

1834 INVESTMENTS LIMITED

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

THREE (3) MONTHS ENDED JUNE 30, 2022

1834 INVESTMENTS LIMITED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE (3) MONTHS ENDED JUNE 30, 2022

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1834 INVESTMENTS LIMITED
CONSOLIDATED INCOME STATEMENT
THREE (3) MONTHS ENDED JUNE 30, 2022

| | NOTES | Unaudited Three months June 2022 \$'000 | Unaudited Three months June 2021 \$'000 | Audited March 2022 \$'000 |
|-------------------------------------------------------------------|-------|-----------------------------------------------------|-----------------------------------------------------|---------------------------------|
| Revenue | | | | |
| Operating income | 4 (a) | 6,417 | 7,401 | 24,340 |
| Fair value gain on investment property | | - | - | 52,500 |
| Other (loss)/gains | 4 (b) | (21,712) | 11,523 | 26,570 |
| | | <u>(15,295)</u> | <u>18,924</u> | <u>103,410</u> |
| Administrative expenses | | (12,789) | (5,168) | (22,076) |
| Other operating expenses | | (5,722) | (7,257) | (38,393) |
| Impairment gain on financial assets | | 36 | 712 | 1,304 |
| | | <u>(18,475)</u> | <u>(11,713)</u> | <u>(59,165)</u> |
| (Loss)/ profit from operations | | (33,770) | 7,211 | 44,245 |
| Finance costs | | (386) | (347) | (1,450) |
| (Loss)/ profit from operations before other (loss)/ income | | (34,156) | 6,864 | 42,795 |
| Share of (loss)/ profit from interest in associate | 8 | (2,063) | 7,938 | (33,224) |
| (Loss)/profit from operations before taxation | 3 | (36,219) | 14,802 | 9,571 |
| Taxation credit/(charge) | | 6,514 | 50 | (6,362) |
| (Loss)/profit for the period/year | | (29,705) | 14,852 | 3,209 |
| Dealt with in the financial statements of: | | | | |
| Parent company | | (27,642) | 8,901 | 36,612 |
| Associate | | (2,063) | 5,953 | (33,399) |
| Special purpose entity | | - | (2) | (4) |
| | | <u>(29,705)</u> | <u>14,852</u> | <u>3,209</u> |
| Earnings per stock unit: | | | | |
| Based on stock units in issue | 6 | -2.45¢ | 1.23¢ | 0.26¢ |

The accompanying notes form an integral part of the financial statements

1834 INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
THREE (3) MONTHS ENDED JUNE 30, 2022

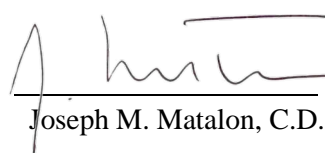
| | Unaudited Three months June 2022 \$'000 | Unaudited Three months June 2021 \$'000 | Audited March 2022 \$'000 |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|---------------------------------|
| (Loss)/profit for the period/year | <u>(29,705)</u> | <u>14,852</u> | <u>3,209</u> |
| Other comprehensive income: | | | |
| Items that will never be reclassified to profit or loss: | | | |
| Net (loss)/gain on investments in equity securities designated at fair value through OCI (FVOCI) | <u>(10,429)</u> | <u>4,831</u> | <u>6,697</u> |
| Items that may be reclassified to profit or loss | | | |
| Fair value adjustments on debt securities at fair value through OCI (FVOCI) | <u>(4,643)</u> | <u>1,584</u> | <u>(7,280)</u> |
| | <u>(4,643)</u> | <u>1,584</u> | <u>(7,280)</u> |
| Other comprehensive (loss)/income for the period/year, net of taxation | <u>(15,072)</u> | <u>6,415</u> | <u>(583)</u> |
| Total comprehensive (loss)/income for the period/year | <u><u>(44,777)</u></u> | <u><u>21,267</u></u> | <u><u>2,626</u></u> |
| Dealt with in the financial statements of: | | | |
| Parent company | (42,714) | 15,316 | 36,029 |
| Associate | (2,063) | 5,953 | (33,399) |
| Special purpose entity | - | (2) | (4) |
| | <u>(44,777)</u> | <u>21,267</u> | <u>2,626</u> |

