

THIS PROSPECTUS is dated January 31, 2024 and is issued by EXPRESS CATERING LIMITED (the “Company” or “ECL”). A copy of this Prospectus was delivered to the Registrar of Companies for registration pursuant to sub-section 40(2) of the Companies Act, 2004 and was so registered on January 31, 2024. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus. A copy of this Prospectus was also delivered to the Financial Services Commission (“FSC”) for the purpose of registration of the Company as an issuer pursuant to section 26 of the Securities Act, and the Company was so registered on February 2, 2024. The FSC has neither approved this Prospectus nor passed upon the accuracy or adequacy of this Prospectus.

This Prospectus is intended for use in Jamaica only and is not to be construed as an invitation to any person outside Jamaica to subscribe or apply for any of the Bonds.

No person is authorised to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained herein.

The Company’s Ordinary Shares have been listed on the Junior Market of the Jamaica Stock Exchange since July 2017. Detailed information on the Company and its business including its latest annual report may be found at <https://www.jamstockex.com/tag/express-catering-limited/>

PROSPECTUS

By
EXPRESS CATERING LIMITED
For
8.50% USD Senior Unsecured Bonds due 2027

| | |
|-----------------------|---|
| AMOUNT: | US\$ 10,000,000.00 with the option to upsize to US\$12,000,000.00 |
| TENOR: | Three (3) Years |
| INTEREST RATE: | 8.50% per annum |
| FINANCIAL COVENANTS: | i. Maximum Leverage Ratio ii. Minimum Interest Coverage Ratio |
| MINIMUM SUBSCRIPTION: | US\$100.00 |



EXPRESS CATERING LIMITED

Registered Office: Unit #16, M19 Southern Cross Boulevard,
Montego Freeport, Montego Bay
Jamaica
Telephone: (876) 979-8041
Fax: (876) 979-8131

This invitation relates to the offer by EXPRESS CATERING LIMITED (“ECL”) for subscription of Bonds having an aggregate principal amount of US\$10,000,000.00 with the option to up-size to US\$12,000,000.

The Form of Bond is set out in Appendix 3. Each Bond shall be issued subject to the terms and conditions set out therein, and in the Trust Deed entered into by the Company and the Trustee. Application Guidelines are set out in Appendix 1, together with instructions on completing and submitting an Application. The Invitation for Applicants to apply to purchase the Bonds will open at 9:00 a.m. on February 9, 2024 and will close at 4:30 p.m. on March 8, 2024 subject to the right of the Company to (a) close the Invitation at any time after 9:00 a.m. on February 9, 2024 with notice posted on the website of the Jamaica Stock Exchange (www.jamstockex.com), once all of the Bonds are fully subscribed; and (b) extend the Closing Date for receipt of Applications with notice posted on the aforementioned website of the Jamaica Stock Exchange. It is expected that the Bonds will be admitted to listing on the Bond Market of the Jamaica Stock Exchange within twenty-one (21) days of the Closing Date (or extended Closing Date, as the case may be) and that dealings in the Bonds will commence on the date of admission. Please note that this statement of the Company’s intention is not a guarantee that the Bonds will in fact be admitted to trading on the Bond Market of the Jamaica Stock Exchange.

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1. Important Notice & Disclaimer

Application to Subscribe for Bonds

This Prospectus is not a recommendation by the Company that prospective investors should submit Application Forms to subscribe for Bonds issued by the Company. Prospective investors in the Company are expected to make their own assessment of the Company, and the merits and risks of subscribing for Bonds. Prospective investors are also expected to seek appropriate advice on the financial and legal implications of subscribing for Bonds, including but not limited to any tax implications.

Each Applicant who submits an Application Form acknowledges and agrees that:

- (i) he/she has been afforded a meaningful opportunity to review the Prospectus (including in particular the terms and conditions set out in Section 6.14), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;
- (ii) he/she has not relied on the Company or any other person in connection with his/her investigation of the accuracy of such information or his/her investment decision; and
- (iii) no person connected with the Company has made any representation concerning the Company or this Prospectus not contained in this Prospectus, on which the Applicant has relied in submitting his/her Application Form.



Invitation is made to Jamaican Residents in Jamaica

This Prospectus is intended for use in Jamaica only and is not to be construed as an invitation to any person outside of Jamaica to subscribe or apply to purchase any interest in the Bonds. The distribution or publication of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law and, accordingly, persons into whose possession this Prospectus may come are required to inform themselves about, and to observe, such restrictions.

The Bonds may not be offered, sold, transferred, or delivered, directly or indirectly in the United States of America, its territories or possessions or any area subject to the jurisdiction of the United States or in any other country in which an invitation to subscribe for the Bonds or the offering of the Bonds is not permitted by applicable law.

Responsibility for Content of this Prospectus

The Directors of Express Catering Limited, all of whose names appear in Part 17 of this Prospectus, are the persons responsible for the information contained herein. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to materially affect the import of such information. Each of such persons accepts responsibility accordingly.

No person is authorised to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained in this Prospectus.

Content of this Prospectus

This Prospectus contains important information for prospective investors in the Company. All prospective investors should read the Prospectus carefully in its entirety before submitting an Application Form.

If you are in doubt about the contents of this Prospectus, you should consult your stockbroker, securities dealer, investment adviser, bank manager, attorney-at-law, professional accountant or other professional adviser.

This Prospectus contains summaries of certain documents which the Board of Directors of the Company believe are accurate. Prospective investors may wish to inspect the actual documents that are summarized, copies of which will be available for inspection as described in Part 16. Any summaries of such documents (including any of the documents relating to issuance of the Bonds) appearing in this Prospectus are qualified in their entirety by reference to the complete document. In cases of any conflict between the terms of this Prospectus and the transaction documents relating to the Bonds, the latter will prevail.

The publication of this Prospectus shall not imply that there has been no change in the business, results of operations, financial condition or prospects of the Company since the date of this Prospectus.

Neither the FSC, nor the Registrar of Companies or any other Government agency or regulatory authority in Jamaica has made any determination as to the accuracy or adequacy of the matters contained in this Prospectus.

2. Summary of Invitation

ISSUER:

Express Catering Limited, a company incorporated under the laws of Jamaica (the “Issuer”, or the “Company” or “ECL”).

SECURITIES:

8.50% USD Senior Unsecured Bonds due 2027.

AMOUNT:

US\$10,000,000.00 with option to upsize to US\$12,000,000.00.

ISSUE PRICE:

100% of principal face value.

INTEREST RATE:

Fixed at 8.50% per annum.

MINIMUM SUBSCRIPTION:

US\$100.00 and further increments of no less than US\$100.00.

INTEREST CALCULATION:

Interest will be calculated and accrued from day to day (after as well as before any judgment) but prorated on the basis of a 360-day year with 30 days comprised in each month and paid quarterly on each Interest Payment Date. The first Interest Payment Date will be May 30, 2024.

Interest will begin to accrue from the date an Applicant receives an Allocation Certificate or other written confirmation of the commencement of accrual interest (whichever is earlier).

INTEREST PAYMENT DATE:

Interest will be due and payable on February 28, May 30, August 30, and November 30 in each year, save and except that the first Interest Payment Date shall be May 30, 2024 and the final Interest Payment Date shall also be the Maturity Date.

COLLATERAL:

The Bonds are unsecured.

MATURITY DATE:

The Business Day falling 36 months after the Issue Date.

FINANCIAL COVENANTS:

The Bonds benefit from two (2) financial covenants (the “Financial Covenants”). In brief, the Financial Covenants require the Company to maintain:

- (i) a Maximum Leverage Ratio; and
- (ii) a Minimum Interest Coverage Ratio

See Section 6.7 for more information on the Financial Covenants.

EARLY REDEMPTION:

The Company may voluntarily prepay the Bonds or redeem, at par, prior to the Maturity Date all or some of the Bonds in issue without premium or penalty on any Interest Payment Date subject to giving thirty (30) days’ notice.

PRINCIPAL:

Principal along with accrued interest will be due and payable on the Maturity Date without a prepayment penalty or early redemption fee on the date of early redemption or prepayment.

USE OF PROCEEDS:

The Company intends to use the proceeds to repay existing indebtedness and for capital expenditure. More specifically the Company will repay US\$8.5 million owing to Sygnus Credit Investments Limited and the capital expenditure will be used to complete the build-out of the food court. The Company will also pay the expenses associated with the Invitation out of the proceeds, which it estimates will not exceed US\$304,000.00 inclusive of General Consumption Tax. Any remaining proceeds will be used for working capital.

EVENTS OF DEFAULT:

The Events of Default are set out in full at Section 6.9.

TAXATION:

Interest payments to Jamaican-resident Bondholders will be subject to withholding tax at 25%. Such interest will be withheld by the Registrar and Paying Agent and paid to the relevant tax authority. A certificate in the usual form confirming payment of such tax will be issued to the relevant Bondholder by the Registrar and Paying Agent.

Bondholders that are resident outside of Jamaica may be subject to higher or lower rates of tax on interest and principal depending on their individual circumstances.

If the Bonds are listed on the Bond Market of the JSE as anticipated, the transfer of the Bonds will be exempt from both Transfer Tax and Stamp Duty. Bondholders may also be able to reclaim tax withheld on interest after 45 days of receipt of the interest payment.

Each prospective Bondholder should consult with an independent advisor as to the rate of withholding and other taxes that is applicable to them

LISTING:

The Company will apply to the JSE to list the Bonds on the Bond Market Platform of the JSE. This is not a guarantee that the application will be successful.

PROCESSING FEE:

US\$2.00 per Application.

TRUSTEE ADMINISTRATION AGENT:

JCSD Trustee Services Limited.

TERMS AND CONDITIONS:

See Section 6.14 of this Prospectus.

KEY DATES:

Registration of Prospectus with COJ: January 31, 2024

Registration of Prospectus with FSC: February 2, 2024

Publication of Prospectus: February 2, 2024

Opening Date: 9:00 A.M. on February 9, 2024

Closing Date*: 4:30 P.M. on March 8, 2024

*subject to the right of the Company to shorten or extend the subscription period in the circumstances set out in this Prospectus.

APPLICATION GUIDELINES:

See Appendix 1 of this Prospectus.

APPLICATION PROCEDURES:

See Section 6.14 of this Prospectus.

APPROVED PAYMENT METHODS:

- (i) Transfer from the Applicant's account held with the Applicant's stockbroker to Mayberry;
- (ii) Cleared funds held in an equity/investment account in the Applicant's name at Mayberry supported by an authorization from the Applicant instructing Mayberry to debit the Applicant's account; or
- (iii) Wire Transfer to Mayberry's USD Bank Account: USD wire instructions set out in Appendix 7.

BASIS OF ALLOTMENT:

Application Forms that meet the requirements set out in this Prospectus and the Application Guidelines in Appendix 1 will be accepted on a "first come first served basis".

If the Invitation is oversubscribed (after the exercise of the option to up-size), it is likely that the Bonds will be allocated on a pro rata basis, in which event Applicants may be allotted fewer Bonds than were the subject of their Application(s). However, the Company (in the event of oversubscription) reserves the right to allot Bonds on an alternative basis to be determined in its sole discretion including allotting a minimum of Bonds to each Applicant and then allocating the excess on a pro rata basis or on such alternative basis as seems justifiable having regard to fairness and efficacy.

CONFIRMATION OF ALLOTMENT:

All Applicants may refer to the confirmation instructions that will be posted on the JSE Website (www.jamstockex.com) within six (6) Business Days of the Closing Date.

RETURNED APPLICATIONS REFUNDS:

Amounts refundable to Applicants whose Application Form(s) is not accepted, or whose Application Form(s) is only accepted in part, will either be returned to the Applicant's broker (less any applicable bank charges and processing fees) (if Applicant is a not a Mayberry client) or credited directly to the Applicant's account (if Applicant is a Mayberry client). The Amounts refundable (less any applicable bank charges and processing fees) will be returned within 10 (ten) Business Days after the Closing Date (or the extended Closing Date, as the case may be) or as soon as practicable thereafter.

*The Invitation will close at 4:30 p.m. on the Closing Date of March 8, 2024, subject to the right of the Company to: (i) close the Invitation at any time after 9:00 a.m. on the Opening Date of February 9, 2024 once the issue is fully sold and subscribed; and/or (ii) extend the Closing Date. In either case, notice will be posted on the website of the JSE (www.jamstockex.com).

**It is the intention of the Company to apply to the JSE for listing of the Bonds on the Bond Market of the JSE. Please note that this statement of the Company's intention is not a guarantee that the Bonds will in fact be admitted to trading on the Bond Market of the JSE.

3. Letter to Prospective Investors

January 31, 2024

Dear Prospective Investor,

The USD Senior Unsecured Bonds Due 2027

We are pleased to invite you to subscribe for our USD Bonds Due 2027. You may subscribe with as little as US\$100.00 and then subsequent multiples of US\$100.00. If this Invitation is successful we expect to list the USD Bonds Due 2027 on the Bond Market of the Jamaica Stock Exchange where they will be freely tradeable.

For most local businesses it is not advisable or practical to issue a US Dollar denominated bond because they generate their income in Jamaican Dollars. Express Catering is fairly unique because the primary currency in which we transact our business is the US Dollar.

About Express Catering Limited

We were incorporated on June 26, 2001. Our main business is the operation of a variety of gift shops and food and beverage offerings in the post security checkpoint area at the Sangster International Airport in Montego Bay ("SIA"). SIA is the largest international airport in Jamaica's. SIA welcomed approximately 5.27 million total passengers in 2023, an increase of 19.6% from the total passengers in 2022 and more than 500,000 passengers than in 2019, prior to the Covid-19 Pandemic. Our offerings to SIA passengers include:

| | |
|----------------------------------|------------------------|
| Air Margaritaville | Auntie Anne's Pretzels |
| Bob Marley's One Love Restaurant | Dairy Queen |
| Domino's Pizza | Quiznos |
| Starbucks Coffee | Wendy's |
| Cinnabon | The Bar |
| Air Groovy Grouper Bar and Grill | Arrivals Bar |
| Connections Lounge | The Guitar Bar |
| Island Deli | Jamaican Bobsled Café |
| Viva Gourmet Market | |

¹ As at January 30, 2024 the Bank of Jamaica weighted average selling price is J\$156.3277 to US\$1.00.

² <https://jamaica-gleaner.com/article/business/20240114/tourism-travel-surpasses-4m-2023-beating-expectation>



As we set out in more detail in Part 9 our recent financial performance shows the true resilience of the tourism industry and our business model which survived the peak of the COVID-19 Pandemic when Jamaica closed its borders and our business, like most involved in the hospitality industry worldwide, was brought to a complete standstill.

During COVID-19 Pandemic time we continued to progress with our plans with the support of our partner MBJ Airports Limited to expand and improve the travel experience at SIA as well as to improve our offerings to ensure we remain current with consumer tastes in the market place.

Those decisions have benefited the Company as we generated annual revenues of approximately US\$21.2 million for the financial year ended May 31, 2023 an increase of 48.9% from the US\$14.2 million revenue generated for the financial year ended May 31, 2022. Indeed, as we disclosed in first quarter results ended August 31, 2023 Express Catering generated its highest ever quarterly revenue amounting US\$6.40 million. Those results have given us the confidence that investing in capital expenditure is the right decision.

Use of Proceeds

The Company intends to use the net proceeds from this Invitation for to repay existing indebtedness and for capital expenditure. More specifically the Company will repay US\$8.5 million owing to Sygnus Credit Investments Limited and the capital expenditure will be used to complete the build-out of the food court. The Company also intends to pay the expenses associated with the Invitation out of the proceeds, which it estimates will not exceed US\$304,000 inclusive of General Consumption Tax. Any proceeds remaining will be used towards working capital.

How to Apply for Bonds

Those persons who are interested in subscribing for Bonds should read this Prospectus in its entirety inclusive of the full Terms and Conditions of the Invitation set out in Section 6.14, the Risk Factors in Part 11 and then follow the Application Guidelines set out in Appendix 1.

Yours sincerely,
For and on behalf of the Company



Ian B. Dear
Chief Executive Officer

4. Definitions

The following definitions apply throughout this Prospectus unless the context otherwise requires:

“Act”

the Companies Act, 2004;

“Allocation Certificate”

the certificate issued by the Registrar confirming a Bondholder’s interest in the Bonds;

“Allotment”

the issuance of Allocation Certificates by the Registrar to successful Applicants;

“Applicant”

a person (being an individual(s), company, body corporate or other legal entity) who submits an Application in accordance with the terms and conditions of this Prospectus;

“Application”

A duly completed application for Bonds made by an Applicant(s) in accordance with the Application Guidelines in Appendix 1, and submitted as contemplated in this Prospectus along with payment of the price using an Approved Payment Method, with respect to the Bonds, the subject of the Application;

**“Application Form”
or
“Subscription Form”**

The form of application to be used by all Applicants who wish to subscribe for Bonds in the Invitation. The Application Guidelines in Appendix 1 set out where an Application Form may be obtained and submitted;

“Approved Payment Method”

Any of the methods of payment described in Sub-Section 6.14.6 of this Prospectus required to be used by Applicants in effecting payment of the price;

“Articles”

the Articles of Incorporation of the Company;

“Auditors”

HLB Mair Russell;

“Auditors’ Report”

the report of HLB Mair Russell set out in pages 73 to 75 of Appendix 5;

“Bond Market”

the trading platform for debt securities established by JSE;

“Bondholder(s)”

a registered holder(s) of the Bonds from time to time;

“Bondholders’ Majority”

at any time, one or more Bondholder(s) holding Bonds having an aggregate principal value of more than 50% of all outstanding principal value of all the Bonds;

“Business Day”

any day (other than a Saturday, Sunday or public general holiday) on which banks are open for business in the Corporate Area of Kingston & Saint Andrew, Jamaica;

| | |
|--------------------------------|---|
| “COVID-19 Pandemic” | means a global outbreak of coronavirus (SARS-COV-2), which causes the disease referred to as COVID-19; |
| “Closing Date” | the date on which the List in respect of this Invitation closes, being 4:30 p.m. on March 8, 2024, subject to the right of the Company to shorten or extend the subscription period in the circumstances set out in this Prospectus; |
| “the Company” or “ECL” | Express Catering Limited, a company incorporated under the laws of Jamaica, and being the Company making this Invitation; |
| “Directors” or “Board” | the Board of Directors of the Company including a duly authorised committee thereof; |
| “J\$” | Jamaican dollars; |
| “Enforcement Action” | any action taken by the Trustee on behalf of Bondholders to enforce recovery of obligations due under the Bonds or under the Trust Deed or otherwise pursuant to any common law or statutory right; |
| “FSC” | the Financial Services Commission; |
| “Government” | the Government of Jamaica; |
| “IFRS” | International Financial Reporting Standards as adopted and applied in Jamaica by the Institute of Chartered Accountants of Jamaica; |
| “Interest Payment Date” | any day on which an interest payment falls due on the Bonds being: February 28, May 30, August 30, and November 30 of each year commencing on May 30, 2024; provided that the final Interest Payment Date shall be the Maturity Date; |
| “Insolvency Event” | any of the following events occurring with respect to the Company namely: (i) the filing by the Company of a Notice of Intention or a Proposal under the Insolvency Act; or (ii) the commencement of proceedings by the Company to secure a composition of its debts under a court-approved scheme of arrangement or the making of any proposal to its creditors or any of them to compromise its debts; or (iii) the making by the Company of an application to the Supervisor of Insolvency for an assignment for the benefit of its creditors or if a creditor of the Company (or the Company itself) shall apply to the court for a receiving order to be made against it; or (iv) if the Company shall commit an act of bankruptcy under section 57 of the Insolvency Act; or (v) if a receiver (or an interim receiver) shall be appointed over the whole or any part of the assets of the Company; |
| “Invitation” | this Invitation to apply to purchase Bonds on the terms and conditions set out in Section 6.14 and the Prospectus generally; |
| “JSE” or “the Exchange” | the Jamaica Stock Exchange; |
| “KPI” | Key Performance Indicator; |

| | |
|-------------------------------|--|
| “List” | the Subscription List applicable to this Invitation; |
| “Maturity Date” | the Business Day falling 36 months after the Issue Date; |
| “Mayberry” | Mayberry Investments Limited, a licensed securities dealer incorporated under the laws of Jamaica and the Leader Broker on this Invitation; |
| “Group” | Margaritaville Caribbean Group Limited and the entities that are consolidated for purposes of IFRS; |
| “Minimum Denomination” | the minimum principal amount for which Applications will be received being US\$100.00, with increments of no less than US\$100.00; |
| “Opening Date” | the date on which the List in respect of this Invitation opens, being 9:00 a.m. on February 9, 2024; |
| “Ordinary Resolution” | a resolution (i) passed at a meeting of Bondholders (duly convened and held in accordance with the provisions of the Trust Deed) by the affirmative vote of the Bondholders holding not less than 50% in nominal value of the outstanding Bonds who shall all be present in person or by proxy at such a meeting or (ii) approved in writing or on a poll of Bondholders by Bondholders holding not less than 50% in nominal value of the outstanding Bonds; |
| “Selling Agents” | means the persons listed in Appendix 4 and any other licensed securities dealer appointed by the Company to act as a selling agent for the Bonds; |
| “Shareholders” | holders of the Shares and includes Stockholders and vice versa; |
| “Shares” | no par value ordinary stock units in the capital of the Company that are listed on the Junior Market of the JSE and trade under the symbol ECL; |
| “SIA” | Sangster International Airport (MBJ): Montego Bay Jamaica; |
| “Sygnus” | Sygnus Capital Limited, a licensed securities dealer incorporated under the laws of Jamaica and the Co-broker for this Invitation; |
| “Total Equity” | means the sum of the share capital, share premium, fair value reserve, retained profits, capital reserves and capital redemption reserve (if any); |
| “Trustee” | JCSD Trustee Services Limited; |
| “US\$ or USD” | United States Dollars. |

In this Prospectus, the singular includes the plural and vice versa and references to one gender include all other genders. References to “person” include any individual, company or other corporate body or any firm or partnership.

