

E. Gervase Warner

Letter from the CEO

We are now experiencing and cultivating a new energy within and across our Group of companies in all the countries in which we operate

Dear Valued Stakeholders,

Financial Year (FY) 2021 was another extraordinary year for the Massy Group of companies. The transformational work that the Group has been undertaking for years, has unleashed a new energy across our organisation, in our business operations, among our people and within the societies in which we operate. The Group's commendable financial results are a lagging indicator of the way the Group is operating.

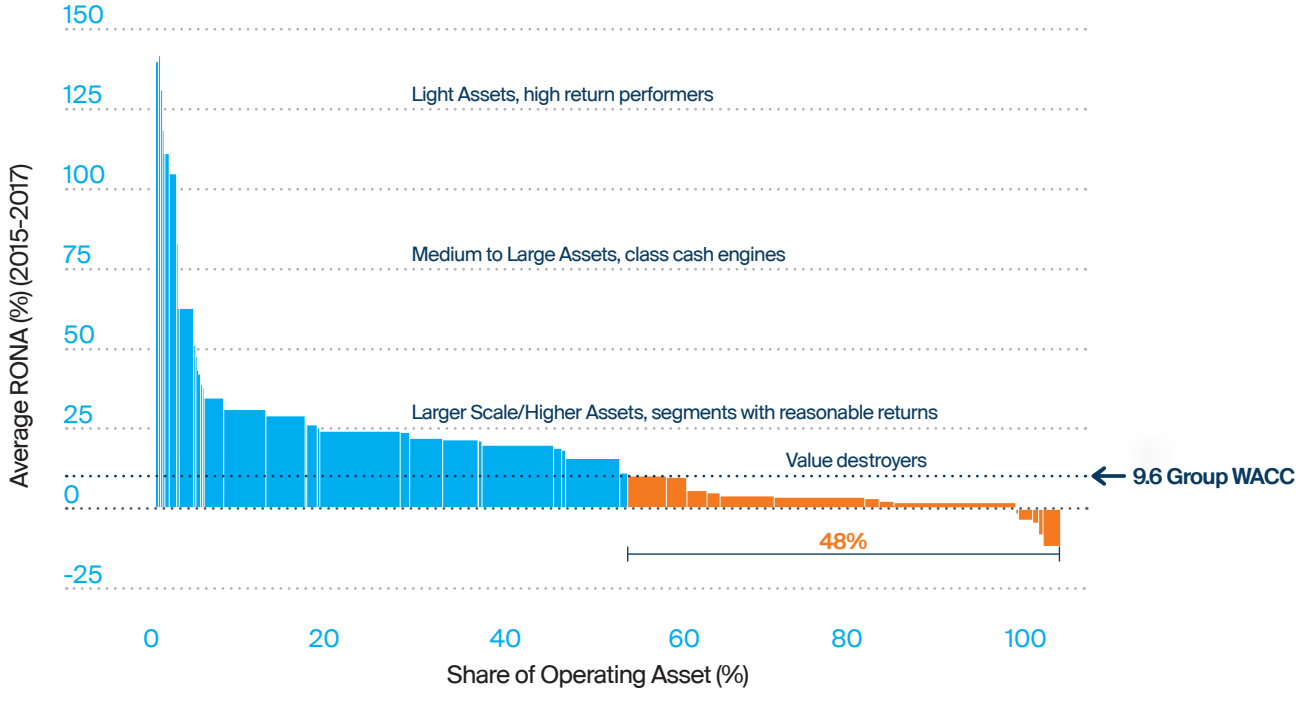
When we began the journey in 2011 to become a "conscious company", purpose-driven and values-based, we held the belief that our Group could sustain outstanding financial performance by operating "consciously". We believed that companies in which leaders are expected to engage, grow, motivate, and reward employees with a focus on delighting customers could create a virtuous cycle of loyalty and value that would produce superior returns. We believed that conscious companies, which used profits to better reward employees and invest in surrounding communities, could create an environment in which multiple stakeholders would support the company's future. We believed that embracing suppliers and creating unbeatable value propositions for customers would secure sustainable returns.



As we initiated the journey many years ago, we quickly recognised the challenges and the need to change our own leadership behaviours. Personal transformation takes time and courage. Over the course of the last 10 years, senior leadership has completed significant personal leadership transformation. I acknowledge the courage, determination, and generosity it took for many of us to recognise unproductive ways of being and remain open to feedback to become more effective leaders. The process is ongoing.

A major breakthrough for the Group came through our strategy exercise in 2018, when we examined the performance of the companies in the Group and identified that 48 percent of the Group's Operating Assets at an operating company level were producing returns below the Group's Weighted Average Cost of Capital (WACC).

Weighted Average Cost of Capital



Over the course of the last three years, the Group has implemented a strategy to focus on it three main Portfolios, improving the returns on some underperforming assets and divesting non-core and underperforming assets. As a result, less than 20 percent of the Group's Operating Assets are now producing returns below the Group's WACC and most of those assets are related to non-core real estate.

With the shift to focus the Group on the Portfolios and Lines of Business (LoB) that we know well, and in which have scale, we are experiencing the magic of truly empowered organisations and leaders. Strengthening governance at the Portfolio level with Portfolio Boards with non-executive directors, and devolving autonomy and authority deeper into the organisation has been rewarded with faster decision making and greater responsibility being assumed by our employees

throughout the Group. We are now experiencing and cultivating a new energy within and across our Group of companies in each of the countries in which we operate. That "Massy Energy" is characterised by the following qualities:



- **Confidence.** The increased autonomy and focus on the Portfolios has brought confidence to set bold objectives. Implementing strategic initiatives and achieving strong financial results, in an unprecedented time of crisis, have only served to increase confidence in our organisations.
- **All is Well.** Despite the significant challenges faced, as the economic and health crisis persists in many of the countries in which we operate, our organisations can hold that "we are okay and we will get through this together". This creates an ability to avoid being overwhelmed and to focus on providing the support and strategic action that are appropriate now.
- **Possibility.** Our employees now live in a space in which things are possible. There is a "Yes, we can" opening to new ideas and aspirations that encourages creativity, so necessary to respond to the increased rate of change in all our industries.
- **Abundance.** This is a new mindset for most of us, especially during a crisis, one could adopt a more frugal mindset. The Abundance mindset encourages the organisation to make further investments. The Abundance mindset supports the setting of ambitious targets and the creativity to achieve them. It is very much matched with the energy of Possibility.
- **Responsibility.** This is a familiar energy within the Massy Group. We have a huge sense of responsibility for taking care of our employees and for being a part of the recovery efforts in all the countries in which we operate. We also have a great sense of responsibility for being conscientious stewards of shareholders' capital.

