

# MAYBERRY JAMAICAN EQUITIES

## USD Q3 2021

### UNAUDITED FINANCIAL RESULTS



# MANAGING DIRECTOR'S COMMENTARY ON FINANCIAL RESULTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 (UNAUDITED)  
(represented in US\$)

## PERFORMANCE HIGHLIGHTS



**TOTAL  
ASSETS**

**35%**

INCREASE OVER Q3 2020  
Q3 2021: \$117M  
Q3 2020: \$87M



**TOTAL EQUITY  
TO SHAREHOLDERS**

**32%**

INCREASE OVER Q3 2020  
Q3 2021: \$93M  
Q3 2020: \$70M



**NET BOOK VALUE  
PER SHARE**

**32%**

INCREASE OVER Q3 2020  
Q3 2021: \$0.08  
Q3 2020: \$0.06



**YEAR TO DATE  
NET PROFIT**

**152%**

INCREASE OVER Q3 2020  
Q3 2021: \$3.9M  
Q3 2020: (\$7.5)M



**YEAR TO DATE TOTAL  
COMPREHENSIVE INCOME**

**123%**

INCREASE OVER Q3 2020  
Q3 2021: \$12.1M  
Q3 2020: (\$53.2)M



# UNAUDITED RESULTS FOR THE 3rd QUARTER 2021

## INVESTMENT ENVIRONMENT

For the nine months to September 2021, Mayberry Jamaican Equities Limited (MJE) volumes traded on the Jamaica Stock Exchange (JSE) was 164.04 million units compared to 65.35 million for corresponding period in the prior year.

The Jamaican economy grew by 14.2% year -on- year to June 2021. The growth in the quarter ending June 2021, ended the run of five consecutive quarters of contraction, which largely reflected the continued negative impact of the novel Coronavirus (COVID-19). However, the expansion in the second quarter should be viewed in the context of a significant fall in economic activity of 18.4% due to measures implemented to curb the spread of the novel Coronavirus (COVID-19).

This expansion in the second quarter resulted from a 14.8% and 12.7% increase for the Services and Goods Producing industries. During this time, the economy welcomed the relaxation of Covid-19 measures, reduced curfew hours, and easing travel restrictions, which positively impacted commerce and tourism-related activities. When compared to the first quarter of 2021, total value added rose 2.4% which was a gradual improvement in economic activity.

The inflation rate for August 2021 was 0.9%, primarily attributed to the 1.8% rise in the index for the heavily weighted 'Food and Non-Alcoholic Beverages' division. As of August 2021, the point-to-point inflation rate was 6.1%, while the fiscal year-to-date inflation rate was 4.3% and the calendar year-to-date inflation rate was 4.7%.

The exchange rate since the start of 2021 devalued by 3.2% or J\$4.59 to J\$147.24 as at September 30, 2021, while the movement year on year reflects a devaluation of 3.6% from J\$142.10 as of September 30, 2020. For the period January to September 2021, the JSE Main Market Index reflected an advance of 19,275.05 points or 4.87% from 395,614.93 to 417,864.91 points. However, when compared to September 2020 on a year-on-year basis, the September 2021 units improved by 34,463.98 or 9.06%. The JSE Junior Market reported similar trends, as it ended September 2021 at 3,296.35 points compared to 2,555.67 points for September 2020. Year on year, it rose by 740.68 points, a 28.9% increase.



## PORTFOLIO HIGHLIGHTS

MJE currently holds stock in 33 companies listed on the Main and Junior Markets of the Jamaica Stock Exchange (JSE).

The company made net additions to investments during the quarter reflecting the continued favorable pricing of some stocks relative to the Investment Manager's growth projections for earnings and dividend yield.

	2021 US\$'000	2020 US\$'000
Q3 TOTAL ADDITIONS	\$10,832	\$663
Q3 TOTAL DISPOSALS	\$1,496	\$1,316

### THE TOP 5 ADDITIONS AND DISPOSALS FOR THE PORTFOLIO

JULY TO SEPTEMBER 2021

	2021 US\$'000		2020 US\$'000
<b>TOP 5 ADDITIONS - Q3</b>		<b>TOP 5 ADDITIONS - Q3</b>	
SVL	\$9,442	WIG	\$295
GK	\$1,121	GENAC	\$84
MIL	\$82	SVL	\$71
LUMBER	\$40	CCC	\$53
FTNA	\$34	CAR	\$44
<b>TOP 5 DISPOSALS - Q3</b>		<b>TOP 5 DISPOSALS - Q3</b>	
LUMBER	\$933	GENAC	\$412
HONBUN	\$506	JBG	\$376
CCC	\$47	CCC	\$169
KREMI	\$5	JMMBGL	\$147
DTL	\$3	EPLY	\$54

