



Wisynco Group Limited
Interim Report (Unaudited)
2nd Quarter ended
31 December 2021

Wisynco Group Limited (Wisynco) – Interim Report to Stockholders

The Directors are pleased to present the unaudited financial results for the second quarter ended December 31, 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Revenues for the quarter of \$9.5 billion represent the highest in the company's history, an increase of 19% above the \$8 billion achieved in the corresponding quarter of the previous year. We have seen a continued recovery in our Revenues with all Channels increasing at vibrant levels. Exports as well for the quarter were up 103% over the same quarter of the prior year. Our increased efforts and focus have resulted in improved results in this area and we have noticed wider consumer acceptance for our products in these important export markets.

Gross Profit for the quarter of \$3.3 billion was 24.3% more than the \$2.7 billion achieved in the same quarter of the previous year. Similarly, our Gross Margin at 34.8% was higher than the 33.3% for the corresponding quarter in the prior year.

Selling, Distribution & Administrative expenses (SD&A) for the quarter totaled \$2.1 billion or 15.6% more than the \$1.8 billion for the corresponding quarter of the prior year. Our SD&A expense to sales ratio was 22.1% for the quarter, compared to 22.8% in the prior year as management continues to exercise control over our costs.

Profit before Taxation for the quarter was \$1.5 billion, which is an impressive \$707 million or 84.6% higher than the \$836 million of the comparative quarter for the prior year and includes an exchange gain of \$279.5 million (\$26.2 million exchange loss for the comparative quarter last year). YTD profit before taxation was \$2.8 billion compared to \$1.9 billion in the prior year an increase of \$962 million or 51.6%.

After provision for taxes, Wisynco recorded Net Profits Attributable to Stockholders of \$1.2 billion, or 31c per share for the quarter, which was 74% greater than the \$688 million earned for the prior year. Earnings per share for the prior year quarter was 19c.

Our Balance Sheet remains strong with a current ratio of 2.85 (2.42 for similar quarter last year) and a debt to equity level of 10.6% (13.8% prior year's quarter).

Buildout work has commenced on our North West Distribution Center in Hague, Trelawny and we are hopeful to commence operations by the end of March 2022. We see further efficiencies resulting from the operationalization of the Distribution Center.

Your Board declared an interim dividend of 20c per share, or 100% greater than the 10c per share interim dividend declared January 2021. This dividend will be paid on March 1, 2022 to shareholders on record as at February 15, 2022. The stock trades ex dividend February 14, 2022.

Again, we express our sincere gratitude to all our team members who continue to do their very best, the efforts of the entire team during these times has been very agile and remarkable. To all our customers, consumers and stockholders, we remain thankful for your continued support and wish everyone good health.



William Mahfood
Chairman



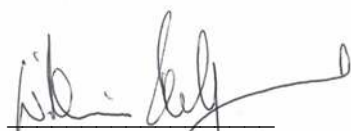
Andrew Mahfood
Chief Executive Officer

Wisynco Group Limited
Group Statement of Comprehensive Income
Six months ended 31 December 2021

	Quarter ended 31 December 2021 \$'000	Quarter ended 31 December 2020 \$'000	Six months ended 31 December 2021 \$'000	Six months ended 31 December 2020 \$'000
Revenue	9,493,297	7,978,766	18,699,200	16,044,869
Cost of sales	(6,192,150)	(5,323,062)	(12,117,109)	(10,491,870)
Gross Profit	3,301,147	2,655,704	6,582,091	5,552,999
Other operating income	26,833	35,231	71,418	78,107
Selling and distribution expenses	(1,740,917)	(1,478,400)	(3,386,579)	(3,043,366)
Administration expenses	(356,662)	(336,612)	(735,238)	(690,659)
Operating Profit	1,230,401	875,923	2,531,692	1,897,081
Finance income	353,667	45,176	361,020	86,626
Finance costs	(31,679)	(60,495)	(58,659)	(96,678)
Share of results of associate	(9,217)	(24,491)	(7,583)	(22,876)
Profit before Taxation	1,543,172	836,113	2,826,470	1,864,153
Taxation	(384,169)	(147,682)	(700,455)	(324,481)
Net Profit	1,159,003	688,431	2,126,015	1,539,672
Other Comprehensive Income				
Items that may be subsequently reclassified to P&L:				
Exchange differences on translation of foreign subsidiary	11,701	(404)	3,124	(292)
Share of other comprehensive income of associate	(10,233)	1,119	(10,601)	16,149
Items that may not be subsequently reclassified to P&L:				
Unrealised gains on investment securities	4,288	458	3,650	5,133
Total Comprehensive Income	1,164,759	689,604	2,122,188	1,560,661
Net Profit attributable to:				
Stockholders of Wisynco Group Limited	1,159,003	688,431	2,126,015	1,539,672
Total Comprehensive Income attributable to:				
Stockholders of Wisynco Group Limited	1,164,759	689,604	2,122,188	1,560,661
Basic and diluted earnings per stock unit attributable to stockholders of the group	3	\$0.31	\$0.19	\$0.57
		\$0.41		

