

Our growth in profitability continues to be led by the fees we earn managing or administering assets in our real estate, mezzanine and infrastructure strategies. These fees provide a source of recurring predictable cash flow.

Our proprietary portfolio is our second source of earnings. We are starting to see a recovery in the growth of the gross income we earn from our own investments. We expect that this will translate into increases in our income net of financing costs in the short-term.

Dividend

Today the Board of Directors approved a dividend of \$1.05 per share payable on March 31, 2022, to ordinary shareholders on record as of March 15, 2022.

Subject to the discretion of the Board of Directors, we expect to maintain our dividend policy in future periods.

Outlook

We are experiencing strong demand for the types of flexible risk capital Eppley provides as our region navigates the remaining impact of Covid 19. We anticipate that in 2022 Eppley will maintain its long-standing trajectory of profitable growth while continuing to provide access to capital to businesses across the Caribbean.

Sincerely,



P.B. Scott
Chairman



Nicholas A. Scott
Vice Chairman

Eppley Limited
Consolidated Statement of Comprehensive Income
(Jamaican dollars in thousands)

	Unaudited 12 months ended Dec. 31, 2021	Audited 12 months ended Dec. 31, 2020	Unaudited 3 months ended Dec. 31, 2021	Unaudited 3 months ended Dec. 31, 2020
Net Investment Income				
Interest Income	386,562	332,908	97,961	85,236
Interest expense	(285,520)	(207,676)	(79,187)	(53,748)
Net interest income	101,042	125,232	18,774	31,488
Asset management income	220,318	194,242	41,369	95,113
Other operating income	138,786	85,984	79,527	(6,954)
Administrative expenses	(211,736)	(190,162)	(63,094)	(59,183)
Net impairment of financial and contract assets	(1,421)	(939)	(1,814)	(294)
Share of net profit/(loss) from joint venture accounted for using the equity method	21,576	10,817	(153)	(193)
Profit before Taxation	268,565	225,174	74,609	59,977
Taxation	(3,965)	168	(893)	(3,703)
Net profit for the year	<u>264,600</u>	<u>225,342</u>	<u>73,716</u>	<u>56,274</u>
Other comprehensive income:				
<i>Items that will not be reclassified</i>				
Exchange differences on translation of foreign operations	14,226	2,589	7,363	14
Changes in fair value of equity investments at fair value through other comprehensive income	236	43,346	3,591	43,326
Other comprehensive income for the year, net of taxes	<u>14,462</u>	<u>45,935</u>	<u>10,954</u>	<u>43,340</u>
Total comprehensive income for the year, net of taxes	<u>279,062</u>	<u>271,277</u>	<u>84,670</u>	<u>99,614</u>
EARNINGS PER SHARE (3)	\$1.37	\$1.17	\$0.38	\$0.29

Eppley Limited
Consolidated Statement of Financial Position
(Jamaican dollars in thousands)

	Unaudited	Audited
	Dec. 31, 2021	Dec. 31, 2020
ASSETS		
Cash and deposits	606,517	680,589
Taxation recoverable	17,132	14,443
Other receivables	478,910	201,153
Insurance premium financing receivables	105,216	135,861
Loans receivable	1,417,597	1,452,154
Lease receivables	1,704,000	587,129
Investment securities	1,089,769	977,869
Investment in joint ventures	79,917	58,331
Deferred tax asset	21,610	15,251
Right-of-use-asset	1,354	1,069
Property, plant and equipment	9,898	17,433
	5,531,920	4,141,282
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LIABILITIES		
Due to related parties	1,653	1,653
Taxation payable	3,930	5,010
Deferred tax liability	4,188	-
Borrowings	4,129,436	2,916,890
Lease liability	1,374	1,069
Other liabilities	289,506	212,661
	4,430,087	3,137,283
	4,430,087	3,137,283
SHAREHOLDERS' EQUITY		
Share capital	492,343	492,343
Other reserves	16,118	1,892
Fair value reserves	60,347	60,111
Retained earnings	533,025	449,653
	1,101,833	1,003,999
	5,531,920	4,141,282

Approved by the Board of Directors on February 14, 2022 and signed on its behalf by:



Paul. B. Scott
Chairman



Nicholas A. Scott
Vice Chairman

Eppley Limited
Consolidated Statement of Changes in Equity
(Jamaican dollars in thousands)

	Share Capital	Fair value Reserves	Other Reserves	Retained Earnings	Total
Balance as at 1 January 2020	492,343	16,765	(697)	355,497	863,908
Net Profit for the year	-	-	-	225,342	225,342
Other comprehensive income for the year	-	43,346	2,589	-	45,935
Total comprehensive income for the year	-	43,346	2,589	225,342	271,277
Dividends	-	-	-	(131,186)	(131,186)
Balance as at 31 December 2020	492,343	60,111	1,892	449,653	1,003,999
Balance as at 1 January 2021	492,343	60,111	1,892	449,653	1,003,999
Net Profit for the year	-	-	-	264,600	264,600
Other comprehensive income for the year	-	236	14,226	-	14,462
Total comprehensive income for the year	-	236	14,226	264,600	279,062
Dividends	-	-	-	(181,228)	(181,228)
Balance as at 31 December 2021	492,343	60,347	16,118	533,025	1,101,833

Eppley Limited
Consolidated Statement of Cash Flows
(Jamaican dollars in thousands)