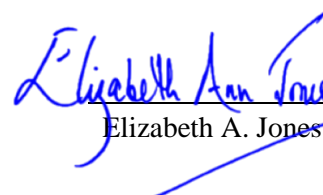
The accompanying notes form an integral part of the financial statements

1834 INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

| NOTES | Unaudited as at June 30, 2022 <u>\$'000</u> | Unaudited as at June 30, 2021 <u>\$'000</u> | Audited as at March 31, 2022 <u>\$'000</u> |
|--------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------|
| ASSETS | | | |
| Property, plant and equipment | 27 | 532 | 28 |
| Investment properties | 545,000 | 492,500 | 545,000 |
| Long-term receivables | - | 17,239 | - |
| Interest in associate | 8 297,799 | 339,214 | 299,862 |
| Investments | 318,435 | 402,652 | 349,787 |
| Deferred tax assets | - | 202 | - |
| Cash and cash equivalents | 215,882 | 25,761 | 220,086 |
| Securities purchased under resale agreements | 354,048 | 353,507 | 359,364 |
| Trade and other receivables | 35,743 | 26,280 | 43,682 |
| Taxation recoverable | 31,953 | 20,063 | 31,561 |
| Total assets | <u>1,798,887</u> | <u>1,677,950</u> | <u>1,849,370</u> |
| EQUITY & LIABILITIES | | | |
| EQUITY | | | |
| Share capital | 605,622 | 605,622 | 605,622 |
| Reserves | 862,461 | 925,879 | 907,238 |
| Total equity attributable to equity holders of parent | <u>1,468,083</u> | <u>1,531,501</u> | <u>1,512,860</u> |
| LIABILITIES | | | |
| Deferred tax liability | 1,854 | - | 8,675 |
| Accounts payable | 268,735 | 36,320 | 266,511 |
| Note payable | 60,215 | 110,129 | 61,324 |
| Total liabilities | <u>330,804</u> | <u>146,449</u> | <u>336,510</u> |
| Total equity and liabilities | <u>1,798,887</u> | <u>1,677,950</u> | <u>1,849,370</u> |

On behalf of the Board on August 12, 2022 by:

 Chairman
Joseph M. Matalon, C.D.

 Director
Elizabeth A. Jones, C.D.

The accompanying notes form an integral part of the financial statements

1834 INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THREE (3) MONTHS ENDED JUNE 30, 2022

| | Share Capital \$'000 | Capital Reserves \$'000 | Fair value Reserves \$'000 | Reserve for Own Shares \$'000 | Retained Profits \$'000 | Total Equity \$'000 |
|--------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------|-----------------------------------------------|------------------------------------------------------|----------------------------------------|------------------------------------|
| Balances at March 31, 2021 | 605,622 | 427,943 | 42,259 | (34,873) | 469,283 | 1,510,234 |
| Total comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | - | 14,852 | 14,852 |
| Other comprehensive income: | | | | | | |
| Fair value adjustments on debt securities at FVOCI | - | - | 1,584 | - | - | 1,584 |
| Net gain on investments in equity securities designated at fair value through OCI | - | - | 4,831 | - | - | 4,831 |
| Other comprehensive income for the period, net of taxation | - | - | 6,415 | - | - | 6,415 |
| Total comprehensive income for the period, net taxation | - | - | 6,415 | - | 14,852 | 21,267 |
| Balances at June 30, 2021 | 605,622 | 427,943 | 48,674 | (34,873) | 484,135 | 1,531,501 |
| Balances at March 31, 2022 | 605,622 | 427,943 | 26,531 | (34,873) | 487,637 | 1,512,860 |
| Total comprehensive income for the period | | | | | | |
| Loss for the period | - | - | - | - | (29,705) | (29,705) |
| Other comprehensive loss: | | | | | | |
| Fair value adjustments on debt securities at FVOCI | - | - | (4,643) | - | - | (4,643) |
| Net gain on investments in equity securities designated at fair value through OCI | - | - | (10,429) | - | - | (10,429) |
| Other comprehensive income for the period, net of taxation | - | - | (15,072) | - | - | (15,072) |
| Total comprehensive loss for the period, net taxation | - | - | (15,072) | - | (29,705) | (44,777) |
| Balances at June 30, 2022 | 605,622 | 427,943 | 11,459 | (34,873) | 457,932 | 1,468,083 |

