

Inter Pharma Public Company Limited and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2022

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Inter Pharma Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Inter Pharma Public Company Limited and its subsidiaries as at 31 March 2022, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Inter Pharma Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Siriwan Nitdamrong

Certified Public Accountant (Thailand) No. 5906

EY Office Limited

Bangkok: 12 May 2022

Inter Pharma Public Company Limited and its subsidiaries

Statements of financial position

As at 31 March 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
	Note	2022	2021	2022	2021
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		224,232	173,866	165,250	124,833
Trade and other receivables	3	297,731	290,686	195,165	214,126
Current portion of long-term loans to employees		45	60	45	60
Short-term loans to subsidiaries	2	-	-	90,200	90,200
Advanced payments for purchase of goods		9,643	6,365	7,676	4,865
Inventories	4	183,448	187,131	81,339	81,385
Other current financial assets		801	800	316	315
Current tax asset		1,029	955	-	-
Other current assets		6,165	6,749	619	372
Total current assets		723,094	666,612	540,610	516,156
Non-current assets					
Restricted bank deposits		7,957	7,957	800	800
Advance payment for business study		96,572	96,572	96,572	96,572
Investment in subsidiaries	5	-	-	308,715	308,715
Investment in joint venture	6	10,080	10,121	10,200	10,200
Property, plant and equipment	7	450,555	455,036	184,062	185,047
Right-of-use assets		2,131	2,279	2,131	2,279
Goodwill		22,159	22,159	-	-
Intangible assets		54,464	55,102	14,444	13,916
Deferred tax assets		8,031	8,978	3,655	3,442
Other non-current assets		1,965	2,228	1,901	2,164
Total non-current assets		653,914	660,432	622,480	623,135
Total assets		1,377,008	1,327,044	1,163,090	1,139,291

The accompanying notes are an integral part of the financial statements.

Inter Pharma Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
	<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from bank	8	120,000	120,000	80,000	80,000
Trade and other payables	9	166,620	149,360	44,301	46,453
Short-term loans from other person		6,000	6,000	-	-
Short-term loans from related party	2	4,800	4,800	-	-
Current portion of long-term loans from bank	10	35,630	35,624	32,870	32,864
Current portion of lease liabilities		580	567	580	567
Income tax payable		22,931	14,798	20,599	13,851
Other current liabilities		5,561	4,486	3,781	3,172
Total current liabilities		362,122	335,635	182,131	176,907
Non-current liabilities					
Long-term loans from bank					
- net of current portion	10	178,152	187,062	163,752	171,972
Lease liabilities - net of current portion		1,753	1,903	1,753	1,903
Provision for long-term employee benefits		16,513	15,411	11,498	10,701
Deferred tax liabilities		2,548	3,529	-	-
Total non-current liabilities		198,966	207,905	177,003	184,576
Total liabilities		561,088	543,540	359,134	361,483

The accompanying notes are an integral part of the financial statements.

Inter Pharma Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2022

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	31 March 2022 (Unaudited but reviewed)	31 December 2021 (Audited)	31 March 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered				
356,079,510 ordinary shares of Baht 0.50 each	178,040	178,040	178,040	178,040
Issued and fully paid up				
298,010,524 ordinary shares of Baht 0.50 each	149,005	149,005	149,005	149,005
Ordinary share premium	473,813	473,813	473,813	473,813
Surplus on share-based payment transactions	18,273	18,273	18,273	18,273
Surplus from business combination under common control	3,703	3,703	-	-
Retained earnings				
Appropriated - statutory reserve	15,151	15,151	15,151	15,151
Unappropriated	131,670	101,699	147,714	121,566
Equity attributable to owners of the Company	791,615	761,644	803,956	777,808
Non-controlling interests of the subsidiaries	24,305	21,860	-	-
Total shareholders' equity	815,920	783,504	803,956	777,808
Total liabilities and shareholders' equity	1,377,008	1,327,044	1,163,090	1,139,291

The accompanying notes are an integral part of the financial statements.

