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**DIRECTORS' REPORT TO SHAREHOLDERS ON
COMPANY'S FINANCIAL PERFORMANCE
THIRD QUARTER ENDED SEPTEMBER 30, 2022**

The Board of Directors is pleased to report on the performance of Spur Tree Spices Jamaica Limited for nine-months ended September 30, 2022, including the presentation of unaudited financial statements, prepared in accordance with International Financial Reporting Standards (IFRS).



Financial Highlights & Analysis

	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>	<u>Variance</u>	<u>Variance</u>
	3 Months Ended Sept.2022	3 Months Ended Sept.2021	9 Months Ended Sept.2022	9 Months Ended Sept. 2021	12 Months Ended Dec. 2021	Year over Year	Year over Year
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
REVENUE	233,204	247,002	672,062	614,294	859,718	57,768	9.4
Cost of Sales	<u>(158,176)</u>	<u>(174,328)</u>	<u>(433,803)</u>	<u>(423,840)</u>	<u>(579,317)</u>	<u>9,963</u>	<u>2.35</u>
GROSS PROFIT	75,028	72,674	238,259	190,454	280,401	47,805	25.1
Other operating income	-	-	<u>1,555</u>	<u>483</u>	<u>1,385</u>	<u>1,072</u>	<u>221.9</u>
	75,028	72,674	239,814	190,937	281,786	48,877	25.6
Administrative and other expenses	<u>(43,885)</u>	<u>(35,399)</u>	<u>(116,652)</u>	<u>(88,273)</u>	<u>140,668</u>	<u>28,379</u>	<u>32.1</u>
	31,143	37,275	123,162	102,664	141,118	20,498	20.0
Impairment losses on trade receivables	<u>(588)</u>	-	<u>(1,164)</u>	-	<u>(1,158)</u>	<u>(1,164)</u>	<u>100</u>
OPERATING PROFIT	30,055	37,275	121,998	102,664	139,960	19,334	18.8
Finance costs	<u>(1,015)</u>	<u>(4,448)</u>	<u>(3,227)</u>	<u>(11,419)</u>	<u>(15,818)</u>	<u>8,192</u>	<u>(71.7)</u>
PROFIT BEFORE TAXATION	29,540	32,827	118,771	91,245	124,142	27,526	30.2
Taxation	<u>(151)</u>	<u>(7,182)</u>	<u>(131)</u>	<u>(19,937)</u>	<u>(32,823)</u>	<u>19,806</u>	<u>(99.3)</u>
PROFIT FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME	<u>29,389</u>	<u>25,645</u>	<u>118,640</u>	<u>71,308</u>	<u>91,319</u>	<u>47,332</u>	<u>66.3</u>
Earnings Per Share	\$0.02	\$0.02	\$0.07	\$0.06	\$0.07	\$0.01	16.7
Shareholders' Equity			739,724	253,749	411,260	485,975	191.5
Total Assets			872,096	513,121	596,680	358,975	70.0
Cash and Cash Equivalents			74,295	87,238	94,465	-12,943	(14.8)



Financial Performance

Spur Tree Spices Jamaica Limited recorded revenue of \$672M for the nine-months ended September 2022, an increase of \$57.8M or 9.4% over the previous year.

Cost of Sales for the nine-months was \$433.8M or 64.5% of revenue. This is an improved position over the same period for 2021 where the company recorded Cost of Sales of 69% of revenue.

As a result of improved cost efficiencies, Gross Margin increased from 31% in 2021 to 35.4% in 2022.

Operating Expenses for the nine-months increased by 28.4M or 32% mainly due to increases in marketing spend, staff costs & rental costs.

Profit attributable to shareholders for the nine-months to September 2022 was \$118.8M, up from \$71.3M for the corresponding period in 2021. This represents an improvement of \$47.3M or 66.3%.

Earnings Per Share for the nine-month period is \$0.07 up from \$0.06 in 2021, an improvement of 16.7%.

Financial Position

Total Assets in September 2022 stands at \$872M, up from \$513M for the same period in 2021. This represents a 70% improvement year-over-year.