Strategy Update

Our Group's Strategy is now centered around four priorities:

1 Assuring the Future
2 Growing the Group: both Bottom Line and Top Line
3 Creating Value for our Shareholders
4 Leading in Environmental, Social and Governance (ESG)

Assuring the Future

We continue to believe that assuring the future of the Group, will require greater focus and agility, in a world in which the rate of pace of change is only increasing and in which volatility, uncertainty, complexity and ambiguity abound. Hence our strategy to evolve from being a traditional Conglomerate to an Investment Holding Company, with a deliberate focus on, and devolved autonomy to, our core Portfolios and Lines of Business, which can provide the platforms for future growth with consistent strong returns.

In FY 2021, we successfully divested non-core assets, such as Massy Pres-T-Con Ltd. and Roberts Manufacturing Co. Limited. The successful execution of these divestments will allow us to provide even more attention to the things we do and know well, while simultaneously unlocking capital to optimally reinvest in our strategic priorities.

Additionally in 2021, we entered into a Share Purchase Agreement with the Coralisle Group to sell 100 percent of the share capital in Massy United Insurance Ltd. for US$90.5 million. The Coralisle Group is a leading multi-line insurance company with headquarters in Bermuda,

> With constant devolvement of autonomy at all organisational levels, we are proud of our businesses in how fast they are responding to environmental shifts with great agility

which serves several Caribbean territories and select international markets. While we continue to work with the various regulators to close the transaction in financial year 2022, we consider this to be a significant achievement, consistent with our corporate strategy to focus our operations and future growth agenda on the core businesses.

The three main Portfolios have shown great resilience, as they continuously navigate the uncertainty associated with operating in the new normal of the Covid-19 pandemic. The leadership and employees in the Portfolios are functioning autonomously and are fully empowered to focus on pursuing their growth plans in a responsible manner. As a Group, we have benefitted from such focus in the Portfolios, as evidenced in our 2021 financial performance with 41 percent improvement in (Profit Before Tax) PBT from Continuing Operations.

At this time, we primarily operate in developing markets, but we know that we cannot escape the momentum of global trends, such as direct to consumer online commerce platforms, mobility evolution from "usership" to "ownership" and the market evolution to cleaner energy sources for climate change mitigation and adaption. Even though these are just a sample of the trends, they present real threats to our Portfolios, while at the same time offering opportunities to participate in new vectors of growth for the future. With constant devolvement of autonomy at all organisational levels, we are proud of our businesses in how fast they are responding to environmental shifts with great agility, which certainly bodes well in credibly addressing and capitalising on these disruptive forces.

As indicated last year, we are actively diversifying geographically, to reduce our reliance on Trinidad and Tobago and Barbados. In financial year 2021, these two countries collectively contributed 54 percent to PBT from Continuing Operations, compared to 56 percent in 2020 and 61 percent in 2019, so our geographic composition is evolving in alignment with this strategy. Existing markets, such as Colombia and Guyana, present huge opportunities for growth, given a combination of market size and/or economic buoyancy. We will continue to fervently search for new opportunities in these territories. Moreover, our Portfolios are exploring opportunities in new geographic markets in the Caribbean, Latin America, and the USA, which is also an important aspect of assuring the future of our Group.

Growing the Group: Both Bottom Line and Top Line

Despite the deleterious effects of the pandemic on the economies in which we participate, it would be remiss of me not to recognise that the pandemic has also helped us to optimally improve how we operate. Fundamentally, it has taught us that we can efficiently 'do things differently', and that we can also effectively 'do different things'. One clear example of the first point is how embedded remote working has become in our organisation which enabled us to further cut back on business travel, occupancy and administrative costs regionally.

The second point relates to how creative our businesses have been in operationalising their strategic plans, in this new paradigm, by offering new products and services, as well as serving new channels and customer segments. I highlighted a few examples last year – launching the new Massy Stores Mini format in Integrated Retail, alternative uses for Liquified Petroleum Gas (LPG) in Gas Products and pursuit of hybrid and electric vehicle (EV) lines in Motors & Machines. The segment reports coming up will provide greater insights on how the Portfolios are progressing with these initiatives and many other exciting projects. However, what I want to really emphasise here is that we are not only committed to developing our core businesses organically, but we also have a valid pipeline of new ideas and strategic plans that will allow us to capture inorganic value to sustainably grow both our Top and Bottom Line.

Creating Value for our Shareholders

Our Group continues to perform well, and we are pleased to report that our Third Party Revenue grew by 9 percent and PBT from Continuing Operations improved by 41 percent to $929 million. This is a key profit measure that demonstrates that our strategy is working, because as we continue to narrow the focus of the Group by divesting non-core assets, it is important that our main Portfolios and Lines of Business remain as the primary engines of growth.

In 2021, the Group's Earning Per Share increased by 13 percent from $7.11 to $8.02, and our Share Price increased significantly to $82.50 on September 30, 2021, compared to $59.00 at the start of the financial year. Moreover, our Total Return to Shareholders (TRS) increased from 12 percent to 44.15 percent. We continue to deliver enhanced value to our shareholders as TRS has been excellent for the past few years, Return on Equity (ROE) is improving and our upcoming cross-listing in Jamaica in 2022 will increase trading activity, expand the base of shareholders, and give international investors better access to hard currency from their trades.

