



2022-2023

Nine Months Unaudited Financial Results Ending 31 July 2023

INDIES PHARMA JAMAICA LIMITED

“Caring for the Nation’s Health”

www.indiespharma.com



2022-2023

Nine - Months Unaudited Financial Results

Period ending 31 July 2023



INDIES PHARMA JAMAICA LIMITED

"Caring for the Nation's Health"

RELEASE TO SHAREHOLDERS

Nine-MONTHS UNAUDITED FINANCIAL RESULTS - PERIOD ENDING 31 JULY 2023.

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, 2023.

	3 Months Ended 1 May – Jul 31 - 2023	3 Months Ended 1 May- Jul 31-2022	Year over Year	9 Months Ended 31 Jul-2023	9 Months Ended 31 Jul- 2022	Year over Year	Audited Year Ended 31- Oct- 2022
Revenue	299,738,662	264,735,973	13%	786,900,119	727,633,572	8%	937,282,761
Gross Profit	215,449,198	181,837,332	18%	554,542,471	517,368,929	7%	655,817,730
Profit from Operations	98,381,661	91,751,414	7%	221,665,246	236,841,634	(6%)	282,790,681
Net Profit for the Period	84,293,794	72,757,590	16%	173,206,979	187,712,262	(8%)	220,791,265
Earnings per share (EPS)	\$0.06	\$0.05	20%	\$0.13	\$0.14	(7%)	\$0.17
Total Assets	2,164,385,499	2,165,125,225	0%	2,164,385,499	2,165,125,225	0%	2,048,228,741
Shareholder's Equity	1,182,691,742	1,144,973,335	3%	1,182,691,742	1,144,973,335	3%	1,156,963,665
Total Liabilities	981,693,757	1,020,151,891	(4%)	981,693,757	1,020,151,891	(4%)	891,265,078

RESULTS FOR THE NINE MONTHS ENDED JULY 2022

For the nine-month period ended July 31, 2023, Indies Pharma Jamaica Limited earned gross revenues of J\$787million, 8% higher than the J\$728 million in the prior comparable period of 2022. Gross profit for the Nine-month period increased to J\$555 million, representing a 18% increase or J\$34 million when compared to the similar period in 2022. This is attributable mainly to enhanced customer loyalty towards the company's product and service quality, in tandem with the strategic expense mitigation and management tactics employed by the company.

Administrative expenses increased by 23% or J\$64 million year over year principally due to high-level of fleet vehicles maintenance, salaries, royalty obligation, building repairs & maintenance and admin & drug permits. This in the main was responsible for 'Profit from Operations' declining by 6% to J\$222 million in 2023 from J\$237 million in the similar period of 2022. This increase in Admin expenses also filtered down to the bottom line and caused 'Net Profit for the nine-month period' to decrease by 8% to J\$173 million from J\$188 million for the same nine-month period of 2022.

Total assets at the end of the nine-month period stood at J\$2.2 billion, almost the same as in the comparative period of 2022.

Shareholders' equity has increased by 3% this year to J\$1.18 billion compared to J\$1.14 billion in the prior period of 2022 and total liabilities decreased by 4% in 2023 to J\$982 million from J\$1.02 billion in 2022. This augurs well for the continuing financial stability and soundness of the company. The \$805 million bond attained in 2020 towards "Growth Capital" continues to remain on the books as we continue to grow the company through the organic development and approval of two new drugs at the USFDA for the United States Market. As stated in our 2nd Quarter JSE filing, we successfully submitted our very first ANDA – Abbreviated New Drug Application (generic drug dossier) on the 25 January 2023 at the USFDA. The same was accepted by the USFDA without any rejections or queries on the 24th of February 2023 with a gold date of approval as November 2023. Queries from the USFDA during this third quarter were uneventful and were effectively addressed and filed by us.

- ❖ Earnings per share (EPS) for the nine-month period 2022 decreased by 7% to J\$0.13/unit from J\$0.14/unit when compared to the same period last year.

RESULTS FOR THE THIRD QUARTER ENDED JULY 2023

For the third quarter ended July 2023, revenues increased by J\$35 million (13%) to end at J\$300 million from J\$265 million of the corresponding periods of 2022. This is as a result of the strong demand for the Indies Pharma Products along with the strategies implemented to drive sales.

Gross profit for the quarter increased to \$215 million which represented an increase of 18% or \$34 million in comparison to \$182 million for the previous quarter 2022. One of the main contributing factors is the robust approach taken in monitoring inventory and mitigating the write off expired stock.

