Wisynco Group Limited

Interim Report (Unaudited)

3rd Quarter ended

31 March 2022

Wisynco Group Limited (Wisynco) – Interim Report to Stockholders

The Directors are pleased to present the unaudited financial results for the third quarter ended March 31, 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Revenues for the quarter of $9.7 billion represent the highest in the company's history, an increase of 27.8% above the $7.6 billion achieved in the corresponding quarter of the previous year. Revenues were driven by strong demand in all product categories and channels. Usually, our Q1 and Q2 Revenue patterns represent our higher earning quarters, however this Fiscal Q3 trended higher than Fiscal Q1 and Q2, reflecting the anticipated bouncing back of our economy from the Covid measures being relaxed. Additionally, our increased focus on Exports have continued driving growth in the channel and we are embarking on additional strategies to continue this trajectory.

Gross Profit for the quarter of $3.1 billion was 21.6% more than the $2.6 billion achieved in the same quarter of the previous year. Our Gross Margin at 32.3% was 170 basis points lower than the 34% for the corresponding quarter in the prior year due mainly to our LNG plant experiencing disruption in energy supply resulting in the company having to spend an additional $81m to purchase electricity. Additionally, we had production downtime which led to some higher costs of production as well as increased input costs.

Selling, Distribution & Administrative expenses (SD&A) for the quarter totaled $2.1 billion or 10.3% more than the $1.9 billion for the corresponding quarter of the prior year. Our SD&A expense to sales ratio was 21.3% for the quarter, compared to 24.7% in the prior year as management continues to exercise control over our costs.

Profit before Taxation for the quarter was $1.1 billion, which is $283 million or 34.8% higher than the $813 million of the comparative quarter for the prior year and includes a foreign exchange loss of $35.4 million ($67.9 million foreign exchange gain for the comparative quarter last year). YTD profit before taxation was $3.9 billion compared to $2.7 billion in the prior year an increase of $1.2b million or 46.4%.

After provision for taxes, Wisynco recorded Net Profits Attributable to Stockholders of $831 million, or 22c per share for the quarter, which was 24% greater than the $673 million earned for the prior year. Earnings per share for the prior year quarter was 18c.

Our Balance Sheet remains strong with a current ratio of 2.78 (3.11 for similar quarter last year) and a debt-to-equity level of 10% (15.6% prior year's quarter).

We expect to commence operations at our Northwest Distribution Center in Hague, Trelawny imminently and we anticipate greater agility and efficiencies from the operationalization of the new Distribution Center. Final testing and calibrations are being conducted.

On April 1, 2022 a fire occurred in an open area away from our distribution centre at our Lakes Pen Complex, thankfully there were no injuries nor any major damage from the fire. The fire occurred near the vicinity of our pallet yard and was contained very quickly by our teams and the fire authorities. Our fire safety measures including ample water availability for pumping to our hydrants at the complex, were invaluable in the containment. Wisynco is ISO45001 certified (Occupational Health and Safety Benefits) which makes the workplace safe through hazard analysis, risk assessments and permits. The program is enforced through internal and external audits, Corrective Action Requests (CAR) and Corrective Action Plans (CAP) with a focus on prevention. While the occurrence of any fire is an unwelcome event, we are thankful we had no damage, and take this opportunity to thank our first responders and we will continue to heighten the safety culture at Wisynco.

Again, we express our sincere gratitude to our Wisynco team who continue to do their very best. To all our customers, consumers and stockholders, we remain thankful for your continued support.

