



INTERIM REPORT TO OUR STOCKHOLDERS

GraceKennedy Limited (GK) is pleased to present our financial results for the year ended December 31, 2023. For the period, GK realized revenue of J\$155.0 billion, an increase of 9.5% over 2022. With this result, GK surpassed the US\$1 billion revenue mark, a significant milestone on our journey to becoming a US\$2.1 billion company by 2030.

In 2023 profit before other income increased by J\$1.1 billion to J\$7.5 billion, a notable 17.9% increase over prior year, while profit before tax (PBT) for 2023 was J\$11.4 billion, an increase of 11.0% or J\$1.1 billion when compared to 2022. Profit after tax totalled J\$8.4 billion, compared to J\$7.6 billion in 2022, an increase of J\$764 million or 10.0%. Net profit attributable to stockholders was J\$7.8 billion, 10.4% or J\$733 million higher than the corresponding period of 2022. Earnings per stock unit for the period was J\$7.86 (2022: J\$7.11).

In 2023 GK's total dividend pay-out was approximately J\$2.15 billion. Building on our strong 2023 performance and consistent with our Company's commitment to deliver value to our shareholders, we are pleased to announce GK's first dividend payment for 2024. A dividend of J\$0.52 per stock unit has been declared, payable on April 5, 2024, totalling approximately J\$515 million.

Performance of Business Segments

Food

GK's food businesses performed well in 2023, achieving growth in both revenue and profit.

Our Jamaican food distribution business saw improved performance over the prior year, demonstrating resilience amidst inflationary pressures which impacted consumer spending power. Grace Foods & Services had a positive performance in 2023, capitalizing on its strong product offerings, improved margins, and effective cost-saving measures. Strategic partnerships, including an agreement to expand Nestlé's product coverage across Jamaica contributed to World Brands Services' significant growth in revenue and PBT. Similarly, Consumer Brands Limited delivered strong growth in revenue and PBT, driven by successful product launches which tapped into new market segments and distribution channels.

Our manufacturing business delivered a strong performance in 2023. These positive results were driven by Grace Food Processors (Meats), which successfully enhanced its production efficiency and boosted volumes. The merger of National Processors and Grace Food Processors (GFP) Canning into GFP NALCAN is also complete, and we have begun to see associated improvements in line efficiencies and utilization rates.

GK's Jamaican supermarket chain, Hi-Lo Food Stores delivered a strong performance in 2023. Hi-Lo's store in Negril, which opened in 2022, performed particularly well. Hi-Lo remains committed to achieving its vision of becoming Jamaica's leading supermarket for customer experience, with plans underway to renovate existing stores and expand its footprint.

GK's international food businesses produced improved performance in 2023 compared to the previous year. Grace Foods UK Limited and GK Foods (USA) LLC (GK Foods USA) delivered strong revenue and profit, and Grace Foods Latin America and the Caribbean and GK (Belize) Limited achieved moderate growth. In the US market, GK Foods USA expanded its reach and boosted revenue across all regions, with our La Fe brand performing particularly well. In the Canadian market, Grace Foods Canada, Inc. endured challenges stemming from inflation and supply chain disruptions. In the UK, the strong performance of our Nurishment brand and Grace Foods UK's focus on cost containment and improving operational efficiency contributed to notably improved results.

Financial Services

The GraceKennedy Financial Group (GKFG) demonstrated continued growth in 2023, achieving increased revenue and profit compared to prior year.

A key driver of GKFG's improved performance was our insurance segment. Our acquisition of Scotia Insurance Caribbean Limited (SICL) in March 2023, subsequently renamed GK Life Insurance Caribbean Limited, played a pivotal role in bolstering our life insurance business. In December, GK Life Insurance Caribbean Limited and GK Life Insurance Eastern Caribbean Limited, launched a new core insurance platform, which is anticipated to enhance operational efficiency and elevate client experience. GK General Insurance Company Limited displayed positive results, exceeding revenue and PBT compared to 2022. Allied Insurance Brokers Limited achieved exceptional growth in revenue, translating into double-digit growth in PBT. In 2023 Canopy Insurance Limited (Canopy), our group life and health insurance joint venture, recorded its best performance since launching in 2019. Canopy also introduced proprietary software which enables the delivery of innovative digital insurance products for its clients.

Our banking and investment segment showed mixed results with improved revenue but a decline in profit. Our Jamaican commercial bank, First Global Bank (FGB) Limited, demonstrated growth during the period. Improved loan and investment yields, coupled with effective cost management, fuelled FGB's improved revenue and profit. FGB also made notable progress in the digital space, unveiling an end-to-end onboarding process for new customers, and enhanced digital loan application procedure. SigniaGlobe Financial Group Inc., our jointly owned merchant banking business in Barbados, also ended 2023 with improved profit performance. In 2023, there was downturn in the performance of the Jamaican equities market. Notwithstanding this GK Capital Management (GKCM) Limited, our investment and advisory arm in Jamaica, demonstrated resilience, and continued to prioritize its customer-centric focus. In March 2023 GKCM launched GK Mutual Funds, a partnership with the Trinidad and Tobago Unit Trust Corporation, offering stable and consistent investment solutions for its clients.

