



2020-2021

Six Months Unaudited Financial Report ending 30 April 2021

INDIES PHARMA JAMAICA LIMITED

“Caring for the Nation’s Health”

www.indiespharma.com



2020-2021

Six Months Unaudited Financial Report

Period ending April 30, 2021



INDIES PHARMA JAMAICA LIMITED

"Caring for the Nation's Health"

RELEASE TO SHAREHOLDERS

UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2021.

The Board of Directors of Indies Pharma Jamaica Limited is pleased to present to our shareholders our six months unaudited financial results for the financial period ended April 30, 2021.

	3 Months Ended 30 April 2021	3 Months Ended 30 April 2020	Year over year	6 Months Ended 30 April 2021	6 Months Ended 30 April 2020	Year over year	Audited Year Ended 31-October - 2020
Revenue	200,718,041	207,240,447	-3%	424,252,367	400,962,510	6%	765,948,581
Gross Profit	119,761,087	150,268,956	-20%	257,873,665	278,127,488	-7%	526,692,981
Net Profit for the Period	20,487,853	69,233,200	-70%	68,014,917	108,842,820	-38%	206,649,410
Earnings per share (EPS)	0.02c	0.05c	-69%	.05c	0.08c	-38%	0.16c
Total Assets	1,674,136,982	1,441,882,489	16%	1,674,137,082	1,441,882,489	16%	1,781,957,626
Shareholder's Equity	709,493,460	874,787,718	-19%	709,493,560	874,787,717	-19%	786,739,173
Total Liabilities	964,643,522	567,094,771	70%	964,610,070	567,094,771	70%	995,218,217

For the six-month period ended 2021, Indies Pharma Jamaica Limited earned gross revenues of J\$424.2 million compared to J\$400.9 million in the prior comparable period 2020. The second quarter ended April 2021 shows a decrease of 3% from J\$207.2 million to J\$200.7 million compared the similar quarter ended 2020.

Gross profit for the six-month period ended 2021 and the second quarter ended April 2021 shows a decrease of 7% and 20% respectively compared to the same period 2020. This is due to the fact that during the height of the pandemic, global and local safety measures led to some logistics challenges and unavoidable costs. These costs are firstly, increased sea and air freight charges which were further compounded by the urgent need to acquire, by air freight, some out-of-stock items.

Secondly, the company was also impacted by the cessation of in-store and outdoor marketing activities as well as lower consumer disposable income that led to a one-off writing-off of expired goods which had been launched pre-pandemic. These were primarily non-prescription Over-The-Counter (OTCs) herbal supplements.

In an effort to drive channel loyalty while supporting our customers, the company also made the strategic decision of distributing short shelf-life products to our customers, free of cost.

Net Profit for the six-month period 2021 was J\$68 million compared to the J\$109 million for same period 2020. The second quarter 2021 net profit was J\$20.4 million compared to J\$69 million for same period in 2020. In addition to the afore mentioned comments, net profits for 2021 was also impacted by higher finance cost associated with the bond issued in the second half of 2020.

Earnings per share (EPS) for the six-month period was J\$0.05 cents per share compared to J\$0.08 cents in the prior period 2020. For the second quarter EPS was J\$0.02 compared to J\$0.05 last year

2021 year to date total assets stood at J\$1.6 billion compared to J\$1.4 billion in the comparative period 2020. Shareholders' equity was J\$709 million compared to J\$875 million last year, which was due to dividend payments over the period. Long-term Liabilities increased to J\$964.6 million from J\$567 million in the prior comparative period and as stated in previous quarters this is as a result from the \$805 million Bond attained towards "Growth Capital" which was used to repay the loan of J\$398 million used for the purchase of real estate and to fund the development and approval of two new drugs at the USFDA for the United States market. Additionally, the adoption of IFRS 16 'leases' continues to affect liabilities which requires a lease liability to be recorded.

