



CARIBBEAN PRODUCERS JAMAICA LIMITED

QUARTER ENDED SEPTEMBER 30, 2022

The Board of Directors of CPJ Group presents the consolidated unaudited results for the quarter that ended September 30, 2022, prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act.

Performance

CPJ Group operating revenues were US\$33.06 million (2021: US\$25.02 million) for the quarter ended September 30, 2022, which resulted in earnings before tax of US\$2.24 million, an increase of US\$354.26 thousand, or 19% over the prior year. CPJ Group reported profits after tax of US\$1.72 million (2021: US\$1.67 million). Results show an overall improved performance for the Company as operating revenues grew by 32% compared to Q1 of the prior year, and profit after tax continued to improve, despite the challenging operational environment.

Growth in Q1 was driven largely by incremental growth in volumes as our products continue to maintain a strong and resilient position in the hospitality and retail sectors. Corresponding to the increased revenue growth, Selling & Administrative expenses for Q1 totaling US\$6.17 million (2021: US\$4.37 million) increased by 41% compared to the previous quarter. These increases are primarily driven by increases in staffing levels as the company positions itself for continued growth.

The Company remains committed to the implementation of effective cost-containment measures to ensure efficiencies, despite the ongoing and increasing macro-economic pressures, both locally and internationally. These measures include but are not limited to efforts to reach a broader client base through technology with our B2B & B2C platforms.

Total assets grew by US\$14.42 million, or 20%, compared to the same period last year, driven primarily by inventory held by the Company and increases in accounts receivables. There was also an increase in total liabilities over the prior year of US\$3.57 million or 6.5%. Total equity increased by US\$10.85 million, or 64%, over the prior year.

Although the CPJ Group showed an increase in the growth of the accounts receivables portfolio, the accounts receivable days, now at 37 days (2021: 40 days) have improved by 7% over last year, revealing the strength of the Company's credit management policies and procedures. These policies ensure that the Company delivers operating revenue while limiting our credit risk.

The current ratio of 2.39 [2021: 1.91], has shown an improvement of 25% over the prior year.

As the uncertainties around the availability of goods and the global; supply chain persists, CPJ has been proactive as it relates to inventory, as have many companies globally, in order to guarantee uninterrupted service to our customers. Total inventory increased to US\$40.37 million (2021: US\$29.83 million) for the quarter that ended September 30, 2022. This represents a 35.3% increase over last year.

Outlook

As we look forward to the robust travel of the holiday season, CPJ continues to strive to provide the highest levels of service and quality products available, ensuring the success of our customers and shareholders. We look forward to the opening of the new CPJ Market Drax Hall and will continue the work of enhancing the food-service product line in our CPJ Markets.

The Company continues to upgrade infrastructure, including our trucking fleet, in anticipation of the growth in tourism and to consistently improve our level of service. The management of CPJ wishes to express our heartiest thanks to our customers, board of directors, dedicated team members, business partners, and shareholders for their commitment and unwavering support. The Company strives for the path of excellence, delivering "Excellence" to our consumers, shareholders, and stakeholders.



Mark Hart, Executive Chairman
& Interim-CEO

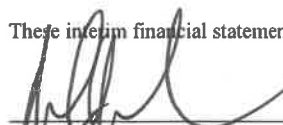


Tom Tyler, Co-Chairman

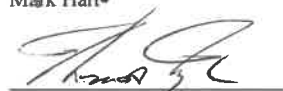
Interim Statement of Financial Position -Unaudited