Directors

Inter Pharma Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month period ended 31 March 2022

(Unit: Thousand Baht, except earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		(Restated)			
Profit or loss:					
Revenues					
Revenue		270,472	176,504	123,374	110,583
Other income		2,770	1,379	6,444	5,047
Total revenues		273,242	177,883	129,818	115,630
Expenses					
Cost of sales and services		153,627	91,692	43,908	40,343
Selling and distribution expenses		40,646	38,858	23,630	25,998
Administrative expenses		34,807	19,933	26,694	14,104
Total expenses		229,080	150,483	94,232	80,445
Operating profit		44,162	27,400	35,586	35,185
Share of loss from investments in joint venture	6	(41)	(49)	-	-
Finance cost		(3,450)	(1,223)	(2,771)	(1,078)
Profit before income tax expenses		40,671	26,128	32,815	34,107
Income tax expenses	11	(8,255)	(6,912)	(6,667)	(7,612)
Profit for the period		32,416	19,216	26,148	26,495
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		32,416	19,216	26,148	26,495
Profit attributable to:					
Equity holders of the Company		29,971	17,363	26,148	26,495
Non-controlling interests of the subsidiaries		2,445	1,853		
		<u>32,416</u>	<u>19,216</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		29,971	17,363	26,148	26,495
Non-controlling interests of the subsidiaries		2,445	1,853		
		<u>32,416</u>	<u>19,216</u>		
Earnings per share					
	13				
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company		0.10	0.06	0.09	0.09
Weighted average number of ordinary shares (Thousand shares)					
		298,011	289,362	298,011	289,362

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
	Issued and paid-up share capital	Share premium	Surplus on share-based payment transactions	Surplus from business combination under common control	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
					Appropriated - statutory reserve	Unappropriated			
Balance as at 31 December 2020 - as previously reported	103,000	286,711	18,273	3,703	8,877	50,524	471,088	16,592	487,680
Effect of adjustment of the provisional amounts recognised from the busienss acquisition (Note 5)	-	-	-	-	-	(1,239)	(1,239)	-	(1,239)
Balance as at 31 December 2020 - as restated	103,000	286,711	18,273	3,703	8,877	49,285	469,849	16,592	486,441
Profit for the period (Restated)	-	-	-	-	-	17,363	17,363	1,853	19,216
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	17,363	17,363	1,853	19,216
Balance as at 31 March 2021	103,000	286,711	18,273	3,703	8,877	66,648	487,212	18,445	505,657
Balance as at 1 January 2022	149,005	473,813	18,273	3,703	15,151	101,699	761,644	21,860	783,504
Profit for the period	-	-	-	-	-	29,971	29,971	2,445	32,416
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	29,971	29,971	2,445	32,416
Balance as at 31 March 2022	149,005	473,813	18,273	3,703	15,151	131,670	791,615	24,305	815,920

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

	Separate financial statements					
	Issued and		Surplus on	Retained earnings		Total
	paid-up		share-based	Appropriated -		shareholders'
	share capital	Share premium	payment transactions	statutory reserve	Unappropriated	equity
Balance as at 1 January 2021	103,000	286,711	18,273	8,877	48,902	465,763
Profit for the period	-	-	-	-	26,495	26,495
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	26,495	26,495
Balance as at 31 March 2021	103,000	286,711	18,273	8,877	75,397	492,258
Balance as at 1 January 2022	149,005	473,813	18,273	15,151	121,566	777,808
Profit for the period	-	-	-	-	26,148	26,148
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	26,148	26,148
Balance as at 31 March 2022	149,005	473,813	18,273	15,151	147,714	803,956

