



Interim Unaudited
Consolidated
Financial Statements

30 September 2022

PanJam Investment Limited

Interim Report to Stockholders For the Nine months ended 30 September 2022

On behalf of the Board of Directors, we present the unaudited consolidated financial statements of PanJam Investment Limited (“PanJam”) for the nine months ended 30 September 2022.

Highlights

- Net profit attributable to shareholders of \$681.8 million for the quarter (2021: \$2.5 billion); and \$1.9 billion for the nine months (2021: \$4.8 billion)
- Earnings per stock unit for the quarter of \$0.64 (2021: \$2.33); and \$1.74 for the nine months (2021: \$4.52)
- Book value per stock unit of \$45.89 at 30 September 2022 (30 September 2021: \$47.74)
- Ordinary dividend per stock unit declared/paid during the nine months of \$1.02 (2021: \$0.455)

Income Statement

Quarter Comparison

Net profit attributable to owners of \$681.8 million for the three months ended 30 September 2022 was significantly below the \$2.5 billion recorded in the same period in 2021. Earnings per stock unit for the quarter were \$0.64 (2021: \$2.33).

Income from PanJam’s core operations decreased by 27.5 per cent when compared to the third quarter of 2021. Investments generated a loss of \$318.7 million versus income of \$181.6 million in the prior year. Last year’s results were heavily influenced by unrealized gains from our portfolio of Jamaican equities, which were largely reversed in the third quarter of 2022 in line with unfavorable movement in stock and bond prices both locally and globally.

Year over year, property income increased by 10.3 per cent, benefiting from annual rental rate adjustments and revaluation gains.

The operations of ROK Hotel, Tapestry Collection by Hilton, which opened its doors on 19 July 2022, contributed income of \$255.5 million; exceeding our early expectations for its performance. The hotel remains in ramp-up phase.

Operating expenses amounted to \$763.4 million (2021: \$458.0 million); an increase of 66.7 per cent as a result of staff and administrative costs primarily related to the recently opened ROK Hotel. Finance costs increased to \$265.2 million (2021: \$241.7 million) on primarily higher average interest rates and a marginal increase in loan principal during the quarter.

Year-to-Date Comparison

Net profit attributable to owners for the nine months ended 30 September 2022 amounted to \$1.9 billion (2021: \$4.8 billion), equivalent to earnings per stock unit of \$1.74 (2021: \$4.52).

Investment losses of \$362.3 million were driven by unrealized losses in our portfolio of local and overseas securities, despite higher dividend and interest income. Property income increased by 3.4

PanJam Investment Limited

per cent when compared to the same period in 2021 due to annual rental rate adjustments and revaluation gains.

Nine-month operating expenses of \$1.9 billion (2021: \$1.3 billion) grew as a result of costs related to the opening of the ROK Hotel as well as overarching inflationary pressures. Finance costs of \$754.4 million (2021: \$688.1 million) increased by 9.6 per cent due to higher average interest rates and a marginal increase in loan principal.

Associated Companies

The results of associated companies consist principally of our 30.2% investment in Sagicor. We also hold minority positions in a number of diverse private entities across the adventure tourism, business process outsourcing, hospitality, consumer products, micro-lending and office rental sectors.

Our share of results of associated companies for the nine months ended 30 September 2022 decreased by 24.2 per cent to \$3.1 billion, driven mainly by Sagicor's results, which declined by 22.0 per cent.

Balance Sheet

Total assets at 30 September 2022 amounted to \$65.4 billion, compared to \$67.8 billion at 31 December 2021 and \$66.4 billion at 30 September 2021. Stockholders' equity amounted to \$48.9 billion compared to \$52.0 billion at 31 December 2021 and \$50.7 billion at 30 September 2021. This equates to a book value per stock unit of \$45.89 (30 September 2021: \$47.74).

Outlook

Our current economic environment continues to be impacted by geopolitical tensions. We continue to see markedly higher interest rates and increased inflation, although central banks expect this upward trend to ease in early 2023.