	CPJ Jamaica Unaudited September 30, 2022 <u>TOTAL</u>	CPJ Jamaica Unaudited September 30, 2021 <u>TOTAL</u>	CPJ Jamaica Audited June 30, 2022 <u>TOTAL</u>
CURRENT ASSETS			
Cash and cash equivalents	4,129,204	2,435,761	3,920,459
Accounts receivable	16,696,384	14,959,630	18,486,320
Inventories	40,365,881	29,833,211	40,155,943
	<u>61,191,469</u>	<u>47,228,602</u>	<u>62,562,722</u>
CURRENT LIABILITIES			
Bank overdraft	1,931,091	1,570,064	1,862,314
Short-term loans	6,700,000	4,200,000	6,500,000
Accounts payable	9,770,655	13,210,520	18,818,965
Short-term promissory notes	600,000	3,817,793	3,817,793
Current portion of lease liabilities	703,180	600,003	687,128
Current portion long-term borrowings	4,115,122	1,078,471	4,433,082
Current portion long-term promissory notes	-	-	9,276,153
Tax payable	1,806,949	244,143	1,358,113
	<u>25,626,997</u>	<u>24,720,994</u>	<u>46,753,548</u>
NET CURRENT ASSETS	<u>35,564,472</u>	<u>22,507,608</u>	<u>15,809,174</u>
NON-CURRENT ASSETS			
Investment	86,234	62,619	67,644
Deferred tax asset	2,019,505	2,296,001	2,019,505
Right-of-use assets	10,972,182	11,244,699	11,302,481
Intangible asset	31,201	19,898	37,113
Property, plant and equipment	12,180,658	11,213,440	12,465,911
	<u>25,289,780</u>	<u>24,836,657</u>	<u>25,892,654</u>
US\$	<u><u>60,854,252</u></u>	<u><u>47,344,265</u></u>	<u><u>41,701,828</u></u>
SHAREHOLDERS' EQUITY			
Share capital	4,898,430	4,898,430	4,898,430
Accumulated surplus	19,892,114	12,346,312	18,251,690
	<u>24,790,544</u>	<u>17,244,742</u>	<u>23,150,120</u>
Non - controlling interest	2,970,714	(329,041)	2,889,809
	<u>27,761,258</u>	<u>16,915,701</u>	<u>26,039,929</u>
NON-CURRENT LIABILITIES			
Long-term promissory notes	4,656,460	9,275,147	-
Due to related party	314,765	3,264,617	313,372
Lease Liabilities	12,947,074	11,672,469	13,127,694
Long-term borrowings	15,174,695	6,216,331	2,220,833
	<u>33,092,994</u>	<u>30,428,564</u>	<u>15,661,899</u>
US\$	<u><u>60,854,252</u></u>	<u><u>47,344,265</u></u>	<u><u>41,701,828</u></u>

These interim financial statements were approved by the Board of Directors and signed on its behalf by:


 Mark Hart

Director


 Thomas Tyler

Director

The accompanying notes form an integral part of the interim financial statements.

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Period ended September 30, 2022

Interim Statement of Comprehensive Income - Unaudited

	Unaudited Three months ended <u>TOTAL</u> <u>September 30, 2022</u>	Unaudited Three months ended <u>TOTAL</u> <u>September 30, 2021</u>	Audited Twelve months ended <u>TOTAL</u> <u>June 30, 2022</u>
Gross operating revenue	33,061,616	25,018,389	119,960,344
Cost of operating revenue	(22,825,845)	(16,878,075)	(85,116,093)
Gross profit	10,235,771	8,140,314	34,844,251
Selling and administrative expenses	(6,171,962)	(4,373,645)	(18,238,102)
Expected credit losses	(40,500)	(37,766)	(387,107)
Depreciation and amortisation	(1,034,422)	(1,039,669)	(4,211,003)
Other operating income/(expenses), net	6,346	(124,479)	403,695
Operating profit	2,995,233	2,564,755	12,411,734
Finance income	214	4,273	5,154
Finance costs	(755,378)	(683,223)	(2,950,367)
Profit before taxation	2,240,069	1,885,805	9,466,521
Taxation	(518,740)	(219,568)	(1,744,030)
Profit for the year, being total comprehensive income	1,721,329	1,666,237	7,722,491
Attributable to:			
Equity holders of the Parent	1,640,424	1,602,899	7,508,277
Non- controlling interest	80,905	63,338	214,214
	<u>1,721,329</u>	<u>1,666,237</u>	<u>7,722,491</u>
Earnings per stock unit (cents)	<u>0.15 cents</u>	<u>0.15 cents</u>	<u>0.68 cents</u>

Interim Statement of Changes in Equity - Unaudited

	<u>Share capital</u>	<u>Accumulated surplus</u>	<u>Non controlling Interest</u>	<u>Total</u>
Three months ended September 30, 2021				
Balances at June 30, 2021	4,898,430	10,743,413	(392,379)	15,249,464
Total Comprehensive Loss for the year:				
Profit for the year, being total comprehensive income	-	1,602,899	63,338	1,666,237
Balances at September 30, 2021	<u>4,898,430</u>	<u>12,346,312</u>	<u>(329,041)</u>	<u>16,915,701</u>
Three months ended September 30, 2022				
Balances at June 30, 2022	4,898,430	18,251,690	2,889,809	26,039,929
Total Comprehensive Income for the year:				
Profit for the period, being total comprehensive income	-	1,640,424	80,905	1,721,329
Balances at September 30, 2022	<u>4,898,430</u>	<u>19,892,114</u>	<u>2,970,714</u>	<u>27,761,258</u>
	US\$			

