(6,069,146)
Operating Profit	1,739,432	1,269,952	3,444,567	2,971,101
Finance income	(4,655)	-	12,665	-
Finance costs	(268,847)	(329,594)	(869,349)	(509,470)
Profit before Taxation	1,465,930	940,358	2,587,883	2,461,631
Taxation	(296,977)	(182,663)	(547,428)	(598,053)
Net Profit	1,168,953	757,695	2,040,455	1,863,578
Other Comprehensive Income, net of taxes -				
Item that will be reclassified to profit or loss -				
Exchange differences on translating foreign operations	171,325	(21,600)	36,756	648,567
Total other comprehensive income	171,325	(21,600)	36,756	648,567
Total Comprehensive Income	1,340,278	736,095	2,077,211	2,512,145
Net Profit Attributable to:				
Stockholders of the company	1,169,021	761,957	2,051,158	1,795,688
Non-controlling interests	(68)	(4,262)	(10,703)	67,890
	1,168,953	757,695	2,040,455	1,863,578
Total Comprehensive Income Attributable to:				
Stockholders of the company	1,339,010	772,482	2,118,856	2,399,885
Non-controlling interests	1,268	(36,387)	(41,645)	112,260
	1,340,278	736,095	2,077,211	2,512,145
	$	$	$	$
Earnings per Stock Unit	1.16	0.74	2.04	1.77

GROUP BALANCE SHEET

JAMAICA BROILERS GROUP LIMITED
29 JANUARY 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	29 January 2022	1 May 2021	30 January 2021
	$'000 Unaudited	$'000 Audited	$'000 Unaudited
Non-Current Assets			
Property, plant and equipment	13,941,503	13,653,259	13,877,187
Right of use assets	978,742	1,006,359	869,742
Intangible assets	2,951,289	2,382,124	1,835,561
Investment property	5,689	5,814	5,855
Investments	273,346	486,964	472,533
Deferred expenditure	4,553	18,210	22,763
Deferred income taxes	69,726	68,730	63,271
Post-employment benefit assets	993,500	993,500	379,900
	19,218,348	18,614,960	17,526,812
Current Assets			
Inventories	13,561,951	12,905,750	11,528,607
Biological assets	12,753,628	11,427,065	9,679,122
Receivables	6,222,203	4,521,295	4,375,782
Taxation recoverable	19,083	17,363	18,210
Deferred expenditure	18,210	18,210	100,957
Financial assets at fair value through profit or loss	182,666	182,144	215,177
Cash and short term investments	3,479,861	3,424,664	3,638,966
	36,237,602	32,496,491	29,556,821
Current Liabilities			
Payables	9,975,716	9,671,650	7,732,468
Taxation payable	676,006	285,903	544,776
Borrowings	11,728,668	10,958,383	10,923,410
Lease liabilities	334,554	310,481	218,032
	22,714,944	21,226,417	19,418,686
Net Current Assets	13,522,658	11,270,074	10,138,135
	32,741,006	29,885,034	27,664,947
Stockholders' Equity			
Share capital	765,137	765,137	765,137
Reserves	2,571,690	2,503,992	2,290,175
Retained earnings	21,064,988	19,165,024	18,443,696
Shares held by Trust	(3,742,633)	(3,713,144)	(3,618,536)
	20,659,182	18,721,009	17,880,472
Non-controlling interests	157,058	198,703	221,565
	20,816,240	18,919,712	18,102,037
Non-Current Liabilities			
Borrowings	10,000,702	8,953,359	7,926,829
Lease liabilities	699,956	716,074	674,873
Deferred income taxes	1,203,908	1,275,689	941,208
Post-employment benefit obligations	20,200	20,200	20,000
	32,741,006	29,885,034	27,664,947