The accompanying notes form an integral part of the financial statements

1834 INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
THREE (3) MONTHS ENDED JUNE 30, 2022

| | NOTE | Unaudited Three (3) months ended June 30, 2022 \$'000 | Unaudited Three (3) months ended June 30, 2021 \$'000 | Audited Year ended March 31, 2022 \$'000 |
|--------------------------------------------------------------|------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| (Loss)/profit for the period/year | | (29,705) | 14,852 | 3,209 |
| Adjustments for: | | | | |
| Income tax charge | | 308 | 2,505 | 40 |
| Depreciation | | 1 | 252 | 756 |
| Deferred taxation | | (6,820) | (2,555) | 6,322 |
| Interest income | | (3,979) | (4,667) | (16,609) |
| Interest expense | | 386 | 347 | 1,311 |
| Increase in fair value of investment properties | | - | - | (52,500) |
| Decrease in fair value of bond funds | | - | - | 4,395 |
| Share of loss/(profit) of associate, net of tax | 8 | 2,063 | (5,953) | 33,399 |
| Impairment gain | | (36) | (712) | (1,304) |
| Loss on sale of bond | | - | - | 9,336 |
| Decrease/(increase) in the fair value of units | | 2,056 | (615) | (401) |
| Loss/ (gain) on foreign exchange rate changes | | 9,276 | (2,661) * | 1,730 |
| Operating (loss)/ profit before changes in working capital | | (26,450) | 793 | (10,316) |
| Changes in: | | | | |
| Other receivables | | 8,613 | 3,484 | (12,553) |
| Dividend received, net | | - | - | 6,747 |
| Accounts payable | | 2,224 | (2,849) | 227,342 |
| Interest paid | | (386) | (347) | (1,311) |
| Tax paid | | (700) | (6,890) | (15,924) |
| Net cash (used in) / provided by operating activities | | (16,699) | (5,809) | 193,985 |
| Cash flows from investing activities | | | | |
| Interest received | | 3,341 | 4,560 | 16,663 |
| Securities purchased under resale agreements | | (1,224) | (46,771) * | (57,159) |
| Proceeds from settlement of bonds | | - | - | 45,379 |
| Investments, net | | 14,224 | 39,572 | 26,561 |
| Long-term receivable | | - | (352) | 16,887 |
| Dividends income | | - | - | (6,747) |
| Net cash provided by/(used in) investing activities | | 16,341 | (2,991) | 41,584 |
| Cash flows from financing activity | | | | |
| Proceeds of note payable | | - | - | (108,660) |
| Note payable | | - | - | 61,324 |
| Net cash used in financing activities | | - | - | (47,336) |
| Effect of exchange rates on cash and cash equivalents | | (3,846) | 289 * | (2,419) |
| Net (decrease)/ increase in cash and cash equivalents | | (4,204) | (8,511) | 185,814 |
| Cash and cash equivalents at beginning of period/year | | 220,086 | 34,272 | 34,272 |
| Cash and cash equivalents at end of period/year | | 215,882 | 25,761 | 220,086 |
| Represented by: | | | | |
| Cash and cash equivalents | | 215,882 | 25,761 | 220,086 |

*-Restated to conform with current period presentation

The accompanying notes form an integral part of the financial statements

1834 INVESTMENTS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED JUNE 30, 2022

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

1834 Investments Limited, formerly The Gleaner Company Limited (“company”), is incorporated under the laws of, and is domiciled in Jamaica. The company is listed on the Jamaica Stock Exchange and has its registered office at 7 North Street, Kingston.

