



Wisynco Group Limited
Interim Report (Unaudited)
3rd Quarter ended
31 March 2020

Wisynco Group Limited (Wisynco) – Interim Report to Stockholders

The Directors present the unaudited financial results for the third quarter ended March 31, 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Revenues for the quarter from continuing operations of \$8.1 billion represented an increase of 23.5% over the \$6.5 billion achieved in the corresponding quarter of the previous year. While March began with a positive performance the latter part of the month was impacted by the discovery of Jamaica's first COVID case on March 10. This was followed closely by travel bans, closure of airports, schools, the Tourism industry, sporting events, bars, and all entertainment activity which in turn caused Revenue in March to underperform expectations.

Gross Profit increased to \$2.6 billion or 2.7% over the \$2.5 billion achieved in the same quarter of the previous year. Our Gross Margin at 32% was below target for the quarter due to the increased sales of lower Gross Margin items and due to the reduced March Revenues as explained above.

Selling, Distribution & Administrative expenses for the quarter totaled \$2.1 billion or 20% more than the \$1.7 billion for the corresponding quarter of the prior year. Approximately half of the additional expenditure was a result of the increased revenues. Management however believes there are opportunities for better expense management and has been implementing measures to drive downward all non-essential expenditures.

Included in Finance Income are foreign exchange gains of approximately \$99.5 million as a result of the devaluation of the JAD at the end of the quarter.

As a result, Profit before Taxation for the quarter was \$652 million which was 6.8% less than the \$699 million realized in Q3 2019. After provision for taxes, Wisynco recorded Net Profits Attributable to Stockholders of \$580 million or 15 cents per stock unit compared to \$694 million or 19 cents per stock unit for the corresponding period of the prior year.

Our Balance Sheet remains healthy. We have not incurred any new banking facilities and our reserves are in place to help us through this period of uncertainty. Our current ratio at 2.4 is good and even though we are in uncertain times we are quite optimistic that we will move out of this Pandemic and therefore continue to look for expansion opportunities. Our return on equity at 20% while lower than fiscal 2019 has been impacted as well by the recent downturn.

CoGen which was to start up this quarter was delayed primarily due to COVID and the interruption of travel globally. Our engineering team is working with the suppliers to commission the engine so we can start seeing the positives from the investment.

Forward Looking Comments

Unquestionably Q3 has brought about a major change in the way we live as a people and while we wait in hope for the end of this virus whether it be through vaccination or other medical innovation, we face changes in the way we operate and the risks we face as a company, a country and the wider world.

Although Revenues for the month of April were lower than our original targets, they were better than we had anticipated at the beginning of the month, given the circumstances. Expenses for April have been reduced and we anticipate this trend to continue for the remainder of Q4. As we head into May and June we should also see an uptick in demand for our higher Gross Margin beverages which should increase the overall Gross Margin back to 34-35% from the low of 32% in Q3.

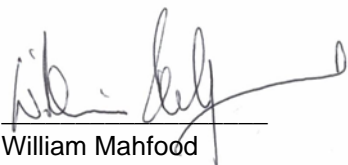
We have been doing our best to minimize the risk of our Team being exposed to the virus and have exercised new protocols, training, and videos along with signage on how to prevent exposure to the virus, provided masks, hand sanitizing stations and social distancing measures for all our team members, to help them prevent contraction.

Thank you Frontline Teams, Customers & Wisynco

Wisynco has a wide diverse base of valuable customers and most have been impacted by measures required to control the spread of COVID. Some have had to cease operations, especially in industries of Tourism, Quick Service, Restaurants, Schools, Bars and Entertainment. We stand ready to work closely with them as they are all critical to the continued growth of our economy and look forward to their return to operation.