The Company continues to maintain a steady performance and remains healthy and consistent, even though net profit during this period was impacted in support of the customer loyalty, the write off of expired goods, as well as the interest expenses associated with the bond issue, benefits of which the company expects to reap in the short to mid-term. As always, Indies Pharma Jamaica Limited continues to do its best in this challenging business environment through strengthening its intellectual property (new drug approvals for the US market), tangible assets (prime real estate) and relations with customers, shareholders and its employees.

We express sincere gratitude to all our shareholders and stakeholders for their continued support and wish everyone good health.

Sincerely Yours



Vishnu V. Muppuri (Mrs.)
Co-Founder, Executive Director & COO
30 May 2021.

INDIES PHARMA JAMAICA LIMITED
Unaudited Consolidated Statement of
Comprehensive Income
For the six months ended April 30, 2021

	Three Months Ended April 30, 2021	Three Months Ended April 30, 2020	Six Months Ended April 30, 2021	Six Months Ended April 30, 2020	Audited Year Ended October 31, 2020
	\$	\$	\$	\$	\$
REVENUE	200,718,041	207,240,447	424,252,367	400,962,510	765,948,581
COST OF SALES	(80,956,954)	(56,971,491)	(166,378,702)	(122,835,022)	(239,255,600)
GROSS PROFIT	119,761,087	150,268,956	257,873,665	278,127,488	526,692,981
Other operating income	145,565	150,629	355,186	848,999	1,863,400
Administrative and other expenses	119,906,651	150,419,585	258,228,852	278,976,487	528,556,381
	(85,524,641)	(81,612,568)	(160,409,946)	(173,389,313)	(314,996,497)
PROFIT FROM OPERATION	34,382,010	68,807,017	97,818,906	105,587,174	213,559,884
Exchange Gain/(Loss)	1,524,621	(273,816)	1,192,942	2,555,647	4,304,727
Finance Cost (Loan Interest)	(15,418,779)	-	(30,996,931)	-	(9,185,983)
NET PROFIT BEFORE TAXATION	20,487,853	68,533,201	68,014,917	108,142,821	208,678,630
Taxation	-	-	-	-	(2,029,220)
NET PROFIT FOR THE PERIOD	20,487,853	68,533,201	68,014,917	108,142,821	206,649,410
OTHER COMPREHENSIVE INCOME					
Gain on revaluation of Fixed Assets	-	-	-	-	70,713,884
Profit on the sale of Fixed Assets	1,318,407	699,999	1,318,407	699,999	699,999
TOTAL COMPREHENSIVE INCOME	21,806,259	69,233,200	69,333,324	108,842,821	278,063,293
EARNINGS PER SHARE	0.02c	0.05c	0.05c	0.08c	0.16c

INDIES PHARMA JAMAICA LIMITED
Unaudited Consolidated Statement of Financial
Position
For the six months ended April 30, 2021

	Six Months Ended April 30, 2021	Six Months Ended April 30, 2020	Audited Year Ended October 31, 2020
	\$	\$	\$
ASSETS			
NON-CURRENT ASSETS:			
Intangible assets	145,691,842	-	114,698,809
Right-of-use asset	58,421,889	96,023,802	77,222,845
Investment	302,241,200	-	147,500,000
Property, plant and equipment	650,231,439	607,916,047	627,781,814
	<u>1,156,586,369</u>	<u>703,939,849</u>	<u>967,203,468</u>
Related Companies	20,911,522	6,802,871	62,145,502
CURRENT ASSETS			
Inventories	182,991,193	144,578,046	146,520,962
Receivables	218,130,556	366,726,773	221,599,270
Taxation recoverable	707,243	2,567,222	632,834
Cash and cash equivalents	84,873,372	153,328,446	313,648,274
Director's Current Account	9,936,728	63,939,281	70,207,316
	<u>496,639,091</u>	<u>731,139,768</u>	<u>752,608,656</u>
TOTAL ASSETS	<u>1,674,137,982</u>	<u>1,441,882,488</u>	<u>1,781,957,626</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	244,576,999	244,576,999	244,576,999
Revaluation reserve	182,337,065	182,337,065	182,337,065
Retained earnings	282,579,396	447,873,653	359,825,109
	<u>709,493,460</u>	<u>874,787,717</u>	<u>786,739,173</u>

