

PLATFORMS TO SUCCESS'

CHAIRMAN'S REPORT TO THE 66TH ANNUAL GENERAL MEETING OF BANKS DIH LIMITED



My fellow Directors, shareholders, those who are observing the meeting virtually, Proxies in attendance and Ladies and Gentlemen, permit me to extend a virtual, yet warm and cordial welcome to the 66th Annual General Meeting of Banks DIH

Limited and to extend on my own behalf and that of the Board of Directors, the Management and Staff, best wishes for a Healthy, Safe, Peaceful and Productive 2022.

Our Annual General Meeting this afternoon will be conducted in the manner pursuant to the Order of Court made by the Honourable Justice Mr Franklin Holder and entered on the 9th day of December 2021.

ANNOUNCEMENT



My fellow Shareholders, Ladies and Gentlemen, permit me at this juncture to formally advise of the following changes to the composition of the Board of Directors. Operations Director Michael Henry Pereira, has indicated his intention to retire from active service within the Company after fifty-two (52) years of dedicated and loyal service. His retirement became effective as at the 31st December 2021.

Mr Pereira's long and respected association with our Company began when he was employed within our Central Services Department in November 1969. By dint of application, commitment and a demonstration of his willingness to accept

responsibility, was promoted in 1975 to the position of Assistant General Stores Manager.

He further demonstrated the capacity for upward mobility and was promoted to the Company's Executive Management team when he was confirmed as Purchasing Executive in 1988. In 1995 he was assigned the responsibility for Procurement for the entire Company and assumed the designation of Materials Handling Executive. In March 1997, Mr Pereira was invited to join the Board of Director as Purchasing Director. His duties and responsibilities were extended in 1998 when he was designated Operations Director which included responsibility for Production and Engineering activities within the Company.

Mr Pereira's illustrious career which spans a period of 52 years, serves to highlight his many qualities among which are his tenacity, diligence and integrity. His affable nature and generosity have endeared him to both peers and subordinate alike. I wish to thank him for these years of selfless service to our Company.

Mr Alester Cameron

Additionally, my fellow Shareholders, permit me to introduce Mr Alester Cameron



who is the elected Worker Management Participation (WMPB) Director who represents employees' interests on the Board of Directors.

Alester, who is a Mechanical Engineer by profession, holds a Bachelor of Mechanical Engineering Degree from the University of Guyana and is currently assigned to the Thirst Park Central Services Department.

Mr Gavin Todd

My fellow Shareholders, Ladies and Gentlemen, permit me at this time to formally



introduce Mr Gavin Todd, our Chief Engineer who has been invited to sit on the Board of Directors to fill the vacancy created by Mr Pereira’s retirement. Gavin, who will hold the position of Operations Director, is a Peter d’Aguiar Memorial Scholarship awardee having graduated from the University of Guyana with a Bachelor of Science Degree in Mechanical Engineering

in addition to several Post Graduate and Technical Qualifications, which includes the Ivey Executive Programme at the University of Western Ontario, Canada. He also served various Organisations, both charitable and professional, Rotary International, Board of Directors of Guyana Water Inc., and the National Council of Guyana. Gavin has completed twenty-eight (28) years of service with Banks DIH Limited.

Permit me on your behalf my fellow Shareholders, to thank Mr Pereira for his long and dedicated service and to welcome Mr Cameron and Mr Todd to the Board of Directors.

Annual Report’s cover.

Fellow shareholders, permit me to explain the Annual Report’s cover. The golden rings emerging from the image of the bottle represent four Platforms of Success – the shareholders, suppliers, employees and customers. The image also depicts the Rotunda and our Logo, the two Lions.

My fellow shareholders, it was the American Writer and Poet, Bessie Anderson Stanley, who penned the



following words of hope and optimism ***“He has achieved success, who has lived well; laughed often and loved much; who has always looked for the best in others and given them the best he had; whose life was an inspiration and whose memory a benediction”.***

My fellow shareholders, March 2020 in hindsight seems such a long time ago leaving us to wonder whether Bessie Anderson Stanley’s words of hope and optimism truly have any place amidst the painful experiences which the Covid Pandemic has visited upon us over the past sixteen month.