5. Forward-Looking Statements

This Prospectus contains forward-looking statements. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made and include without limitation the discussion of future plans and financial projections. Although the Company believes that in making any such statements its expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Prospective investors in the Company are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they have been made. Future events or circumstances could cause actual results to differ materially from historical or anticipated results.

Forward-looking statements may be identified by accompanying language such as “expects”, “intends”, “anticipates”, “estimates” and other cognate or analogous expressions or by qualifying language or assumptions. These forward-looking statements are subject to numerous risks and uncertainties. Once this Prospectus has been signed by or on behalf of the Company, and prior to the admission of the Bonds to trade on the Bond Market of the JSE, the Company undertakes no obligation to update publicly or revise any of the forward-looking statements in light of new information or future events, including changes in the Company’s financial or regulatory position, or to reflect the occurrence of unanticipated events (subject to any

legal or regulatory requirements for such disclosure to be made). There are important factors that could cause actual results to differ materially from those in forward-looking statements, certain of which are beyond the Company’s control. These factors include, without limitation, the following:

- general economic and business conditions prevailing both locally and internationally including: actual rates of growth of the Jamaican and regional economies, interest rates or exchange rate volatility
- competition
- changes in political, social and economic conditions impacting market conditions in general and on the Company in particular
- adverse climatic events and natural disasters
- unfavourable market receptiveness to new concepts
- changes in any legislation or policy adversely affecting the revenues or expenses of the Company
- any other factor negatively impacting on the realization of the assumptions on which the Company’s financial projections are based
- other factors identified in this Prospectus

Neither the FSC nor any Government agency or regulatory authority in Jamaica has made any determination on the accuracy or adequacy of the matters contained in the Prospectus.



6. The Invitation

6.1 Authorisation of the Invitation

6.1.1 The Company's Board of Directors by a resolution dated January 17, 2024 authorised the Company to raise US\$10,000,000 in unsecured Bonds with the option to up-size to a maximum of US\$12,000,000 from an Invitation to the general public. The Company reserves the right to take up any sum less than US\$10,000,000. The Company's Borrowing Powers are set out at Appendix 2. The Director's resolution approving the Invitation is amongst the documents available for inspection.

6.1.2 The Company will make an application to the JSE for the Bonds to be admitted to trading on the Bond Market. If the application is successful, it is anticipated that the Bonds will be admitted to trading within twenty-one (21) days of the Closing Date (or the extended Closing Date, as the case may be).

6.1.3 Prospective investors should read all of the sections referred to carefully together with the remainder of this document. Those prospective investors who wish to apply for Bonds should also refer to the full terms and conditions set out in Section 6.14.

6.2 The Bonds

On the Issue Date, the Company will issue a single Global Bond in the principal amount purchased by all Bondholders up to a maximum of US\$12,000,000.00 (if the option to up-size is fully exercised). The Form of Global Bond is set out in Appendix 3 hereto.

6.3 Trust Deed

The Bonds will be issued pursuant to a Trust Deed between the Company and JCSD Trustee Services Limited. Pursuant to the Trust Deed, JCSD Trustee Services limited has been appointed trustee for the benefit of Bondholders (the "Trustee"). The Trustee has also been appointed the registrar, transfer and paying agent (the "Registrar and Transfer Agent").

6.4 The Trustee's rights, powers and duties are set out in the Trust Deed.

6.5 Interest Rate

6.5.1 The interest rate on the Bonds is 8.50% per annum.

6.5.2 Interest will be calculated and accrue from day to day (after as well as before any judgment) but will be prorated on the basis of a 360-day year with 30 days comprised in each month, and will be paid quarterly on each Interest Payment Date. The first Interest Payment Date will be May 30, 2024.

6.5.3 Interest will begin to accrue from the date an Applicant receives an Allocation Certificate or other written confirmation of the commencement of the accrual of interest (whichever is earlier).

6.6 Dates for payment of Principal and Interest

6.6.1 Interest will be due and payable on February 28, May 30, August 30, and November 30 in each year, save and except that the first Interest Payment Date, which shall be May 30, 2024, and the final Interest Payment Date, which shall also be the Maturity Date.

6.6.2 Principal along with accrued interest will be due and payable on the relevant Maturity Date without a prepayment penalty or early redemption fee or on the date of early redemption or prepayment.

6.7 Financial Covenants

6.7.1 The Bonds include two (2) financial covenants for the benefit of the Bondholders:

- (i) Maximum Leverage Ratio as follows:
 - The Company shall not incur Debt which would result in the ratio of its Net Debt to EBITDA exceeding:
 - (i) 4.00 to 1.00 from the issue date up to the financial year ended May 31, 2025; and
 - (ii) 3.75 to 1.00 thereafter.
- (ii) Minimum Interest Coverage Ratio of no less than 1.25x as follows:
 - The Company shall maintain a ratio of its EBITDA to Interest Expense of no less

than 1.25 to 1.00

6.7.2 For purposes of the Financial Covenants the following definitions are applicable:

“IFRS” means International Financial Reporting Standards as adopted and applied in Jamaica by the Institute of Chartered Accountants of Jamaica;

“Debt” means the sum (without double counting) of: (a) all indebtedness of the Company for borrowed money; (b) all obligations of the Company for the deferred purchase price of property or services (other than trade payables with payment terms not greater than 180 days, not overdue by more than 60 days and incurred in the ordinary course of the Company’s business); (c) all obligations of the Company evidenced by the debt, other bonds, notes, debentures or other similar instruments; (d) all obligations of the Company created or arising under any conditional sale or other title retention agreement with respect to property acquired by the Company (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (e) all obligations of the Company as lessee under finance leases; (f) all obligations of the Company under acceptances, letters of credit or similar facilities; (g) all contingent obligations of the Company; and (h) guarantees, indemnities or other assurances against financial loss in respect of the indebtedness and other payment obligations referred to in sub-paragraphs (a) through (g) above of another Person;

“EBITDA” means the sum of: (a) net income (excluding any extraordinary and non-operating income and expenses for the preceding twelve months) of the Company for such period, and (b) to the extent deducted in determining net income of the Company for such period, the aggregate amount of (i) Interest Expense, (ii) income tax expense (including accrued income tax), (iii) depreciation expense, and (iv) amortization expense;

“Interest Expense” means the sum of: (a) all interest in respect of Debt (including the interest component of any payments in respect of capitalised leases and any other continuing, regular or periodic payment in the nature of interest) accrued or capitalised plus (b) commissions and other fees payable as a proxy for interest;

“Net Debt” means “Debt” minus cash and cash equivalents.

6.8 Unsecured

6.8.1 The Bonds constitute unsecured obligations of the Company. Consequently, a Bondholders’ right to payment of interest and principal at the scheduled times is not secured against a particular asset of the Company.

6.8.2. Bondholders are entitled to the benefit of certain financial covenants. (See Section 6.7 for a summary of the Financial Covenants).

6.8.3. The Company will not be able to take on additional debt (secured or unsecured) without first obtaining approval by a Bondholders’ Majority.

6.9 Events of Default

6.9.1 The following is a summary of the Events of Default which would allow the Trustee, on behalf of the Bondholders, to demand immediate payment of all principal and interest upon the Bonds:

- (i) default by the Company in paying any sum due under the Bonds for a period of seven (7) Business Days; or
- (ii) any representation or warranty made by the Company in the Trust Deed being incorrect in any material respects when made, and the Company either knew or ought reasonably to have known it was incorrect; or
- (iii) default by the Company in the performance or observance of any covenant, condition or other provision in the Trust Deed, including the Financial Covenants; or
- (iv) if an order is made or resolution passed for the Company to be wound up, except a voluntary winding-up previously approved by the Company; or
- (v) if an encumbrancer shall take possession of, or a receiver is appointed over, all or any part of the Company’s assets and the Trustee certifies that in its opinion such action is materially prejudicial to the interest of Bondholders; or
- (vi) if any distress or execution is levied against the Company and the Trustee certifies that in its opinion such action is materially prejudicial to the interest of Bondholders; or
- (vii) if the Company stops or threatens to stop payment of its debts or shall cease or threaten to cease to carry on the whole or substantially the

whole of its business and the Trustee certifies that in its opinion, such event will be materially prejudicial to the interest of Bondholders; or

- (viii) if the Trust Deed or the Bonds is, or becomes, or is alleged to be, unlawful or unenforceable; or
- (ix) if any Insolvency Event shall occur with respect to the Company; or
- (x) if final judgment is rendered against the Company and such judgment remains unsatisfied for a period of forty-five (45) days unless such judgment is the subject of a bona fide appeal.

In respect of the events listed at (iii), (viii) and (x) above the Company has a cure period of fourteen (14) days after notice from the Trustee to remedy the breach, and if such breach is not remedied within such period only then will an Event of Default occur.

6.9.2 Upon (i) receipt of a notice or certificate from the Company or a Bondholders' Majority that an Event of Default has occurred and is continuing or (ii) upon the occurrence and continuance of an Event of Default by reason of non-payment of any sum payable to the Bondholders or the Trustee as aforesaid (after giving effect to any grace period applicable thereto or service of any requisite notice upon the Company or issuing of any certificate), then, the Trustee shall summon one or more meetings of Bondholders or otherwise poll Bondholders to determine by Ordinary Resolution whether any one or more or all of the following action(s) shall be taken by the Trustee on behalf of Bondholders:

- (i) making a demand for payment under the Bond; and/or
- (ii) declaring the principal sum owing on the Bonds (with accrued interest thereon) and all other amounts owing in respect thereof be due and payable forthwith, whereupon the same shall immediately become due and payable; and/or
- (iii) taking legal proceedings against the Company on behalf of Bondholders; and/or
- (iv) taking any one or more Enforcement Actions (including the appointment of a receiver); and/or
- (v) take any other action deemed appropriate.

6.10 Conversion to Shares

The Bonds cannot be converted to Shares or any other securities of the Company.

6.11 Minimum Denomination

Each Applicant must apply for a principal amount of Bonds no less than US\$100.00, with further increments of no less than US\$100.00.

6.12 Price

Each Applicant must pay in full, with their Application, a price equivalent to 100% of the face value of the principal amount for which the Application is made.

6.13 Sale and Resale Restrictions

This Prospectus has been registered with the Financial Services Commission on February 2, 2024 and Registrar of Companies on January 31, 2024 and is intended for use in Jamaica only and is not to be construed as an invitation to any person outside of Jamaica to subscribe or apply for any of the Bonds. Pursuant to the said Prospectus, the Bonds are tradable debt securities that are freely tradable in electronic format to members of the general public who have a valid JCS account in multiples of US\$100.00.

6.14 Application Procedures and Terms and Conditions of Invitation

6.14.1 Applications must be made in accordance with the Application Guidelines set out at Appendix 1 of this Prospectus.

6.14.2 Each Applicant must apply for a principal amount of no less than US\$100.00, with further increments of no less than US\$100.00. Applications must be made in US\$.

6.14.3 Each Applicant must have provided:

- (i) For all individual Applicants, a copy of: valid identification (Driver's Licence, Passport or National Identification (ID);
- (ii) Copy of Taxpayer Registration Number card for all Applicants resident in Jamaica; and
- (iii) Evidence of payment for the full amount of the purchase principal amount of Bonds applied for along with the

processing fee of US\$2.00.

- 6.14.4 All Bonds are priced at 100% of principal face value of amount applied for.
- 6.14.5 Payment for the full amount of the Invitation Price for the Bond applied for must be remitted to the Lead Broker, Co-Broker or Selling Agent, as the case may be.
- 6.14.6 An **Approved Payment Method** shall be any of the following:
- (i) Cleared funds held in an equity/investment account in the Applicant's name at Mayberry supported by an authorisation from the Applicant instructing Mayberry to debit the Applicant's equity/investment account;
 - (ii) Transfer from the Applicant's account held with the Applicant's stockbroker to Mayberry; and
 - (iii) Wire Transfer to Mayberry's USD Bank Account: USD wire instructions set out in Appendix 7
- 6.14.7 *Each Applicant acknowledges and agrees that:*
- (i) he/she has been afforded a meaningful opportunity to review the Prospectus (including the terms and conditions in this Section 6.14), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;
 - (ii) he/she has not relied on the Company or any other persons in connection with his/her investigation of the accuracy of such information or his/her investment decision; and
 - (iii) no person connected with the Company has made any representation concerning the Company or this Prospectus not contained in this Prospectus, on which the Applicant has relied on in submitting his/her Application Form.
- 6.14.8 Applicants will be deemed to have accepted the terms and conditions of this Invitation and any other terms and conditions set out in this Prospectus.
- 6.14.9 All Application Forms will be time stamped for processing in the order in which they were received. Application Forms that meet the requirements set out in this Prospectus will be accepted on a first come first served basis. Early Applications will be received, but not processed until the Opening Date. All early Applications will be treated as having been received at the same time, being 9:00 a.m. on the Opening Date.
- 6.14.10 The Company and the Board in their sole discretion, may:
- (i) accept or reject any Application Form in whole or part without giving reasons, and neither the Board (nor any of Directors) nor the Company shall be liable to any Applicant or any other person for doing so; and
 - (ii) treat multiple applications by any person (whether in individual or joint names) as a single application.
- 6.14.11 Neither the submission of an Application Form by an Applicant nor its receipt by the Company will result in a binding contract between the Applicant and the Company. Only the allotment of Bonds by the Company to an Applicant (whether such Bonds represent all or part of those specified by the Applicant in his/her Application Form) will result in a binding contract under which the Applicant will be deemed to have agreed to purchase the principal amount of Bonds applied for at the 100% of the face value of the Bonds.
- 6.14.12 The Board, in their sole discretion, may accept (in whole or in part) or reject, in whole or in part, any Application for Bonds, even if the Application is received, validated and processed. Accordingly, the principal amount of Bonds allocated to you may be reduced.
- 6.14.13 Successful Applicants will be allotted Bonds for credit to their account in the Jamaica Central Securities Depository specified in their Application Forms. Applicants may refer to the confirmation instructions that will be posted on the website of the Jamaica Stock Exchange (www.jamstockex.com) after the Closing Date.
- 6.14.14 If the Bonds are oversubscribed (after the exercise of the option to up-size), it is likely that the Bonds will be allocated on a pro rata basis, in which event Applicants may be

allotted fewer Bonds than were the subject of their Application(s). However, the Company (in the event of oversubscription) reserves the right to issue Bonds on an alternative basis to be determined in its sole discretion including allotting a minimum of Bonds to each Applicant and then allocating the excess on a pro rata basis or on such alternative basis as seems justifiable having regard to fairness and efficacy.

6.14.15 The Company will endeavour to return amounts refundable to Applicants whose Application Forms are not accepted, or whose Application Forms are only accepted in part, either by returning the funds (less any applicable bank charges and processing fees) to the Applicant's

broker (if Applicant is a not a Mayberry client) or credited directly to the Applicant's account (if Applicant is a Mayberry client). The Amounts refundable (less any bank charges and processing fees) will be returned within 10 (ten) Business Days after the Closing Date (or the extended Closing Date, as the case may be) or as soon as practicable thereafter.

6.14.16 Applicants must be at least 18 years old. However, Applicants who have not yet attained the age of eighteen (18) years may apply jointly with Applicants who are at least eighteen (18) years of age.



7. Information About the Company

General Information

7.1 The Company was formed in 2001 to carry on food and beverage operations at the Sangster International Airport in Montego Bay. The Company is a direct subsidiary of Margaritaville St. Lucia Limited and an indirect subsidiary of Margaritaville Caribbean Group Limited, the ultimate holding company of the Group.

The Company's Business

7.2 On December 9, 2011 the Company signed a Concession License Agreement with MBJ Airports Limited (the "2011 Concession Agreement"), the operator of SIA. Under the 2011 Concession Agreement, the Company, as Concessionaire, has been granted the right to develop and exclusive right to operate 31,570.70 square feet of space for food and beverage facilities at the post security screening area at SIA.

7.3 Based on the terms of the 2011 Concession Agreement, the Company expects to continue to operate until March 31, 2032.

7.4 On January 1, 2023, the Company signed

an additional Food & Beverage License Agreement with MBJ Airports Limited (the "2023 Concession Agreement"). Under the 2023 Concession Agreement, the Company, as Licensee has been granted a license over an additional area, comprising approximately 2,152.76 square feet, to operate food and beverage concepts. The term of the 2023 Concession Agreement expires on December 31, 2026.

Group

7.5 The Group owns and operates a diverse portfolio of restaurants, attractions and nightclubs in Jamaica, Cayman Islands, Turks and Caicos Islands, and the US Virgin Islands. The Group has both property brands and concepts that it has developed as well as others that it has licensed.

7.6 The proprietary brands that ECL operates at SIA are set out at Section 7.7, and in Section 7.8, the third-party owned brands that ECL has the right to operate at SIA.

Group Brands Operated by ECL at SIA



THE BAR

7.7 Proprietary Brands

- 7.7.1 **The Bars** offer a full menu of to-go items where patrons can enjoy tastefully crafted cocktails or an ice-cold beer.



- 7.7.2 **Air Groovy Grouper Bar and Grill** is located just outside of the Arrivals Hall at SIA. It is a popular first stop for visitors arriving in Jamaica. The small venue is a quick stop for signature Jamaican favourites like rum punch, Red Stripe and a Tastee patty.



- 7.7.3 **Arrivals Bar** is located at the Arrivals Hall of SIA. This Margaritaville themed Bar is the first place to grab a cold beverage after a long flight.



- 7.7.4 **Jamaican Bobsled Café** personifies the colourful and vibrant atmosphere that is common in the Jamaican culture. The menu features an array of dishes from local favorites to international staples.



- 7.7.5 **Connections Bar & Lounge** is a bar and lounge featuring tastefully crafted cocktails, beer and a full menu of to-go items.

GUITAR BAR

- 7.7.6 **The Guitar Bar** is the focal point for all airport events and also an anchor to the Jamaican experience and sense of place. It features a large LED display of a scale and substance that draws passengers into the hospitality zone. Below the screen and the palm inspired canopy sits the bar, featuring a collection of guitars.

- 7.7.7 The Guitar Bar is a real meeting place for both passengers and airport staff, centrally located, ensuring that passengers are able to enjoy their beverage of choice.



7.7.8 **Island Deli** is a quick-stop concept offering various ready-to-eat deli sandwich options, as well as individually packaged candies, snacks and bottled beverages.



7.7.9 **Viva Gourmet Market** is Grab & Go snack and beverage concept providing guests with high-quality options for sandwiches, snacks, candies and cold bottled beverages.

7.8 Licensed Brands



7.8.1 **Air Margaritaville** is the first of its kind in the world, the restaurant was opened in 2001. This is a Margaritaville themed high energy casual table side restaurant. The signature items are the Cheeseburger in paradise and Margaritas.



7.8.2 **Starbucks** is an American company that operates the largest coffeehouse chain and one of the most recognizable brands in the world. The company has developed a signature line of hot as well as cold coffee, chocolate, and tea beverages. Headquartered in Seattle, Washington, the company operates more than 35,000 stores across at least 80 countries.



7.8.3 **Quiznos** is an American quick service food and beverage concept that specializes in toasted submarine sandwiches.



7.8.4 **Auntie Anne's** is the world's largest hand-rolled soft pretzel franchise known for mixing, twisting, and baking pretzels to golden brown perfection in full view of customers.



7.8.5 **Cinnabon** is a bakery restaurant known for cinnamon rolls, cinnamon products, coffee and frozen drinks. World famous flavors. The sweetest brand on earth!



7.8.6 **Wendy's** is a fast food restaurant with locations in North America and internationally that offer specialized hamburger sandwiches, chicken breast sandwiches, salads, chili and a signature frosty shake.



7.8.7 **Dairy Queen** is a franchise restaurant chain that specialize in frozen treats, burgers, hot dogs, and chicken in the United States and abroad.



7.8.8 **Domino's** is the world's #2 pizza chain with locations in about 70 countries. Domino's menu offerings include several different styles of pizza with a wide array of topping options, as well as bread sticks, cheese bread, and chicken wings.



7.8.9 Bob Marley's One Love Restaurant is a one-of-a-kind, Jamaican restaurant drawing inspiration from Jamaica's vibrant culture, food, music, and spirit of generosity. It is the latest addition to the available food and beverage offerings at SIA. The concept features an authentic pimento wood-grill, fresh juices, sharing plates, Marley inspired photo ops and more.