While we believe that uncertainty will continue for some time, PanJam's long-term investment horizon remains both relevant and appropriate to this environment. Our portfolio composition represents PanJam's position as long-term investors, while our results reflect only short-term volatility therein.

We thank you, our shareholders, for your patience and trust.

We are also extremely grateful for, and proud of, the PanJam and Jamaica Property teams, and appreciate the guidance provided by our Directors.



Stephen B. Facey
Executive Chairman



Joanna A. Banks
Chief Executive Officer

PANJAM INVESTMENT LIMITED
and its subsidiaries
Unaudited Consolidated Income Statement
Nine months ended 30 September 2022

	3 Months to Sep-22 \$'000	3 Months to Sep-21 \$'000	YTD Sep-22 \$'000	YTD Sep-21 \$'000
Income				
Investments	(318,747)	181,633	(362,308)	1,275,580
Property	531,929	482,250	1,562,694	1,510,737
Hotel	255,548	-	255,548	-
Other	35,021	30,370	101,101	99,030
	503,751	694,253	1,557,035	2,885,347
Operating expenses	(763,360)	(458,020)	(1,897,151)	(1,325,932)
Net impairment on financial assets	(15,712)	(29,558)	(11,150)	(11,882)
Operating profit	(275,321)	206,675	(351,266)	1,547,533
Finance costs	(265,191)	(241,724)	(754,395)	(688,083)
	(540,512)	(35,049)	(1,105,661)	859,450
Gain on disposal of shares in associated company	-	-	-	25,530
Share of results of associated companies	1,278,778	2,525,500	3,081,135	4,065,838
Profit before taxation	738,266	2,490,451	1,975,474	4,950,818
Taxation	(50,032)	(16,238)	(106,620)	(138,810)
Net profit	688,234	2,474,213	1,868,854	4,812,008
Net profit attributable to:				
Owners of the parent	681,787	2,469,766	1,851,665	4,797,009
Non-controlling interest	6,447	4,447	17,189	14,999
	688,234	2,474,213	1,868,854	4,812,008
Earnings per stock unit attributable to owners of the parent for the period	\$0.64	\$2.33	\$1.74	\$4.52

PANJAM INVESTMENT LIMITED
and its subsidiaries
Unaudited Consolidated Statement of Comprehensive Income
Nine months ended 30 September 2022

	3 Months to Sep-22 \$'000	3 Months to Sep-21 \$'000	YTD Sep-22 \$'000	YTD Sep-21 \$'000
Net profit for the period	688,234	2,474,213	1,868,854	4,812,008
Other comprehensive income, net of taxes:				
<i>Items that will not be reclassified to profit or loss</i>				
Change in the fair value of equity instruments at fair value through other comprehensive income	(35,818)	(10,488)	(29,237)	16,174
Share of other comprehensive income of associated company, net of taxation	1,528,501	429,652	1,527,417	482,500
	1,492,683	419,164	1,498,180	498,674
<i>Items that may be subsequently reclassified to profit or loss</i>				
Exchange differences on translating foreign operations	380	(5,089)	(2,494)	4,035
Change in the fair value of debt instruments at fair value through other comprehensive income	(6,461)	(30,261)	(28,422)	(23,718)
Share of other comprehensive income of associated company	(1,670,261)	(625,213)	(5,361,022)	(1,229,384)
Other comprehensive income for the period, net of tax	(1,676,343)	(660,563)	(5,391,938)	(1,249,067)
Total comprehensive income for the period	504,574	2,232,814	(2,024,904)	4,061,615
Total comprehensive income attributable to:				
Owners of the parent	(1,218,959)	2,228,367	(2,042,093)	4,046,616
Non-controlling interest	11,445	4,447	17,189	14,999
	(1,207,513)	2,232,814	(2,024,904)	4,061,615