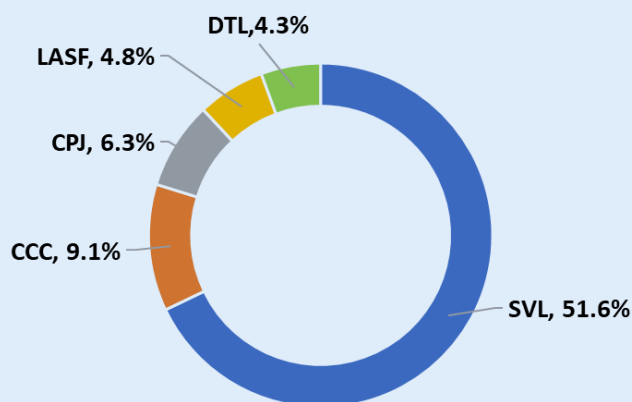




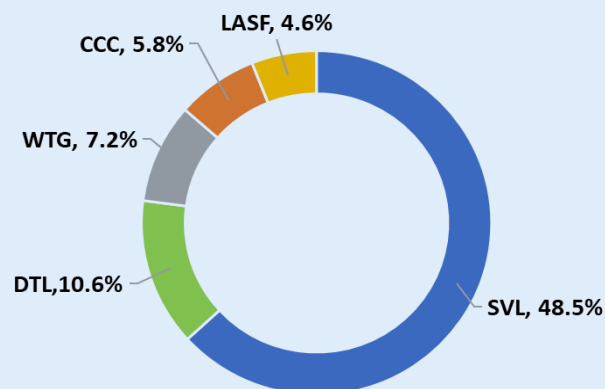
## THE TOP 5 LARGEST HOLDINGS (VALUE OF SHARES)

AS AT SEPTEMBER 30

**2021 - TOP 5 - % OF TOTAL VALUE OF INVESTMENTS**



**2020 - TOP 5 - % OF TOTAL VALUE OF INVESTMENTS**



## NET ASSET VALUE (NAV)

The net book value per share increased by 32% to US\$0.08 as at September 30, 2021, compared to US\$0.06 for the corresponding period in 2020. The 2021 performance continues to reflect a steady improvement following the December 2020 close at US\$0.07. MJE's stock price closed at US\$0.06 on September 30, 2021, a 6% appreciation compared to that of September 30, 2020.

**MJE NAV PERFORMANCE - J\$**



## FINANCIAL POSITION

SUMMARY OF CHANGES ON THE STATEMENT OF FINANCIAL POSITION				
Description	30 September 2021 (US\$'000)	30 September 2020 (US\$'000)	Change (US\$'000)	% Change
Total Assets	117,163	86,695	30,468	35.1%
Total Liabilities	24,107	16,294	7,813	48.0%
Stockholders' Equity	93,056	70,401	22,655	32.2%
Net Book Value Per Share	\$0.08	\$0.06	\$0.02	32.2%

Total assets as at September 30, 2021 were valued at US\$117.2 million. This represents a 35.1% increase from the US\$87 million reported as at September 30, 2020. The US\$30 million increase was mainly attributable to the net acquisition of investment securities and unrealized gains on the portfolio over the period.

Total liabilities were US\$24.1 million as at September 30, 2021, an increase of US\$7.8 million compared to the corresponding period in 2020, driven mainly by an increase in funding from repurchase agreement for investment purchases.

## SHAREHOLDERS' EQUITY

Mayberry Jamaican Equities Limited's capital base continues to be strong closing the quarter with US\$93.1 million for shareholders' equity. This position increased by US\$22.7 million when compared to Q3 2020. This was attributable to an increase in retained earnings for the 12-month period by US\$5.6 million and year over year increase in fair value reserves of US\$17 million.

## OVERALL PERFORMANCE

In the wake of the gradual return of investors' confidence to the local financial markets and the continued favourable performance of strategic stocks in MJE's portfolio, the Company reported a net profit of US\$611K for quarter ending September 2021 compared to US\$721K in the prior year. This performance mainly resulted from increased realized foreign exchange gains of US\$207K million and dividend income of approximately US\$373K when compared to the same period in 2020. In addition, total operating expenses were lower by US\$7K, resulting mainly from reduced computer expenses. This resulted in an earnings per share (EPS) of US\$0.0005 (2020: US\$0.0006).