7.8.10 A replica of the VW Bus that was Marley's mode of transportation in the early days of his career is a central feature on display and provides additional photo opportunities.

Details of Authorised and Issued Share Capital

7.9 As at November 30, 2023, the Company's authorised and issued share capital is as follows:

Authorised: 1,637,500,000 Ordinary Shares

Issued and fully paid: 1,637,500,000 Ordinary Shares

Top Ten Shareholders

7.10 As at November 30, 2023, the Company's top ten shareholders are as follows:

| Shareholder Name | Shareholding | % Issued Share Capital |
|--|---------------|------------------------|
| Margaritaville St. Lucia Limited | 1,060,221,961 | 64.746% |
| National Insurance Fund | 181,789,338 | 11.102% |
| Estate of Harriat P. Maragh | 180,908,298 | 11.048% |
| Mayberry Jamaican Equities Limited | 36,671,639 | 2.239% |
| Sagicor Pooled Equity Fund | 12,500,000 | 0.763% |
| MF&G Trust & Finance Ltd – A/C 57 | 10,741,577 | 0.656% |
| JCSD Trustee Services Limited – Sigma Equity | 10,500,000 | 0.641% |
| Manwei International Limited | 10,000,000 | 0.611% |
| JMMB Securities Limited – House Account #2 | 8,600,000 | 0.525% |
| Jamaica Money Market Brokers Limited | 7,160,000 | 0.437% |



Insurance Policies

7.11 The Company is covered by the following insurance policies

7.11.1 **Commercial All Risks** from GK General Insurance Company Limited covering all risks of direct physical loss or damage to its property insured by any accident or misfortune. The property insured includes plant, equipment and fixtures and fittings, and tenant's improvements at SIA. The insurance limit is US\$2,200,000.00; and

7.11.2 **Business Interruption** from GK General Insurance Company Limited covering business interruption with an insurance limit of US\$2,450,000.00.

Security Interests Registered against Assets of the Company

7.12.1 As at November 30, 2023 the Company has the following charges registered against its assets:

| Date Registered | Secured Party | Collateral Description |
|-----------------|--|--|
| 12/02/2014 | MF&G Trust & Finance Limited | Nieco Boiler Equipment |
| 12/02/2014 | MF&G Trust & Finance Limited | Telephone Equipment |
| 19/12/2014 | MF&G Trust & Finance Limited | Atlantic Racks |
| 08/05/2014 | National Commercial Bank Jamaica Limited | Credit Balances |
| 07/01/2016 | MF&G Trust & Finance Limited | Refrigerator |
| 04/07/2016 | MF&G Trust & Finance Limited | Design fixtures |
| 09/09/2016 | MF&G Trust & Finance Limited | Miscellaneous Server Equipment |
| 29/11/2016 | MF&G Trust & Finance Limited | Cooling System & Beverage Carts |
| 13/03/2017 | MF&G Trust & Finance Limited | Computer Software |
| 28/04/2017 | MF&G Trust & Finance Limited | Tables for orders and computerized cash registers |
| 28/04/2017 | MF&G Trust & Finance Limited | Computer related Equipment |
| 28/04/2017 | MF&G Trust & Finance Limited | Cash Registers |
| 11/09/2017 | MF&G Trust & Finance Limited | Miscellaneous Computer Equipment |
| 16/01/2019 | MF&G Trust & Finance Limited | Arm chairs |
| 03/05/2019 | MF&G Trust & Finance Limited | Supply Fans |
| 19/01/2023 | National Commercial Bank Jamaica Limited | Debenture Over Fixed and Floating Assets dated November 30, 2012 |

7.12.2 The Company used an asset-based arrangement with MF&G Trust & Finance Limited to acquire the equipment listed in the collateral description. Under that financing arrangement the lender took a security interest over the asset purchased with the loan.

7.12.3 In the fourth quarter of 2012, the Group obtained financing from National Commercial Bank Jamaica Limited (NCB). Among the terms of that facility are that the Company would act as a guarantor. For the avoidance of any doubt the Company advised and procured a consent from NCB for this Invitation and the Use of Proceeds.

Permits and Licenses Regime

7.13 The Company has the following permits and licenses:

- Public Health (Food Handling) Certificates for each of its restaurants. These certificates expire in various dates in 2024
- Trade and Business Licence, that expires on March 31, 2024
- Spirits and tavern licences that expire on March 31, 2024

Intellectual and Real Property

7.14 As at November 30, 2023 being the latest practicable date prior to the publication of this Prospectus, the Company's proprietary and licensed brands are set out in Sections 7.7 and 7.8 above.

7.15 The Company has a license to operate the following real property:

| Property Description | Lessor |
|---|----------------------|
| 31,570.70 square feet for food and beverage concessions at the post security screening area of SIA. | MBJ Airports Limited |
| 2,152.76 square feet for food and beverage concessions for the arrivals area. | MBJ Airports Limited |

Material Contracts

7.16.1 The following material contracts, not being contracts entered into in the ordinary course of business, or a contract entered into more than two (2) years before the date of the Prospectus, have been entered into by the Company with the following persons ("Counterparties"):

| | Date | Maturity/Expiry Date | Counterparty | Description |
|----|-----------------|--|----------------------------|---|
| 1. | January 1, 2023 | December 31, 2025 | MBJ Airports Limited | Food & Beverage License Agreement to operate 2,152.76 square feet for food and beverage concessions at the arrivals area. |
| 2. | March 19, 2022 | March 19, 2032 with an option to renew for additional 10 years | Quality Is Our Recipe, LLC | Franchise Agreement to operate Wendy's at the Sangster International Airport, Terminal 1, Montego Bay. |

7.16.2 The following material contract is being voluntarily disclosed:

| Date | Expiry Date | Counterparty | Description |
|------------------|----------------|----------------------|---|
| December 9, 2011 | March 31, 2032 | MBJ Airports Limited | Food & Beverage and Specialty Concession Agreement to operate 31,570.70 square feet for food and beverage concessions at the post security screening area of SIA. |

Litigation

7.17 There is no material litigation, arbitration, or similar proceedings pending or threatened against the Company as defendant nor is the Company a claimant to any material litigation.

Dividend Policy

7.18 Prior to the COVID-19 Pandemic, the Company paid a regular dividend to shareholders (see below at Section 7.21). With the on-going recovery of the hospitality industry and the return of the global travel industry, the Company expects to generate profits in excess of the reinvestment needs of the Company.

7.19 Based on that expectation the Board has adopted a dividend policy targeting a pay-out not exceeding 50% of net profits declared and paid in US Dollars. This policy will be reviewed annually by the Board of Directors.

7.20 The Company's dividend policy is subject to: (a) the availability of distributable reserves; (b) the reinvestment requirements of the business; and (c) the liquidity requirements of the Company (including the repayment obligations under the Bonds).

Dividends

7.21 Since listing its Shares on the Junior Market of the JSE in 2017 the Company has paid dividends as follows:

| Dividend Per Share | Payment Date |
|--------------------|--------------------|
| US\$ 0.0917 cents | October 4, 2017 |
| US\$ 0.36645 cents | September 25, 2018 |
| US\$ 0.0611 cents | January 4, 2019 |
| US\$ 0.0245 cents | January 15, 2020 |
| US\$ 0.0245 cents | March 4, 2020 |

Interim and Audited Financial Statements

7.22 The Company's ordinary shares have been listed on the Junior Market of the Jamaica Stock Exchange since 2017. The Company's interim and Audited Financial Statements since 2017 are available on the website of Jamaica Stock Exchange at: www.jamstockex.com

8. Directors and Senior Managers and Their Interests

8.1 Board of Directors of the Company

Brief biographical details of the Directors of the Company are set out below. The Directors' addresses are set out in paragraph (c) of Section 14.1 hereto.

Herrick Winston Russell Dear, CLS, JP, CD

Non-Executive, Independent Chairman of the Board

Winston Dear is a commissioned land surveyor, city planner, entrepreneur and businessman. Winston assisted in the development of several recognizable projects including the Montego Freeport, Rose Hall, Montego South, Ironshore, Tryall and the Greater Montego Bay Development Plan. He was also a proponent of the economic diversification of industries in Western Jamaica which led to the formation of the Port Authority's "Montego Bay Freezone" and the establishment of the current Montego Freeport Cruise Ship terminal and the National Cruise Council of Jamaica.

He is a member of the Montego Bay Chamber of Commerce and Industry and a member of the Tribunal of the Ministry of Tourism. Winston was appointed as a Justice of the Peace for the parish of St. James in 1983 and, in 2010, the Government of Jamaica bestowed the Order of Distinction on him. In 2017 the Government upgraded his honour to the rank of "The Order of Distinction in the rank of Commander Class" CD. He is married to Denise and together they have three children, eight grandchildren and two great-grandchildren, all living in Jamaica. With over 40 years sail boat racing and cruising experience, Herrick holds a Coastal Masters Certificate from the Maritime Authority of Jamaica, and is entitled to use the title "Captain".



Ian B. Dear, CD, JP

Executive Director and Chief Executive Officer

Ian Dear is the Chief Executive Officer of the Company. He is a founder of the Group and is currently the Chief Executive Officer and Chairman.

Ian has overseen the growth of the Group from two locations in Jamaica in 1995 to a range of hospitality concepts in 53 locations throughout the Caribbean.

He is currently Chairman of the Board of the Tourism Product Development Company Limited (TPDCo.) and a board member of the Tourism Enhancement Fund (TEF) and Trans Jamaican Highway Limited.

Ian has previously served as a member and board member for several organizations including the Jamaica Hotel and Tourist Association, the Private Sector Organization of Jamaica, Jamaican chapter of the Young President's Organization, the Montego Bay Chamber of Commerce, the Jamaica Cruise Council and the Attractions Association of Jamaica. In 2020, Jamaica's Governor-General appointed Ian Dear to the Order of Distinction in the rank of Commander for his contributions to Caribbean Tourism and Real Estate Development.



Roland P. Clarke

Executive Director, Chief Financial Officer and Secretary

Roland Clarke is a Chartered Accountant with over twenty-five years of experience in Accounting and Finance covering Retail, Manufacturing, and Telecom logistics industries.

Roland joined the Group in August 2010 in the capacity of Chief Financial Officer of its various entities, inclusive of the Company. Prior to joining the Group he worked with Facey Commodity Company Ltd, where he had direct responsibility for the finance functions of the Telecoms Division.

His experience also includes 10 years in various accounting and finance roles with the ICD Group of companies in Jamaica. Roland is a Fellow of the Association of Certified Chartered Accountants of England and holds a BSC. (Hons.) in Accounting from the University of the West Indies.

Roland is also the Secretary of the Company.



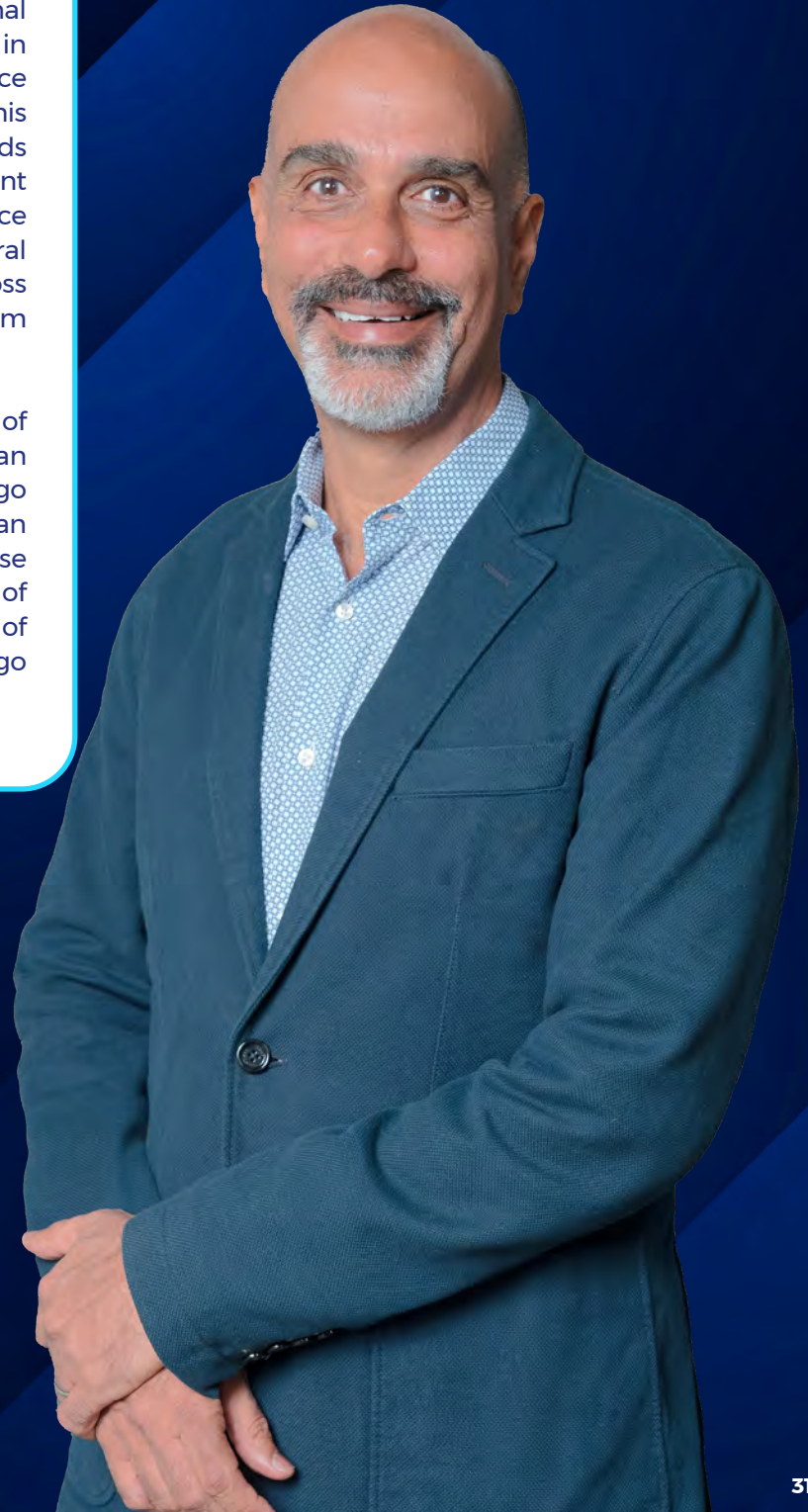
John G. Byles, CD

Non-Executive, Independent Director

John Byles has been the Chief Executive Officer and Director of the Chukka Caribbean Adventures Group of Companies since 2014 and 2009 respectively.

John is a graduate of Florida International University where he attained a degree in Business Administration, with focus in Finance and International Business. Since then, his career has led him through several fields in the Corporate Finance arena. He spent over fifteen years in the banking and finance sector, working with business leaders in several growing and successful companies across dynamic industries before joining the tourism field over fifteen (15) years ago.

John currently sits on the Boards of Margaritaville (Turks) Ltd, Chukka Caribbean Adventures Group of Companies, Cargo Handlers Ltd. and Margaritaville Caribbean Group Ltd. He is also a member of the Cruise Council of Jamaica, the Deputy Chairman of the Jamaica Tourist Board, and Chairman of the Destination Assurance Council - Montego Bay Chapter



Professor Andrew Spencer

Non-Executive, Independent Director

Professor Andrew Spencer joined the Caribbean Maritime University as President on September 12, 2022.

Professor Spencer has served in executive leadership in academia as well as corporate entities across the Caribbean. He was most recently Professor and Deputy Executive Director at the Mona School of Business and Management at the University of the West Indies (UWI), Mona, with responsibility for all undergraduate programmes. He was the first to be promoted to the rank of full professor in the substantive field of tourism at the UWI.

Professor Spencer served for four years as the Executive Director of the Tourism Product Development Company Limited (TPDCo), the agency responsible for the maintenance, development and enhancement of the tourism product in Jamaica, and the largest agency in the Ministry of Tourism. He also gave stellar service from 2013 to 2017, as the Director of the Centre for Hotel and Tourism Management (CHTM), University of the West Indies, Nassau Bahamas.

He is the holder of a BSc. and MSc. in Tourism Management from the University of the West Indies and was awarded his PhD in Tourism Strategy from Bournemouth University in the UK. His PhD thesis was awarded the Institute for Travel and Tourism (ITT) PhD Student of the Year- 2011/2012 award, by the ITT Education and Training Committee, in the United Kingdom.

Professor Spencer's research record demonstrates over 50 scholarly publications, including 3 authored books with top international publishers. Professor Spencer has consulted extensively with Caribbean nations on issues related to tourism development.

At present, he is the Chairman of the National Insurance Fund, a Commissioner of the National Water Commission and a Director of the University Council of Jamaica. He also serves on the private sector board of Sandals Corporate University. He is the President of the Wolmer's Old Boys' Association and a member of the Wolmer's Boys' and Girls' Schools Board of Management.



Charmaine Maragh

Non-Executive, Independent Director

Charmaine Maragh, a distinguished entrepreneur, astute businesswoman, and dedicated philanthropist, currently holds the esteemed positions of Executive Chairman and Chief Executive Officer at the Lannaman & Morris Shipping Group. This role was assumed in January 2021, following the untimely passing of her late husband, Mr. Harriatt Maragh.

Mrs. Maragh's journey in the corporate realm traces back to 1997 when her family acquired Lannaman & Morris (Shipping) Limited. Initially serving as a director and shareholder, she stepped into the leadership role of Group Executive Chairman and CEO in January 2021. Since then, she has been instrumental in steering the company through a transformative journey, aptly named LNM 2.0, aiming to reinvent and expand that group.

Her career commenced at the age of 19 as a legal secretary. She later diversified her expertise in personnel, industrial relations and human resources management. Her professional portfolio boasts notable contributions to companies such as the Jamaica Pegasus, CMP Metals, Oceania Hotel (formerly Hotel Intercontinental Jamaica), and the Airports Authority of Jamaica. Mrs. Maragh was among the pioneering human resources professionals involved in the startup phase of Hotel Intercontinental Jamaica.

A graduate of Holy Childhood High School and the College of Arts, Science, and Technology (now UTECH), she holds a diploma in Management Studies and pursued studies in Economics at the University of the West Indies.

Mrs. Maragh has served on the Board of Seafreight Shipping Line and currently serves on the Boards of Kingston Wharves Limited and SAJE Logistics & Infrastructure (Shipping Association of Jamaica).



8.2 Senior Managers

Alton Thelwell

Alton Thelwell is an experienced operations and auditing professional. His background includes Operations, Financial Reporting, Auditing, Cost Control and Budget Engineering experience, gained from over 20 years in the tourism and betting and gaming industries.

Alton's expertise in the betting and gaming industry started in 2002, when he was employed by Coral Cliff/Village Square Entertainment Ltd as the Director of Auditing. His tenure at that organisation broadened his scope for the intricacies of the gaming industry. His current portfolio benefits from his understanding of key operational areas and how to maximise efficiencies to achieve targets.

Alton has also worked as Vice President Internal Control, Assistant Financial Controller and as an Internal Auditor and Cost Controller. These roles provided valuable expertise which assists with his functions as it relates to this portfolio.

Alton is a graduate of the University of the West Indies, with a Master's degree in Accounting and a Bachelor's degree in Business Administration (Hon).

Alton is a graduate of the University of the West Indies, with a Master's degree in Accounting and a Bachelor's degree in Business Administration (Hon).

Mark Sutherland

Mark Sutherland is responsible for management and productivity at the Company. Among his roles is to ensure that all of brands licensed by the Group meet the franchisors' policies and procedures.

Mark joined the Company from Applebee's Neighborhood Grill + Bar in West Palm Beach, Florida. Mark has over 25 years of experience in the hospitality industry.

8.3 Directors' and Senior Managers' Interest in the Company

The interests of Directors and Senior Managers in the shares (including legal and beneficial holdings) as of November 30, 2023, being the latest practicable date prior to the publication of the Prospectus are set out below:

| Name of Director/ Senior Manager | Number of Shares | Approximate Percentage of Issued Share Capital |
|--|------------------|--|
| 1.Herrick Winston Dear | 0 | 0% |
| 2. Ian B. Dear | 0 | 0% |
| <u>Connected Party</u> Margaritaville St. Lucia Limited | 1,060,221,961 | 64.746% |
| <u>Combined:</u> | 1,060,221,961 | 64.746% |
| 3. Roland P. Clarke | 4,332,453 | 0.265% |
| 4. John G. Byles | 0 | 0% |
| 5. Andrew Spencer | 0 | 0% |
| 6. Charmaine Maragh | 0 | 0% |
| <u>Connected Party</u> Estate of Harriat P. Maragh | 180,908,298 | 11.048% |
| <u>Combined:</u> | 180,908,297 | 11.048% |
| 7. Mark Sutherland | 2,623,924 | 0.160% |
| 8. Alton Thelwell | 1,283,400 | 0.078% |

8.4 Corporate Governance and Accountability

The Board has established two (2) committees, namely the Audit Committee and the Remuneration Committee, as required pursuant to the provisions of the Junior Market Rules. Each committee is comprised of a majority of independent, non-executive directors and are as follows:

| Audit Committee | Remuneration Committee |
|---------------------------------|-------------------------------------|
| John G. Byles (Chairman) | Professor Andrew Spencer (Chairman) |
| Andrew Spencer | John G. Byles |
| Charmaine Maragh | Ian B. Dear |
| Desmond Taffe (external member) | Charmaine Maragh |

8.5 Mentor

Mrs. Tania Waldron-Gooden has been the Company's mentor since July 2017. She later joined the Board of the Company in November 2017. She stepped down effective April 30, 2023 though she remains the Company's mentor.

