



2021-2022

Nine Months Unaudited Financial Results Ending 31 July 2022

INDIES PHARMA JAMAICA LIMITED

“Caring for the Nation's Health”

www.indiespharma.com



2021-2022

Nine - Months Unaudited Financial Results

Period ending 31 July 2022



INDIES PHARMA JAMAICA LIMITED

"Caring for the Nation's Health"

RELEASE TO SHAREHOLDERS

Nine-MONTHS UNAUDITED FINANCIAL RESULTS - PERIOD ENDING 31 JULY 2022.

The Board of Directors of Indies Pharma Jamaica Limited is pleased to present to our shareholders Nine months unaudited financial results for the period ending July 31, 2022.

	3 Months Ended 1 May – Jul 31 - 2022	3 Months Ended 1 May- Jul 31-2021	Year over Year	9 Months Ended 31 Jul-2022	9 Months Ended 31 Jul- 2021	Year over Year	Audited Year Ended 31- Oct- 2021
Revenue	264,735,973	207,635,127	28%	727,633,572	633,295,668	15%	846,832,692
Gross Profit	181,837,332	143,994,103	26%	517,368,929	400,114,793	29%	550,931,488
Profit from Operations	91,751,414	61,856,281	48%	236,841,634	152,661,983	55%	231,591,527
Net Profit for the Period	72,757,590	42,582,046	71%	187,712,262	103,583,759	81%	178,564,371
Earnings per share (EPS)	0.05	0.03	67%	0.14	0.08	75%	0.13
Total Assets	2,165,125,225	1,730,100,912	25%	2,165,125,225	1,730,100,912	25%	2,036,545,837
Shareholder's Equity	1,144,973,335	746,141,146	53%	1,144,973,335	746,141,146	53%	1,107,187,714
Total Liabilities	1,020,151,891	983,959,766	4%	1,020,151,891	983,959,766	4%	929,358,123

RESULTS FOR THE NINE MONTHS ENDED JULY 2022

For the nine-month period ended July 31, 2022, Indies Pharma Jamaica Limited earned gross revenues of J\$728 million, 15% higher than the J\$633 million recorded in the prior nine-month period in 2021. Gross profit for the Nine-month period increased to J\$517 million versus J\$400 million in the same period in 2021, representing a 29% increase or J\$117million when compared to the similar period in 2021. This is mainly due to the increased customer loyalty towards the product and service quality the company offers to its clients and the end users, contributing to the organic growth of the product line in addition to the stringent cost- effective management strategies.

The company had a slight increase in administrative expenses by 7% year on year principally due to higher level of fleet vehicles maintenance especially escalated gas prices and the increase in the salaries. Nonetheless profit from the operations grew by 55% to J\$237 million in 2022 from J\$153 million in the similar period 2021.

Net Profit for the nine-month period in 2022 has increased by 81% to J\$188 million from \$104 million for the same nine-month period in 2021. This encouraging increase was not by accident, but it is the true reflection of the company's solid supply chain management planning that has yielded positive profit levels despite the interest payments incurred due to the Sagicor bond J\$805 million, raised in 2020 towards the company's growth initiatives.

Total assets at the end of the nine-month period stood at J\$2.2 billion up from J\$1.7 billion in the comparative period 2021 reflecting an increase 26%.

Shareholders' equity has increased by 53% this year to J\$1.14 billion compared to J\$746 million in the prior period 2021 and total liabilities increased by 4% in 2022 to J\$1.02 billion from J\$984 million in 2021. The \$805 million Sagicor bond attained in 2020 towards "**Growth Capital**" continues to remain on the books due to the ongoing investments activities in the real estate acquired by the Company from the proceeds of the bond and also for the approval of two generic drugs at the USFDA for the United States Market.

- ❖ Earnings per share (EPS) for the nine-month period 2022 **has increased by 75% to J\$0.14/unit from \$0.08/unit** when compared to the same period last year.

RESULTS FOR THE THIRD QUARTER ENDED JULY 2022

For the third quarter ended July 2022, the company recorded \$265 million in revenues, an increase of \$57 million or 28% to that of the corresponding period revenues of \$208 million in 2021. Gross profits for the quarter has increased to \$182 million in comparison to \$144 million for the same quarter in 2021, a 26% or \$38 million increase. One of the main contributing factors is the robust approach taken in monitoring the inventory and supply chain in addition to mitigating the write off the expired stock.