We extend our sincere appreciation to all Wisynco team members and salute our frontline personnel especially those members in production, operations, sales, credit & merchandising and our drivers and truckers who have gone above and beyond and excelled in getting our products to our customers and consumers. We also partnered closely with the Ministry of Health and Wellness during the quarter and in April to support deliveries to quarantined areas such as Bull Bay, Clarendon and St. Catherine and made tangible product contributions to frontline teams at hospitals island-wide. We are particularly proud of our collaboration with the Kingston Public Hospital medical team to design and produce plastic spacers for respiratory patients which are now being delivered to hospitals island wide helping in this critical area of public health in Jamaica.

To all Jamaicans we pray that you stay safe as we move forward to overcome the challenges created by this virus. God bless you all.



William Mahfood
Chairman



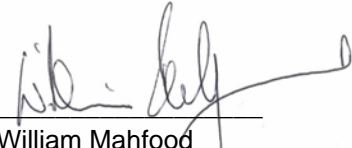
Andrew Mahfood
Chief Executive Officer

Wisynco Group Limited
Group Statement of Comprehensive Income
Nine months ended 31 March 2020

	Quarter ended 31 March 2020 \$'000	Quarter ended 31 March 2019 \$'000	Nine months ended 31 March 2020 \$'000	Nine months ended 31 March 2019 \$'000
Revenue	8,081,191	6,540,598	25,187,029	19,752,577
Cost of sales	(5,495,908)	(4,023,578)	(16,411,719)	(12,034,263)
Gross Profit	2,585,283	2,517,020	8,775,310	7,718,314
Other operating income	32,985	30,490	95,738	85,387
Selling and distribution expenses	(1,713,230)	(1,466,195)	(5,263,800)	(4,404,025)
Administration expenses	(355,638)	(256,439)	(1,041,269)	(799,944)
Operating Profit	549,400	824,876	2,565,979	2,599,732
Finance income	141,166	21,175	212,238	63,379
Finance costs	(41,839)	(146,812)	(118,968)	(301,791)
Share of results of associate	2,788	-	6,011	-
Profit before Taxation	651,515	699,239	2,665,260	2,361,320
Taxation	(71,219)	(97,458)	(492,737)	(422,977)
Profit for the period from continuing operations	580,296	601,781	2,172,523	1,938,343
Profit from discontinued operations	-	92,141	165,375	299,936
Net Profit	580,296	693,922	2,337,898	2,238,279
Other Comprehensive Income				
Items that may be subsequently reclassified to P&L:				
Exchange differences on translation of foreign subsidiary	(2,244)	(1,425)	941	3,254
Items that may not be subsequently reclassified to P&L:				
Unrealised gains on investment securities	25,335	(842)	73,146	6,772
Total Comprehensive Income	603,387	691,655	2,411,985	2,248,305
Net Profit attributable to:				
Stockholders of Wisynco Group Limited	580,296	693,922	2,337,898	2,238,279
Total Comprehensive Income attributable to:				
Stockholders of Wisynco Group Limited	603,387	691,655	2,411,985	2,248,305
Earnings per stock unit from continuing and discontinued operations attributable to stockholders of the group				
	3			
From continuing operations	\$0.15	\$0.16	\$0.58	\$0.52
From discontinued operations	\$0.00	\$0.03	\$0.04	\$0.08
	\$0.15	\$0.19	\$0.62	\$0.60