Leading in ESG

As I alluded to earlier, Massy has been on a journey for over a decade to transform our Group to one that is purpose-driven and values-based. The pandemic has brought the need for this type of business transformation into sharp focus as it has crippled economies and has disrupted societies and businesses. Our Group views ESG issues as core to the sustainability of our businesses and key lenses for decision making.

Environmental Leadership

Consistent with our purpose and values, the Massy Group is committed to environmental leadership. While we have made strides to be a leader in this area, we admit that the urgency of the current situation calls for us to do even more. In service of protecting and preserving our environment, Massy Stores implemented a fee for plastic bags in its stores throughout the region and introduced colourful reusable bags for which patrons are awarded extra loyalty points for using. Through this initiative, Massy Stores has achieved 70 percent reduction in plastic bag use across the region, when compared to the usage of plastic bags prior to 2018.

Our stores across the region continue to seek ways to further reduce the use of plastic in packaging and to work with partners to serve as collection points for plastic bottles.

Our Gas Products Portfolio, through the Energy Service companies in the Portfolio has been pursuing regional renewable energy opportunities. In 2019, we provided a proposal under the Request for Proposal (RFP) for the Trinidad and Tobago utility scale solar photovoltaic (PV) opportunity. Unfortunately, we were not awarded the project, but we continue to seek opportunities throughout the region. We would like to see more Renewable Energy projects tendered in the region in service of our governments' own objectives and promises.

Our pivot to remote and hybrid work has helped considerably to reduce our Carbon footprint. Commutes to offices have been substantially reduced, whilst electricity and other utility consumption has been reduced. We also consume far less paper, as more and more communication and documentation sign-off has moved to electronic formats. We expect these improvements to stick and only improve with time.

Social Leadership

From its inception, the Massy Group of companies maintained a responsibility for contributing to the societies in which it operates. This is a core part of our belief system and how we do business. All companies in our Group set aside one percent of PBT to be used for charitable purposes. The Massy Foundation's Annual Report provides details on the Foundation's activities and responsibilities in Trinidad and Tobago, but similar structures exist in each of the countries in which we operate.

The People and Purpose section of this Annual Report gives additional insight into the spectrum of support that we share with our employees, our communities, and our stakeholders in those territories where we do business. Whether it is bringing a new vision of the future of entrepreneurship to life, empowering a culture of accountability and integrity, putting a whole-person lens on our approach to health, or embracing a Group-wide dedication to learning, we are constantly pushing ourselves to be and do better.

In this section, I would like to include a couple initiatives which were and continue to be particularly effective:

NUDGE – Social Enterprise powered by Massy

Last year, we introduced Nudge, a social enterprise to support nurturing and growing entrepreneurs, as well as small and medium businesses in the region. This year has been a 'Year of Discovery' for Nudge, even as many businesses faced the challenges of this

ongoing pandemic. We discovered a community that is full of potential and in need of a fertile environment for growth and hope.

We believe that as an organisation we have an obligation to give back to the communities and countries where we operate. It's part of our business model and Nudge is an excellent vehicle, because it is not a handout. It is a means by which we can help stimulate entrepreneurial activity and create employment and opportunity. The entrepreneurs we work with are our partners, who lead the way to development on their own terms. The Massy Board of Directors has, for a second year, approved funding in the amount of the equivalent of US$1 million for Nudge to continue this work. More details about Nudge, including feedback from the entrepreneurs involved can be found in the 2021 Corporate Social Responsibility Report on our website at **www.massygroup.com**.

Support for National Vaccination Efforts

In Trinidad, the Group provided significant support for the national vaccination efforts via the Massy Foundation, by assisting with the funding and operation of the mass vaccination sites. The Group was instrumental in coordinating support from other major corporations in Trinidad and Tobago for the mass vaccination sites in an unprecedented public private sector collaboration, in the battle towards returning the country to some degree of normalcy.

In addition to the Group's financial contribution, Massy Motors provided SUVs and drivers to support transportation of vaccines to the mass vaccination sites. We also made available IT equipment to Ministry of Health facilities to fill gaps where the health facilities lacked laptops, tablets and printers required to register patients and perform data entry.

Governance Leadership

Governance leadership has been an important priority for Massy for many years. Good governance is part of the Group's DNA and is completely consistent with our values. Over the course of the last 10 years, the Group has been on a constant journey of continuous improvement in our Corporate Governance and today we are confident that our Governance is at world class level. The Group maps its governance to local and other major international standards and reports on its advances annually.

Details regarding enhancements to the Governance of the Group can be found in the Corporate Governance Report, as well as in the Governance sections of the Portfolio Reports.

In Closing

I would like to acknowledge Eugene Tiah, who retired as Executive Chairman of our Gas Products Portfolio, at the end of September. The Group recognises Eugene's significant contributions to this business and to the wider Group and we wish him well in his retirement. Vaughn Martin, Senior Vice President and Executive Chairman of Strategic & Other Investments LoB, will be promoted to Executive Vice President and Executive Chairman of Gas Products Portfolio. With most of the businesses in that LoB having been divested, Jeremy Nurse (Vice President, Corporate Strategy and Transactions) will take over as Chairman for the property companies in Trinidad and Barbados. The responsibility for Massy Energy Engineered Solutions and Massy Wood, will move with Vaughn Martin to the Gas Products Portfolio.

Our Board of Directors continues to be a tremendous source of support and counsel. The strength of our Directors and the diversity of their perspectives and experience, is undoubtedly an important component in the success of the Group. I would also like to acknowledge our Chairman, whose wisdom and exemplary leadership continue to inspire us all.

I cannot close without expressing my gratitude to the leaders and employees of the Massy Group of companies. We are blessed with great people, creating strong benches for succession and who we can rely on for engagement and ideas. We will continue to provide a rich, rewarding, and purposeful working experience at our companies as we recognise that cultivating talent will only become increasingly important in the future.