Shareholders' Equity as of September 2022 was \$739.7M compared with \$253.7M in September 2021, an improvement of 191%.

Cash and Cash Equivalents in September 2022 was \$77.3M down from \$87.2M as in September 2021. This decline of \$12.9M or 14.8% is directly related to several investment projects being undertaken by the company.

These include:

- Expansion of Exotic Products factory infrastructure to double production capacity.
- Purchase of building in Port Morant to establish production facility.
- An advance of \$100M on purchase of controlling interest in Canco Ltd.
- Upgrade of Spur Tree Spices production capacity.

Conclusion and Outlook

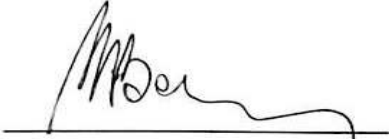
Irrespective of the challenges faced to date (can shortages and major transition in our largest US distributor), profit for the year is up by over 66% which speaks to the resilience and strength of the brand. The company recorded its highest monthly sales for 2022 in September which puts us on a positive trajectory to finish the year strong.

The Board of Directors is pleased that other distribution partnerships locally and internationally have been finalized, the most recent of which is the strategic partnership with Massy Distributions, for increased regional distribution. Having been affected by challenges that one of its North American distributors experienced earlier this year, the Company expanded its focus to develop more channels for products distribution. With our increased production capability through CANCO and the final stages of the factory expansion project at Exotic Products underway, the company is well positioned to meet the increased demand for its products locally and internationally for the remainder of 2022 going into 2023.

The strategic imperatives set by the Board of Directors, positioned the Company to be laser focused on growth, increasing the demand of the product lines, increasing cost efficiencies and expansion of production capabilities. The unyielding focus and execution of these strategic priorities by the Executive Leadership and Staff at Spur Tree Spices Jamaica Limited, has positioned us well for excellent results. As such, the Board has tremendous confidence and anticipate a strong 2022 fourth quarter and an outstanding 2023.



Metry Seaga
Chairman/Director



Albert Bailey
Director / CEO

SPUR TREE SPICES JAMAICA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED 30 SEPTEMBER 2022

SPUR TREE SPICES JAMAICA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED 30 SEPTEMBER 2022

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SPUR TREE SPICES JAMAICA LIMITED
CONSOLIDATED INCOME STATEMENT
NINE MONTHS ENDED 30 SEPTEMBER 2022


	<u>Note</u>	<u>Unaudited</u>			
		<u>Quarters Ended</u>		<u>9 Months Ended</u>	
		<u>30 September</u>		<u>30 September</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
REVENUE	5	233,204	247,002	672,062	614,294
Cost of sales		(158,176)	(174,328)	(433,803)	(423,840)
GROSS PROFIT		75,028	72,674	238,259	190,454
Other operating income		-	-	1,555	483
		75,028	72,674	239,814	190,937
Administrative and other expenses		(43,885)	(35,399)	(116,652)	(88,273)
Impairment losses on trade receivables		(588)	-	(1,164)	-
OPERATING PROFIT		30,555	37,275	121,998	102,664
Finance costs		(1,015)	(4,448)	(3,227)	(11,419)
PROFIT BEFORE TAXATION		29,540	32,827	118,771	91,245
Taxation		(151)	(7,182)	(131)	(19,937)
PROFIT FOR THE PERIOD, BEING TOTAL COMPREHENSIVE INCOME		<u>29,389</u>	<u>25,645</u>	<u>118,640</u>	<u>71,308</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company		<u>29,389</u>	<u>25,645</u>	<u>118,640</u>	<u>71,308</u>
EARNINGS PER STOCK UNIT		<u>0.02¢</u>	<u>0.02¢</u>	<u>0.07¢</u>	<u>0.06¢</u>

SPUR TREE SPICES JAMAICA LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 SEPTEMBER 2022

