

JFP LIMITED

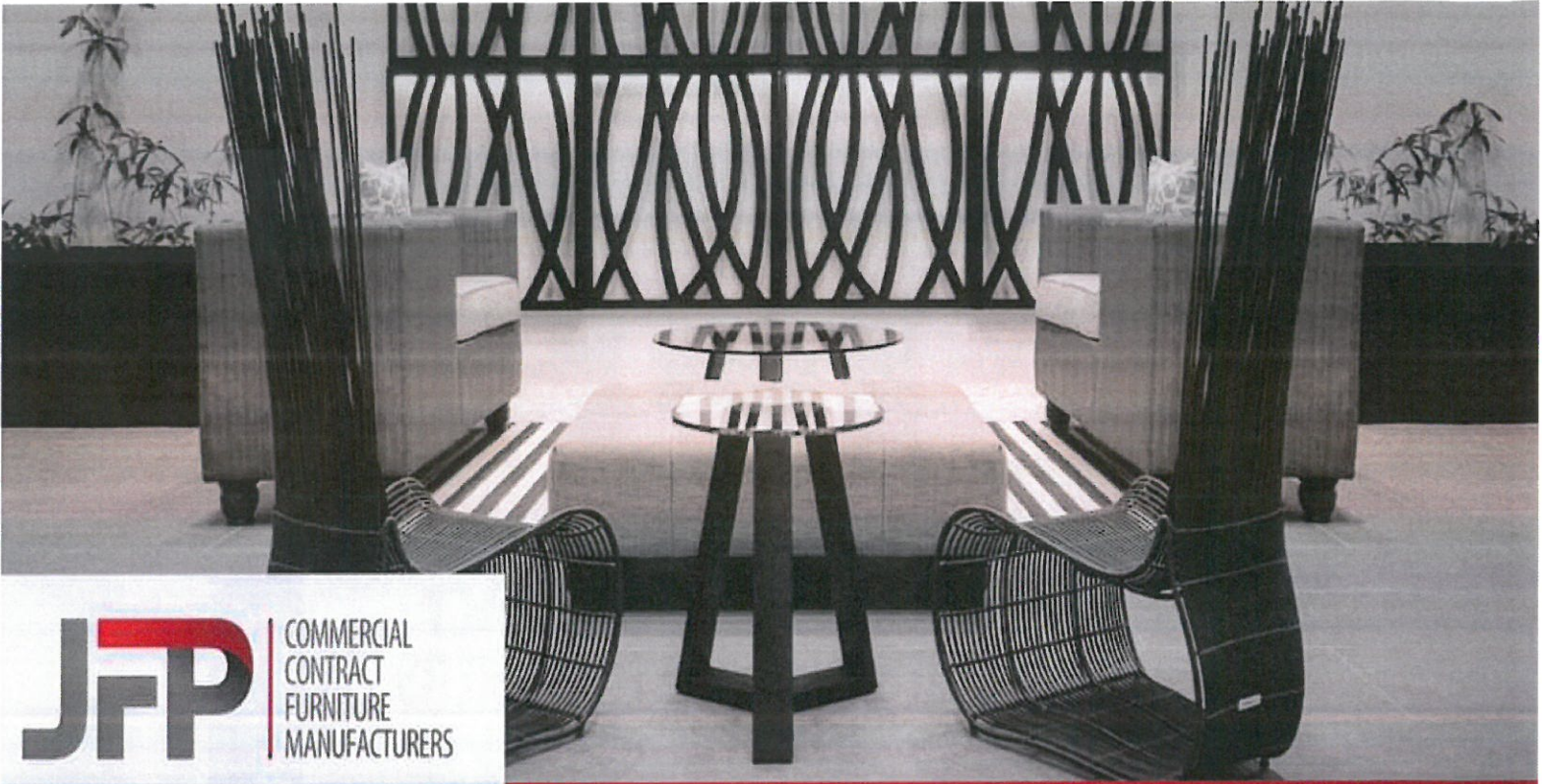
UNAUDITED FINANCIAL STATEMENTS

3rd QUARTERLY REPORT

For the period ended 30 September 2022



**COMMERCIAL | CONTRACT
FURNITURE MANUFACTURERS**



JFP

COMMERCIAL
CONTRACT
FURNITURE
MANUFACTURERS

if you
can **imagine it**
we can build it!

JFP is capable of manufacturing long lasting furnishing from wood, metal, solid surface and acrylic.