If I have a worry, it is for the blurring of the lines between personal and professional life and the stresses that parents continue to face with remote or blended school arrangements for their children. We are supporting our employees with mental health support via our Employee Assistance Programmes, and remote or rostered work where that is feasible, but this remains a real challenge.

As always, I must express our gratitude to our loyal customers and Shareholders. Thank you for your confidence and trust in us. The future looks very bright. Our Portfolios have been awakened to the threats and opportunities from digital and other technologies. Our mindset is more expansive and the landscape for growth continues to expand.





We closely monitor and adjust the product selection in all of our stores to ensure that it remains relevant and reflects changing trends, customers' preferences and spending ability

Ian Chinapoo



Letter from the CFO

Each of our industry Portfolios has performed with distinction in 2021, consistently adapting and evolving to maintain their growth momentum, even during the most unpredictable and challenging operating circumstances

Dear Shareholders,

I am once again pleased to update you on our annual Group consolidated financial performance. Our exciting and transformative journey into the "new normal" continued in Financial Year (FY) 2021, with the Massy team eagerly embracing our ambitious strategies and targets within the spirit of new possibilities. We remained passionate and excited, facing our many challenges with the confidence that we can and will overcome them.

Last year, I shared our story of deep focus and resilience, evidenced in the financial results of the Massy Group in the face of the extremely trying socio-economic circumstances, including the impact of the Covid-19 pandemic. Our 2021 story however, is nothing short of Inspirational! Not only did we ensure that all our Investment Portfolios and Lines of Business (LoB) responded creatively and innovatively to the business realities that have evolved, but our people have risen above all challenges and, with unwavering focus on many transformative initiatives and opportunities, they delivered growth in virtually every business operation. Even now, the planning and strategic thinking done in 2021 positions the Group well for continuous growth within the framework of our Values, Purpose and Vision well into the future.

Thus, your Group remains purpose-driven and responsible, assuring its future by supporting our de-centralised Portfolios, who are accountable. We are constantly reviewing and designing a business Portfolio investment mix that provides the optimal long-term value creation for the Group's invested and earned capital.

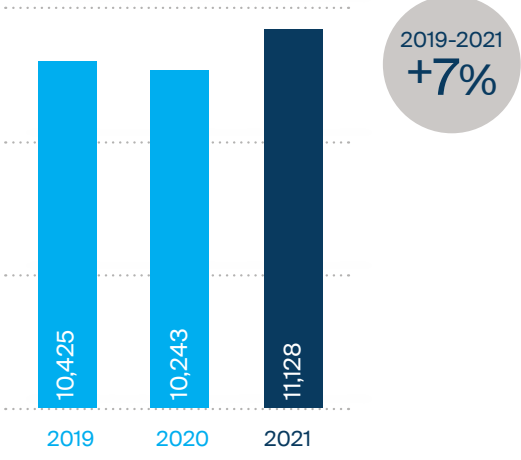
2021 Financial Performance Review

[Note that for comparative purposes in this report, we have again revised all our prior year numbers for 2019 and 2020, to exclude all Group entities that are now included in the Discontinued Operations category. For 2021, the most substantive of these entities include Massy United Insurance Limited, the credit card portfolio of Massycard (Barbados) Limited., Pres-T-Con Holdings Ltd. as well as Roberts Manufacturing Co. Limited].

Allow me as usual ,to begin with an analysis of the Massy Group's Continuing Operations for the year, in particular our top line Revenue performance for 2021.

Table 1

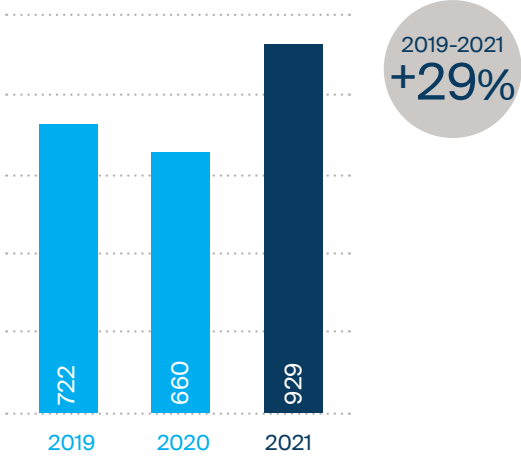
Revenue (TT$M)



Total Group Third Party Revenue grew to $11.128 billion in 2021, representing a 9 percent increase over 2020. This Revenue growth was achieved with Group Operating Expenses being held to only a 3 percent increase, thus ensuring overall higher profit contributions from our incremental revenue growth. This also contributed to an amazing growth of 41 percent or $269 million in the Group's Profit Before Tax (PBT) from Continuing Operations to $929 million from $660 million last year. This Year-over-Year (YoY) growth in our pre-tax Continuing Operations' operating profit performance was driven primarily by a 21 percent ($165.9 million) improvement from our combined Portfolios/ LoBs, with every single one recording positive YoY growth! Another major contributor to this outstanding result in 2021, was Head Office's Corporate Treasury, with investment income of over $47 million from the management of international investments and $12 million in Interest Cost expense savings, due to the reduction of third-party debt balances, in line with our strategy to strengthen our balance sheet and reduce our cost of carry, especially on excess local currency liquidity.

Table 2

Profit Before Tax (TT$M)



Once again in 2021, mandatory health restrictions in many jurisdictions challenged both our customers' patronage and our employees' ability to physically attend work. This year, however, we implemented the many lessons learnt from 2020, fully embraced a "can do" attitude and saw every curve ball thrown as an opportunity to explore new ideas and creative solutions to, not only survive, but thrive!

Discontinued Operations Strategic Update

As we continue to devote significant focus on our core Portfolio businesses, we continued our strategic divestment programme in 2021. In this regard, we have either fully disposed of the assets and/or shares or executed contractual arrangements, for the planned sale of several businesses across the Group.