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries

Statements of cash flows

For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Restated)			
Cash flows from operating activities				
Profit before tax	40,671	26,128	32,815	34,107
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	8,128	5,589	2,437	921
Impairment loss on financial assets	260	287	105	4
Reduction of inventory to net realisable value (reversal)	204	83	(404)	(45)
Provision of goods return	507	839	542	782
Loss from sales/write-off of property, plant and equipment	-	1,570	-	1,217
Share of loss from investments in joint venture	41	49	-	-
Provision for long-term employee benefits	1,039	724	757	470
Unrealised loss (gain) on exchange	199	(121)	109	(121)
Finance income	(7)	(11)	(892)	(390)
Finance cost	3,450	1,223	2,771	1,078
Profit from operating activities before changes in operating assets and liabilities	54,492	36,360	38,240	38,023
Operating assets (increase) decrease				
Trade and other receivables	(7,300)	(59,839)	18,853	(28,005)
Advanced payments for purchase of goods	(3,278)	896	(2,811)	1,804
Inventories	3,479	(7,641)	450	7,404
Other current assets	584	(468)	(247)	82
Other non-current assets	263	2	263	35
Operating liabilities increase (decrease)				
Trade and other payables	16,382	33,657	(2,638)	(7,936)
Other current liabilities	556	218	55	158
Other non-current liabilities	-	283	-	-
Cash flows from operating activities	65,178	3,468	52,165	11,565
Cash paid for income tax	(230)	(323)	(132)	(50)
Net cash from operating activities	64,948	3,145	52,033	11,515

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Inter Pharma Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Restated)			
Cash flows from investing activities				
Cash paid for investment payable	-	(10,000)	-	(10,000)
Cash paid for investment in joint venture	-	(10,200)	-	(10,200)
Cash received from repayment of long-term loans to employees	15	15	15	15
Increase in other current financial assets	(1)	(3)	(1)	(2)
Purchase of property, plant and equipment	(1,514)	(18,780)	(879)	(6,233)
Purchase of intangible assets	(953)	-	(953)	-
Cash received from sale of property, plant and equipment	-	2,804	-	2,804
Cash paid for deposit for purchase of assets	-	(16,000)	-	(16,000)
Interest received	2	4	895	412
Net cash used in investing activities	<u>(2,451)</u>	<u>(52,160)</u>	<u>(923)</u>	<u>(39,204)</u>
Cash flows from financing activities				
Cash received from short-term loans from bank	-	15,000	-	-
Cash paid to settle long-term loans from bank	(8,940)	(3,900)	(8,250)	(3,900)
Payment of principal portion of lease liabilities	(137)	(179)	(137)	(127)
Interest paid	(2,954)	(1,215)	(2,296)	(1,038)
Net cash from (used in) financing activities	<u>(12,031)</u>	<u>9,706</u>	<u>(10,683)</u>	<u>(5,065)</u>
Net increase (decrease) in cash and cash equivalents	50,466	(39,309)	40,427	(32,754)
Cash and cash equivalents at beginning of the period	173,866	152,328	124,833	96,779
Effect of change in foreign exchange rate on cash at banks	(100)	-	(10)	-
Cash and cash equivalents at end of the period	<u>224,232</u>	<u>113,019</u>	<u>165,250</u>	<u>64,025</u>
	-			

Supplemental disclosures of cash flows information:

Non-cash related transactions

Increase in other payable for purchases of

property, plant and equipment

394	4,046	-	-
-----	-------	---	---

The accompanying notes are an integral part of the financial statements.

Inter Pharma Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2022

1. General information

1.1 Corporate information

Inter Pharma Public Company Limited ("the Company") was incorporated as a limited company under Thai laws and registered the change of the Company's status to be the public company limited under the Public Limited Companies Act on 15 May 2019 and registered with the Market for Alternative Investment (MAI) on 5 November 2019. The Company is principally engaged in the import, manufacture and distribute of drug, dietary supplement product for humans and animals by appoint a distributor company to handle the distribution.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

1.3 Basis of consolidation

These interim consolidated financial statements include the financial statements of Inter Pharma Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2021 with no changes in shareholding structure of subsidiaries during the current period.

1.4 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Group's financial statements.