Mrs. Waldron-Gooden is Chief Executive Officer and a Director of Island Grill Holdings Limited. She has over fourteen years of experience in areas such as Investment Banking, Research, New Product Development, Pension Fund and Portfolio Management. Mrs. Waldron-Gooden also served in the capacity of Chief Executive Officer of Caribbean Assurance Brokers Limited and had been a member of the Company's Board of Directors since November 2017. Tania was previously the Director of Investment Banking and an Executive Director at Mayberry Investments Limited.

She is the Mentor and a Director of Main Event Entertainment Group, the Mentor for Derrimon Trading Company Limited, Spur Tree Spices Jamaica Limited, Caribbean Flavors & Fragrances Limited and Edufocal Limited. She is a member of the Finance & Audit Committee of the National Health Fund. She is also a Director of Chicken Mistress Limited, AJAS Limited, and First Rock PE Limited.

9. Management Discussion and Analysis

Since 2001, when the first Jimmy Buffett’s Air Margaritaville location was established, Express Catering Limited (“ECL”) has been providing food and beverage offerings to passengers and staff at the Sangster International Airport in Montego Bay, Jamaica (“SIA”). Up to the calendar year 2011, The Group’s proprietary and local branded restaurants, inclusive of Bobsled Café, Tastee Patties and Air Groovy Grouper Bar and Grill provided more than 50% of the total food and beverage offerings in the Airport up to the end of calendar year 2011.

The Company gained an opportunity to expand when it negotiated a long-term contract with MJB Airports Limited (operators of the SIA), to exclusively manage and supply all the food and beverage offerings for the post security area of the departure terminal and the majority of pre-security food and beverage offerings at SIA. This contract was signed on December 9, 2011 (the “2011 Concession Agreement”).

The 2011 Concession Agreement called for an initial investment of US\$4.9 million to secure concessionaire licenses, plus revamping of the entire food and beverage offerings to make it into an international multi-branded experience. The process of selecting the international franchises was informed by the Company’s research of the major feeder gateways to Montego Bay, using consumption patterns as a guide. These feeder gateways were mainly from originating airports in the United States and Canada, which service over 80% of the visitors to Jamaica.

In Sections 7.7 and 7.8 we provide a brief description of the proprietary and licensed brands that the Company operates at the SIA. In addition to these brands, the Company will be opening the following in 2024:

- Smoking Lounge
- Freshens
- Bento Sushi

Over the last eight (8) years the Company has recorded increased revenue every year, except for the two years affected by the COVID-19 Pandemic period. See revenue trend table below for the last 8 years.:

| Express Catering Limited | |
|---------------------------------|---------------------|
| Fiscal Year | Revenue US\$ |
| 2023 | 21,198,904 |
| *2022 | 14,241,229 |
| *2021 | 4,412,511 |
| *2020 | 14,001,360 |
| 2019 | 17,316,372 |
| 2018 | 15,705,421 |
| 2017 | 14,232,136 |
| 2016 | 14,058,053 |

ECL's shares were listed on the Junior Market of the Jamaica Stock Exchange during 2017. Fiscal years 2020 to 2022 were impacted by the COVID-19 Pandemic which had a significant impact on leisure travel all over the world. There was no activity in this business segment for substantially all the last quarter of fiscal year 2020 and most of fiscal year 2021; recovery commenced in fiscal year 2022. For the full year to May 2023, revenue of US\$21.2 million was achieved, compared to US\$17.3 million in fiscal year 2019. Fiscal year 2019 was the last full year before COVID-19.

In response to the continued improvement in visitor arrivals to Jamaica up to the end of calendar year 2019, MJB Airports Ltd. explored the idea of expanding and refurbishing sections of the airport, with the assistance of international airport retail experts, The Design Solutions (TDS) and Pragma Consulting, both out of the UK. In the end, it was decided that they would embark on a massive expansion and refurbishing effort, which included an additional 4,000 square meters of new retail space and centralizing of the food court. Implementation commenced in calendar year 2020 (in the middle of COVID-19). As the exclusive provider of food and beverage for the post security area, ECL was contractually bound to relocate existing stores, plus add additional required offerings.

The Company has now relocated all the offerings that were impacted by the refurbishment. These were retrofitted into the new space and upgraded to match the design of the new food court. The Company also had to do some rationalizing owing to the reconfiguring of the retail space, and as a result, a few brands were discontinued.

The Company's and most ambitious effort to date, **Bob Marley's One Love Experience** was a part of this upgrade. This was opened to the public in July 2023. ECL developed the menu for the restaurant in consultation with the Marley family and the detailed design of the restaurant was done in conjunction with The Design Solution (TDS). The finished product is an authentic offering that has been very well received.

Management's Discussion and Analysis of Financial and Operating Performance for the quarter ended November 30, 2023

A summary of the unaudited financial statements for the quarter ended November 30, 2023 is set out at Sections 13.1 and 13.2 below. The complete Unaudited Financial Results for the quarter ended November 30, 2023 is available at: <https://www.jamstockex.com/express-catering-limited-ecl-unaudited-financial-statements-for-the-second-quarter-ended-november-30-2023/>

Unaudited Financial Results for the Quarter ended November 30, 2022, relative to the Quarter ended November 30, 2023.

Jamaica continues to see improvement in visitor arrivals year over year. For the three months under consideration, total passengers accessing the post security departure lounge of the Sangster International Airport was just over seven hundred and twenty-four thousand and six hundred (724,600), or 16.4% higher than the similar period in the prior year and 18.34% higher than the similar period in our benchmark pre-COVID-19 Pandemic year of 2019. This produced revenue of US\$5.18 million compared to US\$4.2 million in the similar period last year. This was a 23.2% increase over the prior year and was in part supported by the 8.1% increase in passenger count. 529,800 passengers accessed the departure lounge of the airport during the Quarter compared to 490,045 passengers for the similar period in the prior year. Passenger totals for the similar period in 2019 was 445,537.

One of the key performance indicators (KPIs) for the business is spend rate per passenger. The spending rate achieved for the Quarter was US\$9.78 per passenger. Spend rate per passenger for the similar period in the prior year was US\$8.58, a 14.0% improvement. The enhancements to the layout of the Food Court that was effected, commencing in calendar 2020 (during the heights of the pandemic) have contributed to great customer reviews and an increased level of availability and comfort, translating into more spending from travelers.

Cost of Sales amounted to US\$1.74 million (2022: US\$1.51 million), this represents an increase of 15% year over year. The Company has resumed forward purchasing arrangements that see prices holding for a longer duration. Further improvements in this cost category are expected in the fiscal year as similar arrangements with more suppliers are re-instated. In addition, the increase in sticker prices that commenced from the prior fiscal year had more time to impact the overall results. Consequently, gross profit increased by 28% to US\$3.45 million compared to \$2.69 million for the three months ended November 30, 2022. Operating expenses totalled US\$2.59million for the quarter ended November 30, 2023, compared to US\$2.04m for the same quarter in the previous year. Profit before tax had a 48% increase to reach US\$187,240 (2022: US\$126,807). Profit for the year being total comprehensive income for the second quarter amounted to US\$187,240, a 48% increase from the US\$126,807 reported in the same quarter of 2022. Accordingly, the company recorded Earnings per share of US\$0.011 for the November 2023 quarter compared to US\$0.008 for November 2022.

The Company's assets totaled U\$44.16 million for the quarter ended November 30, 2023, compared to U\$42.2 million as of May 31, 2023. 'Owing by related companies' amounted to U\$15.43 million compared to U\$12.47 million as of May 31, 2023. Also, Shareholder's equity for November 30, 2023, was U\$7.07 million compared to US\$6.04 million as of May 31, 2023. This is due to an increase in retained earnings of US\$2.95 million.

The Company generated US\$551,205 in cash flow from operations for the Second Quarter. US\$41,952 was invested in completing the refurbishment work on the new food court and US\$534,068 was paid down on the property lease obligation. The Bob Marley One Love Experience was opened during the First Quarter and has been receiving rave reviews. Bento Sushi, an international fast casual dining experience of Asian origin and Freshens, a casual health-conscious juice brand, are scheduled to be in place by the first quarter of calendar year 2024.

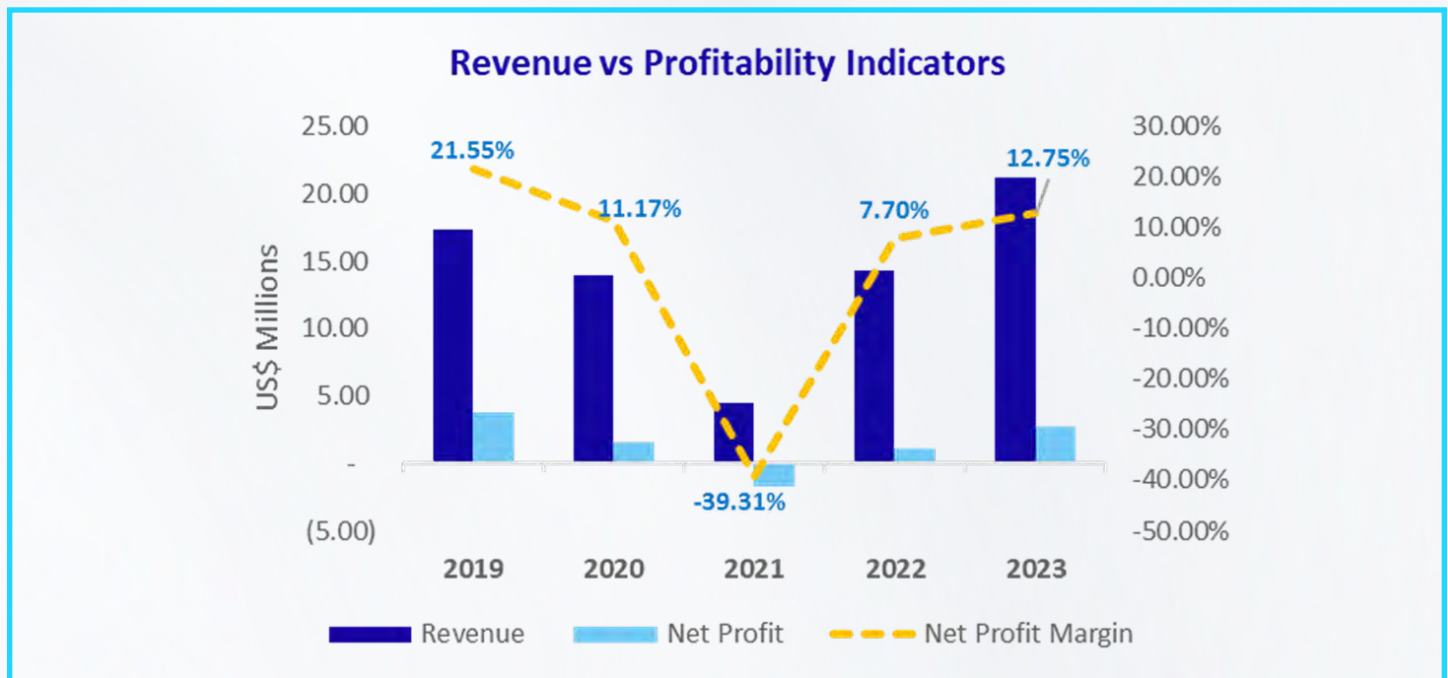
The outlook for the remainder of fiscal year 2024 is buoyant. The winter tourist season is now on in earnest. The early indicators are very positive and in line with the pronouncements from the Ministry of Tourism and its affiliated entities, the Jamaica Tourist Board and the Jamaica Hotel and Tourist Association (JHTA). The Company is poised to record its best year to date in passengers accessing the post security lounge as well as top line revenue. The Company continues to work on re-aligning its entire cost structure.



10A 5 Year Financial Highlights

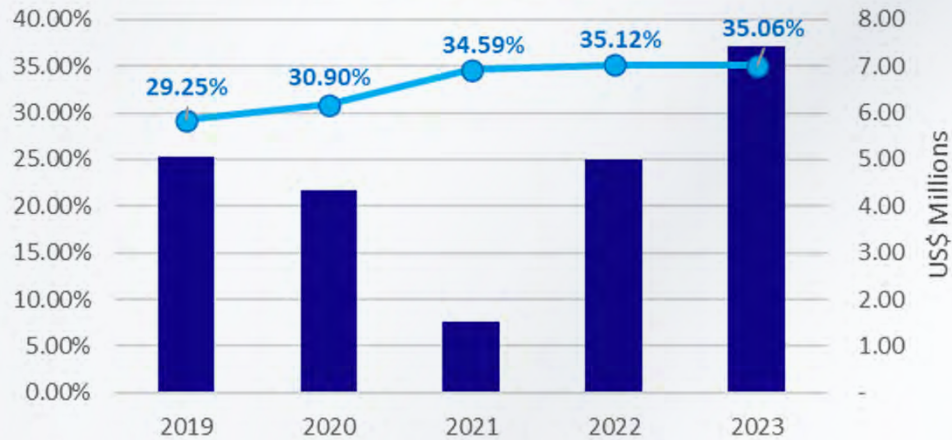
The last five-year record of Express Catering Limited (ECL) demonstrates the Company's ability to rebound from crises. ECL's revenue was trending upward with US\$17.32 million reported at the end of FY2019 but took a turn in FY2020 when the COVID-19 pandemic severely impacted the Jamaican economy and continued downward in FY2021. The easing of travel restrictions saw revenue picking up in FY2022 and reaching a new high of US\$21.20 million in FY2023, a 5% compound annual growth rate (CAGR) over five years and a 49% year-over-year (YOY) rise relative to US\$14.24 million recorded in FY2022.

Gross profit over the five-year period rose from US\$12.25 million at the end of FY2019 to US\$13.77 million at the end of FY2023, a 49% increase over the US\$9.24 million recorded in FY2022.



The average Cost of Sales ratio prior to the pandemic was just over 30.0%. For the most recent fiscal year ended May 2023, the ratio was 35.06%. With the negative impact of the pandemic on ingredients prices still lingering, and now being worsened by the war in Ukraine, we may never return to pre-pandemic Cost of Sales ratios, but the company has the opportunity to work towards that target. At current annual revenue of US\$22.0 million, a one percentage point improvement will add US\$220,000 to the Net Profits before tax.

Cost of Sales



Operating expenses increased 27% YOY, from US\$6.80 million in FY2022 to US\$8.61 million for FY2023, representing a 5% increase over the five-year period from the US\$8.23 million booked at the end of FY2019. This led to a significant increase of 112% in ECL's operational profit, which closed the FY2023 at US\$5.16 million, a 6% increase over the five-year period.

At the end of FY2023, ECL's finance income declined significantly to US\$489 relative to US\$4,551 at the end of FY2022, while finance cost grew YOY by 9% to US\$2.25 million (2022: US\$2.07 million). Gain on foreign exchange amounted to US\$34,167 relative to US\$8,059 in FY2022. As a result, pre-tax profit closed the year at US\$2.94 million relative to the US\$1.10 million in 2022.

Net Profit



Consequently, over the five-year period, ECL's profitability decreased by a CAGR of 8% from US\$3.73 million at the end of FY2019 to US\$2.70 million at the end of FY2023. Notably, ECL realized a 146% increase YOY in profit from the US\$1.10 million booked at the end of FY2022. The Company is anticipated to revert to its 2019 level of performance, owing to the ongoing improvement in tourist arrivals and the construction or planning of thousands of hotel rooms over the near and medium term.



Over the five-year period, ECL has significantly increased its total asset base from US\$8.53 million at the end of FY2019 to US\$42.19 million in FY2023. The growth in ECL's total asset base stemmed largely from recognizing the right of use in the property lease.

Total liabilities amounted to US\$36.15 million at the end of FY2023, a 61% increase over the last five years but represents a 3% decline from the US\$37.16 million reported at the end of FY2022. This downward movement follows a downturn in the Company's lease liabilities.

Total equity at the end of FY2023 rose 81% to US\$6.04 million from US\$3.34 million booked at the end of FY2022; over the last five years, the Company's equity increased 17% from the US\$3.21 million booked at the end of FY2019.

Express Catering Limited's (ECL) cashflows from operations trended upwards to US\$3.3 million in 2023 representing a 112% increase when compared to US\$1.5 million recorded in 2022. Over the 2022-2023 period, the company made significant investments in property and equipment representing 285% increase year over year. ECL also recorded a 5-year CAGR of 47% for its investment activities. The company's cash flows from financing activities declined by 29% between the 2022 and 2023 period. This decline was mostly due to the repayment of lease obligations of US\$855,000 in 2023.

10B Industry Overview

Tourist Arrivals

Jamaica's tourist industry has been a strong pillar of economic development due to its crucial macroeconomic links. The tourism value chain has numerous sectors. To promote it, backward linkages must be used to build and operate hotels, restaurants, and other tourism-related facilities, as well as energy, telecommunications, environmental, agriculture, manufacturing, and other support services. Tourism has also built several forward links with tourist service providers. Financial, telecommunications, retail, recreation, culture, personal, hospitality, security, and health services. Airports, good roads, ports, hospitals, and banks are needed to provide high-quality services and create a competitive tourism destination, so developing the tourism sector has demanded their growth.

Jamaica's resilient tourism business drives long-term economic growth despite cyclical stocks like the COVID-19 pandemic. It is the country's greatest foreign exchange producer, GDP, and employment contributor, and one of its fastest-growing businesses for decades.



Source: Monthly Statistical Report. (2023). Jamaica Tourist Board, Volume XXXIII (Issue 9).

An analysis of Jamaica's stop-over tourist figures over the past two decades has revealed a consistent annual growth, with the exception of 2020, the year when the pandemic was officially announced. The data provided spans from 2002 to 2023, including both years.

As per the Monthly Statistical Report of 2023, in the September 2023 edition of the Jamaica Tourist Board, Volume XXXIII (Issue 9), it was reported that there were 2.20 million stopover arrivals thus far in the year, which represents a 20.9% increase in arrivals compared to September 2022. In September 2023, there was a 5.8% year-on-year increase in arrivals, totaling 178,243 compared to 168,538 in September 2022.

In September 2023, Jamaica got a total of 178,243 stopover arrivals. Out of these, Montego Bay welcomed 70,382 entries, accounting for 39.7% of the total. Ocho Rios received 34,914 arrivals, making up 19.6% of the total. Negril received 29,414 arrivals, representing 16.5% of the total. Lastly, Kingston was visited by 18,348 passengers, accounting for 10.3% of the total. 14.1% of the individuals choose to reside in the Mandeville/South Coast, Port Antonio resort zones, and other parts of Jamaica.

The market share of stopover visitors from January to September 2023 is as stated below: The distribution of the population is as follows: United States of America accounts for 74.9%, Canada for 12.4%, United Kingdom for 7.1%, Continental Europe for 1.8%, the Caribbean for 2.3%, and all other nations for 1.5%.

The remarkable success thus far resulted in a 6.7% year-on-year expansion of the Hotels & Restaurants business. According to the Statistical Institute of Jamaica. The source does not provide a date. The July-September Quarterly Gross Domestic Product (GDP), specifically Volume 22 (Number 3), was primarily driven by expansion in the sectors of hotels and other short-stay lodging, as well as restaurants, bars, and canteens. The hotel industry and other forms of short-term lodging experienced a favourable effect due to the rise in the number of international visitors to the island during the specified time frame.

The Portfolio Minister, Hon. Edmund Bartlet, said on December 12, 2023, during a statement in the House of Representatives, that Jamaica is projected to have 4,122,100 tourist arrivals from January to December 2023. This would indicate a 23.7% surge compared to the 2022 value. Out of this total, it is anticipated that 2,875,549 individuals will be stopover tourists, indicating a 16% growth compared to the previous year's figure.

The Minister further noted in his address, "The influx of visitors is expected to generate US\$4.265 billion in tourism earnings for 2023, representing a projected increase of 17.8 per cent over total inflows for 2022, and a 17.2 per cent spike over the out-turn for the pre-pandemic year of 2019. Furthermore, we anticipate concluding the year with a cumulative count of 1,246,551 individuals embarking on cruises, signifying a substantial growth of 46.1% compared to the figure recorded in 2022."

Focusing on Sangster International Airport (SIA), the total number of international terminal passengers grew 20% to 5.2 million in 2023, while Norman Manley International Airport (NMIA) experienced 12% growth to 1.75 million. The data indicates a decline in arrivals through Kingston since September, including a reduction of 2.5% in passenger traffic in December compared to the same period the previous year.

