



## CEO Report for First Quarter ending January 31, 2023

Our company reported a loss in the 1<sup>st</sup> quarter period ending 31 January 2023 and while the outcome is disappointing, I want to assure you that your management team has already taken steps to reverse this loss and improve our financial position.

Our revenues declined compared to same period last year, and our net profit was negative. The result was primarily due to a significant decline in revenues projected from the Projects Department. In 2022, Projects suffered significant delays in delivery of goods (due to longer lead and delivery times), however we are pleased to report that CAC has had a substantial increase in the number of jobs won since January 31, 2023.

A summary of the year-to-date financial results for the 1<sup>st</sup> quarter 2023 and the prior are detailed below:

### Summary Results (\$)

	YTD @ Jan 31, 2023	YTD @ Jan 31, 2022
Revenues	\$127,896,569	\$222,238,478
Gross Profit	45,410,773	71,909,564
Other Income	8,400	5,700
Operating Expenses	(83,221,077)	(89,596,416)
Operating Profit	(37,810,304)	(23,989,067)
Finance and Other Costs	(11,056,779)	(8,766,202)
Net Income (Loss)	(51,817,976)	(32,755,269)

### Operating Expenses:

On the positive side, the management team is making significant strides in improving operational efficiencies and reducing our expenses that continue to trend downward over the previous year with a 7% decrease. The reduction is expected to continue as we streamline our operations to reduce waste and improve our environmental footprint.

### Trade Receivables:

Trade receivables decreased by 34% (\$433,205,406 vs. \$657,262,509) over the same period last year. The reduction in Receivables is attributable to the commendable teams' efforts focused to improve trade receivables, especially collecting the long outstanding Tax Withholding Exemption Certificates (TWE), and driving down debtor days, which will ultimately create a positive impact on our financial performance.

### **Inventory:**

Inventories increased by 22% which was expected as many of the back logged orders/items were arriving in the 4<sup>th</sup> quarter of 2022 and this year's 1<sup>st</sup> quarter, which has had an overall negative impact on cash due to clearances and supplier payments becoming due based on the deliveries.

### **Shareholder's Net Equity:**

Our shareholder's equity also declined by 1% as compared to the same period last year as a result of the loss position.

### **Way Forward:**

The management team is aggressively working to address the challenges which impacted the 1<sup>st</sup> quarter results through several initiatives. We are pleased to announce the opening of our first retail store located at Unit #3U Village Plaza, which will allow our valued customers easier access of our products and services. This location will house CAC's Sales Team as well as the EnRvate Team, which we see as a positive from the perspective of increased collaboration for both Energy and Indoor Environmental Quality (IEQ) project proposals.

The management team has also invested in a new estimation platform to better meet the needs of our customers as it pertains to quicker turnaround times for engineered solution quotation requests and designs.

As market trends continue to evolve, we are working to implement a new marketing strategy to improve our brand awareness and customer engagements. This will include targeted advertising and social media campaigns, as well as improving our overall customer and support services.

In terms of strategic initiatives, we are pleased to announce that CAC 2000 Limited has been confirmed as the distributor for Crown Limited, renowned specialists for Electric and high reach, narrow isle forklifts, freezer conditions. This initiative will be complimentary to our business, especially in the service arena and will allow CAC to further diversify our products, services, and revenue streams.

Our company remains committed to our employees' engagement using semi-annual eNPS surveys, our reward and recognition GEMS program, the involvement of our employee led Social Committee and initiatives developed and implemented through by our HR department all aimed at improving employees' satisfaction.

### **CAC 2000 Foundation:**

We remain committed to corporate social responsibility and are working to reduce unfavorable environmental impact and improve people's lives through The Foundation as we look to launch the next tranche of our Service Technician Training Program by June 2023.

**Recent Uploads to JSE:**

We have uploaded our 2022 Annual Report and this one was a lot of fun to create as it does have a different spin on it, so please feel free to peruse it on the Jamaica Stock Exchange website, and in due course our website.

**Closing Statement:**

We recognize that some of these initiatives will take time to bear fruits, but we remain committed to delivering long-term value to our shareholders and we believe that our company will emerge from this period stronger and more competitive than ever before.

Thank you as always for giving us the opportunity to Improve People’s Lives by excelling as the leading experts in Energy and Indoor Environmental Quality (IEQ).

Sincerely,

DocuSigned by:  
*Gia Abraham*  
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Gia Abraham  
Chief Executive (encouragement) Officer