For the nine months ended September 30, 2021, the Company recorded improved profitability of US\$3.9 million compared to a net loss of US\$7.5 million for the corresponding nine-month period in 2020.



## TOTAL COMPREHENSIVE INCOME

SUMMARY OF CHANGES ON THE STATEMENT OF COMPREHENSIVE INCOME				
Description	3 Months ended 30 September 2021 (US\$'000)	3 Months ended 30 September 2020 (US\$'000)	Change (US\$'000)	% Change
Net Interest Income and Other Revenues	915	1,032	(117)	(11.4%)
Operating Expenses	303	311	7	2.4%
Profit before Taxation	611	721	(110)	(15.2%)
Net Profit	611	721	(110)	(15.2%)
Other Comprehensive (Loss)/Income	(8,773)	(7,657)	(1,115)	(14.6%)
Total Comprehensive (Loss)/Income	(8,161)	(6,936)	(1,225)	(17.7%)
Earnings Per Share (EPS)	\$0.0005	\$0.0006	(\$0.0001)	(15.2%)

MJE recorded a total comprehensive loss of US\$8.2 million for the three-month period July to September 2021. This compares to a total comprehensive loss of US\$6.9 million for the July to September 2020 quarter. This performance reflects the results of unfavorable price movements on securities in the portfolio during the quarter. However, total comprehensive income for the nine-month period ended September 30, 2021, was US\$12.1 million a significant turnaround compared to the total comprehensive loss of US\$53.2 million for the similar period in 2020 due to the negative effects on markets from the COVID – 19 pandemic.

## TOTAL REVENUES

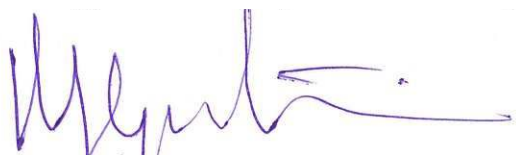
Net revenues generated for July to September 2021 was US\$915K reflecting a marginal decline of US\$117K over the corresponding quarter in 2020. This performance resulted from reduced unrealized gains on investments. For the nine months period ended September 30, 2021, the Company reported net revenues of US\$4.7 million an increase of 169% over the corresponding period in 2020.



## OPERATING EXPENSES

Total operating expenses of US\$303K for the third quarter reflected favourably when compared to Q3 2020 by US\$7K. This reduction was mainly attributable to cost improvements for computer fees. For the nine months to September 2021, the Company recorded total operating expenses of US\$838K compared to US\$672K for the corresponding period in the prior year. This was attributed to increased management fees following the improvement in net asset value under management.

Mayberry Jamaican Equities Limited takes this opportunity to thank all our shareholders, the Board of Directors and support teams for your continued support.



Natalie G. Augustin  
Managing Director





# STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	UNAUDITED 3 Months ended 30 September 2021 US\$'000	UNAUDITED 3 Months ended 30 September 2020 US\$'000	UNAUDITED 9 Months ended 30 September 2021 US\$'000	UNAUDITED 9 Months ended 30 September 2020 US\$'000	AUDITED 12 Months ended 31 December 2020 US\$'000
<b>Net Interest Income and Other Revenues</b>					
Interest income	1.4	1.8	5.1	10	12
Interest expense	(352)	(283)	(904)	(954)	(1,277)
<b>Net Interest income</b>	<b>(350)</b>	<b>(281)</b>	<b>(899)</b>	<b>(943)</b>	<b>(1,265)</b>
Dividend Income	636	263	1,998	1,647	2,263
Net trading gains/(loss)	0.2	6.4	7.9	428	440
Unrealized gain/(loss) on investment revaluation	482	1,104	3,797	(7,826)	(8,519)
Realized foreign exchange gain/(loss)	146	(60)	(159)	(164)	(82)
	<b>915</b>	<b>1,032</b>	<b>4,746</b>	<b>(6,859)</b>	<b>(7,163)</b>
<b>Operating Expenses:</b>					
Other operating expenses	303	311	838	672	(1,097)
<b>Profit/(Loss) before taxation</b>	<b>611</b>	<b>721</b>	<b>3,908</b>	<b>(7,531)</b>	<b>(8,260)</b>
Taxation (charge) / credit	-	(0)	-	4.3	184
<b>NET PROFIT/(LOSS)</b>	<b>611</b>	<b>721</b>	<b>3,908</b>	<b>(7,527)</b>	<b>(8,076)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Net unrealized gain/(loss) on financial instruments - FVOCI	(8,773)	(7,657)	8,159	(45,629)	(28,885)
<b>Other comprehensive (loss)/income, Net of Tax</b>	<b>(8,773)</b>	<b>(7,657)</b>	<b>8,159</b>	<b>(45,629)</b>	<b>(28,885)</b>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME</b>	<b>(8,161)</b>	<b>(6,936)</b>	<b>12,067</b>	<b>(53,156)</b>	<b>(36,961)</b>
<b>Number of Shares in issue</b>	<b>1,201,149</b>	<b>1,201,149</b>	<b>1,201,149</b>	<b>1,201,149</b>	<b>1,201,149</b>
<b>Earnings per share</b>	<b>\$0.0005</b>	<b>\$0.0006</b>	<b>\$0.003</b>	<b>(\$0.01)</b>	<b>(\$0.01)</b>



# STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2021

	UNAUDITED September 30, 2021	UNAUDITED September 30, 2020	AUDITED December 31, 2020
	US\$'000	US\$'000	US\$'000
Cash and cash equivalents	2,329	4,333	2,335
Investments	114,047	81,718	96,864
Taxation recoverable	18	17	18
Due from parent company	406	-	-
Intangible asset	331	392	381
Other receivables	32	235	236
<b>TOTAL ASSETS</b>	<b>117,163</b>	<b>86,695</b>	<b>99,834</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Repurchase agreement	8,228	-	-
Deferred tax	83	185	124
Interest payable	85	25	29
Due to parent company	-	534	114
Accounts payable	71	31	276
Loans	14,984	15,453	15,455
Due to related company	657	67	-
<b>TOTAL LIABILITIES</b>	<b>24,107</b>	<b>16,294</b>	<b>15,998</b>
<b>STOCKHOLDERS EQUITY</b>			
Share capital	20,556	20,556	20,556
Fair value reserve	38,876	21,847	33,390
Retained earnings	33,623	27,997	29,890
	93,056	70,401	83,836
Non-controlling interests	-	-	-
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>93,056</b>	<b>70,401</b>	<b>83,836</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>117,163</b>	<b>86,695</b>	<b>99,834</b>

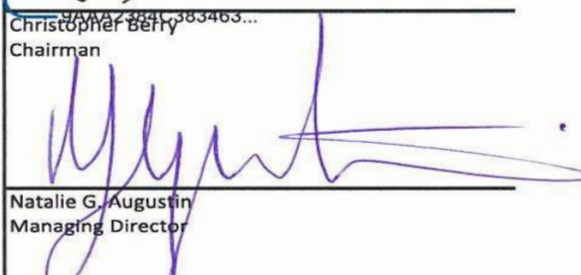
<b>Net book Value per Stock Unit</b>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>DECEMBER 2020</b>
	<b>\$0.08</b>	<b>\$0.06</b>	<b>\$0.07</b>

Approved by the Board of Directors for issue on October 11, 2021 and signed on its behalf by:

DocuSigned by:



Christopher Berry  
Chairman



Natalie G. Augustin  
Managing Director



## STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2021  
UNAUDITED

	No. of Shares	Share Capital \$ US\$'000	Fair Value Reserve \$ US\$'000	Retained Earnings \$ US\$'000	Total \$ US\$'000
<b>Balance at January 1, 2020</b>	20,556	20,556	68,893	40,710	130,159
Total comprehensive income for the year	-	-	(45,629)	(7,527)	(53,156)
Ordinary dividends paid	-	-	-	(509)	(509)
Realized (loss)/gain on fair value instruments transferred to retained earnings	-	-	(1,416)	1,416	-
Translation adjustment	-	-	-	(6,092)	(6,092)
<b>Balance at September 30, 2020</b>	<b>20,556</b>	<b>20,556</b>	<b>21,847</b>	<b>27,998</b>	<b>70,401</b>
<b>Balance at January 1, 2021</b>	20,555	20,556	33,390	29,890	83,836
Total comprehensive income for the year	-	-	8,159	3,908	12,067
Ordinary dividends paid	-	-	-	(492)	(492)
Realized (loss)/gain on fair value instruments transferred to retained earnings	-	-	(1,758)	1,758	-
Translation adjustment	-	-	(915)	(1,440)	(2,355)
<b>Balance at September 30, 2021</b>	<b>20,555</b>	<b>20,556</b>	<b>38,876</b>	<b>33,623</b>	<b>93,056</b>



## STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 30 September 2021 US\$'000	3 Months ended 30 September 2020 US\$'000	9 Months ended 30 September 2021 US\$'000	9 Months ended 30 September 2020 US\$'000	12 Months ended 31 December 2020 US\$'000
Profit/(Loss) for the period	611	721	3,908	(7,527)	(8,076)
<i>Other comprehensive income for the period net of tax:</i>					
Items that will or maybe classified to the statement of income					
Unrealized gain/(loss) on financial instruments	(8,773)	(7,657)	8,159	(45,629)	(28,885)
<b>Total comprehensive (loss)/income attributable to stockholders</b>	<b>(8,161)</b>	<b>(6,936)</b>	<b>12,067</b>	<b>(53,156)</b>	<b>(36,961)</b>



# STATEMENT OF CASHFLOW

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	UNAUDITED 9 Months ended 30 September 2021 US\$'000	UNAUDITED 9 Months ended 30 September 2020 US\$'000	AUDITED Year ended 31 December 2020 US\$'000
<b>Cash Flows from Operating Activities</b>			
Profit/(Loss) before taxation	3,908	(7,532)	(8,260)
<b>Adjustments to reconcile profit to net cash used in operating activities:</b>			
Amortization	46	-	62
Interest income	(5)	(10)	(12)
Interest expense	904	954	1,277
Realized fair value gain/(loss) transferred to retained earnings	1,758	1,416	1,498
Unrealized fair value gain/(loss) on financial instruments - FVPL	(3,797)	164	89
Unrealized foreign exchange gains	159	7,826	8,519
<b>Adjusted Profit / (Loss)</b>	<b>2,973</b>	<b>2,817</b>	<b>3,173</b>
<b>Changes in operating assets and liabilities:</b>			
(Increase)/decrease in investment securities	(9,998)	(2,248)	(1,825)
(Increase)/decrease in other receivables	196	(212)	(81)
Increase/(decrease) in accounts payables & other liabilities	(196)	(7)	(3,066)
Increase/(decrease) in due to related companies	140	1,220	1,861
Interest received	6	153	12
Interest paid	(847)	(929)	(1,278)
Taxation paid	-	-	(53)
<b>Cash used in Operating Activities</b>	<b>(10,699)</b>	<b>(2,022)</b>	<b>(4,430)</b>
<b>Net Cash used in Operating Activities</b>	<b>(7,726)</b>	<b>795</b>	<b>(1,257)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of intangible asset	(8)	(18)	-
<b>Net Cash Generated from Investing Activities</b>	<b>(8)</b>	<b>(18)</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from repurchase agreement	8,228	-	-
Ordinary dividend payment	(492)	(509)	(516)
Increase/(decrease) in proceeds from issue of debt security	-	(19)	-
<b>Net Cash used in Financing Activities</b>	<b>7,735</b>	<b>(528)</b>	<b>(516)</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>1</b>	<b>249</b>	<b>(1,773)</b>
Exchange gain/(loss) on foreign cash & cash equivalents	(6)	-	24
<b>Cash &amp; Cash Equivalents - Beginning of the year</b>	<b>2,335</b>	<b>4,084</b>	<b>4,084</b>
<b>Cash &amp; Cash Equivalents - End of the year</b>	<b>2,330</b>	<b>4,333</b>	<b>2,335</b>





## NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 SEPTEMBER 2021

### 1. Accounting Policies

#### (a) Basis of preparation

This condensed interim financial report for the reporting period ended 30 September 2021 has been prepared in accordance with Accounting Standard IAS 34 'Interim Financial Reporting'. These financial statements are presented in United States dollars unless otherwise indicated.



## TOP TEN SHAREHOLDERS

AS AT SEPTEMBER 30, 2021

<b>Names</b>	<b>Shareholdings</b>
Mayberry Investment Limited	768,614,674
Pwl Bamboo Holdings Limited	99,179,638
Konrad Berry	84,044,294
Vdwsd Limited	47,252,400
Mayberry Asset Managers Limited	41,122,865
Manwei International Limited	40,251,196
Kmb Holdings Inc	6,957,740
Sagikor Select Funds Limited - Class B - Financial	6,482,385
Konrad Limited	6,432,031
William Berry	5,159,183

## CONNECTED PARTIES

A+ Medical Centre	641,141
Mayberry Foundation	554,868



## SHAREHOLDINGS OF DIRECTORS AND SENIOR MANAGEMENT

AS AT SEPTEMBER 30, 2021

<u>Directors</u>	<u>Shareholdings</u>	<u>Connected Persons</u>
Christopher Berry	-	116,319,795
Konrad Berry	84,044,294	7,362,345
Natalie Augustin	253,300	-