The airport at Montego Bay serves as the primary point of entry for tourists, whilst Kingston mostly caters to local residents and corporate visitors who choose to stay in business hotels or short-term rental accommodations.

In 2024, the Ministry of Tourism anticipates another year with a tourist influx exceeding four million people. In a conversation with the government's news agency, Jamaica Information Service (JIS), Donovan White, the Director of Tourism, stated in September 2023 that the objective for this year is to attract 4.59 million visitors, resulting in earnings of approximately US\$4.3 billion.



Source: Monthly Statistical Report. (2023). Jamaica Tourist Board, Volume XXXIII (Issue 9).

- 11.1** In addition to other information set forth in this prospectus, investors should consider carefully the risks described below before subscribing for Bonds in the Company. These risks are not the only ones facing investors. Additional risks, not presently known to the Directors, or that the Directors may presently consider immaterial, may also impair the Company's operations.
- 11.2 This Prospectus also contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated as a result of certain factors, including the risks faced by the Company described below and elsewhere in this Prospectus.

Pandemics

- 11.3 On March 11, 2020 the World Health Organisation declared that the novel coronavirus (SARS-COV-2), which causes the disease referred to as COVID-19 ("COVID-19"), had reached the status of a global pandemic (the "COVID-19 Pandemic"). The first instance of COVID-19 in Jamaica was detected in the same month.
- 11.4 The COVID-19 Pandemic and the measures adopted by the various governments (including the Jamaican Government) to mitigate the spread of COVID-19 have had a material impact on the world economy.
- 11.5 As a result of the COVID-19 Pandemic or similar public health crises that may arise, the Company may experience severe disruptions that could adversely impact its operations.

Company's Performance tied to Sangster International Airport

- 11.6 Sangster International Airport ("SIA") located in Montego Bay, Jamaica's second largest city, is the larger of Jamaica's two international airports. SIA is the gateway to Jamaica's Northern Coast region and its well-developed tourism products. SIA therefore represents a vital item of infrastructure underpinning Jamaica's tourism industry and therefore Jamaica's economy.
- 11.7 The Company's business operations are centered around SIA. The Company's dependence on SIA means that at the present time the Company's financial performance is directly tied to SIA. This creates both a geographic and concentration risk for the Company because any disruption at SIA is likely to have a materially negative impact on the Company.
- 11.8 The Company benefits from Business Interruption Insurance from GK General Insurance Company Limited with a limit of US\$2,450,000.00. In the event that the operations at SIA are disrupted, the Company will be able to claim against the aforementioned policy.

Risks relating to the Concession Agreements

- 11.9 The Company is operating at SIA pursuant to certain Concession Agreements which it required to operate in accordance with the standards set out in the Concession Agreements. Failure to do so could cause the Company to incur liability to MBJ Airports Limited or to terminate the Agreement.
- 11.10 If the Concession Agreements were to be terminated the business of the Company would be severely impacted. Thus far, the Company and MBJ Airports Limited have had a collaborative and cooperative relationship, so the management has no reason to believe that any of the Concession Agreements are at risk.

Franchise Model Risk

- 11.11 The Company operates a number of branded restaurant outlets under franchise or sub-franchise or similar agreements with franchisors such as Jimmy Buffett's Margaritaville, Starbucks, Quiznos, at a single location, Sangster International Airport.
- 11.12 The Company is dependent on its contractual arrangements third-party with franchisors, and in the case of sub-franchises, on its Group's relationship with those third-party franchisors, for its premises and also, its rights to use the names and brands at its premises in Sangster International Airport in Montego Bay. The Company must pay royalties and other fees for the creation of its establishment and ongoing use of the name and brands, and operation of the restaurant outlets at the airport. If the Company were to breach its arrangements with any of the third-party franchisors, or (in the case of a sub-franchise) if the Group were to do so, the Company could lose its right to use the names and brands and operation of the relevant franchised restaurant outlets with attendant loss of income and possible negative effects on other ongoing operations.

Global Macro-economic Conditions

- 11.13 A global recession will likely reduce tourist arrivals to Jamaica and potentially the amount of spend per tourist whilst here. That in turn would reduce the Company's earnings because it is closely tied to the Jamaican tourism industry.
- 11.14 The Company has made additional investments in its business to better diversify its offerings to a variety of price points. Additionally, the Company provides food and beverage offerings to the approximately 5,000 employees at SIA.

Local Macro-economic Policies

- 11.15 The Government of Jamaica may from time to time affect macroeconomic conditions through changes in the law or fiscal and monetary policies or changes in regulations, which may have an adverse impact on the performance of the Company.
- 11.16 Those policies include declaring states of emergency or zones of special operation which could impact the desirability for tourists to visit the island or certain parishes that could be deemed to be a security risk.

Risks of earthquake, hurricane, fire and other Catastrophic Events

- 11.17 Natural disasters and other catastrophic events affecting Jamaica such as hurricanes or earthquakes could disrupt operations at SIA as well as impact generally on economic activity in Jamaica and the desirability of Jamaica as a safe tourist destination.

Operational Risks

- 11.18 In the execution of its business functions the Company is exposed to risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational Risks also include:
- (a) systemic risk (including the risk of accounting errors and compliance failures);
 - (b) legal risk and reputational risk;
 - (c) employee errors, computer and manual systems failures, security failures;
 - (d) fire, floods and other losses to physical assets; and
 - (e) fraud or other criminal activity.

The Bonds are Senior Unsecured

- 11.19 The Bonds will constitute the unsecured obligations of the Company. Accordingly, the Bonds will not be secured by a specific asset/s of the Company. In the event that the Company is declared bankrupt, becomes insolvent, is liquidated or re-organised, secured debt will be entitled to be paid ahead of the Bonds including from the proceeds of the collateral securing such debt before any payment from the proceeds may be made with respect to the Bonds. Bondholders will participate ratably with all holders of unsecured indebtedness that are deemed to be of the same ranking as the Bonds, and potentially with all of our other general creditors. In any of the Insolvency Events, the Company may not have sufficient assets to pay amounts due on the Bonds. As a result, Bondholders may receive less, ratably, than holders of secured indebtedness.
- 11.20 As at November 30, 2023 the Company's indebtedness consists largely of unsecured debt, the largest being approximately US\$8,000,000 owing to Sygnus Credit Investment Limited. As indicated, part of the proceeds from this Invitation are intended to be used to repay that indebtedness.
- 11.21 Additionally, the Trust Deed will include a Negative Pledge Clause that prohibits the Company from creating any security over any of its assets without the prior written consent of the Trustee.

Early Redemption or Prepayment Risk

- 11.22 The Company may by giving thirty (30) days' Notice, choose whether to wholly or partially redeem the Bonds. As a result (particularly in a declining interest rate environment), a Bondholder may not be able to reinvest the proceeds received from the redemption in a comparable security at an effective interest rate as high as the interest rate on the Bonds. In an increasing interest rate environment, the Company would be unlikely to redeem the Bonds early.

Risk of Financial Distress

- 11.23 The Company's ability to make payments on (or to refinance) indebtedness including the Bonds and to fund its business will depend upon its ability to generate cash from operations in the future. The Company's operational performance is subject to general economic conditions, financial, legislative and regulatory factors that are beyond its control. Consequently, there is a risk that the business may not generate sufficient cash flow from operations or financing to enable it to pay its indebtedness, including the Bonds, or to fund its other cash needs. In such case the Company may need to sell assets, seek additional equity, reduce, restrict or delay the implementation of strategic business initiatives. There is also a chance that the Company may be declared bankrupt, become insolvent, liquidate or otherwise reorganise or restructure its indebtedness.
- 11.24 The Bonds include the Financial Covenants (summarized at Section 6.7) that restricts the Company's ability to incur further indebtedness unless the covenant is waived by the Trustee. The Financial Covenants should also act as an early warning sign that the business of the Company is deteriorating by giving Bonds an opportunity to take action early.

Changes in Accounting Rules

- 11.25 The Company may become subject to new accounting rules or standards that differ from those that are presently applicable. Such new accounting rules or standards could require significant changes in the way the Company currently reports its financial position, operating results or cash flows. Such changes could be applied retrospectively. This is a risk that is common to companies that apply International Financial Reporting Standards (IFRS), as required under the Companies Act.

12. Professional Advisers For Invitation

Lead Broker

Mayberry Investments Limited
1½ Oxford Road
Kingston 5

Primary Contacts

Mr. Dan Theoc (SVP-Investment Banking)
dan.theoc@mayberryinv.com
OR
Ms. Rachel Kirlew (AVP-Investment Banking)
rachel.kirlew@mayberryinv.com

Co-broker

Sygnus Capital Limited
Unit 28, 80LMR
80 Lady Musgrave Road
Kingston 10

Legal Advisors

Patterson Mair Hamilton
Attorneys-at-Law
Temple Court
85 Hope Road
Kingston 6

Trustee, Registrar and Transfer Agents

JCSD Trustee Services Limited
40 Harbour Street
Kingston

External Auditors

HLB Mair Russell
3 Haughton Avenue
Kingston 10
Jamaica



13. Auditors' Report & Historical Financial Data

13.1 Summary of Income Statement for the quarters ended November 30, 2022 and November 30, 2023:

| Income Statement | | | |
|---|------------------|------------------|---------------|
| For the Period Ended: | Nov-22 | Nov-23 | Change |
| Revenue | 4,204,929 | 5,181,424 | 23% |
| Cost of Sales | (1,510,533) | (1,735,261) | 15% |
| Gross Profit | 2,694,396 | 3,446,163 | 28% |
| Other Income | 3,055 | (6,051) | -298% |
| Administrative Expenses | (1,247,540) | (1,831,681) | 47% |
| Promotional Expenses | (118,073) | (83,010) | -30% |
| Depreciation and amortization | (678,444) | (678,964) | 0% |
| Total Expense | (2,044,057) | (2,593,655) | 27% |
| Operating Profit | 653,394 | 846,457 | 30% |
| Finance Income | 52 | 154 | 196% |
| COVID-19 Rent Concessions | - | - | |
| Finance Cost | (521,584) | (660,608) | 27% |
| Foreign Exchange Gain/Loss | (5,055) | 1,237 | -124% |
| Profit before tax | 126,807 | 187,240 | 48% |
| Income tax expense | | | |
| Profit for the year being total comprehensive Income | 126,807 | 187,240 | 48% |

13.2 Summary of Balance Sheet as at November 30, 2022 and November 30, 2023:

| Balance Sheet | Nov-30, 2022 (US\$) | Nov-30, 2023 (US\$) |
|-------------------------------------|---------------------|---------------------|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 5,195,452 | 6,226,374 |
| Right-of-use asset | 22,966,713 | 20,855,139 |
| Other intangible assets | 719,959 | 570,750 |
| | 28,882,124 | 27,652,263 |
| Current Assets | | |
| | 500,700 | 518,245 |
| Owing by related companies | 12,030,155 | 15,432,073 |
| Inventories | 398,288 | 502,797 |
| Cash and bank balances | 56,108 | 54,584 |
| | 12,985,344 | 16,507,699 |
| Total Assets | 41,867,468 | 44,159,962 |
| Equity and liabilities | | |
| Capital and reserve | | |
| Share Capital | 73,861 | 73,861 |
| Capital Reserve | 43,490 | 43,490 |
| Retained earnings | 4,000,425 | 6,953,357 |
| Total Equity | 4,117,776 | 7,070,708 |
| | | |
| Liabilities | | |
| Non-current liabilities | | |
| Long-term loan | 8,530,719 | 9,591,492 |
| Lease Obligations | 21,741,389 | 19,566,427 |
| Deferred tax liability | 89,150 | 89,150 |
| | 30,361,258 | 29,247,069 |
| Current Liabilities | | |
| Trade and other payables | 5,403,726 | 5,735,549 |
| Current Portion of lease obligation | 1,984,707 | 2,106,637 |
| | 7,388,433 | 7,842,186 |
| Total Liabilities | 37,749,691 | 37,089,255 |
| Total Equity and Liabilities | 41,867,467 | 44,159,963 |

13.3 Summary of Five-Year Audited Income Statement

| Express Catering Limited (ECL) 5-Year Profit & Loss Statement | | | | | | | | |
|---|---------------|---------------|--------------|--------------|---------------|--------------|------------|-----------|
| Audited FS For the year ended: | May-19 | May-20 | May-21 | May-22 | May-23 | Change | Change | 5-YR CAGR |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | % | % |
| Revenue | 17,316 | 14,001 | 4,413 | 14,241 | 21,199 | 6,958 | 49 | 5 |
| Cost of Sales | (5,065) | (2,994) | (3,411) | (5,002) | (7,433) | (2,430) | 49 | 10 |
| Gross Profit | 12,251 | 11,007 | 1,001 | 9,239 | 13,766 | 4,527 | 49 | 3 |
| Administrative Expenses | (5,973) | (7,035) | (8,202) | (4,019) | (5,883) | (1,864) | 46 | (0) |
| Promotional Expenses | (42) | (52) | (38) | (5) | (12) | (7) | 146 | (27) |
| Depreciation and Amortisation | (361) | (516) | (577) | (2,780) | (2,714) | 66 | (2) | 66 |
| Total Operating Expenses | (6,377) | (7,603) | (8,818) | (6,804) | (8,609) | (1,805) | 27 | 8 |
| Operating Profit | 765 | 1,376 | 1,216 | 2,435 | 5,157 | 2,722 | 112 | 61 |
| COVID-19 Rent Concession | - | - | - | 715 | - | (715) | (100) | - |
| Finance Income | 0.59 | 0.45 | 0.33 | 5 | 0.49 | (4) | (89) | (4) |
| Finance Costs | (150) | (737) | (441) | (2,066) | (2,254) | (188) | 9 | 97 |
| Foreign Exchange Gain/(Loss) | - | - | - | 8 | 34 | 26 | 324 | - |
| Pre-tax Profit | 616 | 639 | 775 | 1,097 | 2,938 | 1,841 | 168 | 48 |
| Taxation | - | - | - | - | (236) | (236) | - | - |
| Net Profit | 466 | 638 | 591 | 1,097 | 2,702 | 1,605 | 146 | 55 |

13.4 Summary of Five-Year Audited Balance Sheet

| Express Catering Limited (ECL) 5-Year Balance Sheet | | | | | | | | |
|---|--------------|---------------|---------------|---------------|---------------|----------------|------------|-----------|
| Audited For the year ended: | May-19 | May-20 | May-21 | May-22 | May-23 | Change | Change | 5-YR CAGR |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | % | % |
| Non-current Assets | | | | | | | | |
| Property, Plant and Equipment | 4,395 | 4,201 | 3,934 | 4,124 | 6,113 | 1,989 | 48 | 9 |
| Rights-of-use Assets | - | 22,929 | 26,216 | 24,031 | 21,914 | (2,117) | (9) | - |
| Intangible Assets | 1,019 | 1,004 | 941 | 792 | 645 | (147) | (19) | (11) |
| | 5,414 | 28,134 | 31,090 | 28,947 | 28,672 | (275) | (1) | 52 |
| Current Assets | | | | | | | | |
| Inventories | 395 | 332 | 464 | 303 | 432 | 129 | 43 | 2 |
| Trade and Other Receivables | 938 | 181 | 190 | 309 | 472 | 163 | 53 | (16) |
| Due from Related Companies | 1,526 | 3,636 | 7,639 | 10,660 | 12,472 | 1,812 | 17 | 69 |
| Cash and Bank Balances | 258 | 183 | 424 | 276 | 144 | (133) | (48) | (14) |
| | 3,117 | 4,333 | 8,717 | 11,547 | 13,519 | 1,972 | 17 | 44 |
| Total Assets | 8,531 | 32,466 | 39,807 | 40,494 | 42,192 | 1,697 | 4 | 49 |
| Equity | | | | | | | | |
| Share Capital | 74 | 74 | 74 | 74 | 74 | - | - | - |
| Capital Reserve | 43 | 43 | 43 | 43 | 43 | - | - | - |
| Retained earnings | 3,097 | 3,858 | 2,124 | 3,221 | 5,923 | 2,702 | 84 | 18 |
| Current Liabilities | | | | | | | | |
| Bank Overdraft | 186 | 7 | 67 | 186 | 26 | (160) | (86) | (39) |
| Trade and Other Payables | 1,461 | 1,456 | 2,821 | 3,882 | 3,656 | (225) | (6) | 26 |
| Current Portion of Lease Liabilities | 17 | 496 | 1,923 | 1,985 | 2,107 | 122 | 6 | |
| Income Tax Payable | 35 | - | - | - | (209) | 209 | - | 56 |
| | 1,699 | 1,959 | 4,812 | 6,053 | 5,998 | (54) | (1) | 37 |
| Non-current Liabilities | | | | | | | | |
| Preference Shares | 3,500 | 3,500 | - | - | - | - | - | (100) |
| Borrowings | - | - | 8,036 | 8,363 | 9,439 | 1,077 | 13 | - |
| Lease Liabilities | 29 | 22,942 | 24,629 | 22,652 | 20,598 | (2,054) | (9) | 415 |
| Deferred Tax Liability | 89 | 89 | 89 | 89 | 116 | 26 | 30 | (7) |
| | 3,618 | 26,531 | 32,754 | 31,104 | 30,153 | (951) | (3) | 70 |
| Total Liabilities | 5,317 | 28,491 | 37,566 | 37,156 | 36,151 | (1,005) | (3) | 61 |
| Total Equity and Liabilities | 8,531 | 32,466 | 39,807 | 40,494 | 42,192 | 1,697 | 4 | 49 |

13.5 Summary of Five-Year Audited Cash Flow Statement

Abridged Five- Year Cash Flow Statement

Express Catering Limited (ECL) Five Year Cash Flow

| For the year ended | 2019 | 2020 | 2021 | 2022 | 2023 | Change % | Change \$ | 5-Yr CAGR (%) |
|-------------------------------------|------------|------------|------------|------------|------------|----------|-------------|---------------|
| Cash Flow from Operations | 7,579,617 | 2,944,378 | -3,566,657 | 1,566,352 | 3,321,291 | 112% | 1,754,939 | -89% |
| Cash Flow from Investing Activities | - 413,991 | - 386,741 | - 262,101 | - 632,936 | -2,438,606 | 285% | - 1,805,670 | 47% |
| Cash Flow from Financing Activities | -7,306,141 | -2,454,991 | 4,010,465 | -1,200,293 | - 855,281 | -29% | 345,012 | -97% |

13.6 Auditors' Consent



January 15, 2024

The Board of Directors
Express Catering Limited
Unit #16, M19 Southern Cross Boulevard,
Montego Freeport, Montego Bay
Jamaica

Dear Sirs,

Re: Prospectus for an offering of up to US\$12,000,000 in Senior Unsecured Bonds to be issued by Express Catering Limited

Reference is made to the abovementioned Prospectus which has been signed for and on behalf Express Catering Limited (the "Company") by the Directors of the Company.

We hereby consent to the issue of the Prospectus with the inclusion therein of:

- (a) The Company's audited financial statements for the financial year ended May 31, 2023 and our Independent Auditors' Report thereon dated September 13, 2023;
- (b) References to the Company's audited financial statements for the financial years ended May 31, 2019 to May 31, 2023; and
- (c) references to our name in the form and context in which they are included in the Prospectus.

We confirm that we have not withdrawn our consent before delivery of a copy of the Prospectus to the Companies Office of Jamaica or the Financial Services Commission for registration.

This consent letter should not be regarded as in any way an update or qualification to the aforementioned financial reports or that we performed any procedures or services subsequent to the date of such reports.

HLB Mair Russell
Chartered Accountants
Montego Bay, Jamaica

hlbjm.com

Partners: Sixto P. Coy, Karen A. Lewis

3 Haughton Avenue, Kingston 10, Jamaica W.I. 56 Market Street, Montego Bay, Jamaica W.I.

TEL: (876) 926-2020/2 TEL: (876) 926-9400 TEL: (876) 952-2891 EMAIL: info@hlbjm.com

HLB Mair Russell is an independent member of HLB the global advisory and accounting network.

13.7 Auditors' Report

The Auditors' Report of HLB Mair Russell, Chartered Accountants is set out at pages 73 to 75 in Appendix 5 hereto.



14. Statutory & General Information

Statutory Information required to be set out in the Prospectus by section 42 and the Third Schedule to the Companies Act ("the Act").

14.1 (a) The Company has no founders or management or deferred shares.

(b) The Articles of Incorporation of the Company fix no shareholding qualification for directors and none have been otherwise fixed by the Company in general meeting. The Articles of Incorporation contain the following provisions with respect to the remuneration of directors:

- i. "...The remuneration of the directors shall be such amount as the board of directors, or any appropriate committee of the board of directors, may determine. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meeting of the directors or any committee of the directors or general meetings of the Company or in connection with the business of the Company." -Article 77.
- ii. "the shareholding qualification for directors may be fixed by the company in general meeting, and unless and until so fixed no qualification shall be required." -Article 78.
- iii. "A director of the Company may be or become a director or other officer of, or otherwise interested in, any Company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs." -Article 79.
- iv. "A director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the directors may determine and no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established." -Article 89(3).
- v. "Any director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director; provided that nothing herein contained shall authorise a director or his firm to act as auditor to the Company." -Article 89(5).