William Mahfood
Chairman

Andrew Mahfood
Chief Executive Officer

Wisynco Group Limited
Group Statement of Comprehensive Income
Nine months ended 31 March 2022

	Note	Quarter ended 31 March 2022 $'000	Quarter ended 31 March 2021 $'000	Nine months ended 31 March 2022 $'000	Nine months ended 31 March 2021 $'000
Revenue		9,703,919	7,595,886	28,403,120	23,639,470
Cost of sales		(6,566,751)	(5,015,650)	(18,683,860)	(15,507,489)
Gross Profit		**3,137,168**	**2,580,236**	**9,719,260**	**8,131,981**
Other operating income		23,007	30,135	94,425	108,303
Selling and distribution expenses		(1,780,842)	(1,537,871)	(5,167,421)	(4,581,238)
Administration expenses		(289,237)	(339,085)	(1,024,474)	(1,029,727)
Operating Profit		**1,090,096**	**733,415**	**3,621,790**	**2,629,319**
Finance income		77,288	117,092	402,907	184,948
Finance costs		(64,979)	(30,344)	(88,237)	(107,059)
Share of results of associate		(5,958)	(6,721)	(13,541)	(27,549)
Profit before Taxation		1,096,447	813,442	3,922,918	2,679,659
Taxation		(265,482)	(140,809)	(965,936)	(465,290)
Net Profit		**830,965**	**672,633**	**2,956,982**	**2,214,369**
Other Comprehensive Income					
Items that may be subsequently reclassified to P&L:					
Exchange differences on translation of foreign subsidiary		1,905	22	5,029	(270)
Share of other comprehensive income of associate		6,519	(2,128)	(4,082)	14,021
Items that may not be subsequently reclassified to P&L:					
Unrealised gains on investment securities		108,092	5,420	111,741	10,553
Total Comprehensive Income		**947,481**	**675,947**	**3,069,671**	**2,238,673**
Net Profit attributable to:					
Stockholders of Wisynco Group Limited		830,965	672,633	2,956,982	2,214,369
Total Comprehensive Income attributable to:					
Stockholders of Wisynco Group Limited		947,481	675,947	3,069,671	2,238,673
Basic and diluted earnings per stock unit attributable to stockholders of the group	**3**	**$0.22**	**$0.18**	**$0.79**	**$0.59**

Wisynco Group Limited
Group Statement of Financial Position
31 March 2022

	Note	Unaudited March 31 2022 $'000	Unaudited March 31 2021 $'000	Audited June 30 2021 $'000
Non-Current Assets				
Property, plant and equipment		6,413,398	6,730,267	6,630,904
Intangible asset		9,745	20,771	18,247
Investment in associate	4	562,558	590,739	580,181
Loans receivable		214,075	198,326	205,685
Investment securities		941,765	541,052	640,840
		8,141,541	**8,081,155**	**8,075,857**
Current Assets				
Inventories		3,391,309	2,793,551	3,591,118
Receivables and prepayments		3,551,362	2,673,357	2,635,049
Due from parent company		-	130	-
Investment securities		651,377	217,256	402,827
Cash and short-term deposits	5	8,595,304	6,897,541	7,661,003
		16,189,352	**12,581,835**	**14,289,997**
Current Liabilities				
Trade and other payables		4,319,444	2,923,493	4,590,330
Short-term borrowings		761,174	768,373	765,451
Lease Liability		35,281	26,501	80,292
Taxation payable		711,238	329,177	464,199
		5,827,137	4,047,544	5,900,272
Net Current Assets		**10,362,215**	**8,534,291**	**8,389,725**
		18,503,756	**16,615,446**	**16,465,582**
Shareholders' Equity				
Share capital	6	1,224,824	1,192,647	1,192,647
Other reserve		491,818	324,573	369,039
Translation reserve		60,811	61,886	59,864
Retained earnings		15,639,346	13,324,826	13,432,757
		17,416,799	**14,903,932**	**15,054,307**
Non-current Liabilities				
Deferred tax liabilities		99,966	155,647	99,966
Borrowings		815,367	1,476,623	1,311,309
Lease Liabilities		171,624	79,244	-
		1,086,957	1,711,514	1,411,275
		18,503,756	**16,615,446**	**16,465,582**

William Mahfood
Chairman

Andrew Mahfood
Chief Executive Officer

Wisynco Group Limited
Group Statement of Changes in Equity
Nine months ended 31 March 2022