Consolidated Interim Statement of Cash Flows - Unaudited

	Unaudited Three months ended September 30, 2022	Unaudited Three months ended September 30, 2021	Audited Year-ended June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	1,721,329	1,666,237	7,722,491
Adjustments for:			
Depreciation and amortisation	1,034,422	1,039,669	4,211,003
Gain on disposal of property, plant and equipment	-	(19,068)	(7,101)
Gain on modification of leases	-	-	(12,731)
Transfer and adjustments to property, plant and equipment	-	(29,681)	843
Unrealised foreign exchange gains on loans	(47,990)	-	(36,884)
Unrealised foreign exchange (gain)/loss on cash and cash equivalents	(16,258)	8,659	28,734
Amortised debt cost	(29,225)	-	35,332
Derecognition of tax liability	-	-	(133,816)
Interest income	(214)	(4,273)	(5,154)
Finance cost	755,378	683,223	2,950,367
Taxation	518,740	219,568	1,744,030
	<u>3,936,182</u>	<u>3,555,675</u>	<u>16,497,114</u>
Decrease/(increase) in current assets:			
Accounts receivable	1,789,936	435,040	(3,091,650)
Inventories	(209,938)	(8,403,902)	(18,726,634)
(Increase)/decrease in current liability:			
Accounts payable	(9,159,485)	1,629,914	7,201,511
Cash (used)/generated by operations	(3,643,305)	(2,783,273)	1,880,341
Interest paid	(644,203)	(683,223)	(2,913,519)
Tax paid	(69,904)	(776)	(956)
Net cash used by operating activities	<u>(4,357,412)</u>	<u>(3,467,272)</u>	<u>(1,034,134)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Other assets	(18,590)	-	(5,025)
Additions to property, plant and equipment	(412,958)	(543,090)	(3,026,253)
Proceeds from disposal of property, plant and equipment	-	19,533	68,846
Interest received	214	4,273	5,154
Net cash used by investing activities	<u>(431,334)</u>	<u>(519,284)</u>	<u>(2,957,278)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Promissory notes received	4,656,460	967	1,973
Promissory notes repaid	(12,493,946)	-	-
Payment of lease liabilities	(164,568)	(94,837)	(552,671)
Other income due to rent concessions	-	-	(94,528)
Long-term/short-term borrowings, repaid	(286,883)	(1,950,335)	(9,584,023)
Due to related company	1,393	30,983	147,712
Long-term/short-term borrowings received	13,200,000	4,200,000	13,494,353
Net cash provided/(used) by financing activities	<u>4,912,456</u>	<u>2,186,778</u>	<u>3,412,816</u>
Net decrease in cash and cash equivalents for the period	123,710	(1,799,778)	(578,596)
Cash and cash equivalents at beginning of the period	2,058,145	2,665,475	2,665,475
Effects of fluctuations in exchange rates on cash held	16,258	(8,659)	(28,734)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	US\$ <u>2,198,113</u>	<u>857,038</u>	<u>2,058,145</u>
Comprised of			
Cash and cash equivalents	4,129,204	2,435,761	4,201,542
Bank overdraft	(1,931,091)	(1,570,064)	(1,536,067)
	<u>US\$ 2,198,113</u>	<u>865,697</u>	<u>2,665,475</u>

Selected explanatory notes

1 The Company

Caribbean Producers (Jamaica) Limited ("company or "parent company") is incorporated under laws of and domiciled in Jamaica. Its registered office is situated at Shop No. 14, Montego Freeport Shopping Centre, Montego Bay, St. James and its principal place of business is at 1 Guinep Way, Montego Freeport, Montego Bay, St. James.

The company's principal activities during the year were the wholesaling and distribution of food and beverages, the distribution of non-food supplies and the manufacture and distribution of fresh juices and meats.

The details of the company's subsidiaries as at September 30, 2022 are as follows:

<u>Company</u>	<u>Principal Activity</u>	<u>Percentage of ordinary shares held by the company</u>	<u>Place of incorporation</u>
CPJ Investments Limited	Holds investment in CPJ (St. Lucia) Limited	100	St. Lucia
CPJ (St. Lucia) Limited	Wholesale and distribution of food and beverages and distribution of non-food supplies	51	St. Lucia
CPJ Homeporting Limited	Logistics services	100	Jamaica

2 Basis of Preparation

These interim financial statements have been prepared in accordance with accounting policies set out in note 2 to the audited financial statements for the year ended June 30, 2022.

3 Basis of Consolidation

(i) A "subsidiary" is an enterprise controlled by the company. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of a subsidiary are included in the consolidated financial statements from the date control commences until the date that control ceases.

The interim consolidated financial statements include the financial statements of the company and its subsidiaries (note 1)

(ii) Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iii) Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

(iv) Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interest to have a deficit balance.