- vi. “The directors, on behalf of the Company, may pay a gratuity or pension or allowance on retirement to any director who was held any other salaried office or place of profit with the company or to his widow or dependents and may make contributions to any fund and pay premiums for purchase or provision of any such gratuity, pension or allowance.” -Article 94.
 - vii. “A Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the board of directors, or any appropriate committee of the board of directors, may determine.” -Article 118.
- (c) The names and descriptions of the Directors of the Company are set out in Section 8.1 of this Prospectus. The addresses of the Directors are as follows:

| Name of Director | Residential address |
|-------------------------------------|---|
| Herrick Winston Russell Dear | No. 6 Breadnut Close, Reading P.O., St. James. |
| Ian B. Dear | 40 Lagoons Development, Freeport, Montego Bay P.O. #1, St. James. |
| John G. Byles | 12 Lagoons, Montego Freeport, Montego Bay P.O., St. James. |
| Roland P. Clarke | 517 Porto Bello Drive, Montego Bay P.O., St. James. |
| Andrew Spencer | 2 Rockfield Close, Stony Hill P.O., Kingston 9, St. Andrew. |
| Charmaine Maragh | Lannaman & Morris, 2 Seventh Avenue, Newport West, Kingston 15 |

- 14.2 (a) Shares are not being offered by the Company to the public for subscription. Accordingly, paragraph 2 of Part 1 of the Third Schedule to the Act does not apply.
- 14.3 (a) The Invitation will open for subscription at 9:00 a.m. on February 9, 2024 and will close at 4:30 pm on the Closing Date, March 8, 2024, subject to the Company’s right to close the application list at any time after 9:00 a.m. on the Opening Date if Applications have been received for an amount in excess of the Bonds offered under this Prospectus, or to extend the Closing Date subject to section 42 of the Companies Act, 2004.
- (b) Shares are not being offered by the Company. Accordingly, paragraph 3(2) of Part 1 of the Third Schedule to the Act does not apply.
- 14.4 No person has, or is entitled to be given, any option to subscribe for any shares in, or debentures of, the Company.
- 14.5 (a) The Table below discloses the relevant assets or liabilities as at May 31, 2023, pursuant to paragraph 5 of Part 1 of the Third Schedule to the Companies Act.

| Asset/Liability | Aggregate amount (US\$) |
|--|--------------------------------|
| (a) Trade investments | 471,871 |
| (b) Quoted investments other than trade investments | Nil |
| (c) Unquoted investments other than trade investments | Nil |
| Goodwill, patents, trademarks or part of that amount is shown as a separate item in or is otherwise ascertainable from the books of the Company, or from any contract for the sale or purchase of any property to be acquired by the Company or from any documents in the possession of the Company relating to the stamp duty payable in respect of any such contract or the conveyance of any such property, the said amount so shown or ascertained so far as it is shown or ascertainable and as so shown or ascertained, as the case may be | |
| Bank loans and overdrafts | 9,465,239 |
| Net Amount recommended for distribution of dividend after tax | Nil |

Note that the complete Unaudited Financial Results for the second quarter ended November 30, 2023 showing the assets or liabilities of the Company is exhibited in Appendix 6 hereto.

(b) Details of the Company's intellectual and real property are set out in Section 7.14 to 7.15 of this Prospectus. However, there is no amount for goodwill, patent, or trademarks shown in the financial statements of the Company and there is no contract for sale and purchase which would involve any goodwill, patent or trademark.

(c) As at May 31, 2023 being the latest practicable date prior to publication of this Prospectus, the aggregate amount of loans owing by the Company are US\$9,465,239. The aggregate amount of overdrafts owing by the Company are US\$26,014. The complete Unaudited Financial Results for the second quarter ended November 30, 2023 showing the assets or liabilities of the Company is exhibited in Appendix 6 hereto

(d) No amount is currently recommended for distribution by way of dividend. The Company's dividend policy is described in Section 7.18 to 7.20.

14.6 As at the date of this Prospectus, no negotiations to purchase any properties which are to be paid for wholly or partly out of the proceeds of this Invitation, have been entered into, and accordingly, paragraphs 6 to 9 (inclusive) of Part 1 of the Third Schedule of the Companies Act do not apply.

14.7 (a) Within the two (2) preceding years, no commissions have been paid, nor will any be payable to anyone for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures of the Company.

- (b) The Company also intends to pay the expenses associated with the Invitation out of the proceeds, which it estimates will not exceed US\$304,000.00 inclusive of General Consumption Tax, as follows:

| | US\$ |
|------------------------------|----------------|
| Legal and Professional fees: | 57,471 |
| JSE fees: | 9,466 |
| JCSD Registrar Unit Fees: | 11,613 |
| JCSD Trustee Services Fees: | 2,700 |
| Companies Office of Jamaica: | 1,000 |
| Marketing Expenses: | 193,000 |
| Selling Fees: | 28,750 |
| Total: | 304,000 |

14.8 The issue is not underwritten.

14.9 The material contracts of the Company that must be disclosed under paragraph 11 of Part 1 of the Third Schedule to the Act are set out in Section 7.16.1.

14.10 The name and address of the auditors to the Company is:

HLB Mair Russell
3 Haughton Avenue
Kingston 10
St. Andrew

14.11 HLB Mair Russell have given and have not withdrawn their consent to the issue of this Prospectus with the inclusion of the Auditors' Report, and the complete audited financial statements of the Company for the financial year ended May 31, 2023, and their name in the form and context in which it is included.

14.12 The Company was incorporated on June 26, 2001 and commenced trading in 2001 and accordingly, paragraph 13 of Part 1 of the Third Schedule of the Companies Act does not apply.

14.13 The Company last registered a prospectus on July 5, 2017. Pursuant to that prospectus 327,500,000 ordinary shares of the Company were offered for sale to the public by Margaritaville St. Lucia Limited. The Company subsequently listed its ordinary shares on the Junior Market of the Jamaica Stock Exchange on July 21, 2017.

15. Consents

- 15.1 HLB Mair Russell, the Auditors of the Company, have given and have not withdrawn their written consent to the issue of this Prospectus with the inclusion therein of a copy of their Independent Auditor's Report for year ended May 31, 2023 in the form and context in which it is included. The Auditors' Consent is set out at Section 13.6.
- 15.2 The Directors of the Company have given and have not withdrawn their written consent to the issue of the Prospectus and the inclusion therein of all material facts relevant to the Company as required by the Act. The Directors' Consent is set out at Part 17.



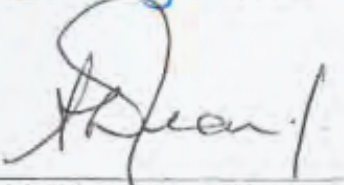
16. Documents Available For Inspection

During the period that the invitation remains open for purchase of Bonds, the following documents will be available for inspection on any weekday during the hours of 9:00 am to 4:30 pm, at the office of Patterson Mair Hamilton, Temple Court, 85 Hope Road, Kingston 6:

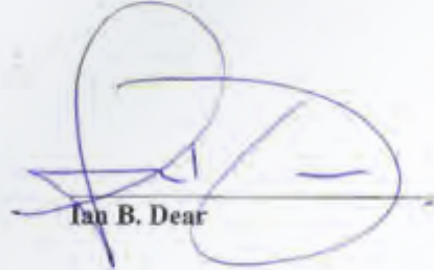
- (a) written consent of the Auditors, HLB Mair Russell;
- (b) written consent of the Directors of the Company;
- (c) audited financial statements of the Company for the year ended May 31, 2023;
- (d) unaudited financial statements of the Company for the three-month second quarter ended November 30, 2023;
- (e) Amended Articles of Incorporation;
- (f) Resolution of the Board of Directors authorising the Invitation dated January 17, 2024;
- (g) Drafts of the Trust Deed and Global Bond.

Directors' Signatures

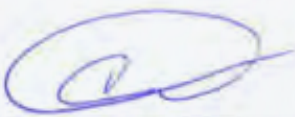
Signed on behalf of Express Catering Limited by its Directors on this the 31st day of January, 2024.



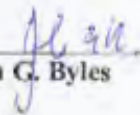
Herrick Winston Russell Dear



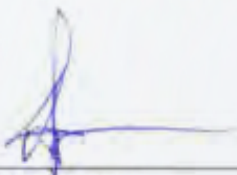
Ian B. Dear



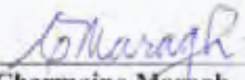
Roland P. Clarke



John G. Byles



Andrew Spencer



Charmaine Maragh

Appendix 1:

Application Guidelines

OPTION I - INDIVIDUAL & INDIVIDUALS WITH JOINT ACCOUNTS & COMPANIES

Mayberry Clients

Mayberry Clients **without online access** will first need to sign up (see steps below “How to sign up”). Once the online account has been successfully created, you may then apply for the IPO.

How to sign up:

1. Go to <https://www.mayberryinv.com> and click **SIGN UP** in the upper right corner.
2. Click on the **Already Have An Account** link.
3. Select the type of account (Individual) and enter the requested details on record at Mayberry, then click **Next**.
4. Enter the email address and phone number on record for your Mayberry account, create your password and click **Sign Up**.
5. If all your entered details match with the details on record at Mayberry, you will be prompted to enter the One Time Password sent to your email.
6. You may now apply for the IPO using the above steps.

How to apply for the IPO:

1. Go to <https://www.mayberryinv.com> and click SIGN IN in the upper right corner.
2. Enter your credentials (registered email address and password) and enter the One Time Password sent to your email click **Sign In**.
3. Click the **IPO** option from the menu on the left side of the page.
4. Click on the **Apply** button for the IPO.
5. Select the relevant bond tranche (if the tranche requires attachments upload the file) and click the **Apply** button.
6. Select your Mayberry account, complete the application form, and click **Review Application**.
7. Review the displayed application details and tick the checkboxes at the end of the page. You will need to click on the form link and agree to the conditions and tick the lastcheckbox.
8. Click the **Submit Application** button.
9. For joint accounts, the joint account holder(s) will receive an

Special Note:

- i. **The application process will only be considered complete for joint accounts when all holders have verified the application.**
- ii. **Please ensure that all minors are flagged during the application for joint account holders. Once flagged, minors will not receive the email link to verify.**

OPTION II - INDIVIDUALS, INDIVIDUALS WITH JOINT ACCOUNTS & COMPANIES

Mayberry Clients

Mayberry Clients with **existing online** access can apply by following the steps immediately below:

How to apply for the IPO:

1. Go to <https://ipo.mayberryinv.com/mi-ipo> and enter your TRN
2. Click the **Send OTP** button (a one time password will be sent to your email address).
3. Enter the **OTP code** to login to the application
4. Click on the **Primary Account(s)** dropdown to select your account then click Next.
5. Select the **IPO** then click Next.
6. Enter the **Quantity of Bonds** or **Nominal Amount** then click Next
7. Review the application details, click the relevant checkboxes then click **Finish**
8. **Ensure the correct email is provided for the primary and joint account holders (if applicable)**
9. A copy of the application receipt will be sent to your email address. An email will be sent to all adult joint account holders (if applicable) to verify the application.

Special Note:

- i. **The application process will only be considered complete for joint accounts when all holders have verified the application.**
- ii. **Please ensure that all minors are flagged during the application for joint account holders. Once flagged, minors will not receive the email link to verify**

OPTION III - Non-Mayberry Clients

I. Brokers with Electronic Platform

Please contact your Broker to get the details to complete and submit your electronic application.

II. Brokers with No Electronic Platform (Mayberry's MI-IPO platform will be used to process applications)

Non-Mayberry Clients can apply via a link that will be provided by your broker. Please follow the steps below to create the application:

How to apply for the IPO:

1. Contact your broker for the link to access the application
2. Enter your **Name** and **Email address**
3. Click the **Send OTP** button (a one time password will be sent to your email address).
4. Enter the **OTP code** to login to the application
5. Enter information for the **Company** or **Primary**
6. **Primary with Joint Account holders** - joint account information will be automatically defaulted
7. Select the **Bond** then click **Next**.
8. Enter the **Quantity of Bonds** or **Nominal Amount** then click Next
9. Review the application details, click the relevant checkboxes then click **Finish**
10. A copy of the application receipt will be sent to your email address. An email will be sent to all adult joint account holders (if applicable) to verify the application.

Special Note:

- i. **The application process will only be considered complete for joint accounts when all holders have verified the application.**
- ii. **Please ensure that all minors are flagged during the application for joint account holders. Once flagged minors will not receive the email link to verify the application**

Appendix 2: Borrowing Powers of Company

The Company's borrowing powers are derived from Article 80 of the Amended Articles of Incorporation which provide that:

"The directors may raise or borrow for the purposes of the Company such sum or sums of money as they think fit. The directors may secure the repayment of or raise any such sum or sum as aforesaid and also secure the repayment of any sum or sums due or owing by the Company or by any other person by bill of sale, mortgage or charge upon the whole or any part of the property and assets of the Company, present and future including its uncalled capital, or by issue, at such price as they may think fit, of bonds, debentures or debenture stock, either charged upon the whole or any part of the property and assets of the Company or not so charged or by bonds, bills of exchange, promissory notes or in such other ways as the directors may think expedient."



Appendix 3: Form of Bond

8.50% Express Catering Limited Usd Senior Unsecured Bonds Due 2027

Serial number: _____

Issue Date: _____, 202__

Amount: US\$ _____

Maturity Date: _____, 20__

THIS GLOBAL BOND IS ISSUED TO JCSD TRUSTEE SERVICES LIMITED (“THE TRUSTEE”) TO BE HELD FOR THE BENEFIT OF ALL HOLDERS OF A BOND INTEREST IN THIS GLOBAL BOND.

FOR VALUE RECEIVED, THE UNDERSIGNED, **EXPRESS CATERING LIMITED** of Unit #16, M19 Southern Cross Boulevard (the “**Promisor**”) HEREBY UNCONDITIONALLY PROMISES TO PAY to the order of JCSD TRUSTEE SERVICES LIMITED (the “**Trustee**”) or other registered holder hereof on behalf of the individuals recorded in the Register of Bondholders in proportion to the allocations set out therein (the “**Individual Bondholders**”) the Principal sum of _____ UNITED STATES DOLLARS (US\$ _____ (the “**Principal Sum**”) on _____ the Maturity Date (the “**Maturity Date**”).

The Promisor further promises to pay interest at the rate of 8.50% per annum (“the Agreed Rate”) on the unpaid Principal Sum hereof for each day during each Interest Period until the Principal Sum is repaid in full. Accrued interest shall be payable in arrears on each Interest Payment Date. Interest at the Agreed Rate shall accrue from day to day (as well as after as before any judgment) and shall be computed based on the number of days elapsed in the Interest Period for which the calculation is being made multiplied by a daily rate based on a three hundred sixty (360) day year., with 30 days comprised in each month. Principal, interest and other sums payable hereunder shall be payable in Jamaican currency at the office of JCSD Trustee Services Limited located at 40 Harbour Street, Kingston (“the Place of Payment”).

The Promisor may at any time after the Issue Date voluntarily prepay or redeem this Bond without premium or penalty by giving notice to the Bondholders and the Trustee that on a fixed future date (which shall fall on an Interest Payment Date and shall not be less than thirty (30) days from the date of the notice) the Promisor shall effect prepayment or redemption (a “**Notice of Pre-payment**” or “**Notice of Redemption**” respectively) provided that in the case of a partial prepayment such prepayment shall be effected ratably across all Bonds.

A Notice of Prepayment or Notice of Redemption, once given, may not be withdrawn and the amount prepaid or redeemed may not be re-borrowed under a new Bond or Bond. Prepayment must occur pro rata across all Bonds simultaneously. The right of prepayment may be exercised only once during the life of the Bonds.

All prepayment or redemption must be made with accrued interest up to the date of prepayment or redemption on the amount prepaid or redeemed.

This Global Bond is issued in respect of series (the serial number of which is stated on the face hereof) (“the Individual Bonds”) issued by the Promisor. The Promisor intends that this Global Bond shall be impressed with stamp duty in Jamaica and held by the Trustee for enforcement in Jamaica, if deemed necessary, as trustee for the holders of the Individual Bonds. Payments of principal and interest under the Individual Bonds shall pro tanto reduce the Promisor’s obligations under this Global Bond. This Bond is the Global Bond referred to in the Trust Deed. All such Individual Bonds shall rank pari passu and ratable in all respects.

All payments hereunder shall be made in same day funds or such other funds as are equivalent to same day funds. Payment of the Principal Sum and interest shall be made without set-off or counterclaim but subject to any applicable withholding tax (if any) which the Promisor is obliged to deduct by applicable law.

Upon the occurrence of an **Event of Default** (as defined below) the Bondholders may by **Ordinary Resolution** resolve that the Trustee shall serve a Notice of Acceleration declaring all principal and interest owing under this and other es in the Tranche to be, immediately due and payable, as provided in the Trust Deed and/or to take Enforcement Action.

The Promisor hereby irrevocably and unconditionally waives all requirements as to diligence, presentment, demand, protest, notice of dishonour and all other notices whatsoever, and agrees to pay all expenses, including reasonable attorney's fees incurred in the collection of this Global Bond.

The failure of the holder hereof to exercise any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that or any other instance.

In this Global Bond:

"Agreed Rate" means 8.50% per annum provided that during the continuance of an Event of Default the Agreed Rate shall be the aggregate of the aforesaid rate applicable at that time plus 3% per annum;

"Business Day" means any day other than a Saturday or Sunday or Public Holiday on which commercial banks are opened generally for business in the Corporate Area of Kingston and Saint Andrew;

"Event of Default" means the occurrence of any of the following events:

- (i) default by the Promisor in paying any sum due under the Bonds for a period of seven (7) Business Days; or
- (ii) any representation or warranty made by the Promisor in the Trust Deed being incorrect in any material respects when made, and the Promisor either knew or ought reasonably to have known it was incorrect; or
- (iii) default by the Promisor in the performance or observance of any covenant, condition or other provision in the Trust Deed, including the Financial Covenants; or
- (iv) if an order is made or resolution passed for the Promisor to be wound up, except a voluntary winding-up previously approved by the Promisor; or
- (v) if an encumbrancer shall take possession of, or a receiver is appointed over, all or any part of the Promisor's assets and the Trustee certifies that in its opinion such action is materially prejudicial to the interest of Bondholders; or
- (vi) if any distress or execution is levied against the Promisor and the Trustee certifies that in its opinion such action is materially prejudicial to the interest of Bondholders; or
- (vii) if the Promisor stops or threatens to stop payment of its debts or shall cease or threaten to cease to carry on the whole or substantially the whole of its business and the Trustee certifies that in its opinion, such event will be materially prejudicial to the interest of Bondholders; or
- (viii) if the Trust Deed or the Bonds is, or becomes, or is alleged to be, unlawful or unenforceable; or
- (ix) if any Insolvency Event shall occur with respect to the Promisor; or
- (x) if final judgment is rendered against the Promisor and such judgment remains unsatisfied for a period of forty-five (45) days unless such judgment is the subject of a bona fide appeal.

In respect of the events listed at (iii), (viii) and (x) above the Promisor has a cure period of fourteen (14) days after notice from the Trustee to remedy the breach, and if such breach is not remedied within such period only then will an Event of Default occur.

“Insolvency Event” means any of the following events occurring to the Promisor; namely: (i) the filing by the Promisor of a Notice of Intention or a Proposal under the Insolvency Act; or (ii) the commencement of proceedings by the Promisor to secure a composition of its debts under a court-approved scheme of arrangement or the making of any proposal to its creditors or any of them to compromise its debts; or (iii) the making by the Promisor of an application to the Supervisor of Insolvency for an assignment for the benefit of its creditors or if a creditor of the Promisor (or the Promisor itself) shall apply to the court for a receiving order to be made against it; or (iv) if the Promisor shall commit an act of bankruptcy under section 57 of the Insolvency Act; or (v) if a receiver (or an interim receiver) shall be appointed over the whole or any part of the assets of the Promisor;

“Interest Payment Date” means February 28, May 30, August 30, and November 30 of each year save and except that the first Interest Payment Date shall be May 30, 2024 and the final Interest Payment Date shall also be the Maturity Date and subject to the customary Business Day adjustment;

“Interest Period” means (i) in the case of the first Interest Period, the period commencing on the Issue Date and ending on the date immediately preceding May 30, 2024 ; and (ii) after the first Interest Period, each subsequent Interest Period shall commence on the Interest Payment Date in the previous Interest Period and shall end on the day immediately preceding the next Interest Payment Date EXCEPT that (a) the last Interest Period shall end on the day immediately preceding the Maturity Date; and (b) if an Interest Period would end on a day which is not a Business Day then such Interest Period shall be shortened to end on the immediately preceding Business Day which shall be the ending date for that Interest Period and the extra day(s) to the Interest Payment Date shall be added to the next Interest Period;

“Maturity Date” means the maturity date stated at the head of this Bond or the date on which a Notice of Pre-payment or Notice of Redemption expires;

“Trust Deed” means the Trust Deed between JCSD Trustee Services Limited and Express Catering Limited dated _____

This Global Bond shall be governed by and construed in accordance with the laws of Jamaica and may be enforced in the Courts of Jamaica.