2. Related party transactions

During the periods, the Group had significant business transactions with its individual and related parties. Such transactions arose in the ordinary course of business, and were concluded on commercial terms and based agreed upon between the Group and those related parties. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Transactions with subsidiaries</u>				
<i>(eliminated from the consolidated financial statements)</i>				
Sales of goods	-	-	7,485	38,238
Other income	-	-	3,432	3,440
Interest income	-	-	890	387
Purchase of goods	-	-	-	16
Distribution expenses	-	-	-	23
<u>Transactions with joint venture</u>				
Other income	48	-	48	-
Purchase of goods	763	-	763	-
<u>Transactions with related parties</u>				
Sales of goods	1,640	1,506	-	-
Purchase of goods	12,679	5,443	-	-
Interest expenses	47	47	-	-

The outstanding balances between the Company and those related parties as at 31 March 2022 and 31 December 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
<u>Trade and other receivables</u>				
<u>- related parties</u>				
Subsidiary companies	-	-	67,273	74,203
Joint venture	104	53	99	48
Related companies (related by common shareholders and/or directors)	620	626	-	-
Total trade and other receivables				
- related parties	724	679	67,372	74,251
Less: Allowance for expected credit losses	(3)	(2)	(105)	-
Total trade and other receivables				
- related parties - net (Note 3)	721	677	67,267	74,251
<u>Short-term loans to related parties</u>				
<u>Subsidiary companies</u>				
Inter Vetta Co., Ltd.	-	-	7,000	7,000
Inter Petrina Co., Ltd.	-	-	7,200	7,200
Modern Pharma Co., Ltd.	-	-	76,000	76,000
Total short-term loans to related parties	-	-	90,200	90,200

During the three-month period ended 31 March 2022, there is no movement of short-term loans to related parties.

As at 31 March 2022, the Company had short-term loans to related parties of Baht 90.2 million (31 December 2021: Baht 90.2 million), bearing interest at the rate of 4.0 percent per annum (31 December 2021: 4.0 percent per annum) and due for repayment on call.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
<u>Trade and other payables - related parties</u>				
Subsidiary companies	-	-	-	124
Joint venture	356	264	356	253
Related companies (related by common shareholders and/or directors)	47	401	-	-
Related person - directors	384	358	320	320
Total trade and other payables - related parties (Note 9)	787	1,023	676	697

Short-term loans from related party

Related company (related by common shareholders and/or directors)	4,800	4,800	-	-
Total short-term loans from related party	4,800	4,800	-	-

During the three-month period ended 31 March 2022, there is no movement of short-term loans from related party.

As at 31 March 2022, the Group had short-term loans from related party of Baht 4.8 million (31 December 2021: Baht 4.8 million), bearing interest at the rate of 4.0 percent per annum (31 December 2021: 4.0 percent per annum) and due for repayment on call.

Directors and management's remuneration

During the three-month periods ended 31 March 2022 and 2021, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated and	
	separate financial statements	
	2022	2021
Short-term employee benefits	4,780	4,626
Post-employment benefits	265	324
Total	5,045	4,950

3. Trade and other receivables

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
	(Audited)		(Audited)	
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	620	626	7,603	26,261
Overdue not over 30 days	-	-	16,569	21,313
Overdue 31 - 60 days	-	-	4,813	4,784
Overdue 61 - 90 days	-	-	3,561	3,524
Overdue 91 - 180 days	-	-	30,938	13,958
Overdue 181 - 365 days	-	-	71	-
Total trade accounts receivable - related parties	620	626	63,555	69,840
Less: Allowance for expected credit losses	(3)	(2)	(105)	-
Total trade accounts receivable - related parties - net (Note 2)	617	624	63,450	69,840
<u>Trade accounts receivable sold through the distributor</u>				
Aged on the basis of due dates				
Not yet due	175,010	157,104	86,928	80,489
Overdue not over 30 days	29,883	9,905	20,689	-
Overdue 31 - 60 days	2,559	3,197	-	-
Overdue 61 - 90 days	1,485	2,212	-	-
Overdue 91 - 180 days	5,171	1,747	-	-
Overdue 181 - 365 days	883	236	-	-
Overdue more than 365 days	775	775	513	513
Total trade accounts receivable sold through the distributor	215,766	175,176	108,130	81,002
Less: Allowance for expected credit losses	(2,207)	(1,943)	(513)	(513)
Total trade accounts receivable sold through the distributor - net	213,559	173,233	107,617	80,489