		Number of Shares	Share Capital	Capital Reserves	Retained Earnings	Translation Reserve	Total Equity
			$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2020		**3,750,000,000**	**1,192,647**	**248,534**	**11,485,457**	**48,135**	**12,974,773**
Net profit		-	-	-	2,214,369	-	**2,214,369**
Changes in fair value of equity instruments measured at fair value through other comprehensive income		-	-	10,553	-	-	**10,553**
Share-based payment expenses, net of taxes		-	-	65,486	-	-	**65,486**
Share of other comprehensive income of associate		-	-	-	-	14,021	**14,021**
Exchange differences on translating foreign subsidiary		-	-	-	-	(270)	**(270)**
Total comprehensive income		-	-	76,039	2,214,369	13,751	**2,304,159**
Transactions with Owners:							
Dividends paid		-	-	-	(375,000)	-	**(375,000)**
		-	-	76,039	1,839,369	13,751	1,929,159
Balance at 31 March 2021		**3,750,000,000**	**1,192,647**	**324,573**	**13,324,826**	**61,886**	**14,903,932**
Balance as at 1 July 2021		3,750,000,000	1,192,647	369,039	13,432,757	59,864	**15,054,307**
Net profit		-	-	-	2,956,982	-	**2,956,982**
Changes in fair value of equity instruments measured at fair value through other comprehensive income		-	-	111,741	-	-	**111,741**
Long Term Incentive Plan (LTIP) expenses		-	-	20,693	-	-	**20,693**
Share of other comprehensive income of associate		-	-	-	-	(4,082)	**(4,082)**
Exchange differences on translating foreign subsidiary		-	-	-	-	5,029	**5,029**
Total comprehensive income		**-**	**-**	**132,434**	**2,956,982**	**947**	**3,090,363**
Issue of shares	**6**	6,250,000	-	-	-	-	-
Amount held as treasury shares	**6**	(4,228,850)	-	-	-	-	-
Shares issued through LTIP	**6**	2,021,150	32,177	(9,655)	-	-	**22,522**
Transactions with Owners:							
Dividends		-	-	-	**(750,393)**	-	**(750,393)**
					(750,393)		**(750,393)**
Balance as at 31 March 2022		**3,752,021,150**	**1,224,824**	**491,818**	**15,639,346**	**60,811**	**17,416,799**

Wisynco Group Limited
Group Statement of Cash Flows
Nine months ended 31 March 2022

	Nine months ended 31 March 2022 $'000	Nine months ended 31 March 2021 $'000
Net profit from operations:	2,956,982	2,214,369
Items not affecting cash:		
Share of results of associate	13,541	27,549
Depreciation	718,039	782,824
Gain on sale of property, plant and equipment	(3,588)	(973)
Loss on sale of investment	-	85
Amortisation of intangibles	8,502	17,477
Amortisation of loan commitment fees	521	-
Long Term Incentive Plan (LTIP) expenses	20,693	65,486
Interest income	(217,773)	(135,229)
Dividend income	(429)	(699)
Interest expense	84,466	113,298
Taxation expense	965,936	465,290
Exchange difference on foreign currency balances	(237,174)	(36,907)
	4,309,717	**3,512,570**
Changes in operating assets and liabilities:		
Inventories	199,809	523,209
Receivables and prepayments	(916,313)	(145,113)
Trade and other payables	479,114	(78,040)
Cash generated from operations	**4,072,327**	**3,812,626**
Taxation paid	(718,897)	(573,451)
Cash provided by operating activities	**3,353,430**	**3,239,175**
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(288,005)	(424,600)
Purchase of intangible assets	-	(6,086)
Purchase of investments securities	(462,395)	(463,034)
Net withdrawals of deposits over 3 months	291,935	1,057,067
Proceeds on disposal of property, plant and equipment	-	973
Proceeds from sale of investments securities	76,267	308,725
Long term receivables	7,878	-
Dividend received	429	699
Interest received	221,608	135,826
Cash (used in)/provided by investing activities	**(152,283)**	**609,570**
Cash Flows from Financing Activities		
Interest paid	(85,054)	(114,038)
Proceeds from long term loan	-	500,000
Proceeds from shares issued under LTIP	22,522	-
Net finance lease commitment	-	55,739
Long-term loans repaid	(496,680)	(496,463)
Lease liabilities repaid	(89,527)	(69,112)
Dividend paid	(1,500,393)	(712,500)
Cash used in financing activities	**(2,149,132)**	**(836,374)**
Effects of changes in foreign exchange rates	177,761	(3,405)
Increase in cash and cash equivalents	1,229,776	3,008,966
Cash and cash equivalents at beginning of period	**7,265,567**	3,637,130
Cash and Cash Equivalents at end of period	**8,495,343**	**6,646,096**