Wisynco Group Limited
Group Statement of Financial Position
31 December 2021

		Unaudited December 31 2021 \$'000	Unaudited December 31 2020 \$'000	Audited June 30 2021 \$'000
	Note			
Non-Current Assets				
Property, plant and equipment		6,405,296	6,967,029	6,630,904
Intangible asset		12,579	26,821	18,247
Investment in associate	4	561,997	597,540	580,181
Loans receivable		217,696	178,493	205,685
Investment securities		832,986	458,270	640,840
		8,030,554	8,228,153	8,075,857
Current Assets				
Inventories		2,912,290	2,927,342	3,591,118
Receivables and prepayments		3,429,430	2,933,272	2,635,049
Investment securities		667,322	142,445	402,827
Cash and short-term deposits	5	8,914,892	6,797,572	7,661,003
		15,923,934	12,800,631	14,289,997
Current Liabilities				
Trade and other payables		3,959,821	3,168,573	4,590,330
Short-term borrowings		769,386	813,624	765,451
Lease Liability		35,281	50,282	80,292
Taxation payable		830,126	543,549	464,199
		5,594,614	4,576,028	5,900,272
Net Current Assets		10,329,320	8,224,603	8,389,725
		18,359,874	16,452,756	16,465,582
Shareholders' Equity				
Share capital	6	1,211,550	1,192,647	1,192,647
Other reserve		376,925	297,324	369,039
Translation reserve		52,387	63,992	59,864
Retained earnings		15,558,616	13,025,129	13,432,757
		17,199,478	14,579,092	15,054,307
Non-current Liabilities				
Deferred tax liabilities		99,966	155,647	99,966
Borrowings		980,681	1,641,937	1,311,309
Lease Liabilities		79,749	76,080	-
		1,160,396	1,873,664	1,411,275
		18,359,874	16,452,756	16,465,582


William Mahfood
Chairman


Andrew Mahfood
Chief Executive Officer

Wisynco Group Limited
Group Statement of Changes in Equity
Six months ended 31 December 2021

	Number of Shares	Share Capital \$'000	Capital Reserves \$'000	Retained Earnings \$'000	Translation Reserve \$'000	Total Equity \$'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	-	-	-	1,539,672	-	1,539,672
Changes in fair value of equity instruments measured at fair value through other comprehensive income	-	-	5,133	-	-	5,133
Share-based payment expenses, net of taxes	-	-	43,657	-	-	43,657
Share of other comprehensive income of associate	-	-	-	-	16,149	16,149
Exchange differences on translating foreign subsidiary	-	-	-	-	(292)	(292)
Total comprehensive income	-	-	48,790	1,539,672	15,857	1,604,319
Transactions with Owners:						
Dividends paid	-	-	-	-	-	-
	-	-	48,790	1,539,672	15,857	1,604,319
Balance at 31 December 2020	3,750,000,000	1,192,647	297,324	13,025,129	63,992	14,579,092
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	-	-	-	2,126,015	-	2,126,015
Changes in fair value of equity instruments measured at fair value through other comprehensive income	-	-	3,650	-	-	3,650
Long Term Incentive Plan (LTIP) expenses	-	-	13,795	-	-	13,795
Share of other comprehensive income of associate	-	-	-	-	(10,601)	(10,601)
Exchange differences on translating foreign subsidiary	-	-	-	-	3,124	3,124
Total comprehensive income	-	-	17,445	2,126,015	(7,477)	2,135,984
Issue of shares	6	6,250,000	-	-	-	-
Amount held as treasury shares	6	(5,062,600)	-	-	-	-
Shares Issued Through LTIP	6	1,187,400	18,903	(9,559)	-	9,344
Transactions with Owners:						
Dividends	-	-	-	(156)	-	(156)
	-	-	-	(156)	-	(156)
Balance as at 31 December 2021	3,751,187,400	1,211,550	376,925	15,558,616	52,387	17,199,478

Wisynco Group Limited
Group Statement of Cash Flows
Six months ended 31 December 2021