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	22,850	61,723	7,557	50,510
Overdue not over 30 days	7,029	5,650	632	2,640
Overdue 31 - 60 days	1,003	564	3	124
Overdue 61 - 90 days	5,019	1,168	4,431	481
Overdue 91 - 180 days	818	6,559	-	488
Overdue 181 - 365 days	12,042	10,459	-	-
Overdue more than 365 days	5,082	4,005	3,844	3,844
Total trade accounts receivable - unrelated parties	53,843	90,128	16,467	58,087
Less: Allowance for expected credit losses	(5,875)	(5,880)	(3,844)	(3,844)
Total trade accounts receivable - unrelated parties - net	47,968	84,248	12,623	54,243
Total trade accounts receivable - net	262,144	258,105	183,690	204,572
<u>Other receivables</u>				
Other receivables - related parties (Note 2)	104	53	3,817	4,411
Other receivables - unrelated parties	35,483	32,528	7,658	5,143
Total other receivables	35,587	32,581	11,475	9,554
Total trade and other receivables - net	297,731	290,686	195,165	214,126

Trade accounts receivable sold through the distributor is presented with the balance before deducting service discount for distribution that the Group has to pay to the distributor when the goods are sold to retail customer via the distributor.

The aging of the end customer receivable sold through distributor has the following criteria:

- (1) In case the distributor is responsible for the risk in terms of the credit term of end customer receivable, the aging is held by the credit term granted by the Group to the distributor as specified in the distributor agreement by starting the aging count from the month-end that the Group sells to its end customer through the distributor.
- (2) In case the Group is responsible for the risk in terms of the credit term of end customer receivable, the aging is held by the credit term granted by the distributor to the end customer receivable as specified in the distributor agreement. But, the distributor will be responsible only for debt collection by starting the aging count from the day that the Group sells to its end customer through the distributor.

4. Reduction of inventories to net realisable value

Movements in reduction of inventories to net realisable value account during the three-month period ended 31 March 2022 are summarised below.

		(Unit: Thousand Baht)	
		Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022		3,062	1,665
Add: Reduction of inventory value during the period		1,202	267
Less: Reversal of reduction of inventory value during the period		(998)	(671)
Balance as at 31 March 2022		3,266	1,261

5. Investments in subsidiaries

Details of investments in subsidiary companies in the separate financial statements are summarised below.

		(Unit: Thousand Baht)							
		Separate financial statements							
		Paid-up capital		Shareholding percentage (percent)		Cost		Dividend income for the three-month periods ended 31 March	
Company's name	Nature of business	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021	2022	2021
(Audited)									
Inter Vetta Co., Ltd.	Distribute pet food and dietary supplement for companion animal and livestock	5,000	5,000	55	55	2,750	2,750	-	-
Inter Petrina Co., Ltd.	Selling pet food	4,000	4,000	60	60	2,400	2,400	-	-
Modern Pharma Co., Ltd.	Manufacturing and selling of medicines	295,000	295,000	100	100	303,565	303,565	-	-
Total						308,715	308,715	-	-

(Unaudited but reviewed)

The Group assessed the fair values of identifiable assets acquired and liabilities assumed at the acquisition dates of Modern Pharma Co., Ltd. The assessments were completed in 2021 and within the measurement period of 12 months from the acquisition dates pursuant to the year allowed by Thai Financial Reporting Standard No. 3. During the measurement period, the Group obtained further information on the fair values of part of the assets and liabilities and had retrospectively adjusted the provisional amount recognised at the acquisition dates. The adjustments of the provisional amounts recognised from the business acquisitions caused unappropriated retained earnings as at 31 December 2020 to decrease by Baht 1.24 million which had been separately presented in the consolidated statement of changes in shareholders' equity for the three-month period ended 31 March 2021. In addition, the Group restated the consolidated statement of comprehensive income for the three-month period ended 31 March 2021, presented as comparative information, whereby the amounts of adjustments are summarised below.