PANJAM INVESTMENT LIMITED
and its subsidiaries
Unaudited Consolidated Statement of Financial Position
as at 30 September 2022

	Unaudited September 2022 \$'000	Audited December 2021 \$'000	Unaudited September 2021 \$'000
ASSETS			
Cash and Bank Balances	353,679	272,856	308,330
Investments			
Deposits	441,853	994,776	730,450
Securities			
Financial assets at fair value through other comprehensive	644,880	1,145,479	1,154,401
Financial assets at fair value through profit and loss	8,049,410	9,372,316	7,989,370
Financial assets at amortised cost	381,587	305,457	1,569,046
Securities purchased under agreements to resell	417,290	1,269,367	1,432,693
Investment properties	10,139,484	10,024,752	9,643,703
Investment in associated companies	35,321,843	37,995,085	37,843,996
	55,396,347	61,107,232	60,363,659
Other assets			
Taxation recoverable	95,469	86,863	87,129
Prepayments and miscellaneous assets	3,212,188	1,841,415	1,892,495
Property, plant and equipment	5,026,811	3,446,578	3,688,504
Properties for development and sale	1,253,604	967,119	-
Intangibles	49,895	52,471	47,894
	9,637,967	6,394,446	5,716,022
	65,387,993	67,774,534	66,388,011
STOCKHOLDERS' EQUITY AND LIABILITIES			
Stockholders' Equity			
Capital and Reserves Attributable to the Company's Equity holders			
Share capital	2,141,985	2,141,985	2,141,985
Equity compensation reserve	129,278	124,734	110,643
Property revaluation reserve	5,553,854	5,438,654	5,324,285
Investment and other reserves	471,848	4,383,503	4,528,381
Retained earnings	40,660,391	40,009,447	38,894,258
Treasury stock	(101,554)	(135,900)	(270,282)
	48,855,802	51,962,423	50,729,270
Non-controlling interest	352,780	335,591	301,674
	49,208,582	52,298,014	51,030,944
Liabilities			
Bank overdraft	20,483	14,986	11,651
Taxation payable	45,621	46,079	84,254
Loan liabilities	14,017,503	13,594,422	13,630,017
Lease liabilities	25,739	28,424	30,740
Deferred tax liabilities	222,290	255,934	388,353
Retirement benefit liabilities	734,325	654,516	588,578
Other liabilities	1,113,449	882,159	622,474
Total liabilities	16,179,410	15,476,520	15,356,067
	65,387,993	67,774,534	66,387,011



Stephen B. Facey
Executive Chairman



Joanna A. Banks
Chief Executive Officer

PANJAM INVESTMENT LIMITED
and its subsidiaries
Unaudited Consolidated Statement of Changes in Equity
for the Nine months ended 30 September 2022

30-Sep-21

-----Owners Of The Parent-----/

	Share Capital \$'000	Equity Compensation reserve \$'000	Property Revaluation Reserves \$'000	Investment and other reserves \$'000	Retained Earnings \$'000	Treasury Shares \$'000	Non-controlling Interests \$'000	Total \$'000
Balance at 1 January 2021	2,141,985	116,594	5,211,785	5,395,698	34,692,918	(372,609)	286,675	47,473,046
Comprehensive income								
Net profit	-	-	-	-	4,797,009	-	14,999	4,812,008
Other comprehensive income	-	-	-	(750,393)	-	-	-	(750,393)
Total comprehensive income for the period	-	-	-	(750,393)	4,797,009	-	14,999	4,061,615
Transactions with owners								
Employee share incentive scheme value of services provided	-	33,040	-	-	-	-	-	33,040
Employee share grants issued and options exercised	-	(38,991)	-	(36,485)	-	102,866	-	27,390
Dividends paid to equity holders of the company	-	-	-	-	(483,169)	-	-	(483,169)
Share purchase plan	-	-	-	(8,850)	-	25,285	-	16,435
Acquisition of treasury stock	-	-	-	-	-	(25,824)	-	(25,824)
Change in reserves of associated company	-	-	-	(71,589)	-	-	-	(71,589)
Transfer of unrealised property revaluation gains	-	-	112,500	-	(112,500)	-	-	-
Balance at 30 September 2021	2,141,985	110,643	5,324,285	4,528,381	38,894,258	(270,282)	301,674	51,030,944