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. Items presented in these interim consolidated financial statements have been recognized and measured in accordance with International Financial Reporting Standards (IFRS).

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.

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.

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 2022	Quarter ended March 31 2021	Nine months ended March 31 2022	Nine months ended March 31 2021
Net profit attributable to ordinary stockholders ($'000)	830,965	672,633	2,956,982	2,214,369
Basic & diluted earnings per stock unit	**$0.22**	**$0.18**	**$0.79**	**$0.59**

4. Investment in Associate

	2022 $'000
At July 1st 2021	580,181
Amounts recognized in other comprehensive income	(4,082)
Amounts recognized in profit & loss	(13,541)
Amounts recognized in the Statement of Financial Position	**562,558**

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.

5. Cash and Short Term Deposits

	Nine months ended March 31 2022 $'000	Nine months ended March 31 2021 $'000
Cash and bank balances	2,384,552	2,431,301
Short term deposits	6,210,752	4,466,240
	8,595,304	6,897,541
Bank overdraft	(99,962)	(106,826)
Balances with maturity dates over three months	-	(144,619)
	8,495,342	6,646,096

6. Share Capital

An additional 6,250,000 ordinary stock units were listed on The Jamaica Stock Exchange on July 1, 2021, increasing the company's total issued ordinary stock units to 3,756,250,000. Of the 6,250,000 additional stock units, 4,228,850 were retained by the Group as Treasury stock units and 2,021,150 units were issued to employees who exercised stock options under the Company's Long-Term Incentive Plan.

7. 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, 2022

Name of Shareholder	Units	Percentage ownership
Wisynco Group Caribbean Limited	2,776,183,736	73.8094%
ATL Group Pension Fund Trustees Nom Ltd.	58,408,056	1.5550%
GraceKennedy Pension Fund Custodian Ltd.	32,922,285	0.8765%
SJIML A/C 3119	31,329,914	0.8341%
Sagicor Select Fund Ltd. ('Class C' Shares) Manufacturing & Distribution	30,964,303	0.8243%
Guardian Life Limited	29,341,646	0.7811%
Devon Reynolds	29,229,613	0.7782%
National Insurance Fund	28,571,979	0.7607%
Francois Chalifour	27,155,295	0.7229%
Sagicor Pooled Equity Fund	25,913,562	0.6899%

Shareholdings of Directors as at March 31, 2022

Directors	Direct	Connected Parties	Total
*William Mahfood	1,596,431	2,781,179,474	2,782,775,905
*Andrew Mahfood	727,763	2,780,819,959	2,781,547,722
Francois Chalifour	27,155,295	4,476,223	31,631,518
Devon 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	1,938,936	1,938,936
Odetta Rockhead Kerr	113,715	0	113,715

*These Directors have a beneficial holdings in Wisynco Group Caribbean Limited, which owns 73.8094% of Wisynco Group Limited in addition to other connected party holdings.

Shareholdings of Senior Executives as a March 31, 2022

Senior Executives	Direct	Connected Parties	Total
Andrew Fowles	2,225,300	0	2,225,300
Christopher Ramdon	2,202,383	0	2,202,383
Halcott Holness	2,085,333	0	2,085,333
Jacinth Bennett	1,220,000	0	1,220,000
Tabitha Athey	923,420	0	923,420
N. Craig Clare	878,318	0	878,318
Leilani Hunt	485,059	0	485,059
Vanessa Young	3,000	0	3,000