	Six Months Ended April 30, 2021	Six Months Ended April 30, 2020	Audited Year Ended October 31, 2020
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NON-CURRENT LIABILITIES

Long term loan	805,000,000	-	805,000,000
Lease Liability	51,843,854	99,837,466	41,194,958
Related Companies	32,050,707	-	27,342,633
	<u>888,894,561</u>	<u>99,837,466</u>	<u>873,537,591</u>

CURRENT LIABILITIES

Payables	70,025,211	68,507,305	79,673,603
Short Term loans *	5,723,750	-	6,150,445
Current portion of Lease Liability	-	-	35,856,814
Related Companies *	-	398,750,000	-
Taxation	-	-	-
	<u>75,748,961</u>	<u>467,257,305</u>	<u>121,680,862</u>

TOTAL EQUITY AND LIABILITIES

	<u>1,674,137,982</u>	<u>1,441,882,488</u>	<u>1,781,957,626</u>
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Approved for issue by the Board of Directors on and signed on its behalf by:



Guna Sekhar Muppuri – Director



Vishnu Vandana Muppuri – Director



INDIES PHARMA JAMAICA LIMITED
Unaudited Consolidated Statement of Changes in Equity
For the six months ended April 30, 2021

	Number of Stock Units \$	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
Balance at 1 November 2019	1,332,536,649	244,576,999	110,923,182	339,730,832	695,231,013
Revaluation	-	-	70,713,884	-	70,713,884
Dividends paid	-	-	-	-	-
Total Comprehensive Income					
Other Comprehensive Income	-	-	699,999	-	699,999
NET PROFIT FOR THE PERIOD	-	-	-	108,142,821	108,142,821
Balance at 30 April 2020	1,332,536,649	244,576,999	182,337,065	447,873,653	874,787,717
Balance at 1 November 2020	1,332,536,649	244,576,999	182,337,065	359,825,109	786,739,173
Dividend Paid	-	-	-	(146,579,031)	(146,579,031)
Other Comprehensive Income				1,318,402	1,318,402
NET PROFIT FOR THE PERIOD	-	-	-	68,014,917	68,014,917
Balance at 30 April 2021	1,332,536,649	244,576,999	182,337,065	282,579,396	709,493,460

INDIES PHARMA JAMAICA LIMITED
Unaudited Consolidated Statement of Cash Flows
For the six months ended April 30, 2021

	Six Months Ended April 30, 2021	Six Months Ended April 30, 2020	Audited Year Ended October 31, 2020
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit	68,014,917	108,142,821	206,649,410
Adjustment for			
Depreciation	25,556,516	25,083,125	48,903,104
Interest expense	31,167,069	4,814,709	9,185,983
Interest Income	(299,117)	(159,063)	(515,981)
Taxation	-	-	2,029,220
	124,439,384	137,881,593	266,251,736
Changes in operating assets and liabilities			
Trade Receivables	3,468,714	(73,747,975)	71,379,528
Inventories	(36,470,231)	12,358,164	10,415,248
Trade payables	(10,075,087)	1,093,010	12,259,307
Related company	45,942,054	(15,058,055)	(24,827,491)
Director's a/c	60,270,588	(7,378,512)	(13,646,547)
GCT Recoverable/Recoverable	74,409	25,743	(120,574)
	187,649,831	55,173,969	321,711,207
Taxation paid	-	-	-
Net Cash used in operating activities	187,649,831	55,173,969	321,711,207
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	299,117	159,063	515,982
Purchase of fixed assets	(46,867,457)	(411,418,597)	(431,234,595)
Right of use assets	(18,800,956)	-	(114,824,755)
Purchase of intangible assets	(30,993,033)	-	(114,698,809)
Purchase of investments	(154,741,200)	-	(147,500,000)
Disposal Proceed of fixed assets	1,776,000	700,000	700,000
Net cash used in investing activities	(249,327,530)	(410,559,535)	(807,042,177)