	Unaudited		Audited
	30 September		31 December
	2022	2021	2021
	\$'000	\$'000	\$'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	228,269	85,197	173,357
Intangible asset	11,389	-	11,389
Investments	3,750	41,250	3,750
Right-of-use asset	39,229	24,229	46,741
Deferred tax assets	4,563	-	3,670
	<u>287,200</u>	<u>150,676</u>	<u>238,907</u>
CURRENT ASSETS:			
Inventories	173,345	98,052	112,256
Receivables	337,256	135,964	151,052
Due from related company	-	41,191	-
Cash and cash equivalents	74,295	87,238	94,465
	<u>584,896</u>	<u>362,445</u>	<u>357,773</u>
	<u>872,096</u>	<u>513,121</u>	<u>596,680</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	366,967	19,643	157,143
Capital reserve	150	150	150
Retained earnings	372,607	233,956	253,967
	<u>739,724</u>	<u>253,749</u>	<u>411,260</u>
NON-CURRENT LIABILITIES:			
Lease liability	33,006	20,045	40,599
Deferred tax liability	-	890	-
	<u>33,006</u>	<u>20,935</u>	<u>40,599</u>
CURRENT LIABILITIES:			
Payables	54,401	41,804	46,078
Taxation	5,079	16,554	31,594
Lease liability	9,429	6,906	8,615
Due to related company	25,389	8,692	-
Directors' current accounts	5,068	12,357	12,186
Borrowing	-	152,124	46,348
	<u>99,366</u>	<u>238,437</u>	<u>144,821</u>
	<u>872,096</u>	<u>513,121</u>	<u>596,680</u>

The financial statements on pages 1 to 8 were approved and authorised for issue by the Board of Directors on 11 November 2022 and were signed on its behalf by:


 Metry Seaga - Director


 Albert Bailey - Director

SPUR TREE SPICES JAMAICA LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
NINE MONTHS ENDED 30 SEPTEMBER 2022

	<u>Share Capital \$'000</u>	<u>Advance on Shares \$'000</u>	<u>Capital Reserve \$'000</u>	<u>Retained Earnings \$'000</u>	<u>Total \$'000</u>
BALANCE AT 1 JANUARY 2021	<u>19,643</u>	<u>-</u>	<u>150</u>	<u>162,648</u>	<u>182,441</u>
TOTAL COMPREHENSIVE INCOME					
Net profit for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,308</u>	<u>71,308</u>
BALANCE AT 30 SEPTEMBER 2021 (Unaudited)	<u>19,643</u>	<u>-</u>	<u>150</u>	<u>233,956</u>	<u>253,749</u>
BALANCE AT 1 JANUARY 2021	<u>19,643</u>	<u>-</u>	<u>150</u>	<u>162,648</u>	<u>182,441</u>
TRANSACTIONS WITH OWNERS					
Issue of shares	<u>37,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,500</u>
Advance on shares	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
	<u>37,500</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>137,500</u>
TOTAL COMPREHENSIVE INCOME					
Net profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,319</u>	<u>91,319</u>
BALANCE AT 31 DECEMBER 2021 (Audited)	<u>57,143</u>	<u>100,000</u>	<u>150</u>	<u>253,967</u>	<u>411,260</u>
BALANCE AT 1 JANUARY 2022	<u>57,143</u>	<u>100,000</u>	<u>150</u>	<u>253,967</u>	<u>411,260</u>
TRANSACTION WITH OWNERS					
Issue of shares, net	<u>309,824</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>209,824</u>
TOTAL COMPREHENSIVE INCOME					
Net profit for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,640</u>	<u>118,640</u>
BALANCE AT 30 SEPTEMBER 2022 (Unaudited)	<u>366,967</u>	<u>-</u>	<u>150</u>	<u>372,607</u>	<u>739,724</u>

