WISYNCO GROUP LIMITED

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QUESTION	RESPONSE
i) Dale Staple: Explain the non-existence in foreign exchange gain in 2022 vs 2021. Also, loss of royalties in 2022 vs 2021	Andrew M: Reference to page 116, note 10, the Company had a foreign exchange loss. When the USD strengthen against the JMD, the Company gets a gain, and when the opposite happens, the reverse happens. Company manufactures the Bigga at home whereas before it was manufactured overseas. Since the manufacturing has been localized, there is no further royalties to be gained but instead, the Company has gained in export revenue.
ii) Dale Staple: How is the company sure that the earnings per dollar will continue with the current trend?	William M: A substantial part of the company's business is manufacturing, the higher levels of efficiency in production drive operating cost and the increase in gross profit margin. Intention with the upcoming expansions is to have much higher impact on profitability in the coming financial year. Any expansion includes incremental cost. Inflationary adjustments in areas such as labour, fuel prices, commodity prices as a result of the war.
iii) David Rose: First quarter, there was a mention of production challenges that negatively impacted achieving the projected forecast. Can you elaborate on the production challenges.	Andrew M: The more the company produces the more he increased production causes stress to the equipment comes under. Accessibility of spare parts from suppliers. Company has doubled up on capacity to reduce these challenges, the demand was more than expected coming out of COVID so it is something being managed. S used in production. The company has expanded/doubled up on capacity for .
iv) David Rose: Can you speak to labour issues in manufacturing? In terms of the Trelawny distribution centre, have there been any challenges in meeting the labour demand at that location?	Andrew M: The Company has started employing team members prior to the expansion started. For example, in December the company was net positive on new hires. impulse consumption from snacks and juices etc. William M: The Company Is a desirable place to work. It is anticipated that the Company will not have a challenge in filling the roles. Between operation or production, the numbers for new hires may be estimated at 150 new hires.
v) David Rose: what is the projected effect that the expansion will have based on internal	William M:

forecast, and how will the expansion be manifested?	The real effect will be seen in the first half of the next financial year. Company is currently preparing by ordering equipment and machinery. The new space is being laid out for the factory estimated at 200,000 square ft of new space. On the financial side, the effect will be seen in the first half of the next financial quarter.
vi) David Rose: Which product lines have you identified as the focus of the expansion? vii) Is the expansion a new space or re-allocation of existing space?	William M: Everything the Company produces is in higher demand than projected and so the focus is on all areas. It is a totally new build out.
viii) Al Edwards: Given the macroeconomic environment and supply chain problems, will the Company be looking to develop more local brands geared towards export?	William M: Exports grew 70%. The Company has been inhibited in terms of exports because of challenges of capacity. It is a balancing act to meet the needs of local & global market. The expansion will give opportunity for export growth. Recently grape Wata was launched and has been successful. The Company will continue to innovate and continue to develop new products.
ix) Wesley Thomas: The Company was once into Styrofoam production, is the Company considering relaunching the production of the Styrofoam production?	William M: The impetus of the Company to discontinue the production of Styrofoam based on legislative changes. It is intended that all single use plastics will be banned which will leave very limited options for the country. As it relates to plastic bottles, the industry is devoted to recycling including this Company who has 2 officers of the company who sit on the board of the recycling company.
x) Wesley Thomas: Can you elaborate on intended acquisitions?	Andrew M: We are always looking for potential acquisitions and the Company is actively looking at options as they arise.
xi) Oniel Lynch Would the company consider a share buyback?	William M: The Company has to balance the need for capital to grow versus shareholder returns. The Company sees opportunity for growth, if the Company can use the capital the grow faster, then in the medium to long term then there will be more value for shareholders.
xii) Lansel Bloomfield Page 115, Note 7- Expenses by Nature Note What is being done to reduce these expenses?	Andrew M: The increase in fuel and increase in revenues has driven that figure upwards. The more the Company sells the more that figure will increase.

	Company is considering options to reduce that figure.
xiii) Lansel Bloomfield: What are the plans to obtain raw materials and finished products from nearer shores considering the volatility in the south China sea.	William M: The Company does not purchase a lot of raw material from that region. It comes from this hemisphere and from Turkey. The Company realized during the pandemic is the need to have multiple suppliers so that the Company can ensure redundancy.
xiv) Lansel Bloomfield: What is being done to reduce the cost of sales figures?	Andrew M: The Company is looking at more investment in energy to drive down that cost. The increase in sales cost was impacted by increase in prices eg fuel.
xv) Dale Staple: What is Convenient Brands and what is the cause for reduction in receivables?	Andrew M: Convenient Brands Limited (CBL) is an affiliate company that sells Dominos Pizza. They rent space from the Company as well as purchase the food items needed for that business from us. The reduction in receivables is because CBL paid down on its debt to the Company. Similarly, Trade Winds Citrus Limited (TWCL) is also an associated company. The year-end receivable went down from TWCL slightly.
xvi) Dale Staple: Explain the loss provision for obsolete inventory?	William M: The type of business of the Company, there are items that the Company sells that has a shelf life eg yogurts from Yoplait & Chobani. In the event the product isn't sold within a specific timeline, the items are written off. Similarly, the Company may bring in raw materials and if for example a label is changed, then that item would be written off as obsolete.
xvii) David Rose: What is the scale of the new investment?	Andrew M: $2m USD in the LNG area so that it is more dependable and will reduce costs by about 20%.
xviii) David Rose: is the new business complementary or a new business that has untapped potential.	William M: It is both.
xix) David Rose: In the context of increased IT hacks, how are you making Wisynco more resilient to IT hacks?	Chris Ramdon: ERP is wider than just a technology concern/ response to the IT hack threat. It is encompassing all areas of the business, not just the IT security however the IT security is a top priority. The results are shared with the auditors.IT security, data privacy and disaster recovery are amongst the top priorities of the technology team.
xx) Al Edwards: How are sales going with Worthy Rum there is also a shortage of rum for the hotels- can Worthy fill this gap?	William M: There is tremendous growth in the Worthy product and the shortage to the hotels opened the door for Worthy rum to meet some of the demand.