These consolidated interim financial statements comprise the company and the company's interest in associate (together referred to as the 'group').

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The interim financial statements have been prepared under the historical cost basis, as modified by the revaluation of certain fixed and financial assets and are expressed in Jamaican dollars.

These financial statements have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting*.

The interim financial report is to be read in conjunction with the audited financial statements for the year ended March 31, 2022. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the group since the financial year ended March 31, 2022.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended March 31, 2022.

(b) Use of judgements and estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

Actual results could differ from these estimates and any adjustments that may be necessary would be reflected in the year in which actual results are known.

(c) Consolidation

(i) Subsidiaries

A subsidiary is an enterprise controlled by the group. Control exists when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date the control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances and any unrealised gain and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidating financial statements.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1834 INVESTMENTS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED JUNE 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the company operates (its functional currency).

In preparing the financial statements of the company, transactions in currencies other than the company's functional currency, the Jamaican dollar, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the statement of financial position date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange gains or losses arising on the settlement of monetary items and on the translation of monetary items, are included in the statement of comprehensive income for the period.

(e) Segment reporting

The group has one reportable segment which is investment. The identification of business segments is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to this segment.

Performance is measured on segment profit before taxation as included in the internal management reports that are reviewed by the Board of Directors. Segment profit before taxation is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segment relative to other entities that operate within these industries.

3. The group financial statements for the three months ended June 30, 2022 show a net (loss) /profit before taxation of approximately (\$36 million) (2021: \$15 million). The net loss before taxation is mainly attributable to unrealized foreign exchange loss of \$7 million and investment revaluation loss of \$11 million.
4. In comparing the financial statements for the three months period ended June 30, 2022 with those of the comparative period, the following should be noted:
 - (a) Operating income of \$6 million (2021: \$7 million) represents investment income, rental income and interest on loans.
 - (b) Other (loss)/gains of (\$22 million) (2021: \$12 million) mainly comprises loss on the revaluation of foreign currency assets and investment revaluation. The comparative decrease for the three months to June 30 2022 was attributable to appreciation in the exchange rate in the quarter relative to the prior year's three months to June 30, 2021 when the exchange rate depreciated.

1834 INVESTMENTS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED JUNE 30, 2022

5. Group financial statements

The group financial statements for the three months ended June 30, 2022 include the Company, its associate (Jamaica Joint Venture Investment Company Limited) and special purpose entity (The Gleaner Company Limited Employees Investment Trust).

6. Earnings per stock

The calculation of earnings per stock unit is arrived at by dividing profit after taxation attributable to parent company's stockholders by 1,211,243,827 stock units, being the number of stock units in issue at the end of the period.

7. Dividend and stock prices

The company's stock unit price on the Jamaica Stock Exchange at June 30, 2022 was \$1.16; the opening price at April 1, 2022 was \$0.86. No dividend was declared during the quarter ended June 30, 2022.

8. Interest in associate

The group has a 50% shareholding in a real estate investment company, Jamaica Joint Venture Investment Company Limited (JJVI). The company accounted for this investment using the equity method. The Consolidated Income Statement includes (\$2 million) (2021: \$8 million), representing gross share of loss and profit, respectively.

| | |
|-------------------------------------------------------|-----------------------|
| Interest in associate: | <u>\$'000</u> |
| Balance as at March 31, 2022 | 299,862 |
| Gross share of loss for the three months period ended | (2,063) |
| Taxation | <u>-</u> |
| Balance as at June 30, 2022 | <u><u>297,799</u></u> |

9. Events after the reporting period

On August 10, 2022, the shareholders of the company approved a Scheme of Arrangement, which allows for the assets and liabilities of the company to be amalgamated with Radio Jamaica Limited, in exchange for an agreed consideration in shares and/or cash to be paid to shareholders. The company will seek the sanction of the Supreme Court of Judicature of Jamaica by November 24, 2022 in order to make the Scheme of Arrangement effective. On conclusion of this process, shares in the company shall be cancelled, and company shall be struck off the Register of Companies.