Robert E. Levy — Chairman

Christopher E. Levy — Group President & CEO

March 9, 2022

GROUP STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

JAMAICA BROILERS GROUP LIMITED
NINE MONTHS ENDED 29 JANUARY 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Attributable to the Company's Stockholders						
	Number of Shares	Share Capital	Reserves	Retained Earnings	Shares held by Trust	Non-controlling Interests	Total Equity
	'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 2 May 2020	1,019,985	765,137	1,685,978	16,821,259	(3,378,643)	68,652	15,962,383
Exchange differences on translating foreign operations	-	-	604,197	-	-	44,370	648,567
Total other comprehensive income	-	-	604,197	-	-	44,370	648,567
Net profit	-	-	-	1,795,688	-	67,890	1,863,578
Total comprehensive income	-	-	604,197	1,795,688	-	112,260	2,512,145
Dividends	-	-	-	(132,598)	-	-	(132,598)
Acquisition of shares from non-controlling interest	-	-	-	(40,653)	-	40,653	-
Purchase of shares by Trust	(8,769)	-	-	-	(239,893)	-	(239,893)
Transactions with owners	(8,769)	-	-	(174,251)	(239,893)	40,653	(372,491)
Movement during the period	(8,769)	-	604,197	1,622,437	(239,893)	152,913	2,139,654
Balance at 30 January 2021	1,011,216	765,137	2,290,175	18,443,696	(3,618,536)	221,565	18,102,037
Balance at 1 May 2021	1,007,966	765,137	2,503,992	19,165,024	(3,713,144)	198,703	18,919,712
Exchange differences on translating foreign operations	-	-	67,698	-	-	(30,942)	36,756
Total other comprehensive income	-	-	67,698	-	-	(30,942)	36,756
Net profit	-	-	-	2,051,158	-	(10,703)	2,040,455
Total comprehensive income	-	-	67,698	2,051,158	-	(41,645)	2,077,211
Dividends	-	-	-	(151,194)	-	-	(151,191)
Purchase of shares by Trust	(1,000)	-	-	-	(29,489)	-	(29,489)
Transactions with owners	(1,000)	-	-	(151,194)	(29,489)	-	(180,683)
Movement during the period	(1,000)	-	67,698	1,899,964	(29,489)	(41,645)	1,896,528
Balance at 29 January 2022	1,006,966	765,137	2,571,690	21,064,988	(3,742,633)	157,058	20,816,240

GROUP STATEMENT OF CASH FLOWS

JAMAICA BROILERS GROUP LIMITED
NINE MONTHS ENDED 29 JANUARY 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Nine months ended 29 January 2022	Nine months ended 30 January 2021
	$'000	$'000
Cash Flows from Operating Activities		
Net profit	2,040,455	1,863,578
Adjustments for:		
Depreciation	1,248,850	1,211,201
Amortisation	235,037	166,433
Debt forgiveness	(584,370)	-
Deferred expenditure	13,657	13,657
(Gain)/loss on disposal of property, plant and equipment	(1,955)	3,055
Fair value gains on financial assets at fair value through profit or loss	(11,045)	(46,257)
Taxation expense	547,428	598,053
Interest income	(27,489)	(29,841)
Unrealised foreign exchange losses/(gains)	24,931	(66,630)
Interest expense	765,745	687,089
	4,251,244	4,400,338
Changes in operating assets and liabilities:		
Inventories	(656,201)	(2,051,219)
Biological assets	(1,326,563)	(571,988)
Receivables	(1,700,908)	(495,719)
Payables	304,066	(1,646,795)
Financial assets at fair value through profit or loss	(1,563)	64,760
Translation on working capital of foreign subsidiaries	159,987	384,350
	1,030,062	83,727
Taxation paid	(237,139)	(317,455)
Cash provided by/(used in) operating activities	792,923	(233,728)

JAMAICA BROILERS GROUP LIMITED
NINE MONTHS ENDED 29 JANUARY 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	Nine months ended 29 January 2022	Nine months ended 30 January 2021
	$'000	$'000
Cash Flows from Operating Activities	792,923	(233,728)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,645,171)	(1,945,258)
Purchase of intangible assets	(466,728)	-
Right of use assets	-	(49,561)
Proceeds from sale of investments	234,505	-
Purchase of investments	-	(229,133)
Proceeds from disposal of property, plant and equipment	23,522	46,124
Interest received	32,575	28,526
Cash used in investing activities	(1,821,297)	(2,149,302)
Cash Flows from Financing Activities		
Long term loans repaid	(4,591,115)	(3,070,310)
Long term loans received	6,863,128	4,413,831
Lease repayments	(220,551)	(175,822)
Shares purchased by Trust	(29,489)	(239,893)
Interest paid	(778,362)	(688,699)
Dividends paid	(151,194)	(132,598)
Cash provided by financing activities	1,092,417	106,509
Effect of changes in exchange rates on cash and cash equivalents	55,818	63,319
Increase/(decrease) in cash and cash equivalents	119,861	(2,213,202)
Cash and cash equivalents at beginning of year	3,221,660	5,621,343
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,341,521	3,408,141