Specifically, we have disposed of our respective shareholding in Massy Pres-T-Con Holdings Ltd. to PRESTCON 2021 LIMITED, an affiliate of Inez Investments Limited (established in June 2015 and is a part of the Warner Group of Companies which includes several other companies spanning various sectors such as construction, retail and hardware.) Roberts Manufacturing Co. Limited to PROVEN Investments Limited (a private equity investment holding company listed on the Jamaica Stock Exchange) and Highway Properties Ltd to Mouttet Capital Limited (an investment company based in Trinidad and Tobago with primary activities in commercial real estate, hotels and retail). These disposals also generated net proceeds of $165.2 million to support future growth and investment in the Portfolios, in pursuit of the Group's strategic plans.

Furthermore, the Group entered into a Share Purchase Agreement with the Coralisle Group (a leading multi-line insurance company with headquarters in Bermuda) to sell our equity interest in Massy United Insurance Ltd. (MUIL). We are currently seeking regulatory approvals for the sale. We also intend to sell MUIL's 20 percent stake in SigniaGlobe Financial Group, the credit card portfolio assets of Massycard (Barbados) Limited (leaving the business to focus on Remittances), and Endervelt Ltd. which is a non-core property holding company in Trinidad. These are therefore considered Held for Sale and included in our Discontinued Operations disclosures. These disposals are all on track to be completed during the 2022 financial year. We will update on these potential transactions in our market disclosures at the appropriate time and subject to regulatory approvals, where appropriate.

Overall, these entities represented a combined contribution of 7 percent each to Group Revenue and Group PBT and represented 13 percent of Group Net Assets at the end of 2021. For 2021, we have realised a Gain on Sale of Discontinued Operations of $90.78 million. Note that this is 65 percent lower than the prior year cumulative Gain on Sale of Discontinued Operations of $262.44 million, which was substantially driven by the sale of the remaining companies in the Information Technology and Communications (ITC) Line of Business in 2020.

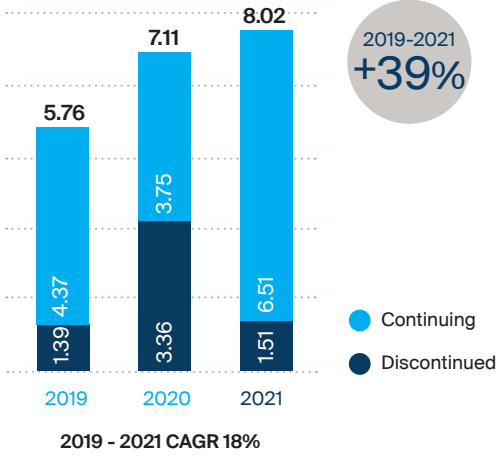
Analysis of MHL's Investment Performance and Value Chain Contribution

For the second year in a row, the Group has provided our Shareholders with record Total Earnings per Share (EPS) performance! We have generated a Total EPS of $8.02 for 2021, which represents a 13 percent increase for 2021. This equates to a 2-year annualised growth of 18 percent!

For greater context, $6.51 (US$0.97) of our EPS came from our Continuing Operations, including Head Office and other adjustments versus $3.75 (US$0.56) in 2020 (a 74 percent increase), while $1.51 (US$0.22) represented the contribution from the sale and operations of our Discontinued Operations, versus $3.36 (US$0.50) in 2020, which is a 55 percent decrease.

Table 3

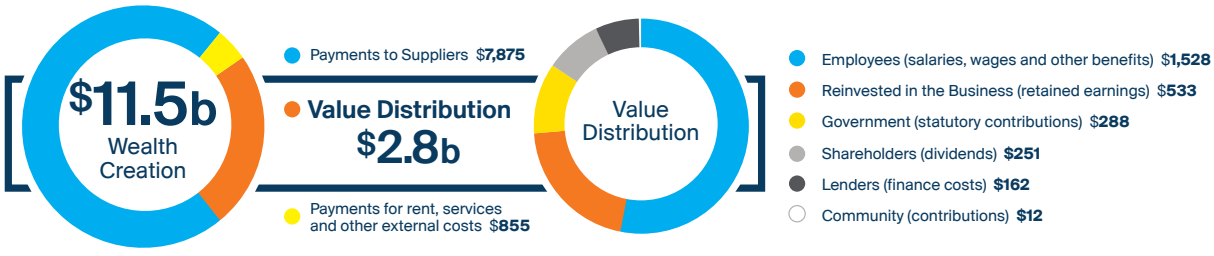
EPS (TT$)



As we continue to be a valued partner to many stakeholders across our footprint, we understand our important role in the value chain of the economies in which we operate every day. We are often simultaneously a customer, supplier, investor, employer, borrower, lender, community partner and taxpayer. For the first time, in 2021 we have calculated that our business activities throughout our value chain have resulted in $11.5 billion in overall wealth creation, spread across all the economies in our sphere of operations, with our supply partners ($7.87 billion), our employees ($1.5 billion) and our service providers ($855 million) leading the way. Our suppliers, lenders and service providers are themselves employers, consumers and taxpayers, thus creating a multiplier effect for our economies inspired by the Massy Group wealth creation value chain!

Wealth Creation & Value Distribution (TT$M)

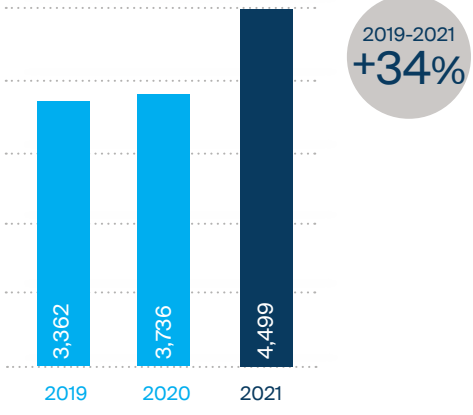
Including discontinued operations and held for sale



The management of our cashflows and the timely settlement of our obligations remain among our top priorities. I am confident therefore, that you will be pleased with our strong Working Capital balance of $4.5 billion as shown in Table [4] below, which enables us to meet all our obligations on time and in full as well as to capitalise on new opportunities across all our Portfolio/LoB lines.