TABLE OF CONTENTS

Report to the Shareholders

Financial Statements

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in equity

Statement of Cash Flows

Notes to the Financial Statements

Top 10 Shareholders as at 30 September 2022

Holdings of Directors and Senior Managers

JFP Limited (formerly Jamaica Fibreglass Products Limited)
Statement of Comprehensive Income
For the nine (9) months ended September 30, 2022

Report to the Shareholders

The board of directors is pleased to present the unaudited results of JFP Limited for the nine-month period ended September 30, 2022.

Profit and Loss

Year to date revenue was reported at 328.7M, an increase of 119M or 57% over the prior year comparative period. Total sales for the quarter was 115.1M which represents a 24% increase over the quarter ended September 2021. The increase in year to date and quarterly comparatives was due to completion of orders previously secured as well as JFP's capability to streamline operational processes in meeting customers deadlines.

The quarterly cost of sales increased by 26%. However, the year-to-date cost of sales was normalized bringing a minimal decline of 1%. Gross profit for the nine-month period ended September 2022 increased by 129% over the corresponding prior year period. Gross Profit margin also saw an improvement moving from 44% to 65%.

There was a decline in other income within the quarter, resulting in a year-to-date reduction of 99% moving from 20M to 0.13M. This was due to losses from the investment currently held at GK Capital which were as a result of the devaluation of the equity investments held, as well as the sale of a portion of the equity investments to fund cash flow. In the previous financial year there was a sale of motor vehicle for 6.7M. Further details on the use of these funds are provided in the balance sheet analysis below. The acquisition of the 2022 portion of this GK investment was done subsequent to the IPO.

Administrative expenses for the nine-month period was 142.9M reflecting an increase of 46M or 48% over the prior year's reporting period. This increase was due primarily to increased staff costs as we continue to build our capacity to support continued growth in our operations. Our overtime expenses increased significantly within the quarter in order to respond to both our challenge of acquiring additional skilled labourers as well as our need to complete our projects on time. We have also continued with the quarterly incentives to our staff in the form of a productivity grant award.

Selling and distribution expenses increased by 244% moving from 4.5M to 14.7M over the comparative nine-month period. This was due primarily to increase in promotional and business development expenses which have increased as we continue to grow and expand our brand regionally and internationally. JFP has invested in its marketing strategy and completed three international trade shows this year costing approximately 6M.

JFP Limited (formerly Jamaica Fibreglass Products Limited)
Statement of Comprehensive Income
For the nine (9) months ended September 30, 2022

There was an improvement in the year-to-date bottom line which saw JFP moving from a profit of 3.5M to a profit of 43.1M. This was driven primarily by an increase in sales and by extension, gross profit.

JFP Limited (formerly Jamaica Fibreglass Products Limited)
Statement of Comprehensive Income
For the nine (9) months ended September 30, 2022

Balance Sheet

As acknowledged in the previous quarterly report property, plant and equipment value decreased in year-to-date value, due to the sale of the factory building as part of the IPO process

The long-term investment portfolio held at GK Capital saw an increase of 31% over the corresponding nine-month period last year. However, this quarter saw a decline over the previous quarter due to the withdrawal of portions of the investment which were re-allocated for cashflow purposes.

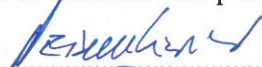
Receivables increased by 60% moving from 95.1M to 152.6M. This was due to a number of projects being completed for which we are still awaiting payment. Cash and cash equivalents increased as a result of withdrawal of portions of the GK Capital investment for deposit in the bank account for cash flow purposes as referenced above. This was done to temporarily support working capital until receivables are collected. The year-to-date balances for the Director's current account continue to decline as a result of repayment of advances by Directors.

The inventory increased by 304% moving from \$29M to \$117.2M. Management has taken a conscious decision to guard against shortages in inventory and also to maximize customer service and efficiency of logistics as the supply chain is unstable and can impact our ability to meet our customers timelines. As a result, we continue to carry inventory for the substantial number of jobs in production which has surpassed our budgeted annual sales. The inventory held is expected to decline in the next quarter as the majority of those orders will be completed by year end.

Our total current liabilities increased by 76%. This was largely due to the outstanding balances on the lease and increase in our general payables related to importation of supplies of raw materials to complete the jobs in progress as at 30 September 2022. A substantial portion of this lease liability is expected to be paid by year end from receivables to be settled.

The retained earnings decreased from 206.8M to 99.2 M or 52%, due to dividends being declared at the end of December 2021. Non-current liabilities increased due to the lease agreement for the factory.

In closing, the Board of Directors wish to express gratitude to the employees, customers, suppliers, shareholders and all other stakeholders for the continued support and ongoing contribution to the growth of the company.