(Unit: Thousand Baht)
For the three-month
period ended
31 March 2021

Statement of comprehensive income

Increase in cost of sales and services	1,648
Decrease in income tax expenses	(330)

Profit attributable to:

Decrease in equity holders of the Company	(1,318)
---	---------

Total comprehensive income attributable to:

Decrease in equity holders of the Company	(1,318)
---	---------

Earnings per share (Baht)

Decrease in basic earnings per shares	(0.005)
---------------------------------------	---------

6. Investments in joint venture

Company name	Nature of business	Paid-up capital		Shareholding percentage (percent)		Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
						Carrying amount based on equity method		Carrying amount based on cost method	
		31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
							(Audited)		(Audited)
Interpharma-ZEAvita Co., Ltd.	Develop and distribute supplementary health food products	20,000	20,000	51	51	10,080	10,121	10,200	10,200
Total						10,080	10,121	10,200	10,200

(Unaudited but reviewed)

During the three-month periods ended 31 March 2022 and 2021, the Company recognised share of comprehensive income from investment in joint venture in the consolidated financial statements and recognised dividend income in the separate financial statements as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Share of loss from investment in joint venture for the three-month periods ended 31 March		Dividend received during the three-month periods ended 31 March	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interpharma-ZEAvita Co., Ltd.	(41)	(49)	-	-

7. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2022	455,036	185,047
Acquisition during the period - cost	1,908	879
Depreciation for the period	(6,389)	(1,864)
Net book value as at 31 March 2022	450,555	184,062

8. Short-term loans from bank

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	31 March	31 December	31 March	31 December	31 March	31 December
	2022	2021	2022	2021	2022	2021
				(Audited)		(Audited)
Promissory notes	MLR - 1.0, MLR-1.5, 3.3	MLR - 1.0, MLR-1.5, 3.3	120,000	120,000	80,000	80,000
Total			120,000	120,000	80,000	80,000

The Group had short-term loans from bank which were in form of promissory notes. The loans are secured by mortgage of land with structures thereon and guaranteed of trade receivables of the subsidiaries.

(Unaudited but reviewed)

9. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
		(Audited)		(Audited)
Trade accounts payable - related parties (Note 2)	356	556	356	253
Trade accounts payable - unrelated parties	82,253	69,099	17,702	21,927
Other payables - related parties (Note 2)	-	60	-	124
Other payables - unrelated parties	11,875	11,738	8,698	6,410
Notes payable	607	213	607	202
Accrued expenses - related parties (Note 2)	431	407	320	320
Accrued expenses - unrelated parties	18,231	15,514	5,582	3,539
Other payable - distributor	20,047	18,828	7,162	8,269
Others	32,820	32,945	3,874	5,409
Total trade and other payables	166,620	149,360	44,301	46,453

10. Long-term loans from bank

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
		(Audited)		(Audited)
Long-term loans from bank	214,210	223,150	197,050	205,300
Less: Deferred interest cost	(428)	(464)	(428)	(464)
Long-term loans from bank - net	213,782	222,686	196,622	204,836
Less: Portion due within one year	(35,630)	(35,624)	(32,870)	(32,864)
Long-term loans from bank - net of current portion	178,152	187,062	163,752	171,972

During the three-month period ended 31 March 2022, movements in long-term loans from bank are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022	222,686	204,836
Add: Amortisation of finance cost	36	36
Less: Repayment during the period	(8,940)	(8,250)
Balance as at 31 March 2022	213,782	196,622