Table 4

Group Working Capital (TT$M)



During 2021, we deepened our belief that access to capital is a critical success factor to the Group's growth plans. Across all our Portfolios/ LoBs we have aggressively pursued strategies that reviewed our financing obligations and financing cost efficiency. As a result, we have continued to reduce our Group Debt levels and improve our Debt to Equity ratio. As the numbers show in Tables [5] and [6], Group Debt (Total Current and Non-Current Borrowings) has once again been systematically reduced, i.e. by 19 percent in 2021 and Debt to Equity now stands at 26 percent, down from 34 percent at the end of 2020.

Table 5

Group Debt (TT$M)

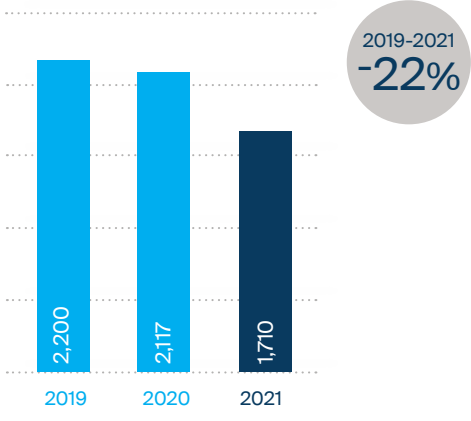
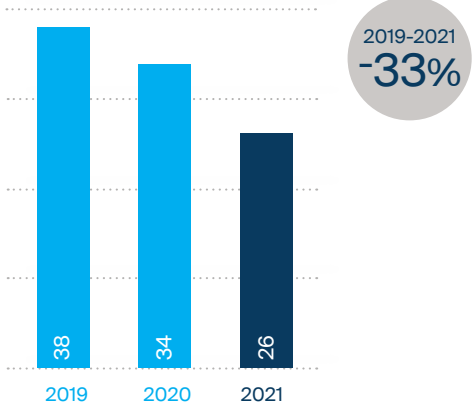


Table 6

Debt to Equity (%)



This compares very favourably to the Latin American (LATAM) Peer Group median benchmark of 100.5 percent and the Caribbean Conglomerates average benchmark of 29.5 percent. We are therefore, well prepared to take bold strategic value moves as we can access debt capital resources from our financial partners via incremental leverage, which remains a competitive strength given potential inorganic growth opportunities being explored.

I wish to reiterate that we are committed to ensuring that our Shareholders' invested capital is best utilised across the Group to earn a return that meets or exceeds a total return, that is consistent with the risk appetite as approved by the Massy Holdings Ltd. (MHL) Board of Directors in line with Shareholders' expectations. We remain conscious that Massy's publicly listed stock is an important part of many individual and institutional investment portfolios, including pension plans and mutual funds.

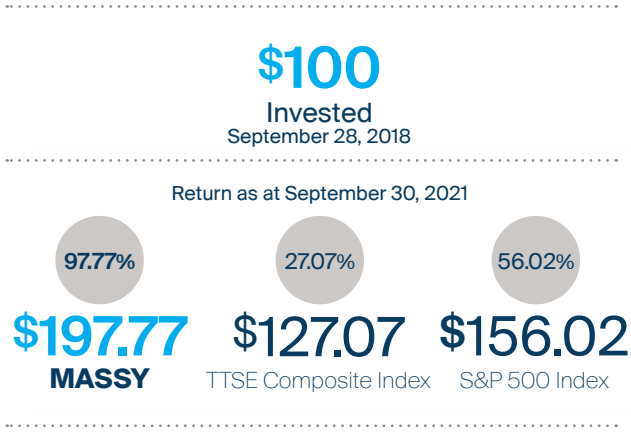
As usual, I will provide an analysis on the overall MHL Shareholder performance metrics for 2021, as well as the performance of the capital deployed across our major LoB.

Our share price began the current year at an opening share price of $59.00 on October 1, 2020 and closed the year on September 30, 2021 at $82.50 per share. This represents a Total Return to Shareholders (TRS) of 44.15 percent which consists of a 39.83 percent YoY share price appreciation [($82.50 - $59.00) divided by $59.00] and a 4.32 percent 12-month return on cash dividends paid [$2.55 per share divided by $59.00 closing 2020 share price]. Comparatively, the Trinidad and Tobago Composite Index had an annual TRS of 9.91 percent for the same period, thus MHL outperformed the local index by over 345 percent in 2021.

During 2021, Massy has demonstrated its attractiveness to both growth and value investors, who wish to have in their Portfolio a stock with high intrinsic value and yet still delivers stable and reliable returns. The following table and graph assume simultaneous investments of $100 from 2018, in Massy, the Trinidad and Tobago Composite Index and the S&P 500. The comparison assumes that all dividends were reinvested.

Investor Returns Comparison ($)

FYE 2018 vs FYE 2021



The results indicate that for the period end September 2018 to end September 2021, if an investor had placed $100 in each of the above investments, their investment in Massy would have grown to $197.77, well ahead of the S&P 500 (at $156.02) and the TTSE Composite Index (at $127.07).

When compared with the regional and international market benchmarks for 2021, MHL compares favourably with other diversified conglomerates in the Caribbean and highlights its growth potential with its appropriate benchmark LATAM Peer Group (see Table [7] following).

Table 7

	Market CAP TT$million	P/E [1] Multiple	Dividend[2] Yield %	Debt/ Equity %
Massy	8,113	13	3.1	25.6
Average Caribbean Conglomerate Peer Group	5,995	17	1.3	29.5
Median Latin American Peer Group[3]	16,226	18	1.2	100.5

[1] Based on EPS from Continuing Operations only
[2] Based on the 12 month Trailing Dividend Paid relative to the Share Price at the end of the Financial Year
[3] Independently determined by International Financial Data Organisation.