Operating Expenses (Opex) increased by 41% (J\$37 million) to \$128 million for the current quarter in comparison to \$91 million in the corresponding quarter of prior year. Increased expenditures in several areas including Bioprist Royalty expenses (\$23 million), because of a change in Accounting Policy re the computation, accrual process and booking of same. This increase was expected in this current year of adoption; however, this will normalize in the subsequent year. Building maintenance & repairs, Admin & Drug permits and motor vehicle expenses were also contributory factors to the Opex increase.

Net Profit for the three-month period has increased by 16% to J\$84 million from J\$73million during the same three-month period in 2023 and 2022 respectively.

- ❖ Earnings per share (EPS) during the third quarter 2023 increased by 20% to J\$0.06/unit from J\$0.05/unit when compared to the same period last year.

The Company remains healthy, growth focused and continues to deliver and maintain a consistent upward trend in its performance and profitability to its shareholders. We remain committed to our ethos “Caring for the Nation’s Health” and looking after the welfare of our end-users. We pay tribute to our loyal customers and hardworking employees; without their support these achievements would not have been at all possible.

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

Sincerely Yours



Vishnu V. Muppuri (Mrs.)
Co-Founder, Executive Director & COO
September 11th, 2023.

INDIES PHARMA JAMAICA LIMITED
Unaudited Consolidated Statement of
Comprehensive Income
For The Nine-Months Ended 31 July 2023

	Three Months Ended 1 May - Jul 31, 2023	Three Months Ended 1 May - Jul 31, 2022	Nine Months Ended Jul 31, 2023	Nine Months Ended Jul 31, 2022	Audited Year Ended October 31, 2022
	\$	\$	\$	\$	\$
REVENUE	299,738,662	264,735,973	786,900,119	727,633,572	917,282,761
COST OF SALES	(84,289,463)	(82,898,641)	(232,357,648)	(210,264,642)	(281,465,031)
GROSS PROFIT	215,449,197	181,837,332	554,542,471	517,368,930	655,817,730
Other operating income	11,393,978	996,006	13,763,342	1,726,700	3,837,635
Administrative and other Expenses	226,843,175	182,833,337	568,305,813	519,095,630	659,655,365
	(128,461,515)	(91,081,923)	(346,640,567)	(282,253,996)	(374,683,711)
PROFIT FROM OPERATION	98,381,660	91,751,414	221,665,246	236,841,634	284,971,654
Exchange Gain/(Loss)	2,530,521	(3,804,941)	907,609	(4,079,999)	(1,747,697)
Finance Cost (Loan Interest)	(16,618,388)	(15,188,884)	(49,365,876)	(45,049,373)	(60,251,719)
NET PROFIT BEFORE TAXATION	84,293,793	72,757,590	173,206,979	187,712,262	222,972,238
Taxation	-	-	-	-	-
NET PROFIT FOR THE PERIOD	84,293,793	72,757,590	173,206,979	187,712,262	222,972,238
OTHER COMPREHENSIVE INCOME					
Gain on revaluation of Fixed Assets	-	-	3,497,500	-	-
Profit on the sale of Fixed Assets	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	84,293,793	73,407,590	176,704,479	188,362,262	222,972,238
EARNINGS PER SHARE	0.06	0.05	0.13	\$0.14	0.17

INDIES PHARMA JAMAICA LIMITED
Unaudited Consolidated Statement of Financial Position
For the Nine-months ended 31 July 2023

	Nine Months Ended Jul 31, 2023	Nine Months Ended Jul 31, 2022	Audited Year Ended October 31, 2022
	\$	\$	\$
ASSETS			
NON-CURRENT ASSETS:			
Intangible assets	452,906,905	370,190,561	317,628,968
Right-of-use asset	91,828,099	129,734,950	2,019,018
Investment	5,322,015	90,768,476	79,442,695
Property, plant, and equipment	946,711,174	949,750,816	947,382,947
	<u>1,496,768,193</u>	<u>1,540,444,803</u>	<u>1,408,156,437</u>
Related Companies	24,989,991	35,549,661	18,940,932
CURRENT ASSETS			
Inventories	184,283,449	211,441,215	175,509,630
Receivables	199,532,781	178,028,404	166,804,086
Taxation recoverable	-	1,030,951	1,094,346
Cash and cash equivalents	249,771,844	180,948,046	234,633,949
Director's Current Account	9,039,241	17,682,146	41,021,964
	<u>642,627,315</u>	<u>589,130,761</u>	<u>619,063,975</u>
TOTAL ASSETS	<u>2,164,385,499</u>	<u>2,165,125,225</u>	<u>2,048,228,741</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	244,576,999	244,576,999	244,576,999
Revaluation reserve	458,484,190	458,484,190	458,484,190
Retained earnings	479,630,553	441,912,146	453,902,474
	<u>1,182,691,742</u>	<u>1,144,973,335</u>	<u>1,156,963,663</u>