The Company

- On 25 November 2020, the Company has entered into a long-term loan agreement with a bank, obtaining a loan facility of Baht 108 million to be used as working capital and business expansion. The agreement term of such loans is 7 years and are repayable in 84 monthly installments of Baht 1.3 million. The loans carry interest as follows:
 - The 1st - 24th month has interest rate at the rate of MLR - 1.50 % per annum.
 - The 25th month onwards has interest at the rate of to MLR - 1.25 % per annum.
- On 25 August 2021, the Company has additionally entered into a long-term loan agreement with such bank, obtaining a loan facility of Baht 120 million to be used as working capital and business expansion. The agreement term of such loans is 7 years and are repayable in 84 monthly installments of Baht 1.45 million. The loans carry interest as follows:
 - The 1st - 24th month has interest rate at the rate of MLR - 1.50 % per annum.
 - The 25th month onwards has interest at the rate of to MLR - 1.25 % per annum.
- On 28 March 2022, the Company has additionally entered into a long-term loan agreement with such bank, obtaining a loan facility of Baht 200 million to be used as working capital and business expansion. The agreement term of such loans is 7 years and are repayable in 84 monthly installments of Baht 2.4 million. The loans carry interest as follows:
 - The 1st - 24th month has interest rate at the rate of MLR - 1.50 % per annum.
 - The 25th month onwards has interest at the rate of to MLR - 1.25 % per annum.

As at 31 March 2022, the Company has outstanding long-term loan credit facilities of Baht 200 million.

Subsidiary company

On 9 July 2021, the subsidiary company has entered into long-term loan agreements with a bank, obtaining loan facilities of Baht 19 million to be used as business expansion. The agreement term of such loans is 7 years and are repayable in 84 monthly installments of Baht 0.23 million. The loans carry interest as follows:

- The 1st - 24th month has interest rate at the rate of MLR - 1.50 % per annum.
- The 25th month onwards has interest at the rate of to MLR - 1.25 % per annum.

As at 31 March 2022, the subsidiary company has no outstanding long-term loan credit facilities.

As at 31 March 2022, the Group had outstanding balance long-term loans Baht 213.78 million (31 December 2021: Baht 222.69 million) and the Company had outstanding balance of such long-term loans of Baht 196.62 million (31 December 2021: Baht 204.84 million).

The loans are secured by mortgage of land and structures and machineries thereon, owned by the Group, subsidiary's shares and guaranteed by subsidiary companies.

The loan agreements contain covenants with which the Group has to comply, pertaining to matters such as maintaining of debt-to-equity ratio, maintaining of percentage of shares held by the major shareholder and main management of the Company.

11. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax for the three-month periods ended 31 March 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Restated)			
Current income tax:				
Interim corporate income tax charge	8,289	9,016	6,880	7,887
Deferred tax:				
Relating to origination and reversal of temporary differences	(34)	(2,104)	(213)	(275)
Income tax expenses reported in the profit of loss	<u>8,255</u>	<u>6,912</u>	<u>6,667</u>	<u>7,612</u>

12. Warrants

On 14 July 2021, the Extraordinary General Meeting of shareholders of the Company passed the resolutions approving the issuance of 1st warrants ("IP-W1 WARRANT") not over 19,226,640 warrants to the existing shareholders who subscribe and make payment for additional ordinary shares in proportionate to their respective shareholding. Details of the warrants are summarised below.

Number of warrants issued	: 19,226,640 warrants
Number of warrants subscribed	: 19,221,866 warrants
Offering price	: Baht 0 per unit
Offering method	: 1 new ordinary share to 2 units of IP-W1
Exercise ratio and price	: 1 warrant per 1 newly issued ordinary share at a price of Baht 25 per share
Date of issuance	: 1 October 2021
Term of the warrant	: 2 years from the issuance date of warrants
Expiry date	: 31 December 2023
Exercise dates	: On the last business day of every quarter whereby the first and last exercise dates are 30 December 2021 and 31 December 2023

Movements of warrant during the period are summarised below.