The adage that one should learn from life’s experiences repeats itself within my thoughts. What lessons have we and indeed our Company learnt from the experiences of the past sixteen months?

I can attest to the fact that we have a better appreciation for and renewed understanding of the value and importance of the relationships we have with our Shareholders, Suppliers, Employees and Customers, for it was those strong relationships which provided the support and the willpower to remain resolved and committed, to adapt, to grow and move on.

My fellow shareholders, was there the temptation to allow the fact that this pandemic came without a playbook and no prior experiences to guide and inform decision-making and actions, resulting in our taking a wait and see approach? The severity and rapid spread of the virus did not permit such a luxury.

It was John Foster Dulles, former American Secretary of State who said, ***“the measure of success is not whether you have a tough problem to deal with, but rather is it the same problem you had last year?”***

The motivation to grow and move forward meaning achieving success, can never be achieved in a state of stagnation. Covid-19 presented itself as a tough new problem which required a new and different response. The answers and solutions came by way of learning from science and the experts, continuing dialogue and conversations and that spirit of co-operation and involvement which has been a part of our Company ethos over the years.

My fellow shareholders, Financial Year 2021 was an experience which we will not easily forget. You may remember from our last Annual General Meeting we spoke about being creative and the value which comes out of that activity of being creative which is itself a platform to success.

Irrespective of where we may be on the journey of life, we should have an appreciation of the fact that success is influenced by several factors, which include creative thinking, enthusiasm and the unwavering belief in one's dreams and ideas. What is also necessary and important in the effort to attain success, is to recognise the value of faith and the conviction that the things you dream of and hope for, are possible and that your ability and capacity can transform them into reality.

My fellow shareholders, what we strive continually to better understand and to apply within our Company, is the truism that action and effort are the true platforms to success. Little or nothing worthwhile will be accomplished simply because you have a dream and believe in it.

Wishing, hoping, praying and having faith are in themselves useful means towards an end but unless those things are coupled with taking the steps to realise those dreams, success will continue to be elusive and out of your grasp. The Good Book reminds us of the dangers and the futility of constructing any edifice on the unsecure foundation of shifting sand.

Over the past year, we put policies and mitigation measure in place to protect and safeguard the security, the safety and well-being of our employees, our customers, our suppliers and our shareholders' interests and investments, our revenue generation activities and our asset base.

Nothing was left to the changing fortunes of chance. What we have discovered and recognised over the 65 years of our existence, is the importance of continuously strengthening and reinforcing those platforms upon which our Company is built. It's not enough to simply speak about those platforms which activity can be described as standing at the entrance of a dark tunnel without moving forward. There will always be uncertainty about many things but unless you move forward,

you will never see the light at the end or get to the other side. The experience is similar in reaching for success which is not founded on stagnation and inactivity but rather on forward thinking and advancing, moving on with confidence to enable achieving those things you hope for.

My fellow shareholders, the importance of action and effort have been the platforms of successful persons across the ages, who have not only dreamed, but have in fact acted and succeeded.

Their accomplishments stand for us in our Company as an inspiration to move ahead to overcome those challenges which will confront us.

My fellow shareholders, as we reflect on the year ahead of us and the challenge to succeed, it will be useful to reflect on the words of German Philosopher, Albert Schweitzer who said, ***“Success is not the key to happiness. Happiness is the key to success”***. If you love what you are doing, you will be successful. The achieving of success in any endeavour must be built on another of life’s platforms which is the recognition that we need each other to be successful.

Each of us has more than enough reason to remember with gratitude those who lit the spark of success within us thereby enabling that spark to become a flame within us.

Chairman's Report

My fellow Shareholders, I am pleased to report that the Banks DIH Group continues to excel by showing consistent sustained growth over the past year ended 30 September 2021.

Revenue and Profits

For the period ended September 30 2021 the Profit after Tax for the Company was \$6.777 billion compared to \$5.271 billion, an increase of \$1.506 billion or 28.6%. This improvement in performance was as a result of an increase in physical sales by 6%, the increase in dollar sales turnover by 17.7%, management of operational expenses and better yields derived from raw material utilisation.

The Group's Profit before Tax also improved from \$8.899 billion to \$11.078 billion by \$2.179 billion or 24.5%.