MHL shares continue to be very attractive for income investors given the consistent and lucrative dividend payout. However, it is also quite exciting as an investment for value and growth investors. MHL's significant share price appreciation year over year has resulted in the Group achieving Price-to-Earnings (P/E) ratio multiples of 10.3 times, based on Total EPS and 13 times, based on EPS from Continuing Operations. This result shows, that although we have progressed well during FY2021, there is potential upside for further share price growth, given that we remain below that of the Caribbean Conglomerate Peer Group Average P/E multiple of 17 times and LATAM Peer Group median level of 18 times. It is also evident from Table [7] that the combination of MHL's increasing focus on market and revenue growth in LATAM, along with its low gearing and strong funding capacity, provides an opportunity for investors to assess today how well Massy can keep driving Shareholder value in the future.

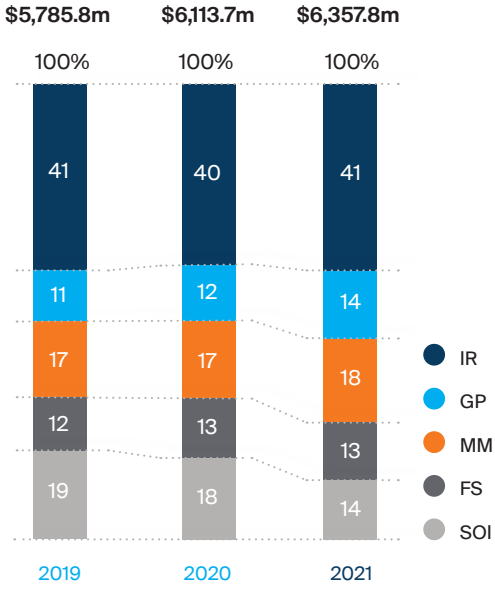
Analysis of Portfolio/LoB Performance

As we deepened our Investment Holding Company strategy execution in 2021, our core businesses now represent over 80 percent of the Group's earnings. This allows for Executive and Board focus to sharpen, thus ensuring that our investments in each selected industry continue to present long-term strategic value to the Group.

Each of our industry Portfolios has performed with distinction in 2021, consistently adapting and evolving to maintain their growth momentum, even during the most unpredictable and challenging operating circumstances.

Operationally, resources and capital expenditures were aligned to achieve aspirational goals and exceptional results (see reports from each Portfolio and LoB later in this Annual Report). Making excuses simply was not an option! Massy Holdings ensured that Portfolio/LoB plans and objectives were aligned to the overall Massy Group's long-term strategy of Shareholder value creation and supported with needed investment capital support to drive their individual growth. Note that our three core Portfolios have received 73 percent of the deployed investment capital of the MHL Parent. This percentage is expected to increase in the next year, as the Portfolios pursue their expansion strategies and the Group's Held for Sale assets (including Massy United Insurance Ltd.) are sold.

Invested Capital (%)



Financial Services (FS) percentages include MUIL's contribution in FY 2021

We continue to assess both the Portfolio's and Lines of Business' performance comparatively within the Massy Group and across relevant industry benchmarks. Included are some of the measurements used in that assessment for your consideration:

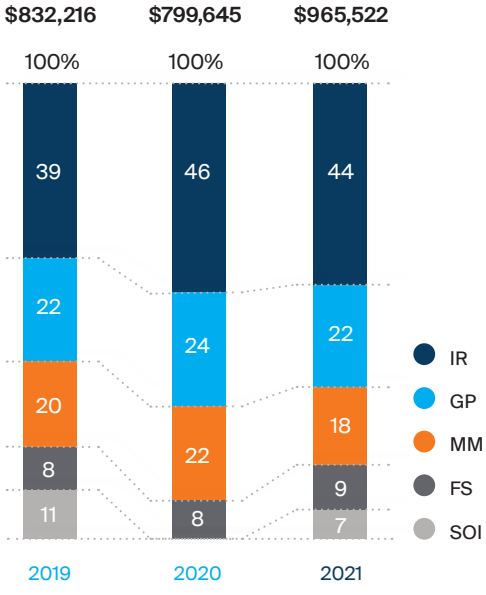
1 Portfolio and Line of Business Contribution to the Massy Group's PBT

2 Portfolio and Line of Business Contribution to the Massy Group's EPS

3 Portfolio and Line of Business Return on Net Assets

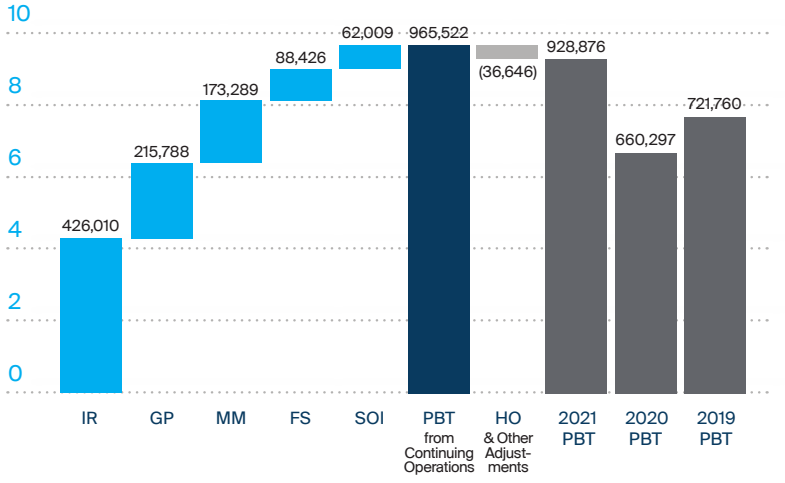
Continuing Operations PBT

% Contribution by Business Unit (TT$ '000s)