	Six Months Ended April 30, 2021	Six Months Ended April 30, 2020	Audited Year Ended October 31, 2020
	\$		\$
CASH FLOWS FROM FINANCE ACTIVITIES			
Interest paid	(31,167,069)	(4,814,709)	(9,185,983)
Loan received	-	398,750,000	799,577,858
Dividends paid	(146,579,031)	-	(186,555,131)
Lease liabilities	10,648,896	-	77,051,772
Net cash provided by financing activities	(167,097,204)	393,935,291	680,888,516
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	(228,774,902)	38,549,725	195,557,545
Cash and cash equivalents at beginning of year	313,648,274	114,778,721	114,778,721
CASH AND CASH EQUIVALENT AT YEAR END	84,873,372	153,328,446	310,336,266

1. IDENTIFICATION AND ACTIVITIES

INDIES PHARMA JAMAICA LIMITED is a limited liability company incorporated under the laws of Jamaica on the 09th day of December 2003 and domiciled in Jamaica. The registered office of the company is Unit #5 Montego Bay Trade Centre, Catherine Hall, Montego Bay, St James. The principal activity of the company is the distribution and retailing of pharmaceutical and auxiliary products.

The company by special resolution dated 4th November 2014 converted from a private to a public company. The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on the August 15th, 2018.

2. BASIS OF PREPARATION

These condensed unaudited interim financial statements for the six months ended April 30, 2021, have been prepared in accordance with IAS 34 – Interim Financial Reporting. The interim financial statements should be read in conjunction with the audited financial statements ended 31st October 2020 which have been prepared in accordance with The International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB). The accounting policies are consistent with those applied to the audited financial statements for the year ended 31 October 2020.

- ❖ The financial statements are expressed in Jamaican Dollars.

IFRS 16 'Leases'

The company has adopted IFRS 16 from 1 November 2019 and has not restated comparatives for the prior reporting period as submitted under the specific transitional provisions in the standard in applying the simplified transition approach. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening statement of financial position on 1 November 2019.

IFRS 16 introduces a single lease accounting model for lessees. It requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use-asset" for virtually all lease contracts. The

standard includes an optional exemption for certain short-term leases of low value assets. For lessors the accounting stays almost the same.

Effective 1 November 2019, leases are recognized as a “right -of -use- asset” and a corresponding liability at the date at which the lease asset is available for use by the company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability each period. The right -of- use asset is depreciated over the shorter of the asset's useful life and the lease term on the straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis.

3. INVESTMENTS

	Unaudited Six Months ending April 2021	Unaudited Six Months ending April 2020
	\$	\$
Proven Investment Limited	302,241,200	-
	302,241,200	-

** This represents participation in an indexed linked US\$ note issued by Proven Investment Limited.

4. RECEIVABLES

	Unaudited Six Months ending April 2021	Unaudited Six Months ending April 2020
	\$	\$
Trade Receivables	161,518,907	170,011,189
Prepayments	-	4,578,326
Shareholders' loan	-	135,590,400
Other	56,611,648	56,546,858
	218,130,556	366,726,773

5. RELATED COMPANIES

	Unaudited Six Months ending April 2021 \$	Unaudited Six Months ending April 2020 \$
Due From - Mercury Wireless Limited	20,911,522	6,000,000
Bioprist Holdings Inc	-	802,871
	20,911,522	6,802,871
Due to - Bioprist Holdings Inc	32,050,707	398,750,000
	32,050,707	398,750,000

* The \$398,750,000 due to Bioprist Holdings Inc was reclassified from short term loans in the 2020 comparative period.