SPUR TREE SPICES JAMAICA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
NINE MONTHS ENDED 30 SEPTEMBER 2022

	Unaudited	
	9 Months Ended 30 Sept 2022 <u>\$'000</u>	9 Months Ended 30 Sept 2021 <u>\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit	118,640	71,308
Adjustments for:		
Depreciation	20,324	13,888
Amortisation of right-of-use asset	7,512	10,903
Interest expense	3,227	11,419
Taxation	131	19,937
	<u>149,834</u>	<u>127,455</u>
Changes in operating assets and liabilities:		
Inventories	(61,089)	(21,057)
Receivables	(186,204)	(5,881)
Payables	8,325	6,294
Due from related company	25,389	14,538
Directors' current accounts	(7,118)	(390)
	(70,863)	120,959
Taxation paid	(27,539)	(14,964)
Cash (used in)/provided by operating activities	(98,402)	<u>105,995</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(75,236)	(17,104)
Increase in investment	-	(41,250)
Cash used in investing activities	(75,236)	(58,354)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid on loans	-	(9,227)
Proceeds from issue of shares, (net)	209,822	-
Proceeds from loan received	-	50,000
Loans repaid	(46,348)	(15,850)
Principal paid on lease liability	(6,779)	(11,650)
Interest paid on lease liability	(3,227)	(2,192)
Cash provided by financing activities	<u>153,468</u>	<u>11,081</u>
Net (decrease)/increase in cash and cash equivalents	(20,170)	58,722
Cash and cash equivalents at beginning of period	<u>94,465</u>	<u>28,516</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>74,295</u>	<u>87,238</u>

SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

Spur Tree Spices Jamaica Limited ("the Company") is a limited liability company incorporated and domiciled in Jamaica. These condensed consolidated interim financial statement (interim financial statement') comprise the Company and its Subsidiary, herein referred as "the Group".

The principal activities of the Group are the manufacturing and distributing of seasonings, spices, canned ackee and callaloo primarily for the export market.

2. BASIS OF PREPARATION:

These interim consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not include all disclosures that would otherwise be required in a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since its latest annual financial statements. Therefore, these interim financial statements should be read in conjunction with the Group's annual consolidated financial statements as of and for the year ended 31 December 2021.

3. SIGNIFICANT ACCOUNTING POLICY:

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2021 financial statements and corresponding interim reporting period.

Certain new standards, interpretations and amendments to existing standards which became effective 1 January 2022, are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

Additionally, there are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 December 2022 (the date of the Group's next annual financial statements) that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the consolidated interim financial statements, once adopted.

4. SIGNIFICANT EVENT AND TRANSACTIONS, INCLUDING IMPACT OF COVID-19:

The Group continues to closely monitor the impact of the Covid-19 pandemic on its operation. To date, there has been no significant effect on the Group. Management continues plans to expand production capacity and therefore purchased property and pieces of equipment. Additionally, included in receivables is an amount of \$100 million, which was advanced to acquire interest in Canco Limited (Note 9).

SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

5. **REVENUE:**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities and is shown net of discounts and allowances after eliminating sales within the Group. Goods are transferred to customers at a point in time.

6. **SEGMENT REPORTING:**

The Group has two reportable segments which are based on the different types of products that it offers as follows:

	30 September 2022		
	<u>Spices</u>	<u>Canned</u>	<u>Total</u>
	<u>\$'000</u>	<u>Products</u>	<u>\$'000</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
REVENUE:			
Revenue	667,556	209,957	877,513
Inter-segmental revenue	<u>-</u>	<u>(205,451)</u>	<u>(205,451)</u>
Total revenue from external customers	<u>667,556</u>	<u>4,506</u>	<u>672,062</u>
Segment profits	116,121	392	116,513
Unallocated expenses	<u>-</u>	<u>-</u>	<u>2,258</u>
Profit before taxation			118,771
Taxation			<u>(131)</u>
Profit for the period			<u>118,640</u>

The Company acquired its subsidiary at the end of the third quarter of 2021; therefore, the corresponding interim for the nine (9) months ended 30 September 2021 represents the segment results of the Company, which produces spices.

SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

7. **RELATED PARTY TRANSACTIONS AND BALANCES:**

The following transactions were carried out with related parties during the period:

(a) Key management compensation:

	Unaudited 30 September	
	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Directors' remuneration	17,531	19,641
Directors' fees	<u>2,125</u>	<u>-</u>
	<u>19,656</u>	<u>19,641</u>
Motor vehicle upkeep	<u>1,934</u>	<u>1,797</u>

(b) The balances at period/year end were as follows:

	Unaudited 30 September	Audited 31 December
	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Directors' current accounts	<u>5,068</u>	<u>12,186</u>
Due to related party- Holland Bamboo Limited	25,389	<u>-</u>

Directors' current accounts are interest free and have no fixed term of repayment.

SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

8. EXPENSES BY NATURE:

Total direct and administration expenses:

	Unaudited 30 September	
	2022	2021
	<u>\$'000</u>	<u>\$'000</u>
Direct costs used in production	354,081	389,506
Change in inventories of finished goods and work-in-progress	61,090	21,057
Directors' remuneration and fees	19,656	19,641
Staff costs	34,679	25,256
Depreciation	20,324	13,888
Amortization of right-of-use asset	7,512	10,903
Maintenance fee	9,404	4,143
Utilities	8,084	7,357
Advertising and promotion	4,821	261
Auditor's remuneration	2,663	266
Insurance	4,617	3,907
Repairs and maintenance	4,396	2,734
Legal and professional fees	5,404	2,470
Travel and entertainment	3,542	3,533
Motor vehicles expenses	5,738	4,939
Other expenses	<u>4,444</u>	<u>2,252</u>
	<u>550,455</u>	<u>512,113</u>

9. SUBSEQUENT EVENT:

On the 3 October 2022, the Board of Directors executed and entered into a share subscription agreement and share purchase agree with Canco Limited (CANCO) and its shareholders, which will result in the Company holding a 51% shareholding in CANCO. CANCO is in the business of agri-processing and trades as "Linstead Market Jamaica". Its leading product is canned ackee.

**TOP TEN (10) STOCKHOLDERS
AS AT SEPTEMBER 30, 2022**

	NAME	UNITS	VOLUME (%)
1.	HARRINARINE MOHAN JAGNARINE	447,241,839	31.1845
	HARRINARINE MOHAN & CHANDRA JAGNARINE	75,709,548	
2.	ALBERT BAILEY	260,473,912	15.5324
3.	GK INVESTMENTS LTD	170,986,502	10.1962
4.	ANAND & JOAN JAMES	115,000,000	6.8577
5.	DAVE NARINE	97,000,000	5.7843
6.	RAVI RAMBARRAN	75,661,641	4.5118
7.	CYRIL A. GORDON	41,000,000	2.4449
8.	CAL'S MANUFACTURING LIMITED	35,507,483	2.1174
9.	VIVIENNE CLAYTON	31,212,683	1.8613
10.	CONTINENTAL BAKING COMPANY LIMITED	21,214,143	1.2650

**SHAREHOLDING BY BOARD OF DIRECTORS
AS AT SEPTEMBER 30, 2022**

	NAME	UNITS	VOLUME (%)
1.	HARRINARINE MOHAN JAGNARINE	447,241,839	31.1845
	HARRINARINE MOHAN & CHANDRA JAGNARINE	75,709,548	
2.	ALBERT BAILEY	260,473,912	15.5324
3.	ANAND JAMES	115,000,000	6.8577
4.	STEPHEN & NSAMBI RICKETTS	11,231,899	0.6698
5.	METRY SEAGA	8,400,000	0.5009
6.	YANA SAMUELS	1,000,000	0.0596
7.	DANIELLE TERRELONGE	100,000	0.0060

**SHAREHOLDING BY SENIOR MANAGERS
AS AT SEPTEMBER 30, 2022**

	NAME	RELATIONSHIP	TOTAL	VOLUME (%)
1.	HARRINARINE MOHAN JAGNARINE	SELF – 447,241,839	522,951,387	31.1845
	HARRINARINE MOHAN & CHANDRA JAGNARINE	CONNECTED -75,709,548		
2.	ALBERT BAILEY	SELF - 260,473,912	260,473,912	15.5325
3.	RANI-DEVI BADALOO	SELF - 0 CONNECTED – 522,951.387	522,951,387	31.1845
4.	TAMARA SAMMS	SELF – 264,200	264,200	0.00151
5.	VENETIA SHEPHERD	SELF – 149,700	149,700	0.00089
6.	FIONA DOWNS	SELF – 47,100	47,100	0.00028
7.	SERETA MCDONALD	SELF – 168,252	39,252	0.00002