Profit after Tax for the Group attributable to shareholders of the parent Company was \$7.170 billion compared to \$5.666 billion in 2020, an increase of \$1.504 billion or 26.5%. The Group's Net Asset Value per share has increased from \$50.89 to \$58.87 by 15.7%.

The Board of Directors has recommended a dividend proposal of \$1.70 per share unit resulting in an overall cost of \$1.445 billion as compared with \$1.147 billion in 2020, an increase of \$298.0 million or 26%.

Revenue generated by the Company was \$35.858 billion compared to \$30.468 billion in 2020, an increase of \$5.390 billion or 17.7%.

The Profit before Tax for the Company was \$9.439 billion compared to \$7.329 billion, achieved in 2020, an increase of \$2.110 billion or 28.8%, while the Profit After Tax for the Company increased from \$5.271 billion to \$6.777 billion by \$1.506 billion or 28.6%.

My Fellow Shareholders, the Financial Year which ended on 30 September 2021 again presented challenges mainly resulting from the COVID-19 lockdown and

restrictions which contributed to curtailed market conditions. However, the Company continues to supply its customers with a range of quality beverages and food products and innovative strategies with the ultimate objective of remaining at the forefront of the highly competitive market.

We were able to deliver products in a post-lockdown period by encouraging the creation of further customer connection by utilising our “Stay at Home message and Home Delivery Packs”.

There were unavoidable increases in the cost of raw and packaging materials, spares and fuel as well as their availability due to the global supply chain issues caused by the COVID-19 pandemic. The Company was able to mitigate some of the effects of this issue as a result of the investment in upgraded plant and machinery to enable the extraction of better yields from raw materials used.

By engaging and empowering our dedicated employees, the Company’s growth and sustainability efforts were shown in the performance of the year just concluded.

Capital Expenditure

Fellow Shareholders, during the period under review the Company continued to invest in new technology and other assets to sustain growth, by upgrading our production capabilities, to achieve better operational efficiencies.

Capital projects completed, included the upgrade of the malts packaging line to enhance the efficiencies of the bottling process.

The Soft Drinks Plant benefitted from upgrades to the Blowmoulder, Filler, Labeller, Shrink Wrapper and Pallet Wrapper, and the Rum and Winery operations received a new Labeller and CIP System and new Fermenters respectively.

In the Trisco Division, the Bakery was updated with a new Intermediate Proofer, Conveyors and Moulders while a new Sugar Pulveriser Mill was installed on the Biscuit Plant in order to improve the quality of our cookie, cake and pastry products. A new Crate Washer was installed in the Dairy Plant.

Our route to market channels was strengthened with the acquisition of new Trucks and Forklifts. Our customer experience was also enhanced as we continue to provide them with Merchandising Coolers, Freezers and Water Dispensers.

Other projects completed, included the new Record Storage Facilities and a new Motorised Truck Washing Facility.

Our Information & Communication Technology capacity was further enhanced with the addition of new Hardware and Software as well as the replacement of several old items of equipment.

At the time of reporting there were capital projects which are ongoing and are expected to be completed within the new financial year.

These include the acquisition of lands at Vreed-en-Hoop and Bartica to facilitate the construction of two new Qik Serv Restaurants.

The Soft Drinks Plant Syrup Room and Blending Facility are being upgraded to facilitate the production of Minute Maid products under license from the Coca-Cola Company, a new Malt and Rice Mill as well as a new Centrifuge System will be added to the Brewery. A new Bottled Water Packaging line will be installed at the Industrial Site location.

Citizens Bank Guyana Inc.

The revenue of Citizens Bank Guyana Inc., a 51% owned subsidiary of the Company was \$3.949 billion compared with \$3.749 billion generated in 2020, an increase of \$200 million or 5.3%.

The Profit before Tax was \$1.782 billion compared to \$1.673 billion in 2020, an increase of \$109.0 million or 6.5%, while Profit after Tax was \$1.056 billion compared to \$982.2 million, an increase of \$73.3 million or 7.5%. Net Interest Income was \$2.866 billion.

The earnings per share was \$17.74 while the total asset base was \$82.7 billion. Loan Assets were increased from \$31.7 billion to \$33.8 billion reflecting an increase of 6.6% or \$2.1 billion.