Wisynco Group Limited
Group Statement of Financial Position
31 March 2020

		Unaudited March 31 2020 \$'000	Unaudited March 31 2019 \$'000	Audited June 30 2019 \$'000
	Notes			
Non-Current Assets				
Property, plant and equipment		7,205,072	6,725,809	6,724,278
Intangible asset	5	53,996	-	-
Investment in associate	6	599,972	-	593,961
Loans receivable		167,600	-	165,545
Investment securities		370,273	355,817	379,060
		8,396,913	7,081,626	7,862,844
Current Assets				
Inventories		3,060,264	2,930,840	3,225,686
Receivables and prepayments		3,138,399	2,880,076	2,585,519
Investment securities		426,877	123,987	130,385
Cash and short-term deposits	7	4,354,640	3,236,298	3,974,545
		10,980,180	9,171,201	9,916,135
Current Liabilities				
Trade and other payables		3,576,101	2,980,259	3,336,064
Short-term borrowings		562,688	488,169	485,724
Taxation payable		439,418	398,592	444,969
		4,578,207	3,867,020	4,266,757
Net Current Assets				
		6,401,973	5,304,181	5,649,378
Shareholders' Equity				
Share capital		1,192,647	1,192,647	1,192,647
Capital reserve		203,978	126,718	130,832
Translation reserve		29,989	33,340	29,048
Retained earnings		11,358,452	9,042,011	9,733,054
		12,785,066	10,394,716	11,085,581
Non-current Liabilities				
Deferred tax liabilities		213,511	231,341	213,511
Borrowings		1,800,309	1,759,750	2,213,130
		2,013,820	1,991,091	2,426,641
		14,798,886	12,385,807	13,512,222


William Mahfood
Chairman


Andrew Mahfood
Chief Executive Officer

Wisynco Group Limited
Group Statement of Changes in Equity
Nine months ended 31 March 2020

	Number of Shares	Share Capital \$'000	Capital Reserves \$'000	Retained Earnings \$'000	Translation Reserve \$'000	Total Equity \$'000
Balance as at 1 July 2018	3,750,000,000	1,192,647	119,946	7,347,482	30,086	8,690,161
Net profit	-	-	-	2,238,279	-	2,238,279
Unrealised gain on investments	-	-	6,772	-	-	6,772
Exchange differences on translating foreign subsidiary	-	-	-	-	3,254	3,254
Total comprehensive income	-	-	6,772	2,238,279	3,254	2,248,305
Transactions with Owners:						
Dividends paid	-	-	-	(543,750)	-	(543,750)
	-	-	6,772	1,694,529	3,254	1,704,555
Balance at 31 March 2019	3,750,000,000	1,192,647	126,718	9,042,011	33,340	10,394,716
Balance as at 1 July 2019	3,750,000,000	1,192,647	130,832	9,733,054	29,048	11,085,581
Net profit	-	-	-	2,337,898	-	2,337,898
Unrealised gains on investments	-	-	73,146	-	-	73,146
Exchange differences on translating foreign subsidiary	-	-	-	-	941	941
Total comprehensive income	-	-	73,146	2,337,898	941	2,411,985
Transactions with Owners:						
Dividends paid	-	-	-	(712,500)	-	(712,500)
	-	-	73,146	1,625,398	941	1,699,485
Balance as at 31 March 2020	3,750,000,000	1,192,647	203,978	11,358,452	29,989	12,785,066

Wisynco Group Limited
Group Statement of Cash Flows
Nine months ended 31 March 2020

	Nine Months ended 31 March 2020 \$'000	Nine Months ended 31 March 2019 \$'000
Net profit from operations:		
Continued Operations	2,172,523	2,238,279
Discontinued Operations	165,375	-
Items not affecting cash:		
Share of results of associate	(6,011)	-
Depreciation	831,615	742,982
Fixed assets written-off	115,716	-
Gain on sale of property, plant and equipment	105	(5,119)
Amortisation of intangibles	41,182	-
Interest income	(106,279)	(62,193)
Dividend income	(647)	(1,186)
Interest expense	110,233	133,685
Taxation expense	492,737	422,977
Exchange difference on foreign currency balances	(4,038)	120,815
	3,812,511	3,590,240
Changes in operating assets and liabilities:		
Inventories	165,422	(731,567)
Receivables and prepayments	(552,880)	(577,383)
Trade and other payables	264,756	(893,645)
Cash generated from operations	3,689,809	1,387,645
Taxation paid	(498,288)	(413,414)
Cash provided by operating activities	3,191,521	974,231
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,491,387)	(695,508)
Intangibles	(21,275)	-
Purchase of investments	(252,843)	12,258
Net movement on short term deposits	522,837	-
Proceeds from the sale of property, plant and equipment	1,378	7,563
Proceeds from sale of investments	-	-
Dividend received	647	1,186
Interest received	106,279	62,193
Cash used in investing activities	(1,134,364)	(612,308)
Cash Flows from Financing Activities		
Interest paid	(135,500)	(149,244)
Long-term loans repaid	(412,537)	(264,250)
Finance leases repaid	-	(20,478)
Dividend paid	(712,500)	(543,750)
Cash used in financing activities	(1,260,537)	(977,722)
Effects of changes in foreign exchange rates	28,661	(101,104)
Increase/(decrease) in cash and cash equivalents	825,281	(716,903)
Cash and cash equivalents at beginning of year	3,415,897	3,917,663
Cash and Cash Equivalents at end of Year	4,241,178	3,200,760