30-Sep-22

-----Owners Of The Parent-----/

	Share Capital \$'000	Equity Compensation Reserve \$'000	Property Revaluation Reserve \$'000	Investment and other reserves \$'000	Retained Earnings \$'000	Treasury Shares \$'000	Non-controlling Interests \$'000	Total \$'000
Balance at 1 January 2022	2,141,985	124,734	5,438,654	4,383,503	40,009,447	(135,900)	335,591	52,298,014
Comprehensive income								
Net profit	-	-	-	-	1,851,665	-	17,189	1,868,854
Other comprehensive income	-	-	-	(3,893,758)	-	-	-	(3,893,758)
Total comprehensive income for the period	-	-	-	(3,893,758)	1,851,665	-	17,189	(2,024,904)
Transactions with owners								
Employee share incentive scheme value of services provided	-	26,976	-	-	-	-	-	26,976
Employee share grants issued and options exercised	-	(22,432)	-	(18,237)	-	65,593	-	24,924
Dividends paid to equity holders of the company	-	-	-	-	(1,085,521)	-	-	(1,085,521)
Share purchase plan	-	-	-	340	-	41,755	-	42,095
Acquisition of treasury stock	-	-	-	-	-	(73,002)	-	(73,002)
Transfer of unrealised property revaluation gains	-	-	115,200	-	(115,200)	-	-	-
Balance at 30 September 2022	2,141,985	129,278	5,553,854	471,848	40,660,391	(101,554)	352,780	49,208,582

PANJAM INVESTMENT LIMITED
and its subsidiaries
Unaudited Consolidated Statement of Cash Flows
Nine months ended 30 September 2022

	9-Months to September 2022 \$'000	9-Months to September 2021 \$'000
Net profit	1,868,854	4,812,008
Adjustments to reconcile net profit to cash flows provided by operating activities:		
Share of results of associated companies	(3,081,135)	(4,065,838)
Fair value gains on investment properties	(115,200)	(112,500)
Losses/(Gains) on foreign currency denominated investments	24,341	(38,396)
Gain on disposal of shares in associated company	-	(25,530)
Other	1,490,167	(60,900)
	187,027	508,844
Changes in operating assets and liabilities		
Other assets	(809,704)	(342,997)
Other liabilities	534,582	140,528
Net disposal of financial assets at fair value through profit or loss	1,062,741	378,522
	974,646	684,897
Interest received	88,302	188,350
Income tax paid	(140,722)	(62,049)
Net cash provided by operations	922,226	811,198
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,560,808)	(1,837,796)
Proceeds from disposal of property, plant and equipment	731	2,798
Expenditure on properties for development and sale	(286,017)	-
Proceeds from disposal of shares in associated company	-	30,663
Additional investment in associated company	(4,909)	-
Dividends from associated companies	1,288,619	737,887
Disposal of investment securities, net	34,034	2,341,938
Other investment activities	(5,254)	(23,762)
Net cash (used in)/provided by investing activities	(533,604)	1,251,728
Cash flows from financing activities		
Loan received	3,429,199	-
Loans repaid	(3,072,317)	(74,890)
Interest paid	(688,195)	(646,707)
Other financing activities	(2,685)	(4,239)
Acquisition of treasury stock	(73,002)	(25,824)
Disposal of treasury stock	67,019	43,825
Dividends paid to equity holders	(1,388,812)	(483,169)
Net cash used in financing activities	(1,728,793)	(1,191,004)
Net (decrease)/increase in cash and cash equivalents	(1,340,171)	871,922
Cash & cash equivalents at beginning of the period	2,503,301	1,580,197
Cash & cash equivalents at end of the period	1,163,130	2,452,119
Comprising of:		
Cash at bank and in hand	353,679	308,330
Short term deposits	411,321	717,943
Securities purchased under agreement to resell	418,613	1,437,497
Overdraft	(20,483)	(11,651)
	1,163,130	2,452,119