.....
Metry Seaga
Chief Executive Officer

JFP Limited (formerly Jamaica Fibreglass Products Limited)
Statement of Comprehensive Income
For the nine (9) months ended September 30, 2022

JFP LIMITED

Statement of Comprehensive Income


Period ended 30 September 2022

	Nine months to		Three months to		
	September 2022	September 2021	September 2022	September 2021	December 2021
		\$			
Revenue	328,686,841	209,733,098	115,052,735	92,718,045	233,736,393
Cost of Sales	(116,280,302)	(116,877,566)	(48,034,203)	(38,259,739)	(129,097,818)
Gross Profit	212,406,539	92,855,532	67,018,532	54,458,306	104,638,574
Other Income/(Loss)	131,116	20,131,097	(3,733,492)	4,000,159	77,308,514
	212,537,654	112,986,629	63,285,040	58,458,465	181,947,088
Administrative expenses	142,949,107	96,623,367	49,280,654	36,852,754	148,536,864
Selling and distribution expenses	14,684,401	4,535,377	2,916,862	2,372,080	7,437,262
	157,633,508	101,158,744	52,197,515	39,224,834	155,974,126
Operating Profit	54,904,147	11,827,884	11,087,524	19,233,631	25,972,962
Finance Income	47,796	49,411	1,663	2,323	53,713
Finance Costs	(11,819,178)	(7,048,594)	(3,553,441)	(3,319,135)	(17,700,234)
	(11,771,382)	(6,999,183)	(3,551,778)	(3,316,811)	(17,646,521)
Operating profit before tax	43,132,764	4,828,701	7,535,746	15,916,820	8,326,441
Taxation	-	(1,300,122)	-	-	-
Net profit, being total comprehensive income for the year	43,132,764	3,528,579	7,535,746	15,916,820	8,326,441
Earnings per stock unit (EPS)	0.040	3,528.579	0.007	15,916.820	0.054

JFP Limited (formerly Jamaica Fibreglass Products Limited)
Statement of Financial Position
For the nine (9) months ended September 30, 2022

	<u>Unaudited</u> <u>3rd Quarter</u> <u>9 months</u> <u>Ended</u> <u>September</u> <u>2022</u> <u>\$</u>	<u>Unaudited</u> <u>3rd Quarter</u> <u>9 months</u> <u>Ended</u> <u>September</u> <u>2021</u> <u>\$</u>	<u>Audited</u> <u>Full-year</u> <u>12 months</u> <u>Ended December</u> <u>2021</u> <u>\$</u>
Non-current assets:			
Property, plant and equipment	45,180,132	126,745,455	50,940,655
Right-of-use assets	139,075,200	-	150,454,080
Investments	50,490,027	38,633,739	39,065,267
Deferred tax asset	12,239,125	12,239,125	12,239,125
Current assets:			
Inventories	117,200,643	29,019,057	45,772,845
Receivables	152,608,181	95,128,852	36,300,480
Taxation recoverable	1,950,183	-	1,950,183
Related party	2,189,539	-	-
Directors' current account	11,171,523	60,555,290	8,439,217
Cash and cash equivalents	27,650,855	452,482	12,393,722
	312,770,924	185,155,681	104,856,447
Current liabilities:			
Payables	183,973,421	65,585,717	103,312,308
Related party balance	-	-	31,464,620
Taxation	-	1,048,006	1,048,006
Current portion of finance lease obligations	3,554,891	3,585,784	7,796,601
Current portion- rights of use	20,053,852	-	10,663,788
Current portion of long-term loans	-	32,721,241	-
Bank overdraft	-	15,249,233	3,579,745
	207,582,164	118,189,980	157,865,068
Net current (liabilities) / assets	105,188,759	66,965,700	(53,008,621)
	352,173,244	244,584,019	199,690,506
Shareholders' equity:			
Share capital	121,274,271	1,000	1,980
Retained earnings	99,234,425	206,837,128	56,101,659
	220,508,696	206,838,128	56,103,639
Non-current liabilities			
Finance lease obligations	-	4,102,207	2,532,255
Lease liability	131,664,548	-	141,054,611
Long term loans	-	33,643,684	-
	352,173,244	244,584,019	199,690,506

Approved for issue by the Board of Directors on November 8, 2022 and signed on its behalf by:


 Metry Seaga - Chief Executive Officer


 Stephen Sirgany - Chief Operating Officer

JFP Limited (formerly Jamaica Fibreglass Products Limited)
Statement of Cashflows
For the nine (9) months ended September 30, 2022

