

Consolidated Statement of Income For the three months ended March 31, 2020 (With comparatives for the three months ended March 31, 2019) Expressed in thousands of Barbados dollars

| | (Unaudited) March 31 2020 \$ | (Unaudited) March 31 2019 \$ | (Audited) December 31 2019 \$ |
|---|---------------------------------------|---------------------------------------|--|
| Revenue | | | |
| Revenue from operations | 5,984 | 5,850 | 26,219 |
| Other gains | 15 | - | 41 |
| Total Revenue | 5,999 | 5,850 | 26,260 |
| Expenses | | | |
| Other operating expenses | 4,578 | 4,282 | 18,208 |
| Depreciation and right of use depreciation | 256 | 153 | 866 |
| | 4,834 | 4,435 | 19,074 |
| Operating Profit before Associates' Results | 1,165 | 1,415 | 7,186 |
| Share of Results of Associates | 560 | 932 | 1,184 |
| Net Operating Profit (Losses)/gains on Financial Assets | 1,725 (816) | 2,347 1,196 | 8,370 2,427 |
| Profit before Taxation | 909 | 3,543 | 10,797 |
| Corporation Tax | (48) | (44) | (164) |
| Net Profit for the Period | 861 | 3,499 | 10,633 |
| Attributable to: | | | |
| Equity holders of the Company | 610 | 2,916 | 8,535 |
| Non-controlling interest | 251 | 583 | 2,098 |
| | 861 | 3,499 | 10,633 |
| Earnings per share (EPS) - basic | \$0.03 | \$0.16 | \$0.47 |
| Earnings per share (EPS) - fully diluted | \$0.03 | \$0.15 | \$0.45 |

Consolidated Statement of Cash Flows For the three months ended March 31, 2020 (With comparatives for the three months ended March 31, 2019) Expressed in thousands of Barbados dollars

| | (Unaudited) March 31 2020 \$ | (Unaudited) March 31 2019 \$ | (Audited) December 31 2019 \$ |
|---|---------------------------------------|---------------------------------------|--|
| Net cash generated from operating activities | 1,728 | 2,116 | 7,669 |
| Net cash generated from/(used in) investing activities | 724 | 499 | (855) |
| Net cash (used in)/generated from financing activities | (4,415) | 459 | (32) |
| Net (decrease)/increase in cash and cash equivalents | (1,963) | 3,074 | 6,782 |
| Net cash at beginning of period | 18,623 | 11,841 | 11,841 |
| Net cash at end of period | 16,660 | 14,915 | 18,623 |

DIRECTORS' REPORT

Financial Statements (unaudited) for quarter ended March 31, 2020


Notwithstanding a strong start to 2020, with solid performances in January and February, the COVID-19 pandemic negatively impacted the Cave Shepherd Group's overall first quarter results, in particular our travel retail businesses and the value of our investment portfolio. As a result, the Group's profit attributable to equity holders was \$0.6 million for the three month period ended March 31, 2020 compared to \$2.9 million profit for the same period in the prior year.

Our retail associates, Duty Free Caribbean (Holdings) Ltd. and GCS Ltd. (Ganzee), experienced a significant decline in sales in March as both air and cruise travel came to a virtual halt. In early April, Barbados and most Caribbean islands instituted 'lock-downs' to minimise the spread of the virus. At the time of writing our retail stores are closed and our other businesses are largely operating in a 'virtual' environment using digital technology.

There is no doubt that the COVID-19 pandemic will have huge impact on countries, companies and individuals for the remainder 2020 and likely into 2021. As it relates to companies, the focus of the business shifts away from annual returns towards the strength of the Balance Sheet, and in particular the level of cash and liquid reserves. So although the Group results are expected to reflect a loss in 2020 we are well positioned to ride out this storm, with cash and liquid assets of \$41 million. In addition we have taken the painful, yet necessary measures to reduce our expenses as we prepare for a prolonged period of uncertainty and low economic activity.

Whereas we are very confident that the Cave Shepherd Group will weather this crisis, we can also say that it will not be business as usual once it has passed. Barbados, Barbadians and our company will have to make many changes, and will likely look very different coming out of this period of crisis compared to how we looked going in. But we will come out, and will rebuild for the future.

We take this opportunity to extend our well wishes to our staff, our shareholders, our customers and indeed all Barbadians in these trying times.