PANJAM INVESTMENT LIMITED
and its subsidiaries
Unaudited Consolidated Financial Information by Business Segments

September 30, 2022

	Property Management & Rental \$'000	Investments \$'000	Hotel Management \$'000	Other Services \$'000	Eliminations \$'000	Total \$'000
REVENUE						
External	1,626,946	(372,255)	255,548	46,796	-	1,557,035
Inter-segment	69,165	332,278	645	-	(402,088)	-
Total Revenue	1,696,111	(39,977)	256,193	46,796	(402,088)	1,557,035
Segment results	418,196	(724,158)	(75,244)	29,940	-	(351,266)
Interest expense	(320,137)	(715,259)	-	-	281,001	(754,395)
	98,059	(1,439,417)	(75,244)	29,940	281,001	(1,105,661)
Share of results of associated companies	-	3,081,135	-	-	-	3,081,135
Profit before taxation	98,059	1,641,718	(75,244)	29,940	281,001	1,975,474
Taxation	(39,088)	(67,788)	-	256	-	(106,620)
Net profit	58,971	1,573,930	(75,244)	30,196	281,001	1,868,854
Segment assets	18,017,933	17,919,175	1,142,946	272,129	(7,286,033)	30,066,150
Investment in associated companies	-	35,321,843	-	-	-	35,321,843
Total assets	18,017,933	53,241,018	1,142,946	272,129	(7,286,033)	65,387,993
Segment liabilities	8,308,655	13,801,920	1,266,488	88,380	(7,286,033)	16,179,410

September 30, 2021

	Property Management & Rental \$'000	Investments \$'000	Hotel Management \$'000	Other Service \$'000	Eliminations \$'000	Total \$'000
REVENUE						
External	1,575,415	1,265,058	-	44,874	-	2,885,347
Inter-segment	30,973	261,884	-	-	(292,857)	-
Total Revenue	1,606,388	1,526,942	-	44,874	(292,857)	2,885,347
Segment results	525,451	1,015,832	-	6,250	-	1,547,533
Interest expense	(193,455)	(647,736)	-	-	153,108	(688,083)
	331,996	368,096	-	6,250	153,108	859,450
Gain on disposal of shares in associated company	-	25,530	-	-	-	25,530
Share of results of associated companies	-	4,065,838	-	-	-	4,065,838
Profit before taxation	331,996	4,459,464	-	6,250	153,108	4,950,818
Taxation	(14,219)	(124,631)	-	40	-	(138,810)
Net profit	317,777	4,334,833	-	6,290	153,108	4,812,008
Segment assets	14,954,357	16,960,427	-	566,757	(3,938,526)	28,543,015
Investment in associated companies	-	37,843,996	-	-	-	37,843,996
Total assets	14,954,357	54,804,423	-	566,757	(3,938,526)	66,387,011
Segment liabilities	5,397,183	13,427,225	-	470,185	(3,938,526)	15,356,067

Notes to the Unaudited Consolidated Interim Financial Statements

30 September 2022

1. Basis of preparation

The unaudited consolidated interim financial statements have been prepared in accordance with IAS 34 “interim Financial Reporting”. The consolidated interim financial statements should be read in conjunction with the accounting policies as outlined in note 2 of the 31 December 2021 audited financial statements.

2. ROK Hotel

On 19 July 2022 the company opened the doors of ROK Hotel to the public. The Hotel is operated by our subsidiary company, ROK Operating Company Limited, and the results of its operations are incorporated in the consolidated financial statements.