EXPRESS CATERING LIMITED

By: _____
Signature
Name:
Title:

By: _____
Signature
Name:
Title:

AUTHENTICATED without recourse, warranty or liability
JCSD Trustee Services Limited

By: _____
(Authorised Signatory)



Appendix 4 :

The following securities dealers have been appointed selling agents:

- 1. Sygnus Capital Limited**
- 2. Scotia Investments Jamaica Limited.**

Appendix 5 :

Auditor's Report And Audited Financial Statements For The Financial Year Ended May 31, 2023





Express Catering Limited

Financial Statements
(Expressed in United States Dollars)

May 31, 2023

Express Catering Limited

May 31, 2023

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Independent auditor's report

To the Members of
Express Catering Limited

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Express Catering Limited ("the Company") which comprise the statement of financial position as at May 31, 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at May 31, 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that in our professional judgement; were of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined that there are no key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises the annual report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

hbjm.com

Partners: Sixto P. Coy, Karen A. Lewis

3 Haughton Avenue, Kingston 10, Jamaica W.I. 56 Market Street, Montego Bay, Jamaica W.I.

TEL: (876) 926-2020/2 TEL: (876) 926-9400 TEL: (876) 952-2891 EMAIL: info@hbjm.com

HLB Mair Russell is an independent member of HLB the global advisory and accounting network

Independent auditor's report (cont'd)

To the Members of
Express Catering Limited

Report on the audit of the Financial Statements (cont'd)

Other information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report (cont'd)

To the Members of
Express Catering Limited

Report on the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe the matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sixto Coy.

Montego Bay, Jamaica

September 13, 2023



HLB Mair Russell
Chartered Accountants

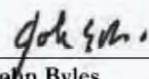
Express Catering Limited Statement of financial position

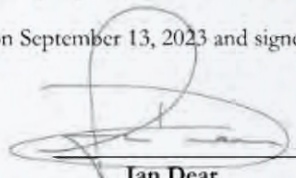
May 31, 2023

| | Note | 2023 US\$ | 2022 US\$ |
|--------------------------------------|------|-------------------|-------------------|
| Assets | | | |
| Non-current | | | |
| Property, plant and equipment | (3a) | 6,113,053 | 4,123,769 |
| Right-of-use asset | (3b) | 21,913,863 | 24,031,310 |
| Intangible assets | (4) | 645,377 | 792,122 |
| | | 28,672,293 | 28,947,201 |
| Current | | | |
| Inventories | (5) | 432,019 | 302,581 |
| Trade and other receivables | (6) | 471,817 | 308,545 |
| Due from related companies | (7) | 12,471,848 | 10,659,707 |
| Cash and bank balances | (8) | 143,524 | 276,254 |
| | | 13,519,208 | 11,547,087 |
| Total assets | | 42,191,501 | 40,494,288 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | (9) | 73,861 | 73,861 |
| Capital reserve | (10) | 43,490 | 43,490 |
| Retained earnings | | 5,923,003 | 3,220,776 |
| Total equity | | 6,040,354 | 3,338,127 |
| Liabilities | | | |
| Non-current | | | |
| Borrowings | (11) | 9,439,225 | 8,362,630 |
| Lease liabilities | (12) | 20,597,955 | 22,651,761 |
| Deferred tax liability | (13) | 115,538 | 89,150 |
| | | 30,152,718 | 31,103,541 |
| Current | | | |
| Bank overdraft | (8) | 26,014 | 186,148 |
| Trade and other payables | (14) | 3,656,390 | 3,881,765 |
| Current portion of lease liabilities | (12) | 2,106,637 | 1,984,707 |
| Income tax payable | | 209,388 | - |
| | | 5,998,429 | 6,052,620 |
| Total liabilities | | 36,151,147 | 37,156,161 |
| Total equity and liabilities | | 42,191,501 | 40,494,288 |

The notes on the accompanying pages form an integral part of these financial statements.

Approved for issue by the Board of Directors on September 13, 2023 and signed on its behalf by:


_____) Director
John Byles


_____) Director
Ian Dear

Express Catering Limited

Statement of profit or loss and Other comprehensive income

Year ended May 31, 2023

| | Note | 2023 US\$ | 2022 US\$ |
|--|------|-------------------|------------------|
| Revenue | | 21,198,904 | 14,241,229 |
| Cost of sales | | (7,432,646) | (5,002,167) |
| Gross profit | | 13,766,258 | 9,239,062 |
| Administrative expenses | (15) | (5,883,155) | (4,018,997) |
| Promotional expenses | | (11,962) | (4,858) |
| Depreciation and amortisation | (15) | (2,714,003) | (2,780,369) |
| Operating profit | | 5,157,138 | 2,434,838 |
| Covid-19 rent concession | (12) | - | 715,199 |
| Finance income | (16) | 489 | 4,551 |
| Finance costs | (16) | (2,253,791) | (2,065,844) |
| Gain on foreign exchange | | 34,167 | 8,059 |
| Profit before tax | | 2,938,003 | 1,096,803 |
| Income tax for the year | (18) | (235,776) | - |
| Profit for the year being total comprehensive income for the year | | 2,702,227 | 1,096,803 |
| Earnings per share | (17) | 0.0017 | 0.0007 |

The notes on the accompanying pages form an integral part of these financial statements.

Express Catering Limited

Statement of changes in equity

Year ended May 31, 2023

| | Share Capital US\$ | Capital Reserve US\$ | Retained Earnings US\$ | Total US\$ |
|--|--------------------------|----------------------------|------------------------------|------------------|
| Balance at May 31, 2021 | 73,861 | 43,490 | 2,123,973 | 2,241,324 |
| Profit for the year being total comprehensive income for the year | - | - | 1,096,803 | 1,096,803 |
| Balance at May 31, 2022 | 73,861 | 43,490 | 3,220,776 | 3,338,127 |
| Profit for the year being total comprehensive income for the year | - | - | 2,702,227 | 2,702,227 |
| Balance at May 31, 2023 | 73,861 | 43,490 | 5,923,003 | 6,040,354 |

The notes on the accompanying pages form an integral part of these financial statements.

Express Catering Limited

Statement of cash flows

Year ended May 31, 2023

| | 2023 US\$ | 2022 US\$ |
|--|--------------------|--------------------|
| Cash flows from operating activities: | | |
| Profit before tax | 2,938,003 | 1,096,803 |
| Adjustments for: | | |
| Depreciation and amortisation | 2,714,003 | 2,780,369 |
| Interest expense | 2,253,791 | 2,065,844 |
| Rent concessions | - | (715,199) |
| Interest income | (489) | (4,551) |
| | 7,905,308 | 5,223,266 |
| (Increase)decrease in inventories | (129,438) | 161,202 |
| Increase in receivables | (163,272) | (118,351) |
| Increase in owing by related companies | (1,812,141) | (3,020,923) |
| (Decrease)/increase in trade and other payables | (225,375) | 365,315 |
| Cash generated from operations | 5,575,082 | 2,610,509 |
| Interest paid | (2,253,791) | (1,044,157) |
| Net cash provided by operating activities | 3,321,291 | 1,566,352 |
| Cash flows from investing activities: | | |
| Purchase of property, plant and equipment | (2,436,587) | (636,668) |
| Purchase of intangible assets | (2,508) | (819) |
| Interest received | 489 | 4,551 |
| Net cash used in investing activities | (2,438,606) | (632,936) |
| Cash flows from financing activities | | |
| Repayment of lease obligations | (1,931,876) | (1,200,293) |
| Repayment of borrowing | (36,074) | - |
| Proceeds from borrowing | 1,112,669 | - |
| Net cash used in financing activities | (855,281) | (1,200,293) |
| Increase/(decrease) in cash and cash equivalents | 27,404 | (266,877) |
| Cash and cash equivalents at beginning of year | 90,106 | 356,983 |
| Cash and cash equivalents at end of year (Note 8) | 117,510 | 90,106 |

The notes on the accompanying pages form an integral part of these financial statements.

Express Catering Limited

Notes to the financial statements

Year ended May 31, 2023

1. General information and nature of operations

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.

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 Group Ltd., a company registered under the Bahamas IBC Act of 2000.

The company was listed on the Junior Market of the Jamaica Stock Exchange in July 2017.

2. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement basis summarised below:

a Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are expressed in United States Dollars (USD).

b New standards, interpretations and amendments to published standards that became effective in the current year

Certain new and amended standards came into effect during the current financial year. The adoption of those standards and amendments did not have a significant impact on the financial statements:

At the date of approval of these financial statements, certain new standards amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the Company.

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

New standards, interpretations and amendments not early adopted or listed below are not expected to have a material impact on the Company's financial statements.

Amendments to IAS 1, Presentation of Financial Statements (effective for annual periods beginning on or after January 1, 2023). The Amendments promotes consistency application and clarify the requirements on determining if a liability is current or non-current.

Amendment to IAS 8 Accounting Policies Changes in Accounting Estimates and Errors (effective for periods beginning on or after January 1, 2023). The amendment introduces a new definition for accounting estimates; clarifying that they are monetary amounts in the financial statements and are subject to measurement uncertainty.

Amendment to IAS 12 -Deferred Tax (effective for annual periods beginning on or after January 1, 2023). Relates to assets and liabilities arising from a single transaction. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

Express Catering Limited

Notes to the financial statements

May 31, 2023

2. Summary of significant accounting policies (cont'd)

c Basis for measurement

These financial statements have been prepared on the historical cost basis, except for land and buildings that are measured at revalued amounts, or fair values, as explained in the accounting policies below.

d Property, plant and equipment

(i) Carrying amount

Property, plant and equipment are carried at cost less accumulated depreciation.

(ii) Depreciation

Depreciation is provided on the straight line basis at such rates as will write off the cost of the various assets over the period of their expected useful lives. The useful lives approximate to forty (40) years for buildings, five to ten (5 - 10) years for furniture, fixtures, machinery and equipment, three (3) years for computers and five (5) years for motor vehicle.

Leasehold building and improvements are being amortised over twenty years.

(iii) Repairs and renewals

The costs of repairs and renewals which do not enhance the carrying value of existing assets are written off to profit or loss as they are incurred.

e Intangible assets

These represent amounts spent on the development of new products, processes and systems which is being amortised over 7 years.

f Functional and presentation currency

Functional and presentation currency

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

Foreign currency translations and balances

(i) Foreign currency monetary balances at the end of the reporting period have been translated at the rates of exchange ruling at that date.

(ii) Foreign currency transactions are translated into the functional currency at the exchange rate ruling at the dates of those transactions.

(iii) Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items are included in profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical rates except for those measured fair value which are translated using the exchange rates at the date when the fair value was determined.

Express Catering Limited

Notes to the financial statements

May 31, 2023

2. Summary of significant accounting policies (cont'd)

g Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of refunds and discounts. To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

For Step 1 to be achieved, the following five criteria must be present:

- the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
- each party's rights regarding the goods or services to be transferred or performed can be identified;
- the payment terms for the goods or services to be transferred or performed can be identified;
- the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract); and
- collection of the consideration in exchange of the goods and services is probable.

The Company derives revenue from sale of goods and rendering of services either at point in time or over time, when (or as) the Company satisfies performance obligations by transferring control of the promised goods or rendering of the promised services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Sale of goods

Sales to customers are recognised at point in time upon delivery of goods and customers acceptance.

Rendering of services

Revenue arising from the provision of island tours, adventure activities and photo shop services is recognised either at point in time or over time upon the performance of services or the delivery of products and customer acceptance. Revenue arising from the provision of hotel accommodation, restaurant and bar services and activities is recognised upon the performance of services or the delivery of products and customer acceptance. Consideration received in advance to secure hotel room bookings is initially deferred, included in contract liabilities and is recognised as revenue in the period when the service is performed.

Express Catering Limited

Notes to the financial statements

May 31, 2023

2. Summary of significant accounting policies (cont'd)

g Revenue recognition (cont'd)

Other income

Other income is recognised at point in time on the accrual basis.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
- the Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

h Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses, directly attributable to goods sold. Net realisable value is the estimated selling price in the ordinary course of business less any related selling expenses.

i Cash and bank

Cash and bank comprise amounts held in current and savings accounts with financial institutions and cash on hand balances net of bank overdraft.

j Trade and other receivables

Trade and other receivables are classified as loans and receivables. These are initially recognised at original invoice amount (which represents fair value) and subsequently measured at amortised cost.

k Due from related company

Amounts due from related company are carried at cost.

Express Catering Limited

Notes to the financial statements

May 31, 2023

2. Summary of significant accounting policies (cont'd)

I Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are measured at amortised cost.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the company first identifying a credit loss event. Instead the company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Express Catering Limited

Notes to the financial statements

May 31, 2023

2. Summary of significant accounting policies (cont'd)

l Financial instruments (cont'd)

Impairment of financial assets (cont'd)

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the company's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The company's financial liabilities include bank loans and overdraft, trade and other payables.

m Trade and other payables

Trade and other payables are obligations to pay for goods or services that have acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

n Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax is accounted for using the liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Express Catering Limited

Notes to the financial statements

May 31, 2023

2. Summary of significant accounting policies (cont'd)

o Leased assets

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on straight-line basis over the lease term.

Operating leases

All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

p Impairment

The company's assets are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Express Catering Limited

Notes to the financial statements

May 31, 2023

2. Summary of significant accounting policies (cont'd)

q Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares are included in equity as a deduction from proceeds.

r Use of estimates and judgements

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation and amortisation are provided so as to write down the respective assets to their residual values over their expected useful lives and, as such, the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 2(e).

Expected credit loss

In assessing provision for doubtful debts, management estimates the recoverable amount of overdue balances. Estimation uncertainty relates to assumptions about future collectability of these overdue balances.

Express Catering Limited
Notes to the financial statements
 May 31, 2023

3a. Property, plant and equipment comprise:

The carrying amounts for property, plant and equipment for the years included in the financial statements as at May 31, 2023, can be analysed as follows:

| | Work in progress | Building and Leasehold Improvement | Motor Vehicle | Entertainment Equipment | Computer | Furniture and Fixtures | Bar and Restaurant Equipment | Total |
|---|------------------|------------------------------------|---------------|-------------------------|------------------|------------------------|------------------------------|--------------------|
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| Gross carrying amount | | | | | | | | |
| Balance as at June 1, 2022 | 773,331 | 2,862,343 | 56,761 | 178,235 | 564,050 | 2,855,767 | 2,465,789 | 9,756,276 |
| Additions | 2,417,385 | - | - | 2,342 | 7,193 | 1,162 | 8,505 | 2,436,587 |
| Balance as at May 31, 2023 | 3,190,716 | 2,862,343 | 56,761 | 180,577 | 571,243 | 2,856,929 | 2,474,294 | 12,192,863 |
| Depreciation and impairment | | | | | | | | |
| Balance as at June 1, 2022 | - | (1,422,213) | (56,761) | (145,292) | (457,270) | (1,854,320) | (1,696,651) | (5,632,507) |
| Depreciation | - | (95,732) | - | (4,809) | (23,520) | (166,005) | (157,237) | (447,303) |
| Balance as at May 31, 2023 | - | (1,517,945) | - | (150,101) | (480,790) | (2,020,325) | (1,853,888) | (6,079,810) |
| Carrying amount as at May 31, 2023 | 3,190,716 | 1,344,398 | - | 30,476 | 90,453 | 836,604 | 620,406 | 6,113,053 |

Express Catering Limited

Notes to the financial statements

May 31, 2023

3a. Property, plant and equipment (cont'd):

| | Work in progress | Building and Leasehold Improvement US\$ | Motor Vehicle US\$ | Entertainment Equipment US\$ | Computer US\$ | Furniture and Fixtures US\$ | Bar and Restaurant Equipment US\$ | Total US\$ |
|---|------------------|---|--------------------|------------------------------|------------------|-----------------------------|-----------------------------------|--------------------|
| Gross carrying amount | | | | | | | | |
| Balance as at June 1, 2021 | 144,302 | 2,862,343 | 56,761 | 178,235 | 557,491 | 2,855,767 | 2,464,709 | 9,119,608 |
| Additions | 629,029 | - | - | - | 6,559 | - | 1,080 | 636,668 |
| Balance as at May 31, 2022 | 773,331 | 2,862,343 | 56,761 | 178,235 | 564,050 | 2,855,767 | 2,465,789 | 9,756,276 |
| Depreciation and impairment | | | | | | | | |
| Balance as at June 1, 2021 | - | (1,325,851) | (56,761) | (140,484) | (434,951) | (1,688,577) | (1,539,431) | (5,186,055) |
| Depreciation | - | (96,362) | - | (4,808) | (22,319) | (165,743) | (157,220) | (446,452) |
| Balance as at May 31, 2022 | - | (1,422,213) | (56,761) | (145,292) | (457,270) | (1,854,320) | (1,696,651) | (5,632,507) |
| Carrying amount as at May 31, 2022 | 773,331 | 1,440,130 | - | 32,943 | 106,780 | 1,001,447 | 769,138 | 4,123,769 |

Express Catering Limited

Notes to the financial statements

May 31, 2023

3b. Right-of-use asset

| | 2023 US\$ |
|---|----------------------|
| Gross carrying amount | |
| Balance as at June 1, 2022 | 29,812,989 |
| Carrying amount at May 31, 2023 | 29,812,989 |
| Amortisation | |
| Balance as at June 1, 2022 | (5,781,679) |
| Amortised during the year | (2,117,447) |
| Carrying amount at May 31, 2023 | (7,899,126) |
| Carrying amount as at May 31, 2023 | 21,913,863 |
| | 2022 US\$ |
| Gross carrying amount | |
| Balance as at June 1, 2021 | 29,812,989 |
| Carrying amount at May 31, 2022 | 29,812,989 |
| Amortisation | |
| Balance as at June 1, 2021 | (3,597,014) |
| Amortised during the year | (2,184,665) |
| Carrying amount at May 31, 2022 | (5,781,679) |
| Carrying amount as at May 31, 2022 | 24,031,310 |

Right-of-use asset represents property spaces leased.

4. Intangible assets

These represents amounts spent on the development of new products, processes and systems and amounts paid for licenses and franchises are being amortised over 7 years.

| | Development Cost US\$ | Licenses and Franchises US\$ | Total US\$ |
|---|-----------------------------|------------------------------------|--------------------|
| Gross carrying amount | | | |
| Balance as at June 1, 2022 | 650,193 | 1,368,231 | 2,018,424 |
| Additions | 2,508 | - | 2,508 |
| Balance as at May 31, 2023 | 652,701 | 1,368,231 | 2,020,932 |
| Amortisation | | | |
| Balance as at June 1, 2022 | (191,438) | (1,034,864) | (1,226,302) |
| Amortisation | (60,288) | (88,965) | (149,253) |
| Balance as at May 31, 2023 | (251,726) | (1,123,829) | (1,375,555) |
| Carrying amount as at May 31, 2023 | 400,975 | 244,402 | 645,377 |

Express Catering Limited

Notes to the financial statements

May 31, 2023

4. Intangible assets (cont'd)

| | Development Cost US\$ | Licenses and Franchises US\$ | Total US\$ |
|---|-----------------------------|------------------------------------|--------------------|
| Gross carrying amount | | | |
| Balance as at June 1, 2021 | 649,374 | 1,368,231 | 2,017,605 |
| Additions | 819 | - | 819 |
| Balance as at May 31, 2022 | 650,193 | 1,368,231 | 2,018,424 |
| Amortisation | | | |
| Balance as at June 1, 2021 | (131,150) | (945,899) | (1,077,049) |
| Amortisation | (60,288) | (88,965) | (149,253) |
| Balance as at May 31, 2022 | (191,438) | (1,034,864) | (1,226,302) |
| Carrying amount as at May 31, 2022 | 458,755 | 333,367 | 792,122 |

5. Inventories

| | 2023 US\$ | 2022 US\$ |
|--------------|----------------|----------------|
| Food | 174,821 | 148,640 |
| Beverage | 76,673 | 34,652 |
| Gift Shop | 43,387 | 24,684 |
| Other | 137,138 | 94,605 |
| Total | 432,019 | 302,581 |

6. Trade and other receivables

| | 2023 US\$ | 2022 US\$ |
|-------------------|----------------|----------------|
| Receivables | 105,178 | 45,917 |
| Staff loan | 1,602 | 5,540 |
| Deposit | 53,881 | 158,799 |
| Other receivables | 8,821 | 6,065 |
| Prepayments | 302,335 | 92,224 |
| Total | 471,817 | 308,545 |

7. Related party balances and transactions

The company is related to the various companies in the Caribbean operating under the Margaritaville franchise, by way of common shareholders and directors.

i The statement of financial position includes balances arising in the normal course of business, with related parties as follows:

| | 2023 US\$ | 2022 US\$ |
|------------------------|-------------------|-------------------|
| Margaritaville Limited | 12,471,848 | 10,659,707 |
| | 12,471,848 | 10,659,707 |

ii Related party balances are unsecured. Related party balances have no fixed repayment terms.