4 Segment Reporting

Segment information is presented in respect of the group's strategic business segments. The identification of business segments is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Geographical information:

	2022				
	Jamaica US\$	Investments US\$	St. Lucia US\$	Eliminations US\$	Total US\$
Revenue from external customers	27,277,939	-	5,994,945	(211,268)	33,061,616
Segment non-current assets	23,999,638	3,670,281	4,631,538	(7,011,677)	25,289,780
Additions to property, plant and equipment	378,904	-	34,054	-	412,958
	2021				
	Jamaica US\$	Investments US\$	St. Lucia US\$	Eliminations US\$	Total US\$
Revenue from external customers	20,226,544	-	5,005,582	(213,737)	25,018,389
Segment non-current assets	24,001,351	3,553,799	4,239,742	(6,958,235)	24,836,657
Additions to property, plant and equipment	361,425	-	181,665	-	543,090

Selected explanatory notes (contd)

5 Earnings per stock unit

Earnings per stock unit is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue for the period. The weighted average

	<u>Three months ended September 30, 2022</u>	<u>Three months ended September 30, 2021</u>	<u>Twelve months ended June 30, 2022</u>
Profit/(Loss) for the period attributable to the shareholders of the company (US\$)	1,640,424	1,602,899	7,508,277
Weighted average number of ordinary stock units held during the period	1,100,000,000	1,100,000,000	1,100,000,000
Earnings per stock unit (expressed in \$ per share)	0.15	0.15	0.68

6 Contingent Liabilities

In 2016, Tax Administration Jamaica (TAJ) conducted a General Consumption Tax audit for the period January 2012 to December 2015 and proposed an adjustment to (a) the returns for the period. No formal assessment has been served in this regard. During the year, the management and directors continued discussions with TAJ and other relevant authorities to review and resolve the proposed adjustments. At the date of authorisation of these financial statements, the resolution process is still ongoing.

In 2018, Jamaica Customs Agency Post Clearance Audit (PCA) conducted a review of the company's import declarations for the period from January 1, 2017 to July 31, 2018 and assessed the company for potential additional duty and taxes as per the Assessment Order dated January 22, 2019. The management has had discussions with (b) JCA and has disputed the assessment. The company finalized a liability of J\$21,501,893 with the JCA. However, a portion of the assessment amounting to J\$10,303,902 is under continued appeal. As at the date of authorisation of these financial statements, the resolution process is still ongoing.



**TOP TEN (10) STOCKHOLDERS
AS AT 30th SEPTEMBER 2022**

NAME	UNITS	%
Sportswear Producers Limited	253,084,299	23.0077
Mayberry Jamaican Equities Limited	220,324,641	20.0295
Wave Trading Limited	124,132,858	11.2848
Oniks Investments Limited	117,797,515	10.7089
Thomas Tyler	82,830,563	7.5301
Ho Choi Limited	33,581,579	3.0529
TJBK Investment Limited	31,000,000	2.8182
PWL Bamboo Holdings Limited	20,536,570	1.8670
MF& G Trust & Finance Ltd A/C 58	11,455,738	1.0414
QWI Investments Ltd	10,535,291	0.9578

SENIOR MANAGERS

NAME	UNITS	%
Hugh Logan	144,343	0.0131
Christopher Myles		
Xavier Perez		
Alejandro Sanchez		

DIRECTORS AND CONNECTED PARTIES REPORT

NAME	POSITION	RELATIONSHIP	UNITS	%
<u>Sportswear Producers Limited</u>			253,084,299	23.0077
Mark Hart	Chairman	Connected party holding		
<u>Mayberry Jamaican Equities Limited</u>			220,324,641	20.0295
Konrad Mark Berry	Director	Connected party holding		
Christopher Berry	Director	Connected party holding		
<u>Wave Trading Limited</u>			124,132,858	11.2848
Mark Hart	Chairman	Connected party holding		
<u>Oniks Investments Limited</u>			117,797,515	10.7089
Thomas Tyler	Co-Chairman	Connected party holding		
Thomas Tyler	Co-Chairman	Self	82,830,563	7.5301
<u>PWL Bamboo Holdings Limited</u>			20,536,570	1.8670
Konrad Mark Berry	Director	Connected party holding		
<u>Alpine Endeavours Limited</u>			1,881,100	0.1037
Ronald Schragger	Director	Connected party holding		
<u>Apex Pharmacy Limited</u>			1,421,936	0.1292
Christopher Berry	Director	Connected party holding		
<u>A+Medical Centre Limited</u>			950,000	0.0864
Christopher Berry	Director	Connected party holding		
Konrad Mark Berry	Director	Self	500,000	0.0454
Theresa Chin	Director	Self	288,900	0.0262
Richard Mark Hall	Director	Self	114,090	0.0104