Wisynco Group Limited
Notes to the Interim Financial Statements
31 March 2020

1. Basis of preparation

These financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been expressed in Jamaican dollars unless otherwise indicated.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets.

IFRS 16

The group has adopted IFRS 16 retrospectively from 1 July 2019, but has not restated comparatives for the comparative reporting period, as permitted under the specific transitional provisions in the standard in applying the simplified transition approach.

Until the 30 June 2019, leases of property, plant and equipment and warehouse space were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

2. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses and whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment. Operating segments are reported in a manner consistent with the internal reporting to the CODM. The CODM is the Chief Executive Officer (CEO).

The CODM regularly reviews local versus export sales, however, the export sales do not meet the threshold of a reportable segment under IFRS 8 and as such no separate segment information is presented. There are no individual customers that constitute more than 10% of total revenue and the CODM does not review assets on a segment basis.

Wisynco Group Limited
Notes to the Interim Financial Statements
31 March 2020

3. Earnings per stock unit

Earnings per stock unit is calculated on net profit and is based on the weighted average number of ordinary stock units in issue.

	Quarter ended March 31 2020	Quarter ended March 31 2019	Nine months ended March 31 2020	Nine months ended March 31 2019
Net profit attributable to ordinary stockholders (\$'000)	580,296	693,922	2,337,897	2,238,279
Basic earnings per stock unit	\$0.15	\$0.19	\$0.62	\$0.60

4. (Loss)/Profit from Discontinued Operations

On 31 December 2019, the Company ceased operations of the manufacturing of foam products due to the January 1, 2020 ban on Styrofoam products by the government.

The financial performance and cash flow information presented are for the quarter ended 31 March 2020.

	Quarter ended 31 March 2020 \$'000	Quarter ended 31 March 2019 \$'000	Nine months ended 31 March 2020 \$'000	Nine months ended 31 March 2019 \$'000
Revenue	-	367,921	945,035	1,082,802
Cost of sales	-	(275,780)	(779,660)	(782,866)
Profit for the period from discontinued operations	-	92,141	165,375	299,936

	Nine months ended 31 March 2020 \$'000	Nine months ended 31 March 2019 \$'000
Operating cash flows	333,213	319,523
Net cash flows	333,213	319,523

Wisynco Group Limited
Notes to the Interim Financial Statements
31 March 2020

Details of the assets of the division

	31 March
	2020
	\$'000
The carrying amounts of assets and liabilities as at the date of closure were:	
Property, plant and equipment	115,716
Inventories	30,666
Assets	<u>146,382</u>

5. Intangibles

These represent software transferred from fixed assets.

	2020
	\$'000
Net book value transferred from fixed assets at July 1, 2019	73,903
Additions	21,275
Amortisation	(41,182)
	<u>53,996</u>

6. Investment in Associate

	2020
	\$'000
At beginning of quarter	597,184
Share of results of associate	2,788
Amounts recognized in the Statement of Financial Position	<u>599,972</u>

The Company owns 30% of the share capital in JP Snacks, which is the manufacturer of St. Mary's Snacks.

JP Snacks is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Company's interest in JP Snacks.