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

For the Nine-months ended 31 July 2023

	Nine Months Ended Jul 31, 2023	Nine Months Ended Jul 31, 2022	Audited Year Ended Oct 31, 2022
	\$	\$	\$
NON-CURRENT LIABILITIES			
Long term loan	805,000,000	805,000,000	805,000,000
Lease Liability	60,542,784	70,530,245	1,249,523
Related Companies	5,686,232	65,293,943	24,538,994
	<u>871,229,015</u>	<u>940,824,188</u>	<u>830,788,517</u>
CURRENT LIABILITIES			
Payables	57,491,345	40,382,781	51,391,655
Short Term loans	5,273,214	3,399,749	7,864,823
Taxation	13,509,871	-	
Current portion of Lease Liability	34,190,312	35,545,173	1,220,083
	<u>110,464,742</u>	<u>79,327,703</u>	<u>60,476,561</u>
TOTAL EQUITY AND LIABILITIES	<u>2,164,385,499</u>	<u>2,165,125,225</u>	<u>2,048,228,741</u>

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 2023

	Number of Stock Units \$	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
Balance at 1 November 2021	1,332,536,649	244,576,999	458,484,190	383,687,850	1,086,749,039
Dividends Declared	-	-	-	(150,576,641)	((150,576,641)) (150,576,641)
Total Comprehensive Income					
Revaluation	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-
NET PROFIT FOR THE PERIOD	-	-	-	220,791,265	220,791,265
Balance at 31 October 2022	1,332,536,649	244,576,999	458,484,190	453,902,474	1,156,963,663
Balance at 1 November 2022	1,332,536,649	244,576,999	458,484,190	453,902,474	1,156,963,663
Dividend Declared	-	-	-	(150,976,402)	(150,976,402)
Revaluation	-	-	-	-	-
Other Comprehensive Income	-	-	-	3,497,500	3,497,500
NET PROFIT FOR THE PERIOD	-	-	-	173,206,979	173,206,979
Balance at 31 July 2023	1,332,536,649	244,576,999	458,484,190	479,630,550	1,182,691,739

INDIES PHARMA JAMAICA LIMITED
Unaudited Consolidated Statement of Cash Flows
For the Nine-months ended 31 July 2023

	Nine Months Ended July 31, 2023 \$	Nine Months Ended July 31, 2022 \$	Audited Year Ended October 31, 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit	173,206,979	187,712,262	220,791,265
Adjustment for			
Depreciation	45,877,620	45,877,620	56,841,143
Interest expense	49,576,625	45,482,417	56,195,583
Interest expense – ROU Assets	(726,096)	(726,096)	(945,902)
Gain on disposal of property, plant and equipment	(3,497,500)	-	(1,877,500)
Interest Income	(1,209,959)		
	263,716,482	278,346,204	335,060,725
Changes in operating assets and liabilities			
Trade Receivables			
Inventories	(8,773,819)	(16,549,138)	(5,324,820)
Trade payables	(32,728,695)	11,155,042	47,086,627
Related company	6,099,690	(7,803,201)	3,205,671
Director's a/c	(22,834,423)	(39,704,805)	(24,123,768)
Taxation	31,982,722	(16,926,000)	(40,265,818)
Recoverable/(payable)	1,094,346	(256,645)	(320,040)
	(25,160,179)	(70,084,746)	(19,742,148)
Taxation paid	13,509,871	-	-
Net Cash used in operating activities	252,066,175	208,261,458	315,318,577
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	1,209,959	726,096	945,902
Purchase of fixed assets	(13,391,304)	(13,580,862)	(26,369,252)
Right of use assets	(89,809,081)	(90,114,018)	-
Purchase of intangible assets	(73,595,128)	(52,561,593)	(61,682,809)
Purchase of investments	74,120,680	55,983,088	67,308,869
Disposal Proceed of fixed assets	3,497,500	650,000	1,877,500
Net cash used in investing activities	(97,967,374)	(98,897,289)	(17,919,790)

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

For the Nine-months ended 31 July 2023

	Nine Months Ended July 31, 20223	Nine Months Ended July 31, 2022	Audited Year Ended October 31, 2022
	\$	\$	\$
CASH FLOWS FROM FINANCE ACTIVITIES			
Interest paid	(49,576,625)	(45,482,417)	(56,195,583)
Loan received	(2,591,609)	(37,951)	3,431,817
Dividends paid	(150,976,402)	(150,576,641)	(150,576,641)
Lease liabilities	65,179,035	79,936,340	(48,164,282)
Net cash provided by financing Activities	(137,965,601)	(116,160,670)	(251,504,689)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	16,133,201	(6,796,499)	45,894,098
Cash and cash equivalents at beginning of year	233,638,643	187,744,545	187,744,545
CASH AND CASH EQUIVALENT AT YEAR END	249,771,844	180,948,046	233,638,643

INDIES PHARMA JAMAICA LIMITED
Notes to the Unaudited Financial Statements
For the Nine-months ended 31 July, 2023

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 2022.