Operating Expenses increased by 7% to \$91 million for the current quarter in comparison to \$85 million of prior quarter, which was expected. It was due to an increase in the fuel cost, increased frequency of servicing and the contingent associated vehicle maintenance costs and, bad debt provision to some extent.

Net Profit for the three-month period has increased by 71% to J\$73 million from J\$43 million during the same three-month period in 2022 and 2021 respectively.

- ❖ Earnings per share (EPS) during the third quarter (for the three-month period) 2022 **increased by 67%** to J\$0.05c/unit from 0.03c/unit when compared to the same period last year.

The Company remains healthy and consistent in this post pandemic era as it continues to deliver and maintain an upward trend in its performance and profitability to its shareholders. It wouldn't have been possible if it was not for the customer loyalty and the staff of Indies Pharma while we continue to deliver our commitment "Caring for the Nation's Health".

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

Sincerely Yours



Vishnu V. Muppuri (Mrs.)
Co-Founder, Executive Director & COO
15 August 2022.

INDIES PHARMA JAMAICA LIMITED
Unaudited Consolidated Statement of
Comprehensive Income
For The Nine-Months Ended 31 July 2022

	Three Months Ended 1 May - Jul 31, 2022	Three Months Ended 1 May - Jul 31, 2021	Nine Months Ended Jul 31, 2022	Nine Months Ended Jul 31, 2021	Audited Year Ended October 31, 2021
	\$	\$	\$	\$	\$
REVENUE	264,735,973	207,635,127	727,633,572	633,295,668	846,832,692
COST OF SALES	(82,898,641)	(63,641,023)	(210,264,642)	(233,180,875)	(295,901,204)
GROSS PROFIT	181,837,332	143,994,104	517,368,929	400,114,793	550,931,488
Other operating income	996,006	3,066,213	1,726,829	3,421,399	7,493,026
Administrative and other Expenses	182,833,337	147,060,317	519,095,630	403,536,194	558,424,514
	(91,081,923))	(85,204,033)	(282,253,996)	(250,874,212)	(326,832,987)
PROFIT FROM OPERATION	91,751,414	61,856,284	236,841,634	152,661,982	231,591,527
Exchange Gain/(Loss)	(3,804,941)	1,387,841	(4,079,999)	2,580,777	14,763,441
Finance Cost (Loan Interest)	(15,188,884)	(20,662,070)	(45,049,373)	(51,659,001)	(67,790,597)
NET PROFIT BEFORE TAXATION	72,757,590	42,582,054	187,712,262	103,583,758	178,564,371
Taxation	-	-	-	-	-
NET PROFIT FOR THE PERIOD	72,757,590	42,582,054	187,712,262	103,583,758	178,564,371
OTHER COMPREHENSIVE INCOME					
Gain on revaluation of Fixed Assets	-	-	-	-	288,463,201
Profit on the sale of Fixed Assets	650,000		650,000	2,397,248	-
TOTAL COMPREHENSIVE INCOME	73,407,590	42,582,054	188,362,262	105,981,006	467,027,572
EARNINGS PER SHARE	0.05c	0.03c	0.14c	0.08c	0.13c

INDIES PHARMA JAMAICA LIMITED
Unaudited Consolidated Statement of Financial Position
For the Nine-months ended 31 July 2022

	Nine Months Ended Jul 31, 2022	Nine Months Ended Jul 31, 2021	Audited Year Ended October 31, 2021
	\$	\$	\$
ASSETS			
NON-CURRENT ASSETS:			
Intangible assets	370,190,561	268,451,550	317,628,968
Right-of-use asset	129,734,950	49,021,410	39,620,932
Investment	90,768,476	182,389,265	146,751,564
Property, plant, and equipment	949,750,816	648,839,022	940,252,921
	<u>1,540,444,803</u>	<u>1,148,701,248</u>	<u>1,444,254,385</u>
Related Companies	35,549,661	25,846,000	18,940,932
CURRENT ASSETS			
Inventories	211,441,215	234,243,290	222,596,257
Receivables	178,028,404	197,595,357	161,479,266
Taxation recoverable	1,030,951	743,122	774,306
Cash and cash equivalents	180,948,046	110,617,736	187,744,545
Director's Current Account	17,682,146	12,354,159	756,146
	<u>589,130,761</u>	<u>555,553,664</u>	<u>573,350,520</u>
TOTAL ASSETS	<u>2,165,125,225</u>	<u>1,730,100,912</u>	<u>2,036,545,837</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	244,576,999	244,576,999	244,576,999
Revaluation reserve	458,484,190	182,337,065	458,484,190
Retained earnings	441,912,146	319,227,082	404,126,525
	<u>1,144,973,335</u>	<u>746,141,145</u>	<u>1,107,187,714</u>