6. LONG-TERM LOANS

	Unaudited Six Months ending April 2021 \$	Unaudited Six Months ending April 2020 \$
Sagicor Bank Jamaica Ltd	805,000,000	-
	805,000,000	-

** A private bond issued through Sagicor Bank and matures 2025 with a fixed rate of 7%.

7. TAXATION

	Unaudited Six Months ending April 2021 \$	Unaudited Six Months ending April 2020 \$
Company Tax	-	2,029,220
With-Holding Tax	707,243	538,002
	707,243	2,567,222

8. PAYABLES

	Unaudited Six Months ending April 2021 \$	Unaudited Six Months ending April 2020 \$
Trade Payables	42,552,948	43,886,574
General Consumption Tax	1,543,003	(4,716,292)
Statutory Tax	3,071,391	3,797,102
Other Payables and Accruals	22,857,870	25,539,920
	70,025,211	68,507,305

9. LEASE IFRS 16

	Unaudited Six Months ending April 2021 \$	Unaudited Six Months ending April 2020 \$
<u>Right of Use Asset -</u>		
Lease properties on recognition November 1, 2019	114,824,755	114,824,755
Less: accumulated depreciation charge	<u>(56,402,867)</u>	<u>(18,800,953)</u>
Balance	<u>58,421,889</u>	<u>96,023,802</u>
<u>Lease Liabilities</u>		
Contractual discounted cash flows	51,843,854	99,837,467
Less: current portion	(31,106,313)	(37,439,050)
Non-current portion	20,737,542	62,398,417

The company adopted IFRS 16 "Leases" as on 1 November 2019 and recognized right of use asset and lease liability. Right of use assets are generally depreciated over the lease term on a straight-line basis. The lease liabilities were measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate as of 1 November 2019 was 8%.

TOP TEN (10) SHAREHOLDERS

SHAREHOLDERS	NUMBER OF UNITS	SHAREHOLDING %
Bioprist Holdings Inc.	1,042,858,249	78.26%
Sunand Gogineni	44,903,438	3.37%
GK Investments Limited	39,414,376	2.96%
Venugopal Naidu Kuntamukkala	23,171,070	1.74%
VM Wealth Equity Fund	13,695,613	1.03%
SAGICOR Select Fund Limited (Class C Shares) Manufacturing & Distribution	10,688,828	0.80%
E Penny Barron	7,192,281	0.54%
NBC Capital Market Ltd. A/C 2231	6,102,593	0.46%
JCSD Trustee Services Limited A/C Barifa Unit Trust Capital Growth Fund	5,967,082	0.45%
GK General Insurance Company Limited	4,439,961	0.33%
TOTAL	1,198,433,491	89.94%
Other Minority Shareholders	134,103,158	10.06%
TOTAL ISSUED SHARES	1,332,536,649	100%

SHAREHOLDINGS OF DIRECTORS

DIRECTORS	TOTAL SHAREHOLDINGS	DIRECT	CONNECTED PARTIES
Dr. Guna S. Muppuri	1,042,858,249	-	1,042,858,249
Mrs. Vishnu Muppuri	1,042,858,249	-	1,042,858,249
Prof. Trevor McCartney	200,000	200,000	-
Mr. Kevin Donaldson	660,801	660,801	-
Mr. Lissant Mitchell	200,000	200,000	-
Dev Kumar Singh	NIL	-	-

COMPANY SECRETARY	TOTAL SHAREHOLDING	DIRECT	CONNECTED PARTIES
Venice Williams-Gordon	NIL	-	--

MANAGEMENT HOLDINGS

SENIOR MANAGERS / EXECUTIVES	TOTAL SHAREHOLDINGS	DIRECT	CONNECTED PARTIES
Cynthia Hutchinson	NIL	-	-
Ricardo Stephenson	101,000	101,000	-
Sabrina Serrant	65,000	65,000	-
Ebany Gayle	77,900	77,900	-
Dwight Brown	50,000	50,000	-