Banks Automotive and Services Inc.

Banks Automotive and Services Inc., a 100% owned subsidiary of the Company generated revenues of \$57.5 million. The Profit before Tax was \$2.1 million. In 2022, the new multi-story vehicle parking facility and corporate offices and show room of Banks Automotive and Services Inc., will be completed.

Dividends

The Board of Directors declared a first interim dividend of \$0.30 per share unit which was paid on 25 May 2021. A second interim dividend of \$0.40 per share unit was also paid on 25 October 2021, and now the Board of Directors recommends a final dividend of \$1.00 per share unit, making the overall dividend per share unit of \$1.70 or an overall cost of \$1.445 billion, an increase of \$298.0 million or 26% over the previous year.

Growth in Shareholders' Value

My fellow Shareholders, irrespective of the challenges which confronted us during the period under review, we were able to record growth in Shareholder Value.

From the Net Profit of \$7.170 billion attributable to Shareholders, a dividend payment of \$1.147 billion was made, leaving the sum of \$6.024 billion which was transferred to Retained Earnings. The market value for the Company's shares as at 30 November 2021 was \$135.00 per share.

Total Quality Management and Environment Safety Functions

My Fellow Shareholders, for the period under review our Production Plants successfully completed the ISO and Coca-Cola Quality and Safety Management Systems Audits:

- ISO 9001:2015 (Quality Management system) Surveillance Recertification Audit
- ISO 22000:2005 – Food Safety Management System – Recertification and certification to new ISO 22000:2018 standard
- ISO/TS 22002-1:2009 – Prerequisite Programmes on Food Safety – Recertification
- ISO/TS 22002-4:2013 – Prerequisite Programmes on Packaging Manufacturing for our NR PET Manufacturing – Recertification
- FSSC 22000-Version 4.1 – Food Safety Management System Recertification and Certification to new FSSC 22000-Version 5.0
- The Coca-Cola Global Organisation – Supplier Guiding Principles Audit
- US Army Sanitation (Food Safety) Audit for our Water Plant

Additionally, my Fellow Shareholders, I can report with much pride that Banks DIH Limited has consistently retained the top spot within the Emerging Market Segment of the Coca-Cola Latin Centre Business Unit, OSI scoring System, achieving the maximum score of 300 points for Product Quality and Safety.

During the year the Brewery achieved in the League of Excellence third in the Americas out of fourteen (14) Breweries and eight worldwide out of forty-nine (49) Breweries. The Brewery also placed second in the Large Breweries category with regards to the League of Excellence rankings.

The Environment Department also completed the transition to ISO 45001:20178 and renewed ISO 14001:2015 certificate.

EPA Environmental Audit was facilitated during the year as well as increased inspection/servicing of fire detection systems. The capacity of this department was further enhanced by certifying employees in NEBOSH (National Examination Board in Occupational Safety and Health) and Pest Control Applicators Proficiency from the pesticide and Toxic Chemical Board. Consequent upon the onset of the COVID-19 Virus Pandemic in March 2020, we continue to implement a company-

wide schedule of mitigation measures to counter the effects of the Pandemic within the Company.

These included the creation of sanitising and washing stations at entry points and designated areas within the Company's facilities, recording of temperatures, fogging and sanitising of office spaces, production areas and vehicles. The services of our Industrial Nurse were co-opted to monitor the health status of staff members and to oversee quarantine measures. If needed, Mitigation measures were also implemented at our restaurants, bars and outlets. We are pleased to report that 99% of our employees are vaccinated.

Community Relations/Partnerships

My Fellow Shareholders, our Mission Statement expresses our hopes and aspirations for our company. Within the constraints so dramatically displayed by the COVID-19 Pandemic, we continued to support the Communities within which we operate. Our Brand Ambassadors' Programme, support for Religious and Faith based Communities, Apprenticeship and Work Study Programmes continued. We supported our employees through training programmes facilitated by the Training Department and the provision of scholarships to pursue degree programmes at the University of Guyana.

Acknowledgement

I acknowledge the expertise and counsel that the Board of Directors contributed to the progress of the Company throughout the year as well as that of our leadership team and employees. Importantly on behalf of the Board, I would like to express our gratitude to our valued Shareholders, Suppliers, Employees and Customers.