	Six months ended 31 December 2021 \$'000	Six months ended 31 December 2020 \$'000
Net profit from operations:	2,126,015	1,539,672
Items not affecting cash:		
Share of results of associate	7,583	22,876
Depreciation	471,613	514,797
Gain on sale of property, plant and equipment	-	(739)
Amortisation of intangibles	5,668	11,427
Amortisation of loan commitment fees	347	-
Long term investment plan (LTIP) expense	13,795	43,657
Interest income	(140,064)	(86,286)
Dividend income	(244)	(426)
Interest expense	58,100	77,855
Taxation expense	700,455	324,481
Exchange difference on foreign currency balances	(339,017)	(292)
	2,904,251	2,447,022
Changes in operating assets and liabilities:		
Inventories	678,828	389,418
Receivables and prepayments	(794,381)	(404,898)
Trade and other payables	119,491	167,040
Cash generated from operations	2,908,189	2,598,582
Taxation paid	(334,528)	(218,270)
Cash provided by operating activities	2,573,661	2,380,312
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(159,463)	(337,596)
Purchase of intangible assets	-	(6,086)
Purchase of investments securities	(462,395)	(319,854)
Net withdrawals of deposits over 3 months	291,935	487,026
Proceeds on disposal of property, plant and equipment	-	739
Proceeds from sale of investments securities	76,267	302,792
Long term receivables	2,001	(2,561)
Dividend received	244	426
Interest received	148,095	86,286
Cash (used in)/provided by investing activities	(103,316)	211,172
Cash Flows from Financing Activities		
Interest paid	(57,605)	(78,605)
Proceeds from long term loan	-	500,000
Proceeds from shares issued under LTIP	9,344	-
Long-term loans repaid	(330,975)	(333,212)
Lease liabilities repaid	(55,852)	(48,495)
Dividend paid	(750,156)	(337,500)
Cash used in financing activities	(1,185,244)	(297,812)
Effects of changes in foreign exchange rates	256,788	-
Increase in cash and cash equivalents	1,541,889	2,293,672
Cash and cash equivalents at beginning of period	7,265,567	3,637,130
Cash and Cash Equivalents at end of period	8,807,456	5,930,802

Wisynco Group Limited
Notes to the Interim Financial Statements
31 December 2021

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 December 31 2021	Quarter ended December 31 2020	Six months ended December 31 2021	Six months ended December 31 2020
Net profit attributable to ordinary stockholders (\$'000)	1,159,003	688,431	2,126,015	1,539,672
Basic & diluted earnings per stock unit	\$0.31	\$0.19	\$0.57	\$0.41

Wisynco Group Limited
Notes to the Interim Financial Statements
31 December 2021

4. Investment in Associate

	2021
	\$'000
At July 1st 2021	580,181
Amounts recognized in other comprehensive income	(10,601)
Amounts recognized in profit & loss	(7,583)
Amounts recognized in the Statement of Financial Position	<u>561,997</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.

5. Cash and Short Term Deposits

	Six months	Six months
	ended	ended
	December 31	December 31
	2021	2020
	\$'000	\$'000
Cash and bank balances	2,432,125	2,601,889
Short term deposits	6,482,767	4,195,683
	<u>8,914,892</u>	<u>6,797,572</u>
Bank overdraft	(107,436)	(152,110)
Balances with maturity dates over three months	-	(714,660)
	<u>8,807,456</u>	<u>5,930,802</u>

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, 5,062,600 were retained by the Group as Treasury stock units and 1,187,400 units were issued to employees who exercised stock options under the Company's Long-Term Incentive Plan.

7. Subsequent Events

The Company declared a dividend of 20c per share payable to shareholders on record as at February 15, 2022 with a payment date of March 1, 2022.

10 Largest Shareholders of Wisynco Group Limited as at December 31, 2021

	Name of Shareholder	Units	Percentage Ownership
1	Wisynco Group Caribbean Limited	2,776,183,736	73.9084%
2	ATL Group Pension Fund Trustees Nom Ltd	58,408,056	1.5550%
3	GraceKennedy Pension Fund Custodian Ltd	32,922,285	0.8765%
4	SJIML A/C 3119	31,329,914	0.8341%
5	Sagikor Select Fund Limited - ('Class C' Shares) Manufacturing & Distribution	30,964,303	0.8243%
6	Guardian Life Limited	29,341,646	0.7811%
7	Devon H. Reynolds	29,229,613	0.7782%
8	National Insurance Fund	28,571,979	0.7607%
9	Francois Chalifour	27,155,295	0.7229%
10	Sagikor Pooled Equity Fund	23,913,562	0.6366%

Shareholdings of Directors as at December 31, 2021

Directors	Direct	Connected Parties	Total
*William Mahfood	876,431	2,781,179,474	2,782,055,905
*Andrew Mahfood	727,763	2,780,819,959	2,781,547,722
Francois Chalifour	27,155,295	4,476,223	31,631,518
Devon 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	1,938,936	1,938,936
Odetta Rockhead Kerr	113,715	0	113,715

*These Directors have a beneficial holding in Wisynco Group Caribbean Limited, which owns 73.90% of Wisynco Group Limited in addition to other connected party holdings.

Shareholdings of Senior Executives as at December 31, 2021

Senior Executives

	Direct	Connected Parties	Total
Leilani Hunt	485,059	0	485,059
Halcott Holness	2,085,333	0	2,085,333
Jacinth Bennett	1,220,000	0	1,220,000
Vanessa Young	0	0	0
Andrew Fowles	2,225,300	0	2,225,300
Christopher Ramdon	2,202,383	0	2,202,383
Tabitha Athey	923,420	0	923,420
N. Craig Clare	776,318	0	776,318
Annette Morrison	236,000	0	236,000