SEGMENT REPORTING INFORMATION

JAMAICA BROILERS GROUP LIMITED
NINE MONTHS ENDED 29 JANUARY 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	9 Months to 29 January 2022					
	Jamaica Operations	US Operations	Haiti Operations	Other Caribbean Operations	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000
External revenues	32,247,647	21,777,267	1,108,584	-	-	55,133,498
Revenue from other segments	85,702	3,227,280	-	538,748	(3,851,730)	-
Total revenue	32,333,349	25,004,547	1,108,584	538,748	(3,851,730)	55,133,498
Segment result	2,925,497	2,384,478	(10,557)	(72,668)	(21,405)	5,205,345
Unallocated corporate expenses						(1,760,778)
Operating profit						3,444,567
Finance income						12,665
Finance costs						(869,349)
Profit before tax						2,587,883
Taxation						(547,428)
Net profit						2,040,455
Segment assets -						
Current assets	17,410,979	20,891,943	753,034	876,405	(3,694,759)	36,237,602
Non-current assets	19,650,227	7,648,708	622,093	6,567,339	(15,270,019)	19,218,348
Total assets	37,061,206	28,540,651	1,375,127	7,443,744	(18,964,778)	55,455,950
Segment liabilities -						
Current liabilities	11,920,233	11,959,745	424,743	2,105,147	(3,694,924)	22,714,944
Non-current liabilities	9,106,441	2,818,325	-	3,983,846	(3,983,846)	11,924,766
Total liabilities	21,026,674	14,778,070	424,743	6,088,993	(7,678,770)	34,639,710

JAMAICA BROILERS GROUP LIMITED
NINE MONTHS ENDED 29 JANUARY 2022
(Expressed in Jamaican dollars unless otherwise indicated)

	9 Months to 30 January 2021					
	Jamaica Operations	US Operations	Haiti Operations	Other Caribbean Operations	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000
External revenues	25,044,824	14,533,941	1,739,340	-	-	41,318,105
Revenue from other segments	94,699	2,321,636	-	536,014	(2,952,349)	-
Total revenue	25,139,523	16,855,577	1,739,340	536,014	(2,952,349)	41,318,105
Segment result	3,101,447	1,128,061	(23,348)	981,752	(1,055,894)	4,132,018
Unallocated corporate expenses						(1,160,917)
Operating profit						2,971,101
Finance income						-
Finance costs						(509,470)
Profit before tax						2,461,631
Taxation						(598,053)
Net profit						1,863,578
Segment assets -						
Current assets	16,010,740	14,774,012	1,407,803	865,442	(3,501,176)	29,556,821
Non-current assets	16,805,681	7,366,790	1,007,338	7,082,419	(14,735,416)	17,526,812
Total assets	32,816,421	22,140,802	2,415,141	7,947,861	(18,236,592)	47,083,633
Segment liabilities -						
Current liabilities	10,747,510	9,245,017	944,049	1,983,452	(3,501,342)	19,418,686
Non-current liabilities	7,079,041	2,412,811	65,414	3,892,364	(3,886,720)	9,562,910
Total liabilities	17,826,551	11,657,828	1,009,463	5,875,816	(7,388,062)	28,981,596

JAMAICA BROILERS GROUP LIMITED
29 JANUARY 2022
(Expressed in Jamaican dollars unless otherwise indicated)

Accounting Periods

The company's financial year consists of 12 accounting periods ending on the Saturday closest to the calendar month end. The accounting year ends on the Saturday closest to April 30.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention, as modified by the revaluation of biological assets and certain financial assets.

These financial statements are presented in Jamaican dollars unless otherwise indicated.
The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 1 May 2021.

Segmental Financial Information

Management has determined the operating segments based on the reports reviewed by the President and Chief Executive Officer that are used to make strategic decisions.

Segment information is provided for reportable segments as follows:

- Jamaica Operations
- US Operations
- Haiti Operations
- Other Caribbean Operations

The business is considered primarily from a geographical perspective.

Finance income and Finance costs are not included in the measure of segment results and are not regularly reviewed by the President and Chief Executive Officer.

The Other Caribbean Operations segment includes the net results of the JBGL Stockholders Nominee Limited (JBGLSNL), which represents the unrealised fair value of the Jamaica Broilers Group Limited shares. The results of JBGSNL are not included in the consolidated financial statements as the movements are eliminated on consolidation.