Wisynco Group Limited
Notes to the Interim Financial Statements
31 March 2020

7. Cash and Short Term Deposits

	Nine months ended March 31 2020 \$'000	Nine months ended March 31 2019 \$'000
Cash and bank balances	2,440,614	1,331,144
Short term deposits	1,914,027	1,905,154
	<u>4,354,640</u>	<u>3,236,298</u>
Bank overdraft	(113,462)	(35,538)
	<u><u>4,241,178</u></u>	<u><u>3,200,760</u></u>

8. Impact of IFRS 16, Leases

On adoption of IFRS 16, the group recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 6%.

For leases previously classified as finance leases the entity recognized the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet as at 30 June 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The right of use assets is recorded in Property, plant & equipment and the lease liability in Trade & other payables.

The group leases warehouse space for its inventory which were previously recorded as operating leases.

The following table shows the right of use assets were recognized in the statement of financial position:

	31 March 2020 \$'000	1 July 2019 \$'000
Buildings	134,132	189,471
	<u>134,132</u>	<u>189,471</u>
Total right of use assets	<u><u>134,132</u></u>	<u><u>189,471</u></u>

The group incurred depreciation charges of \$55,339,000 on the right of use assets and interest expense of \$7,513,000 on lease liabilities during the period.

Earnings per share has not been impacted for the nine months to 31 March 2020 as a result of the adoption of IFRS 16.

Wisynco Group Limited
Notes to the Interim Financial Statements
31 March 2020

9. Subsequent Events

The Directors confirm that there have been no material events subsequent to the end of the interim reporting period that have not been reflected in these financial statements.



10 Largest Shareholders of Wisynco Group Limited as at March 31, 2020

Name of Shareholder	Units	Percentage Ownership
1. Wisynco Group Caribbean Limited	2,776,183,736	74.0316%
2. ATL Group Pension Fund Trustees Nom Ltd.	54,887,475	1.4637%
3. Francois Chalifour	34,729,580	0.9261%
4. Sagicor Select Fund Ltd. ('Class C' Shares) Manufacturing & Distribution	30,930,303	0.8248%
5. GraceKennedy Pension Fund Custodian Ltd.	29,622,285	0.7899%
6. Guardian Life Limited	29,341,646	0.7824%
7. Devon Hugh Reynolds	29,229,613	0.7795%
8. SJIML A/C 3119	25,734,836	0.6863%
9. Sagicor Pooled Equity Fund	23,913,562	0.6377%
10. NCB Insurance Co. Ltd. A/C WT160	22,732,309	0.6062%

Shareholdings of Directors as at March 31, 2020

Directors	Direct	Connected Parties	Total
* William Mahfood	696,431	2,798,716,432	2,799,412,863
* Joseph Mahfood	0	2,791,383,736	2,791,383,736
* Andrew Mahfood	527,763	2,783,519,959	2,784,047,722
Francois Chalifour	34,729,580	0	34,729,580
Devon H. Reynolds	29,229,613	0	29,229,613
John Lee	0	5,546,491	5,546,491
Lisa Soares Lewis	3,167,600	0	3,167,600
Adam Stewart	0	2,938,936	2,938,936
Odetta Rockhead Kerr	113,715	0	113,715

* These Directors have a beneficial holding in Wisynco Group Caribbean Limited, which owns 74.03% of Wisynco Group Limited in addition to other connected party holdings.

Shareholdings of Senior Executives as at March 31 2020

Senior Executives	Direct	Connected Parties	Total
Christopher Ramdon	2,202,383	0	2,202,383
Andrew Fowles	2,225,300	0	2,225,300
Halcott Holness	2,085,333	0	2,085,333
Jacinth Bennett	1,420,000	0	1,420,000
Tabitha Athey	787,420	0	787,420
N. Craig Clare	776,318	0	776,318
Leilani Hunt	535,059	0	535,059
Rachel Zacca	368,596	0	368,596
Annette Morrison	100,000	0	100,000