INDIES PHARMA JAMAICA LIMITED**Unaudited Consolidated Statement of Financial Position (CONTINUED)**

For the Nine-months ended 31 July 2022

	Nine Months Ended Jul 31, 2022	Nine Months Ended Jul 31, 2021	Audited Year Ended Oct 31, 2021
	\$	\$	\$
NON-CURRENT LIABILITIES			
Long term loan	805,000,000	805,000,000	805,000,000
Lease Liability	70,530,245	39,054,108	-
Related Companies	65,293,943	33,919,707	46,595,363
	940,824,188	877,973,816	851,595,363
CURRENT LIABILITIES			
Payables	40,382,781	104,632,912	48,185,982
Short Term loans	3,399,749	1,353,039	3,437,700
Taxation	-	-	-
Current portion of Lease Liability	35,545,173	-	26,139,078
	79,327,703	105,985,951	77,762,760
TOTAL EQUITY AND LIABILITIES	2,165,125,225	1,730,100,912	2,036,545,837

Approved for issue by the Board of Directors 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 Nine-months ended 31 July 2022

	Number of Stock Units \$	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
Balance at 1 November 2020	1,332,536,649	244,576,999	182,337,065	359,825,109	786,739,173
Dividends paid	-	-	-	(146,579,031)	(146,579,031)
Total Comprehensive Income					
Reclassification	-	-	(12,316,076)	12,316,076	-
Other Comprehensive Income	-	-	288,463,201	-	288,463,201
NET PROFIT FOR THE PERIOD	-	-	-	178,564,371	178,564,371
Balance at 31 October 2021	1,332,536,649	244,576,999	458,484,190	404,126,525	1,107,187,714
Balance at 1 November 2021	1,332,536,649	244,576,999	458,484,190	404,126,525	1,107,187,714
Dividend Declared	-	-	-	(150,576,641)	(150,576,641)
Revaluation	-	-	-	-	-
Other Comprehensive Income	-	-	-	650,000	650,000
NET PROFIT FOR THE PERIOD	-	-	-	187,712,262	187,712,262
Balance at 30 April 2022	1,332,536,649	244,576,999	458,484,190	441,912,146	1,144,973,335

INDIES PHARMA JAMAICA LIMITED
Unaudited Consolidated Statement of Cash Flows
For the Nine-months ended 31 July 2022

	Nine Months Ended July 31, 2022	Nine Months Ended July 31, 2021	Audited Year Ended October 31, 2021
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit	187,712,262	103,583,758	178,564,371
Adjustment for			
Depreciation	45,877,620	39,396,060	53,731,771
Interest expense	45,482,417	51,980,545	67,790,597
Interest Income	(726,096)	(3,350,302)	(4,835,943)
Gain on disposal of property, plant and equipment	-	-	(2,397,248)
	278,346,204	191,610,062	292,853,547
Changes in operating assets and liabilities			
Trade Receivables	(16,549,138)	24,002,913	60,120,004
Inventories	11,155,042	(87,722,328)	(76,075,295)
Trade payables	(7,803,201)	20,161,903	(31,487,620)
Related company	(39,704,805)	42,876,576	62,457,300
Director's a/c	(16,926,000)	57,853,157	69,451,170
Taxation	(256,645)	110,288	(141,472)
Recoverable/(payable)	(70,084,746)	57,283,510	84,324,087
Taxation paid	-	-	-
Net Cash used in operating activities	208,261,458	248,893,572	377,177,634
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	726,096	3,350,302	4,835,943
Purchase of fixed assets	(13,580,862)	(40,706,544)	(40,716,515)
Right of use assets	(90,114,018)	(28,201,435)	-
Purchase of intangible assets	(52,561,593)	(153,752,741)	(202,930,159)
Purchase of investments	55,983,088	(34,889,265)	748,436
Disposal Proceed of fixed assets	650,000	2,976,000	2,976,000
Net cash used in investing activities	(98,897,289)	(251,223,683)	(235,086,295)