Express Catering Limited

Notes to the financial statements

May 31, 2023

8. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

| | 2023 US\$ | 2022 US\$ |
|------------------------|----------------|---------------|
| Cash and bank balances | 143,524 | 276,254 |
| Bank overdraft | (26,014) | (186,148) |
| Total | 117,510 | 90,106 |

Bank overdraft represents the excess of unrepresented cheques in excess of bank balance at end of year. The company does not operate a bank overdraft facility.

9. Share capital

| | 2023 US\$ | 2022 US\$ |
|--|---------------|---------------|
| Authorised | | |
| Issued and fully paid: | | |
| 1,637,500,000 ordinary shares (No par value) | 73,861 | 73,861 |
| | 73,861 | 73,861 |

On June 26, 2017, the company adopted new public company Articles of Incorporation and passed (amongst others) the following resolutions with the approval of its holding company, Margaritaville St. Lucia:

- The sub-division of each Share into 250 units, for the purposes of pricing the Sale Shares in the Invitation and for the creation of liquidity in the trading market for the Shares following a successful listing on the Junior Market of the Junior Stock Exchange (JSE).
- The conversion of each fully paid Share to stock for the purposes of the application proposed to be made to list the Shares on the Junior Market of the JSE.

10. Capital reserve

The above represents net income earned two months prior to the date of incorporation as follows:

| | US\$ |
|---------------------|---------------|
| Gross income | 159,538 |
| Less Expenses | (94,303) |
| Taxation | (21,745) |
| | 43,490 |

Express Catering Limited

Notes to the financial statements

May 31, 2023

11. Borrowings

| | 2023 US\$ | 2022 US\$ |
|--------------------------|------------------|------------------|
| Balance at June 1 | 8,362,630 | 8,036,324 |
| Deferred interest | 1,076,595 | 326,306 |
| Balance at May 31 | 9,439,225 | 8,362,630 |

Sygnus Credit Investment Limited (SCI) loan of \$8,000,000 commenced on December 15, 2020. The loan was to assist with the refinance of preference shares and business expansion and is to be repaid at the end of 60 months with an interest rates of 8% cash and 4% deferred quarterly and payable at maturity.

If the EBITA is greater than \$5.5 million after the second anniversary (year 2), the deferred coupon shall fall to 3.5%.

Express Catering Limited is to maintain financial covenants of a minimum Debt Service Coverage ratio of 1.25 times and a maximum Debt to EBITDA ratio of 4 times.

12. Lease liabilities

The Company operates under a Concession Licence Agreement granted to it in December 2011 by MBJ Airports Limited which operates Sangster International Airport. This Concession Licence Agreement permits the Company to develop and use 31,570.70 square feet of space for food and beverage concessions at the post- security screening area.

Information about leases for which the company is a lessee is presented below:

(a) Lease liabilities

| | 2023 \$ | 2022 \$ |
|--------------------|-------------------|-------------------|
| Current | 2,106,637 | 1,984,707 |
| Non-current | 20,597,955 | 22,651,761 |
| Total | 22,704,592 | 24,636,468 |

(b) Amounts recognised in the profit or loss

| | 2023 \$ | 2022 \$ |
|---|------------------|------------------|
| Amortisation charged on right-of-use assets | 2,117,447 | 2,184,665 |
| Interest expense on lease liabilities | 932,285 | 1,008,326 |
| Concessions on rent | - | (715,199) |
| | 3,049,732 | 2,477,792 |

Express Catering Limited

Notes to the financial statements

May 31, 2023

12. Lease liabilities (cont'd)

(c) Amounts recognised in the statement of cash flow

| | 2023 | 2022 |
|----------------------------------|------------------|------------------|
| | \$ | \$ |
| Principal payments | 1,977,043 | 1,200,293 |
| Interest payments | 932,285 | 1,008,326 |
| Concessions on rent | - | 715,199 |
| Cash out flows for leases | 2,909,328 | 2,923,818 |

13. Deferred tax liability

Deferred taxes are calculated on all temporary differences under the liability method using a tax rate of 25%. The movement on the deferred tax account is as follows:

| | 2023 | 2022 |
|--|----------------|---------------|
| | US\$ | US\$ |
| Balance at beginning of year | 89,150 | 89,150 |
| Income statement charge for the year (Note 18) | 26,388 | - |
| Balance at end of year | 115,538 | 89,150 |

14. Trade and other payables

| | 2023 | 2022 |
|-----------------------|------------------|------------------|
| | US\$ | US\$ |
| Trade payables | 2,939,865 | 2,656,754 |
| Accrued expenses | 156,070 | 103,040 |
| Loan interest payable | 234,061 | 695,378 |
| Other payables | 326,394 | 426,593 |
| Total | 3,656,390 | 3,881,765 |

15. Expenses by nature

Total direct, administrative and other operating expenses:

| | 2023 | 2022 |
|---|------------------|------------------|
| | US\$ | US\$ |
| Direct expenses | | |
| Cost of inventories recognised as expense | 7,432,646 | 5,002,167 |
| Administrative expenses | | |
| Employee benefits (Note 20) | 2,041,575 | 1,381,411 |
| Lease expense | 1,487,614 | 916,230 |
| Franchise fees | 607,461 | 439,693 |
| Audit Fees | 14,400 | 14,400 |
| Other expenses | 1,732,105 | 1,267,263 |
| Total | 5,883,155 | 4,018,997 |
| Promotional expenses | | |
| Advertising | 11,962 | 4,858 |
| Depreciation and amortisation | | |
| Depreciation | 447,303 | 446,451 |
| Amortisation | 2,266,700 | 2,333,918 |
| Total | 2,714,003 | 2,780,369 |

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Express Catering Limited

Notes to the financial statements

May 31, 2023

16. (a) Finance income

Finance income includes all income from financial assets and comprises:

| | 2023 US\$ | 2022 US\$ |
|---------------------------------------|--------------|--------------|
| Interest income from financial assets | 489 | 4,551 |
| Total | 489 | 4,551 |

16. (b) Finance costs

Finance costs includes all interest related expenses which have been included in the statement of profit or loss and comprises:

| | 2023 US\$ | 2022 US\$ |
|---|------------------|------------------|
| Interest expense on lease liabilities (note 12) | 932,285 | 1,008,326 |
| Overdraft and loan interest | 1,321,506 | 1,057,518 |
| Total | 2,253,791 | 2,065,844 |

17. Earnings per share

Earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares in issue for the year.

| | 2023 US\$ | 2022 US\$ |
|-------------------------------------|---------------|---------------|
| Profit attributable to shareholders | 2,702,227 | 1,096,803 |
| Weighted average number of shares | 1,637,500,000 | 1,637,500,000 |
| Earnings per share | 0.0017 | 0.0007 |

18. Income taxes

The Company was not liable to pay corporate income tax in its first 5 years on the Junior Market. It become liable to corporate income tax at half of the usual rate in years 6 to 10 on the Junior Market. If the Company breaches any Junior Market requirements, it may be liable to repay the tax that was remitted.

| | 2023 US\$ | 2022 US\$ |
|---------------------------------------|----------------|--------------|
| Current tax | 209,388 | - |
| Deferred tax (Note 13) | 26,388 | - |
| Income tax charge for the year | 235,776 | - |

Express Catering Limited

Notes to the financial statements

May 31, 2023

18. Income taxes (Cont.)

Reconciliation of theoretical tax charge to effective tax charge:

| | 2023 US\$ | 2022 US\$ |
|---|----------------|--------------|
| Profit before tax | 2,938,003 | 1,096,803 |
| Tax at applicable tax rate of 25% | 734,500 | 274,201 |
| Tax effect of expenses not deductible for tax purpose | 678,500 | 695,093 |
| Tax effect of allowances and remission of tax | (1,177,224) | (969,294) |
| Income tax charge for the year | 235,776 | - |

19. Ordinary dividends

The Board did not declare a dividend for the current year and prior year.

20. Employee benefits

| | 2023 US\$ | 2022 US\$ |
|----------------------------------|------------------|------------------|
| Wages and taxes | 1,813,635 | 1,200,826 |
| Medical and other staff benefits | 227,940 | 180,585 |
| Total | 2,041,575 | 1,381,411 |

There were 2023 – Two hundred and ninety four (294) - (2022 - One hundred and ninety-seven (197)) permanent employees at year end.

21. Risk management policies

The company's activities expose it to a variety of financial risks in respect of its financial instruments: market (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The company seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both operating and investing activities.

i Currency risk and sensitivity

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

However, the company's financial statements are denominated in United States Dollar and as such there is no exposure to this risk.

Express Catering Limited

Notes to the financial statements

May 31, 2023

21. Risk management policies (Cont'd)

ii Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rate. The company's cash and cash equivalents are subject to interest rate risk. However, the company attempts to manage this risk by monitoring its interest-earning assets closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

Interest rate sensitivity

Due to the fact that interest earned from the company's interest earning bank accounts is immaterial, there would be no material impact on the results of the company's operations as a result of fluctuations in interest rates.

iii Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issue or factors affecting all instruments traded in the market.

The company is not exposed to other price risk as it has no investment in equity instruments.

b Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The company faces credit risk in respect of its receivables and cash and cash equivalents held with financial institutions. However, this risk is controlled by close monitoring of these assets by the company. In addition these deposits are maintained with commercial banks that are insured under the Jamaica Deposit Insurance Scheme (JDIS).

Receivables and other receivables

The company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for receivables. To measure expected credit losses on a collective basis, receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the company's historical credit losses experienced over the two year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company only grants credits to Airlines. The company experienced no credit losses over the past two years and does not expect to incur any credit loss based on its current business model.

Express Catering Limited

Notes to the financial statements

May 31, 2023

21. Risk management policies (Cont'd)

c Credit risk (Cont'd)

The maximum credit risk faced by the company is limited to the carrying amount of financial assets recognised at the end of the reporting period as summarised below:

| | 2023 US\$ | 2022 US\$ |
|-----------------------------|----------------|----------------|
| Trade and other receivables | 471,817 | 308,545 |
| Cash and bank balances | 143,524 | 276,254 |
| Total | 615,341 | 584,799 |

Liquidity risk is the risk that the company will encounter difficulty in meeting its commitments associated with financial liabilities.

The company manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near liquid form to meet its needs. The company maintains cash and savings deposits for up to 30-day periods to meet its liquidity requirements.

The company's financial liabilities comprise trade and other payables, bank overdraft, preference shares and lease obligation. The contractual maturities (including interest where applicable) are as follows:

May 31, 2023

| | Current Within 12 Months US\$ | Non-current 1 to 5 years US\$ | Over 5 years US\$ |
|--------------------------|--|-------------------------------------|-------------------------|
| Bank overdraft | 26,014 | - | - |
| Trade and other payables | 3,865,778 | - | - |
| Lease liabilities | 2,909,328 | 14,546,640 | 9,632,200 |
| Borrowings | - | 10,777,245 | - |
| Total | 6,801,120 | 25,323,885 | 9,632,200 |

May 31, 2022

| | Current Within 12 Months US\$ | Non-current 1 to 5 years US\$ | Over 5 years US\$ |
|--------------------------|--|-------------------------------------|-------------------------|
| Bank overdraft | 186,148 | - | - |
| Trade and other payables | 3,881,765 | - | - |
| Lease liabilities | 2,916,989 | 14,546,640 | 12,541,528 |
| Borrowings | 668,000 | 11,494,901 | - |
| Total | 7,652,902 | 26,041,541 | 12,541,528 |

Express Catering Limited

Notes to the financial statements

May 31, 2023

22. Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

Financial instruments that, subsequent to initial recognition, are measured at fair value are grouped into levels 1 to 3 based on the degree to which the fair values are observable, as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities. (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices). (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). (Level 3).

The company's assets and liabilities are measured at amortised costs.

23. Segment information

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

The two operating segments are food and beverage which are normally priced together as a meal and therefore no segment reporting is disclosed in these financial statements.

24. Capital management, policies and procedures

The company's capital management objectives are to ensure the company's ability to continue as a going concern and to provide adequate return to shareholders by pricing products commensurately with the level of risk and current market conditions.

The company is not subject to any externally imposed capital requirements.

APPENDIX 6:

Unaudited Financial Statements for Three Month Second Quarter Ended November 30, 2023



REPAIR
All
skin
With Sunny
Jamaican Black



Statement of Financial Position as at November 30, 2023

| | Unaudited November 30, 2023 | Audited May 31, 2023 |
|--|-----------------------------------|-------------------------|
| | US\$ | US\$ |
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 6,226,374 | 6,113,053 |
| Right-of-use-assets | 20,855,139 | 21,913,863 |
| Other intangible assets | 570,750 | 645,377 |
| | 27,652,264 | 28,672,293 |
| Current assets | | |
| Trade and other receivables | 518,245 | 471,817 |
| Inventories | 502,797 | 432,019 |
| Owing by related companies | 15,432,073 | 12,471,848 |
| Cash and bank balance | 54,584 | 143,524 |
| | 16,507,699 | 13,519,208 |
| Total assets | 44,159,963 | 42,191,501 |
| Equity and Liabilities | | |
| Capital and reserves attributable to the company's owners | | |
| Share capital | 73,861 | 73,861 |
| Capital reserves | 43,490 | 43,490 |
| Retained profits | 6,953,357 | 5,923,003 |
| Total equity | 7,070,708 | 6,040,354 |
| Liabilities | | |
| Non-current liabilities | | |
| Deferred tax liability | 89,150 | 115,538 |
| Long term loans | 9,591,492 | 9,439,225 |
| Lease obligation | 19,566,427 | 20,597,955 |
| | 29,247,069 | 30,152,718 |
| Current liabilities | | |
| Current portion of lease obligation | 2,106,637 | 2,106,637 |
| Trade and other payables | 5,736,549 | 3,865,778 |
| Bank overdrafts | - | 26,014 |
| | 7,843,186 | 5,998,429 |
| Total liabilities | 37,089,255 | 36,151,147 |
| Total equity and liabilities | 44,159,963 | 42,191,501 |

Director

Director



Statement of Comprehensive Income for the Period Ended November 30, 2023

| | 6 Months YTD November 30, 2023 | Q2 November 30, 2023 | 6 Months YTD November 30, 2022 | Q2 November 30, 2022 | Audited May 31, 2023 |
|--|--------------------------------------|-------------------------|--------------------------------------|-------------------------|-------------------------|
| | US\$ | US\$ | US\$ | US\$ | US\$ |
| Revenue | 11,584,484 | 5,161,424 | 9,116,921 | 4,204,929 | 21,198,904 |
| Cost of sales | (3,833,667) | (1,735,261) | (3,254,750) | (1,510,533) | (7,432,646) |
| Gross profit | 7,750,827 | 3,446,163 | 5,862,171 | 2,694,396 | 13,766,258 |
| Other operating (expense)/income | 6,734 | (6,051) | 15,011 | 3,055 | - |
| Administrative expenses | (3,972,667) | (1,831,681) | (2,483,031) | (1,247,540) | (5,883,155) |
| Promotional expenses | (180,952) | (83,010) | (190,003) | (118,073) | (11,962) |
| Depreciation and amortisation | (1,357,928) | (678,964) | (1,356,888) | (678,444) | (2,714,003) |
| Operating profit for the YTD | 2,246,014 | 846,457 | 1,847,261 | 653,395 | 5,157,138 |
| Finance costs | 5 (1,192,846) | (660,608) | (1,043,713) | (521,584) | (2,253,791) |
| Finance income | 380 | 154 | 153 | 52 | 489 |
| Foreign exchange (losses)/ gains | (23,395) | 1,237 | (24,051) | (5,055) | 34,167 |
| Net Profit, being Total Comprehensive Income for the Year | 1,030,354 | 187,240 | 779,649 | 126,808 | 2,938,003 |
| Income tax expense | - | - | - | - | (235,776) |
| Profit for the year | 1,030,354 | 187,240 | 779,649 | 126,808 | 2,702,227 |
| Earnings per share - US Cents | 0.063 | 0.011 | 0.048 | 0.008 | 0.165 |



Statement of Cash Flow as at November 30, 2023

| | 6 Months to November 30, 2023 US \$ | 6 Months to November 30, 2022 US \$ |
|---|--|--|
| Cash flows from operating activities: | | |
| Profit before tax | 1,030,354 | 779,649 |
| Adjustments for: | | |
| Depreciation and amortisation | 1,357,928 | 1,356,888 |
| Interest income | (380) | (153) |
| Interest expense | 1,192,646 | 1,043,713 |
| | 3,580,547 | 3,180,097 |
| Increase in trade and other receivables | (10,677) | (194,727) |
| Increase in owing by related companies | (3,024,972) | (1,312,643) |
| Increase in inventories | (70,778) | (95,718) |
| Increase in trade and other payables | 1,980,940 | 1,389,442 |
| Cash generated from operations | 2,455,061 | 2,966,451 |
| Interest paid | (1,192,646) | (786,801) |
| Net cash provided by operating activities | 1,262,415 | 2,179,850 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (337,898) | (1,298,630) |
| Interest income | 380 | 153 |
| Net cash used in investing activities | (337,518) | (1,298,478) |
| Cash flows from financing activities | | |
| Loan proceeds, net of repayments | - | - |
| Lease repayment | (986,176) | (910,372) |
| Net cash used in financing activities | (986,176) | (910,372) |
| Decrease in cash and cash equivalents | (61,279) | (28,999) |
| Effects of exchange rate changes on cash and cash equivalents | (1,546) | (4,999) |
| Cash and cash equivalents at beginning of year | 117,510 | 90,106 |
| Cash and cash equivalents at November 30, 2023 | 54,584 | 56,108 |



Statement of Changes in Equity as at November 30, 2023

| | Share Capital US\$ | Capital Reserve US\$ | Retained Profits US\$ | Totals US\$ |
|---|-----------------------|-------------------------|--------------------------|------------------|
| Balance at May 31, 2023 | 73,861 | 43,490 | 5,923,003 | 6,040,354 |
| Changes in equity 6 months to November 30, 2023 | | | | |
| Dividends | - | - | - | - |
| Profit for the 6 months to November 30, 2023 being total Comprehensive Income | - | - | 1,030,354 | 1,030,354 |
| Balance at November 30, 2023 | 73,861 | 43,490 | 6,953,357 | 7,070,708 |

Statement of Changes in Equity as at November 30, 2022

| | Share Capital US\$ | Capital Reserve US\$ | Retained Profits US\$ | Totals US\$ |
|---|-----------------------|-------------------------|--------------------------|------------------|
| Balance at May 31, 2022 | 73,861 | 43,490 | 3,220,776 | 3,338,127 |
| Changes in equity 6 months to November 30, 2022 | | | | |
| Dividends | - | - | - | - |
| Profit for the 6 months to November 30, 2022 being total Comprehensive Income | - | - | 779,649 | 779,649 |
| Balance at November 30, 2022 | 73,861 | 43,490 | 4,000,425 | 4,117,776 |



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.

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 Group Ltd., a company registered under the Bahamas IBC Act of 2000.

The company was listed on the Junior Market of the Jamaica Stock Exchange in July 2017.

2. Basis of preparation

(i) Statement of compliance

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) Accounting policies.

There have been no changes in accounting policies since the most recent audited accounts as at May 31, 2023.

3. Reporting Currency

The financial statements are prepared and presented in United States dollars, which is the functional currency of all the group's operating companies.

4. Seasonality of Interim Results

The entire operations of the Group are dependent on the Caribbean tourism market. Despite the fairly stable climate, the Caribbean hotel and resort market shows a significant level of seasonality throughout the year. The seasonality is represented by strong occupancies throughout the winter season, typically between December and May. This is offset by lower occupancies between June and November with particularly low occupancies in the months of September and October.

5 Finance Costs

Finance costs includes all interest related expenses which have been included in the statement of profit or loss and comprises:

| | 6 Months YTD November 30, 2023 | Q2 November 30, 2023 | 6 Months YTD November 30, 2022 | Q2 November 30, 2022 | Audited May 31, 2023 |
|--------------------------------------|--------------------------------------|-------------------------|--------------------------------------|-------------------------|-------------------------|
| | US\$ | US\$ | US\$ | US\$ | US\$ |
| Interest on property lease (IFRS 16) | 465,136 | 224,794 | 503,349 | 247,974 | 992,285 |
| Overdraft and loan interest | 727,508 | 435,844 | 540,365 | 273,610 | 1,321,506 |
| Total | 1,192,644 | 660,608 | 1,043,713 | 521,584 | 2,253,791 |

Appendix 7 :

USD Wire Transfer Instructions

| FIRST GLOBAL-US\$ INVESTMENT BANKING A/C | |
|---|--|
| BENEFICIARY NAME | MAYBERRY INVESTMENTS LIMITED |
| CORRESPONDENT BANK | CITIBANK N.A. |
| CORRESPONDENT BIC | CITIUS33 |
| BENEFICIARY BANK | FIRST GLOBAL BANK |
| BRANCH | MANOR PARK |
| BENEFICIARY BANK ADDRESS | 184 CONSTANT SPRING ROAD KINGSTON 8 |
| ACCOUNT NUMBER: (SHOULD INCLUDE BRANCH CODE) | 990828664475 |
| SWIFT CODE | FILBJMKN |
| BRANCH CODE | 99082 |