Our money services segment reported marginal declines in revenue and PBT in 2023 amidst challenging economic conditions and a downturn in remittance inflows to Jamaica. Several strategic initiatives were executed during the period to protect margins and bolster our remittance business. Fuelled by the growing demand for digital remittances, our GK One mobile app continued to solidify its position as the leading platform for remittances to wallets in Jamaica. We made significant advances by introducing new functionalities within the app and remain focused on extending its reach to new markets across the Caribbean. GK Payment Services Limited, which operates our Bill Express and Coin Exchange brands, saw increased top-line growth in 2023, propelled by a record high in Bill Express digital transactions.

Mergers & Acquisitions

Aligned with the strategic objectives of our 2030 vision, we continued to successfully execute our M&A strategy.

In February 2023 we increased our ownership stake in Catherine's Peak Bottling Company Limited, from 35% to 70%. Catherine's Peak Bottling Company Limited owns the Catherine's Peak pure spring water brand and is now a subsidiary of our Group. Then in October we acquired Unibev Limited, a Jamaican manufacturing company specializing in fully integrated spring water production. Both acquisitions bolster our presence in Jamaica's spring water market while reinforcing our supply chain, directly supporting the growth strategy of our Jamaican food business.

Our acquisition of SICL, now renamed GK Life Insurance Caribbean Limited, was completed in March. In addition to the seven Caribbean markets GK Life Insurance Eastern Caribbean Limited already served (Anguilla, Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines), GK Life Insurance

Caribbean Limited now offers credit protection insurance in the five territories where SICL operated (Barbados, Belize, the British Virgin Islands, the Cayman Islands, and the Turks & Caicos Islands). St Maarten was also recently added as a new market. These acquisitions align with GKFG's strategic goal of expanding our insurance business across the Caribbean, further advancing the Group's presence in the region. Both acquisitions, GK Life Insurance Caribbean Limited and GK Life Insurance Eastern Caribbean Limited, have been delivering positive results.

Share Buy-Back

In November 2023 we began our share buy-back programme, having received the relevant regulatory approval in August. Under the programme, GK is allowed to repurchase up to 1% of our Company's shares in issue, over a period of up to one year. The repurchase of shares will be conducted on the open market through our stockbrokers in Jamaica and Trinidad & Tobago, using cash reserves. We believe that investing in our own Company is a good use of capital for long term returns. The share buy-back will support us in achieving our 2030 vision, providing an opportunity to enhance shareholder value by helping to raise earnings per share.

We Care

In September, we released our inaugural Environmental Social and Governance (ESG) report. The report, which has been met with an overwhelming positive response, showcases GK's strong commitment to sustainable business practices. It introduced seven ESG goals, each aligned with one of our five ESG themes and the UN Sustainable Development Goals. Preliminary targets have been set for these goals, outlining initial steps toward advancing our ESG agenda. To translate these goals into action, cross-functional teams are now being mobilized to integrate them across our Group.

We continue to invest in community development through our active corporate social responsibility programme, led by our two Foundations. In 2023 our Grace & Staff Community Development Foundation (Grace & Staff) provided tuition support to 1,563 Jamaican secondary and tertiary students. Grace & Staff also provided over 1,100 hours of counselling to 780 people, and through our annual Christmas Outreach, delivered care packages to nearly 1,000 people living in underserved Jamaican communities. Our GK Foundation (GKF) continued its environmental focus, engaging with over 480 volunteers to remove 6,000 kilogrammes of waste from the Kingston Harbour coastline in Kingston, Jamaica at our annual cleanup in September. In 2023 the Kingston Harbour Cleanup Project, a joint effort by GKF, The Ocean Cleanup, and Clean Harbours Jamaica, achieved the milestone of removing one million kilogrammes of waste from the Harbour. Last year GKF also awarded scholarships and bursaries worth over J\$27 million and through the GK Campus Connect Food Bank provided support to 250 Jamaican university students monthly.

Recognition & Awards

2023 proved to be a year of remarkable achievement for GraceKennedy, as we were honoured with several prestigious awards.

For the third consecutive year, GK was the proud recipient of the Governor General's Award for Excellence at the Jamaica Stock Exchange (JSE) Best Practices Awards. GK was also declared winner of the Private Sector of Jamaica/JSE Corporate Governance Award for companies listed on the JSE Main Market; and was the first runner up in the Corporate Disclosure & Investor Relations and Best Website categories, and second runner up in the Annual Report category. Key Insurance was first runner up for the PSOJ/JSE Corporate Governance Award; and GKCM was first runner up in the Expansion of Investors and Listed Companies Base category of the JSE Member Dealers Awards.

We were delighted to accept these and other awards in 2023 and extend our heartfelt appreciation to our dedicated team members whose hard work and commitment made our achievements possible.

GraceKennedy's strong 2023 performance reflects our commitment to efficiency and delivering superior products and services. We are *building a culture of excellence through great people*. Our dedicated team continues to effectively execute our strategy, as we work towards achieving our 2030 vision of becoming *the number one Caribbean brand with Jamaican roots and a global reach, by building on our core pillars of Foods and Financial Services to provide strong returns to our shareholders and improve the quality of life of our team members, customers and the communities we serve*.



Gordon V. Shirley, OJ
Chairman



Donald G. Wehby, CD
Group Chief Executive Officer

February 29, 2024