INDIES PHARMA JAMAICA LIMITED**Unaudited Consolidated Statement of Cash Flows (CONTINUED)**

For the Nine-months ended 31 July 2022

	Nine Months Ended July 31, 2022	Nine Months Ended July 31, 2021	Audited Year Ended October 31, 2021
	\$	\$	\$
CASH FLOWS FROM FINANCE ACTIVITIES			
Interest paid	(45,482,417)	(51,980,545)	(61,373,300)
Loan received	(37,951)	-	599,264
Dividends paid	(150,576,641)	(146,579,031)	(146,579,031)
Lease liabilities	79,936,340	(2,140,850)	(57,329,991)
Net cash provided by financing Activities	(116,160,670)	(200,700,426)	(264,683,058)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	(6,796,499)	(203,030,538)	(122,591,719)
Cash and cash equivalents at beginning of year	187,744,545	313,648,274	310,336,264
CASH AND CASH EQUIVALENT AT YEAR END	180,948,046	110,617,736	187,744,545

INDIES PHARMA JAMAICA LIMITED
Notes to the Unaudited Financial Statements
For the Six-months ended 30 April, 2022

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 'Twelve Months ended October 31, 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 2021.

- ❖ 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.

INDIES PHARMA JAMAICA LIMITED

Notes to the Unaudited Financial Statements (CONTINUED)

For the Nine-months ended 31 July, 2022

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 Year to date Jul 2022	Unaudited Year to date Jul 2021
	\$	\$
Proven Investment Limited	90,768,476	182,389,265
	90,768,476	182,389,265

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

4. RECEIVABLES

	Unaudited Year to date Jul 2022	Unaudited Year to date Jul 2021
	\$	\$
Trade Receivables	148,277,551	143,337,585
Other	28,750,853	54,257,772
	178,028,404	197,595,357

INDIES PHARMA JAMAICA LIMITED**Notes to the Unaudited Financial Statements (CONTINUED)****For the Nine-months ended 31 July, 2022****5. RELATED COMPANIES**

	Unaudited Year to date Jul 2022	Unaudited Year to date Jul 2021
	\$	\$
Due From - Mercury Wireless Limited	35,549,661	25,846,000
Bioprist Las Americas	-	-
	35,549,661	25,846,000
Due to - Bioprist Holdings Inc	65,293,943	33,919,707
	65,293,943	33,919,707

6. LONG-TERM LOANS

	Unaudited Year to date Jul 2022	Unaudited Year to date Jul 2021
	\$	\$
Sagicor Bank Jamaica Ltd	805,000,000	805,000,000
	805,000,000	805,000,000

7. PAYABLES

	Unaudited Year to date Jul 2022	Unaudited Year to date Apr 2021
	\$	\$
Trade Payables	10,808,649	83,866,876
General Consumption Tax	18,751,134	(4,371,039)
Statutory Tax	3,907,530	3,252,386
Other Payables and Accruals	6,915,598	21,884,688
	40,382,781	104,632,912

INDIES PHARMA JAMAICA LIMITED**Notes to the Unaudited Financial Statements (CONTINUED)****For the Nine-months ended 31 July, 2022****8. LEASE IFRS 16**

	Unaudited as at Jul 2022 \$	Unaudited as at Jul 2021 \$
<u>Right of Use Asset -</u>		
Lease properties on recognition November 1, 2019	236,363,819	114,824,755
Less: accumulated depreciation charge	<u>(106,628,870)</u>	<u>(65,803,345)</u>
Balance	<u>129,734,950</u>	<u>49,021,410</u>
<u>Lease Liabilities</u>		
Contractual discounted cash flows	106,075,418	39,054,108
Less: current portion	<u>35,545,173</u>	=
Non-current portion	70,530,245	-

- **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	39,898,926	2.99%
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%
NCB Capital Markets Ltd.	5,933,411	0.45%
JCSD Trustee Services Limited A/C Barita Unit Trust Capital Growth Fund	5,967,082	0.45%
Star Holdings Ltd	5,120,895	0.38%
TOTAL	1,199,429,793	90.01%
Other Minority Shareholders	133,106,856	9.99%
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
Ricardo Stephenson	101,000	101,000	-
Sabrina Serrant	65,000	65,000	-
Dwight Brown	50,000	50,000	-