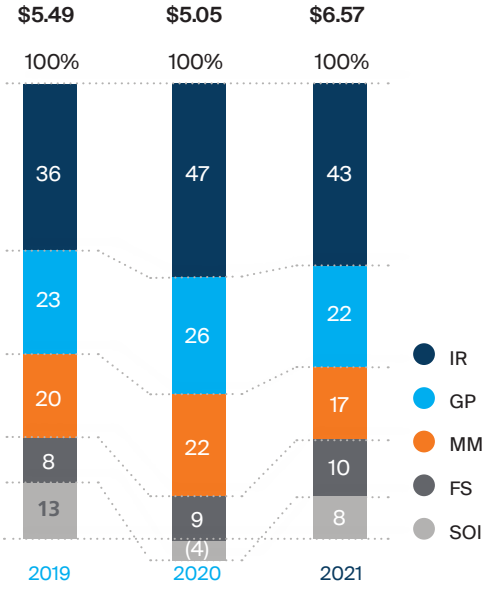
Excludes PBT from Discontinued Operations and Held for Sale entities FY 2021

Group Profit Before Tax (TT$ '000s)



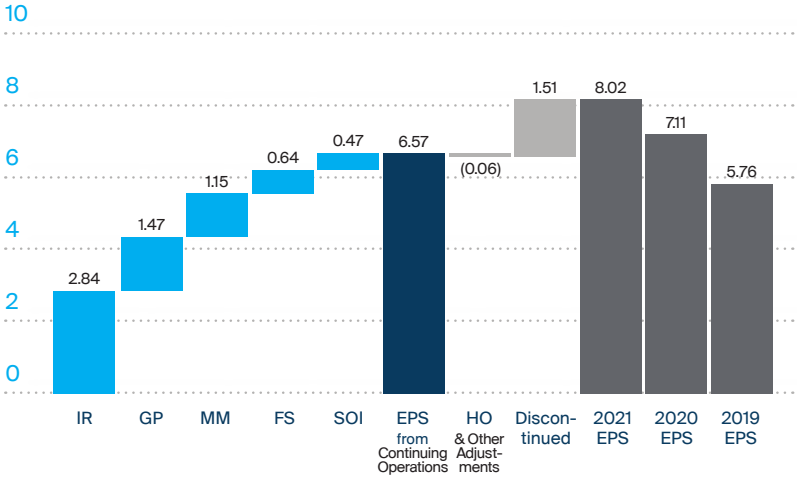
Continuing Operations EPS

% Contribution by Business Unit (TT$)



Excludes EPS impact of HO & Other Adjustments

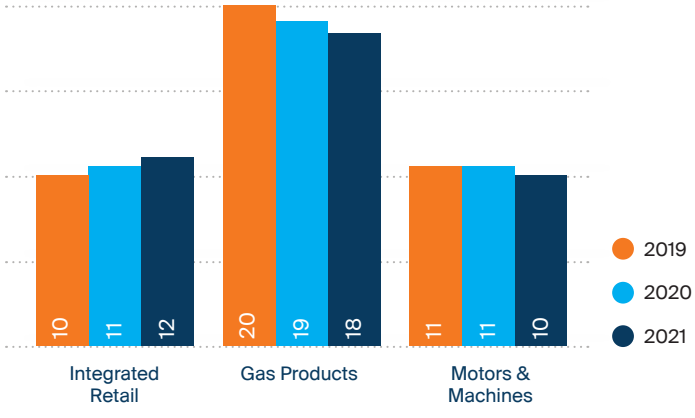
2021 Earnings Per Share (TT$)



We can note that in 2021, the Integrated Retail Portfolio engaged 41 percent of the Group's Invested Capital, generated 44 percent of Group PBT from Continuing Operations and contributed 43 percent towards our EPS from Continuing Operations. Our Gas Products Portfolio engaged 14 percent of the Invested Capital allocated by the Group, generated 22 percent of Group PBT from Continuing Operations and contributed 22 percent towards Group EPS from Continuing Operations, while Motors & Machines engaged 18 percent of our Invested Capital and in turn, has generated 18 percent of Group PBT from Continuing Operations and 17 percent of Group EPS from Continuing Operations.

We also considered each Portfolio's Return on Net Assets (RONA) employed, which provides a stand-alone return comparative for each Portfolio.

Return on Net Assets (%)



These results show that each Portfolio's contribution continued to be value accretive to the Group overall.

Group Corporate Treasury (GCT)

In its first year of operation, the Group Corporate Treasury has made significant progress in all planned areas of operation. With MHL Board support, a robust governance framework was first implemented to manage the active treasury initiatives and provide oversight and controls for all managed risk positions. Momentum quickly built and, whether revenue focused, including Investment and Liquidity Management, or risk mitigation focused, including Debt and Foreign Exchange Management, the GCT has become a valued resource for both the Corporate Office and the Portfolios/LoBs. The GCT also collaborated seamlessly with our Risk Management team and Portfolio business development teams across the enterprise in capital planning, funding and other strategic initiatives, including the preparatory work for the Jamaica Stock Exchange (JSE) cross-listing by MHL. Synergies were identified with Massy Finance GFC Ltd. and opportunities for strategic alignment are being pursued.

The GCT has also made an outstanding contribution to ensuring excellent returns for the Group's proprietary investment funds, sourced primarily from asset divestments, earning over TT$47 million by the end of fiscal 2021.

Group Finance Continuous Improvement Initiatives

For both 2020 and 2021, we set ambitious goals to improve both the efficiency and timeline of the Group's external audit sign-off and Annual Report. In this endeavour we partnered with our Portfolio/LoB Finance teams, our external auditors and independent advisors to design a project plan that could achieve our target of a 14 day earlier sign-off. In 2021, we also brought our Project Management Office fully in-house after building the internal team competencies over the past 2 years.

During 2021, we also continued to invest into our new CCH Tagetik Financial Reporting Solution, for full end-to-end automation of our monthly Group corporate reporting consolidation process. This system connects each subsidiary's trial balance to the Group's consolidation system. The project is ongoing and we are working towards the completion of Milestones #4 (Build Business Reports) and # 5 (Solution Ready), then we "Go Live" by FY 2022.

Thank You

We wish to express our gratitude to all our Stakeholders who have supported the Group during 2021. We appreciate your engagement, participation and feedback, which inspired us to deliver on our promise and purpose as a **Force for Good Creating Value. Transforming Life.**