	Unaudited 12 months ended Dec. 31, 2021	Audited 12 months ended Dec. 31, 2020
Cash Flows from Operating Activities		
Net profit for the year	264,600	225,342
Adjustments for items not affecting cash:		
Depreciation	8,449	8,167
Amortisation	5,191	3,968
Interest income	(386,562)	(332,908)
Dividend income	(34,228)	(2,660)
Interest expense	285,520	207,676
Unrealised loss on investment securities	6,441	11,171
Expected credit loss	1,421	939
Gain on disposal of property, plant and equipment	-	(1,373)
Exchange gains on foreign currency denominated balances	(76,325)	(55,560)
Share of profits from joint venture	(21,576)	(10,817)
Taxation	3,965	(168)
	56,896	53,777
Changes in non-cash working capital components:		
Other receivables	(324,849)	(81,389)
Insurance premium financing receivables	33,473	21,837
Loans receivable	103,103	148,878
Lease receivables	(1,116,173)	(83,866)
Interest received	387,384	329,329
Dividend received	34,228	2,660
Other liabilities	67,467	35,934
	(758,471)	427,160
Tax withheld at source	(2,689)	(2,157)
Tax paid	(7,597)	(2,733)
Interest paid	(248,049)	(188,651)
Net cash (used in)/provided by operating activities	(1,016,806)	233,619

Eppley Limited
Consolidated Statement of Cash Flows (Cont'd)
(Jamaican dollars in thousands)

	Unaudited	Audited
	12 months ended	12 months
	Dec. 31, 2021	ended
		Dec. 31, 2020
Cash Flows from Investing Activities		
Acquisition of investments	(42,126)	-
Proceeds from sale of investments	-	86,575
Proceeds from sale of property, plant and equipment	-	1,373
Additions to property, plant and equipment	(914)	(13,664)
Net cash (used in)/provided by investing activities	(43,040)	74,284
Cash Flows from Financing Activities		
Dividend paid	(181,228)	(131,186)
Lease liability repaid	(5,191)	(4,337)
Loans received	2,626,138	572,484
Loans repaid	(1,518,373)	(540,269)
Net cash provided by/(used in) financing activities	921,346	(103,308)
(Decrease)/Increase in net cash balance	(138,500)	204,595
Effects of foreign exchange rates changes on cash and cash equivalents	63,607	12,432
Cash and cash equivalents at beginning of year	680,364	463,337
CASH AND CASH EQUIVALENTS AT END OF YEAR	605,471	680,364

Ten Largest Shareholders

(at December 31, 2021)

Stony Hill Capital Limited	48,097,800
ATL Group Pension Fund Trustees Nom Ltd.	38,428,635
Caribprop Limited	27,500,000
Perseverance Limited	23,353,134
Coldharbour Partners Inc.	11,599,674
Curmudgeon Limited	8,284,000
Michael Subratie	8,243,606
Caona Investments Limited	6,076,923
Ravers Limited	6,000,000
FirstCaribbean Int'l Sec. Ltd A/C B.U.T	1,154,190

Shareholdings of Directors

(at December 31, 2021)

	Direct	Connected *
Alexander Melville	-	-
Byron Thompson	483,750	-
Jennifer Scott	-	23,786,884
Keith Collister	-	38,428,635
Maxim Rochester	956,850	-
Melanie Subratie	-	62,855,079
Nicholas Scott	-	20,320,424
P.B. Scott	-	99,387,684
Sharon Donaldson	868,074	2,155,208

Shareholdings of Executives

(at December 31, 2021)

	Direct	Connected *
Jacquelin Watson	1,024,650	-
Justin Nam	851,420	-

* Includes connections by virtue of directorships and other affiliations in addition to indirect shareholdings.

1. Identification and Activities

Eppley Limited is a limited liability company incorporated and domiciled in Jamaica. The company is listed on the Main Market of the Jamaica Stock Exchange. The registered office of the company is located at 58 Half Way Tree Road, Kingston 10.

The principal activity of the company is investing in credit products including insurance premium financing, lease and loan financing and providing asset management services.

2. Statement of Compliance and Basis of Preparation

These unaudited interim financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB), and the relevant provisions of the Companies Act.

The interim financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets carried at fair value.

The accounting policies and method of computation are consistent with the audited financial statements for year ended December 31, 2020. These financial statements are expressed in Jamaican dollars which is the currency of the primary economic environment in which the company operates.

3. Earnings Per Share

	Unaudited 12 months Dec. 31, 2021	Audited 12 months Dec. 31, 2020	Unaudited 3 months Dec. 31, 2021	Unaudited 3 months Dec. 31, 2020
Net profit attributable to shareholders (\$'000)	264,600	225,342	73,716	56,274
Weighted average number of shares outstanding ('000)	<u>192,468</u>	<u>192,468</u>	<u>192,468</u>	<u>192,468</u>
Earnings per share (\$)	1.37	1.17	0.38	0.29

4. **Cash and Cash Equivalents**

	Unaudited 12 months Dec. 31, 2021	Audited 12 months Dec. 31, 2020
Cash and bank balances	305,263	581,654
Term deposits	301,254	98,935
	<u>606,517</u>	<u>680,589</u>
Less: term deposits with maturity period in excess of ninety days	-	-
	(1,046)	(225)
Less: interest receivable	<u>605,471</u>	<u>680,364</u>
	<u><u>605,471</u></u>	<u><u>680,364</u></u>