JFP LIMITED
Statement of Changes in Equity
For the nine (9) months ended September 30,2022

	Number of Shares	Share Capital \$	Retained Earnings \$	Total \$
Balance at 31 December 2020	1,000	1,000	203,308,548	203,309,548
Net profit, being total comprehensive income		-	3,528,579	3,528,579
Issue of shares during the year				
Prior year Adjustment				-
Balance at 30 September 2021	1,000	1,000	206,837,127	206,838,127
Net profit, being total comprehensive income	-	-	4,797,862	4,797,862
Prior year Adjustment			(333,330)	(333,330)
Issue of shares during the year	979,999,000	980		980
Dividends declared			(155,200,000)	(155,200,000)
Balance at 31 December 2021	980,000,000	1,980	56,101,659	56,103,639
Net profit, being total comprehensive income	-	-	43,132,764	43,132,764
Adjustment			1	1
Transaction costs		(18,727,709)		(18,727,709)
Issue of shares during the year	140,000,000	140,000,000.00		140,000,000
Balance at 30 September 2022	1,120,000,000	121,274,271	99,234,425	220,508,696

JFP Limited (formerly Jamaica Fibreglass Products Limited)
Statement of Cashflows
For the nine (9) months ended September 30, 2022

	<u>Unaudited</u> <u>3rd Quarter</u> <u>9 months Ended</u> <u>September</u> <u>2022</u> \$	<u>Unaudited</u> <u>3rd Quarter</u> <u>9 months Ended</u> <u>September</u> <u>2021</u> \$	<u>Audited</u> <u>Full-year</u> <u>12 months</u> <u>Ended December</u> <u>2021</u> \$
Cash flows from operating activities:			
Net profit/(loss)	43,132,764	3,528,579	8,326,441
Items not affecting cash resources:			
Depreciation	7,684,940	11,717,601	15,877,579
Amortization of leases	11,378,880	-	1,264,320
Interest income	(47,796)	(49,411)	(53,713)
Gain on disposal	53,408	(4,883,152)	(57,259,518)
Deferred Tax	-	(4,227,051)	-
Prior year adjustment	-	(6,632,882)	(333,330)
Non-cash adjustment	-	3,361,555	287,452
Interest expense	11,058,421	6,240,315	9,069,055
	73,260,617	9,055,554	(22,821,714)
Changes in operating assets and liabilities:			
Inventories	(71,427,798)	42,112,676	(8,256,835)
Receivables	(116,307,700)	(56,740,592)	17,275,801
Payables	80,661,113	8,831,719	(11,604,709)
Related party	(33,654,159)	-	31,464,620
Directors current accounts	(2,732,306)	(19,178,595)	34,540,275
Taxation recoverable	-	-	(1,950,183)
Taxation payable	(1,048,006)	(4,789,946)	(10,400,977)
	(144,508,856)	(29,764,738)	51,067,992
Cash provided by operating activities	(71,248,239)	(20,709,183)	28,246,278
Cash flows from investing activities			
Purchase of property, plant, and equipment	(1,977,825)	(1,004,079)	(1,418,301)
Finance lease-rights of use	-	-	(151,718,400)
Proceeds from sale of fixed asset	-	6,695,652	130,782,609
Investment	(11,424,760)	(38,633,739)	(9,139,566)
Interest received	47,796	49,411	53,713
Cash used in investing activities	(13,354,789)	(32,892,755)	(31,439,945)
Cash flows from financing activities			
Interest paid	(11,058,421)	(6,240,315)	(9,069,055)
Share Capital	121,272,291	-	980
Finance Lease	(6,773,964)	-	151,718,400
Dividend paid	-	-	(155,200,000)
Loans, net (repayments)/receipts	-	(1,430,410)	(70,839,843)
Cash used in financing activities	103,439,907	(7,670,725)	(83,389,518)
Net increase in cash and cash equivalents	18,836,878	(61,272,664)	(86,583,185)
Net cash and cash equivalents at beginning of year	8,813,977	46,475,913	95,397,162
Net cash and cash equivalents at end of the year	27,650,855	(14,796,751)	8,813,977

JFP Limited (formerly Jamaica Fibreglass Products Limited)
Notes to the Interim Financial Statements
For the nine (9) months ended September 30, 2022

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

JFP Limited, (the Company) is incorporated and domiciled in Jamaica. The registered office of the company and principal place of business is located at 155 Spanish Town Road, Kingston, Jamaica. Under Section 17 of the Companies Act, the Company changed its name to JFP Limited, effective 3rd December 2021.