Geoffrey Cave
Chairman


John Williams
Chief Executive Officer

April 17th 2020

Consolidated Statement of Financial Position As at March 31, 2020 (With comparatives as at March 31, 2019) Expressed in thousands of Barbados dollars

| | (Unaudited) March 31 2020 \$ | (Unaudited) March 31 2019 \$ | (Audited) December 31 2019 \$ |
|---|---------------------------------------|---------------------------------------|--|
| Current Assets | | | |
| Cash and cash equivalents | 16,660 | 14,915 | 18,623 |
| Restricted cash | 1,750 | - | 1,500 |
| Financial assets at FVPL | 25,132 | 24,263 | 27,480 |
| Trade and other receivables and prepayments | 46,254 | 44,105 | 47,307 |
| Other current assets | 6,422 | 4,872 | 4,151 |
| | 96,218 | 88,155 | 99,061 |
| Current Liabilities | | | |
| Trade and other payables | 5,423 | 3,744 | 4,773 |
| Other current liabilities | 17,372 | 10,933 | 20,842 |
| | 22,795 | 14,677 | 25,615 |
| Working Capital | 73,423 | 73,478 | 73,446 |
| Investment in Associates and at Fair Value through Profit and Loss | 67,339 | 68,242 | 67,739 |
| Property, Plant and Equipment and Right of Use Assets | 3,610 | 2,087 | 3,650 |
| Loan due by associate | 5,800 | 5,800 | 5,800 |
| Other Long Term Assets | 172 | 223 | 172 |
| Other Long Term Liabilities | (32,547) | (34,004) | (33,552) |
| | 117,797 | 115,826 | 117,255 |
| Capital and Reserves attributable to the equity holders of the company | | | |
| Share capital | 38,749 | 38,600 | 38,711 |
| Share option plan reserve | 412 | 405 | 412 |
| Retained earnings | 75,740 | 73,449 | 75,130 |
| | 114,901 | 112,454 | 114,253 |
| Non-controlling interests | 2,896 | 3,372 | 3,002 |
| | 117,797 | 115,826 | 117,255 |

Consolidated Statement of Changes in Equity For the three months ended March 31, 2020 (With comparatives for the three months ended March 31, 2019) Expressed in thousands of Barbados dollars

| | Attributable to equity holders of the Company: | | | Non-controlling interest \$ | Total \$ |
|---|--|-------------------------|----------------------------|--------------------------------|----------------|
| | Share Capital \$ | Retained Earnings \$ | Share Option Reserve \$ | | |
| (Unaudited) Balance as at December 31, 2018 | 38,600 | 70,533 | 405 | 3,277 | 112,815 |
| Net profit for the period | - | 2,916 | - | 583 | 3,499 |
| Dividends paid to non-controlling interests | - | - | - | (488) | (488) |
| Balance as at March 31, 2019 | 38,600 | 73,449 | 405 | 3,372 | 115,826 |
| (Audited) Balance as at December 31, 2018 | 38,600 | 70,533 | 405 | 3,277 | 112,815 |
| Net profit for the year | - | 8,535 | - | 2,098 | 10,633 |
| Other comprehensive income for the year | - | (3) | - | - | (3) |
| Dividends | 38,600 | 79,065 | 405 | 5,375 | 123,445 |
| Dividends paid to non-controlling interests | - | (3,677) | - | - | (3,677) |
| Employee share options | - | - | 138 | - | 138 |
| Expired share options | - | 23 | (23) | - | - |
| Exercised share options | 108 | - | (108) | - | - |
| Reclassification | - | (256) | - | 256 | - |
| Issue of shares | 24 | - | - | - | 24 |
| Sale of shares by non-controlling interest | - | - | - | (995) | (995) |
| Repurchase of shares | (21) | (25) | - | - | (46) |
| Balance as at December 31, 2019 | 38,711 | 75,130 | 412 | 3,002 | 117,255 |
| (Unaudited) Balance as at December 31, 2019 | 38,711 | 75,130 | 412 | 3,002 | 117,255 |
| Net profit for the period | - | 610 | - | 251 | 861 |
| Dividends paid to non-controlling interests | - | - | - | (357) | (357) |
| Issue of shares | 38 | - | - | - | 38 |
| Balance as at March 31, 2020 | 38,749 | 75,740 | 412 | 2,896 | 117,797 |