

Wisynco Group Limited (Wisynco) – Report to Stockholders

The Directors submit the audited financial results for the year ended June 30, 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Revenues from continuing operations for the year ended June 30, 2020 was \$32.2 billion or 19.4% greater than the \$26.9 billion of the prior year. The final quarter, due to the COVID-19 global pandemic, represented a challenging quarter. Wisynco services all sales channels in Jamaica however Covid impacted and slowed activities in all areas, especially in Food Service (Tourism and Restaurants), Bars and Entertainment, and Schools. Revenues for the 9 months ended March 31, 2020 were growing at an average rate of 27.5% for the fiscal year however, due to Covid, the growth rate dropped significantly, as expected, in the final quarter resulting in an overall growth rate of 19.4% for the year.

Gross Profit for the year was \$996 million or 10% greater than Fiscal 2019 and our Gross Margin was 34.4% compared to 37.4% for Fiscal 2019. Our Gross Margin ratio was impacted by the increased volume of lower margin products being sold in Fiscal 2020, along with the margin being weighed down by reduced Revenues of higher margin products in the final quarter.

Selling, Distribution & Administrative expenses for the year of \$8.1 billion was 13% greater than the \$7.2 billion of the prior year. Management has paid close attention to expenses during the year and especially so in the final quarter. Our expense to sales ratio for the year improved from 26.8% last year to 25.3% this year. Management is optimistic that the expense to sales ratio will continue to decline in the future whilst they continue to drive the growth in Revenue.

Included in Finance income are foreign exchange gains for the year of approximately \$182 million as a result of the devaluation of the JAD year over year.

Profit before Taxation from continuing operations for the year was \$3.2 billion or 6.1% greater than the prior year \$3.0 billion. Net profit after taxes for the year, from continuing operations, was \$2.66 billion compared to \$2.54 billion of the prior year. Our net profit margin of 8.3% for 2020 was lower than the 9.4% realized for 2019 and was impacted primarily by the challenges of the 4th quarter of 2020.

Earnings per share for the year, from continuing operations was 71c per share or 4.4% greater than the 68c for the last year.

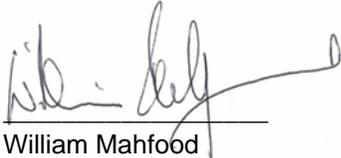
A dividend of 9c per share was declared on June 26, 2020 and has been accrued for in the June 30, 2020 financial statements.

Our Cogen operations had commissioning challenges during the quarter due to the supplier engineers not being able to arrive in Jamaica because of travel restrictions arising from Covid, however, we were able to work virtually with the suppliers to get the engine commissioned. We have been running at approximately 75% capacity from our startup date of July 16, 2020 and are confident that improved savings from this investment will accrue to the company in the future. Subsequent to June 30, 2020 we were able to refinance our investment in the CoGen plant under a new competitively priced \$500 million financing arrangement.

Our current ratio at 2.4 is good and we continue to look for expansion opportunities. Our return on equity at 22%, which was impacted by the Covid challenges, was lower than the 26% achieved in fiscal 2019.

We extend gratitude and applaud our frontline Wisynco teams – those members in production, operations, sales, credit & merchandising, and our truckers who have gone above and beyond and excelled in getting our products to our customers and consumers in the trade, whom we are also very thankful.

To all Jamaicans, we encourage you to follow all health protocols and 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