CONCLUSION

My fellow shareholders, within my opening remarks, reference was made to a quotation taken from Bessie Anderson Stanley, an American writer who shared her thoughts on the subject of “Achieving Success”.

Her understanding of the concept of success is intended to cause us to reflect deeply for the reason that too many of us are inclined to see the attainment of success in whichever endeavour of life, as a destination rather than a continuing journey of seeking, finding and gaining newer experiences, increased wisdom and personal growth. Success indicators should not only be centred on money, power and status.

The understanding should be that these can potentially be the outcome of attaining success, but should never be the sole motivator on the journey to be successful.

My fellow shareholders, Ladies and Gentlemen, the concept and understanding of the need to change and grow therefore becomes a primary consideration in any endeavour to be successful.

Keeping in mind the eternal words of Bessie Anderson Stanley, we can for example, determine in an honest way, how much of a positive impact we have had on others, meaning have we been successful in bringing about change for better wherever we live and reside?

My fellow shareholders, an aspect of the wisdom which is a platform of the teachings of all the world’s religion, clearly reminds us irrespective of culture, race or nationality, that it’s not our wealth that remains of us long after we have departed this life and our heritage distributed until we are forgotten. What truly remains of us is the contribution we have made to life and the profound impact we have had on other peoples’ lives. How were the ways in which we helped to make this world a better place and how we helped others to positively impact their lives? My fellow shareholders, the words of Etienne de Grellet, 18th Century French/American Quaker Missionary are instructive: ***“I shall pass this way but once; any good that I can do, or any kindness that I can show to any human being, let me do it now. Let me not defer nor neglect it for I shall not pass this way again”.***

My fellow shareholders, as we continue this shared experience of success into the future, it will be helpful to understand and to have an appreciation for the importance of foundation building or the establishing of platforms to enable success to be achieved. You may have heard of or come across the expression “***We become what we think and believe***”. Knowledge as a platform for life, must support our understanding that education provides direction for the thoughts we accumulate on our journey of life. Success is more than just an accumulation of things we consider to be valuable.

A University Degree or any kind of formal education can provide you with the knowledge required to succeed in your respective field. It does not ensure success unless you learn to apply what you learnt and apply it effectively to find workable solutions to the challenges which life will bring your way.

Knowledge as a platform provides us with the means but the commitment to be successful must come from within.

My fellow shareholders, Ladies and Gentlemen, as we explore the many and varied platforms which contribute to being successful in the business of living, we can almost feel ourselves being drawn to one fundamental conclusion. Success in whatever endeavours we may have embarked on, will be a product of the environment in which we were nurtured and grew.

We who have the privilege of having been born and grew up in our country, have been afforded the experience of being exposed to what is described as cultural diversity which itself is yet another platform for the sharing of common beliefs which in turn should determine how we behave and act towards each other.

The platform of culture defines the common way of living in any place and is demonstrated by a system of shared values and norms. My fellow shareholders, we live in the 21st Century which has produced various platforms which have made us

more closely connected. This experience has produced for us the most important platform of effective communication which is the key to success in life, work and relationships.

Future Outlook

My fellow Shareholders, as we look to the future, perhaps it is apposite to ask the question in paraphrase of ourselves and our Company as we look to the new year ahead. “Where are we going?” T

he global reality of a disrupted supply chain and its consequences will impact everyone regardless of where we may be. My Fellow Shareholders, of the many lessons learnt from this experience, one stands out and bears being repeated.

We must remain positive and committed to the words of our Mission Statement that we are committed to building on our traditions of excellence by providing quality products and services.

We will remain committed to achieving those goals which are supported by the platforms of our core competencies.

My Fellow Shareholders, you will recall that the Board of Directors approved last year a modification to the Company’s business model.

Our most recent addition to the Group, Banks Automotive and Services Inc., will be the division to lead in the development of our future solar power and automotive initiatives, to add value for shareholders and investors.

Acknowledgement

I acknowledge the expertise and counsel that the Board of Directors contributed to the progress of the Company throughout the year as well as that of our leadership team and employees. Importantly on behalf of the Board, I would like to express our gratitude to our valued Shareholders, Suppliers, Employees and Customers