	Number of units (units)
Warrants issued as at 1 January 2022	19,221,866
Warrants issued as at 31 March 2022	19,221,866

13. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the period, and adjusted the number of ordinary shares with the proportionate change in the number of ordinary shares as a result of the exercise of warrants.

Diluted earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the sum of the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

As at 31 March 2022, the warrants are excluded from the potential ordinary shares since their exercise price is in excess of the fair value of the ordinary shares.

The adjustment has effect of the change in basic earnings per share in the income statements for the three-month period ended 31 March 2021 as below.

	For the three-month period ended 31 March 2021	
	Consolidated	Separate
	financial statements	financial statements
Decrease in basic earnings per share (Baht)	(0.03)	(0.04)

14. Segment information

The Group is organised into business units based on their products and services. During the current period, the Group has not changed the organisation of its reportable segments.

The following table presents revenue and profit information regarding the Group's operating segments for the three-month periods ended 31 March 2022 and 2021:

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the three-month periods ended 31 March					
	Human healthcare		Animal healthcare		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		(Restated)		(Restated)		(Restated)
Revenue	174,254	108,129	96,218	68,375	270,472	176,504
Cost of sales and services	(90,790)	(51,213)	(62,837)	(40,479)	(153,627)	(91,692)
Gross profit	83,464	56,916	33,381	27,896	116,845	84,812
Selling and distribution expenses					(40,646)	(38,858)
Administrative expenses					(34,807)	(19,933)
Other income					2,770	1,379
Finance cost					(3,450)	(1,223)
Share of loss from investments in joint venture					(41)	(49)
Income tax expenses					(8,255)	(6,912)
Profit for the period					32,416	19,216

Major customers

The Group has no retail customer through distributor with revenue of 10 percent or more of the Group's revenues.

15. Commitments and contingent liabilities**15.1 Commitments and bank guarantees**

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
	(Audited)		(Audited)	
Commitment on purchase of goods and service agreements	161.93	138.47	54.63	42.52
Capital commitments	-	4.12	-	3.65
Bank guarantees	5.21	5.13	-	-

15.2 Commitment on distribution agreements

As at 31 March 2022, the Group has commitment under the distributor agreements with a local company. Such distributor agreements are effective from 1 September 2018 ending 31 August 2023 and extended until end at 31 August 2026. The Group has committed to pay service fees for distribution to such company at a percentage of sale as specified in the agreements.

16. Litigation

16.1 On 26 February 2022, the Company and its subsidiary was filed by a company on the transfer of rights on debt collection. Currently, the case is under hearing of the Civil Court. The Company and its subsidiary considered that there will be no any additional liabilities to be recorded.

16.2 As at 31 March 2022, certain former employees filed a claim of Baht 8.65 million against the Company, seeking additional compensation in excess of both the Company's policy and in excess of the Labour Law. Currently, the disputes are under hearing of the Labour Court. However, the management of the Company had reviewed the merits of those to assess possible outcomes and believe that the Company will not have any significant losses. Therefore, the Company did not set up any provision for the lawsuit in the accounts.

17. Events after the reporting period

On 1 April 2022, the statutory meeting of the subsidiary passed a resolution for the establishment of Inter Pharmacy Company Limited with the registered share capital of Baht 315 million (3.15 million ordinary shares of Baht 100 each) in which the Company will hold 99.99 percent interest. The subsidiary company has registered for company establishment with the Ministry of Commerce on the same date. The subsidiary company called for 25% share capital payment of Baht 78.75 million and the Company has already paid for share subscription.

Subsequently in April 2022, such subsidiary purchased ordinary shares of Drug Care Co., Ltd. of 156,500 shares which represents 88.67 percent of the total issued shares of such company totaling Baht 311 million. The acquisition of such shares was in accordance to the resolution of the Company's Board of Directors Meeting No.7/2021 dated 9 November 2021.

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 May 2022.