- ❖ 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, 2023

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.

Change in Accounting Policy

In May 2023, a change in accounting policy was adopted re **the computing and booking of the Bioprist Royalty fees**.

This revision is expected to see a doubling of the Royalties in 2023, the year of adoption of this change, as both the FY 2022 actual amount and the 2023 accruals would also be booked. This, however, would be normalized from FY 2024 onwards, as the Royalty expense would be accounted in the month incurred. This is fully aligned with generally accepted accounting principles.

3. INVESTMENTS

	Unaudited Year to date Jul 2023	Unaudited Year to date Jul 2022
	\$	\$
Proven Investment Limited	5,322,015	90,768,476
	5,322,015	90,768,476

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

INDIES PHARMA JAMAICA LIMITED

Notes to the Unaudited Financial Statements (CONTINUED)

For the Nine-months ended 31 July, 2023

4. RECEIVABLES

	Unaudited Year to date Jul 2023 \$	Unaudited Year to date Jul 2022 \$
Trade Receivables	164,219,693	148,277,551
Other	35,313,088	28,750,853
	199,532,781	178,028,404

5. RELATED COMPANIES

	Unaudited Year to date Jul 2023 \$	Unaudited Year to date Jul 2022 \$
Due From - Mercury Wireless Limited	24,989,991	35,549,661
Bioprist Las Americas	-	-
	24,989,991	35,549,661
Due to - Bioprist Holdings Inc	5,686,232	65,293,943
	5,686,232	65,293,943

6. LONG-TERM LOANS

	Unaudited Year to date Jul 2023 \$	Unaudited Year to date Jul 2023 \$
Sagicor Bank Jamaica Ltd	805,000,000	805,000,000
	805,000,000	805,000,000

INDIES PHARMA JAMAICA LIMITED

Notes to the Unaudited Financial Statements (CONTINUED)
For the Nine-months ended 31 July, 2023

7. PAYABLES

	Unaudited Year to date Jul 2023 \$	Unaudited Year to date Jul 2022 \$
Trade Payables	2,717,021	10,808,649
General Consumption Tax	35,441,299	18,751,134
Statutory Tax	3,907,530	3,907,530
Other Payables and Accruals	4,657,684	6,915,598
	57,491,345	40,382,781

8. LEASE IFRS 16

	Unaudited as at Jul 2023 \$	Unaudited as at Jul 2022 \$
<u>Right of Use Asset -</u>		
Lease properties on recognition November 1, 2019	235,579,696	236,363,819
Less: accumulated depreciation charge	<u>(143,751,597)</u>	<u>(106,628,870)</u>
Balance	<u>91,828,099</u>	<u>129,734,950</u>
<u>Lease Liabilities</u>		
Contractual discounted cash flows	94,733,096	106,075,418
Less: current portion	<u>(34,190,312)</u>	<u>(35,545,173)</u>
Non-current portion	60,542,784	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%
GK Investments Limited	54,881,303	4.12%
Sunand Gogineni	44,903,438	3.37%
Venugopal Naidu Kuntamukkala	23,171,070	1.74%
VM Wealth Equity Fund	15,781,914	1.18%
SAGICOR Select Fund Limited	10,688,828	0.80%
Sagicor Pooled Equity Fund	8,172,077	0.61%
E P Barron/H G Sykes/J K Sykes	6,192,281 6,075,450	0.46% 0.46%
Lloyd Badal, et al		
NCB Capital Markets Ltd.	5,554,405	0.42%
TOTAL	1,218,279,015	91.43%
Other Minority Shareholders	114,257,634	8.57%
TOTAL ISSUED SHARES	1,332,536,649	100.00%

SHAREHOLDINGS OF DIRECTORS

DIRECTORS	TOTAL SHAREHOLDINGS	DIRECT	CONNECTED PARTIES
Dr. Guna S. Muppuri	NIL	-	NIL
Mrs. Vishnu Muppuri	NIL	-	NIL
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	-
Richard Peters	NIL	NIL	-