The Company's principal activities are the manufacturing and distribution of custom-built commercial furnishings and the financial statements are stated in Jamaica dollars, which is the functional currency of the Company.

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange (JSE) on March 14, 2022. As a consequence of listing, the Company's profit will be subjected to 100% tax remission for the first five (5) five years and thereafter, will be subjected to 50% tax remission for the next 5 years as long as the Company complies with certain Junior Market regulations.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information has been prepared in accordance with IAS 34, Interim financial reporting.

The condensed interim financial information should be read in conjunction with the annual audited financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRSs and comply with the provisions of the Jamaican Companies Act.

3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these un-audited financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2021.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2021.

- (i) Property, plant and equipment:

Items of property, plant and equipment are stated at cost less accumulated depreciation.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

4. USE OF ESTIMATES AND JUDGMENTS (CONTINUED)

(ii) Depreciation:

Depreciation is recognized on profit or loss on the straight-line basis, over the estimated useful lives of property, plant and equipment.

(iii) Borrowings:

Borrowings are recognized initially as the proceeds received net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method with any difference between proceeds net of transactions costs and the redemption value recognized in income along with regular interest charges over the period of the borrowings.

(iv) Impairment:

Impairment provisions for trade receivables are recognized based on the simplified approach allowable under IFRS 9 using a provision matrix in the determination of the expected credit losses (ECL).

5. EARNINGS PER STOCK UNIT

The earnings per share (EPS) is computed by dividing the profit for the period by the weighted average number of shares in issue for the nine (9) month period of 1,083,076,923.08 (2021 – 1,000).

6. SHARE CAPITAL

Authorized:

10,000,000,000 shares (2021 – 1,000 shares)

Issued and fully paid:

1,120,000,000 shares (2021 – 1,000 shares)

7. TAXATION

Remission of income tax

By notice dated 13th August 2009, the Minister of Finance and the Public Service, issued and gazetted the Income Tax (Jamaica Stock Exchange Junior Market) (Remission) Notice, 2009. The Notice effectively granted a remission of income tax to eligible companies that were admitted to the Junior Market of the Jamaica Stock Exchange (JMSE) if certain conditions were achieved after the date of initial admission.

Effective March 14, 2022, the Company's shares were listed on the Junior Market of the JSE. Consequently, the Company is entitled to a remission of income taxes for ten years in the proportion set out below;

Years 1 to 5 (15 March 2022 – 11 March 2027) – 100%

Years 6-10: (15 March 2027 – 11 March 2032) – 50%

Provided the following conditions are met:

(i) The Company remains listed for at least 15 years and is not suspended from the JSE for any breaches of its rules.

(ii) The Subscribed Participating Voting Share Capital of the Company does not exceed J\$500million

(iii) The Company has at least 50 Participating Voting Shareholders

The financial statements have been prepared on the basis that the Company will have the full benefit of the tax remissions.

JFP Limited (formerly Jamaica Fibreglass Products Limited)
Notes to the Interim Financial Statements
For the six (6) months ended June 30, 2022

JFP Limited
Unaudited Financial Statements
For the nine (9) Months ended September 30, 2022

INFORMATION REGARDING SHAREHOLDERS

AS AT September 30, 2022

TEN LARGEST SHAREHOLDERS	NO. of Stock Units
JKZ Limited	280,560,000
Mr. Richard Sirgany (Mrs. Nicola Sirgany)	279,720,000
Eurobian Limited	279,720,000
GK Investment	62,714,211
JFP Property Investment Ltd	9,539,000
PAM-Pooled Equity Fund	8,400,000
Claudine Murphy (Jade Speer, Chanel Grainger)	5,057,714
Jamaica Properties Limited	5,000,000
Domonick Ffrench	3,200,001
Jiayong Liao	3,200,000
Rosalee Sirgany	3,095,000
SHAREHOLDINGS OF DIRECTORS	
Ian Kent Levy	3,000,000
JKZ Limited (Owned by Stephen Sirgany)	280,560,000
Richard Sirgany (Mrs. Nicola Sirgany)	279,720,000
Eurobian Limited (Owned by Metry Seaga)	279,720,000
Stephen Sirgany (Mrs Lisa Sirgany)	250,000
Adrian Mitchell	30,000
SHAREHOLDING OF SENIOR OFFICERS	
JKZ Limited (Owned by Stephen Sirgany)	280,560,000
Richard Sirgany (Mrs. Nicola Sirgany)	279,720,000
Eurobian Limited (Owned by Metry Seaga)	279,720,000
Stephen Sirgany (Mrs Lisa Sirgany)	250,000

