

APD LIMITED
Unaudited Interim Financial Statements

**As at December 31, 2022 and
the six months ended December 31, 2022**

APD LIMITED**(Incorporated under the laws of the Commonwealth of The Bahamas)****Unaudited Interim Statement of Financial Position****As of December 31, 2022 and June 30, 2022****(Amounts expressed in Bahamian dollars)**

	December 31, 2022	June 30, 2022
	\$	(Audited) \$
ASSETS		
Current assets		
Cash and cash equivalents	13,391,455	19,817,081
Accounts receivable	3,553,862	3,059,560
Tax receivable	238,377	752,398
Deposits, prepayments and other assets	1,234,513	1,024,176
Spare parts inventory	782,602	787,341
Total current assets	<u>19,200,809</u>	<u>25,440,556</u>
Non-current assets		
Property, plant and equipment	78,289,213	78,451,796
Right-of-use asset	44,741,846	45,023,241
Investments	5,425,000	425,000
Total non-current assets	<u>128,456,059</u>	<u>123,900,037</u>
Total assets	<u>147,656,868</u>	<u>149,340,593</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	480,313	468,787
Due to related parties	1,049,480	1,243,372
Accrued expenses and other liabilities	715,922	1,033,746
Current portion of lease liability	96,241	184,194
Current portion of long term debt	2,057,067	2,057,067
Total current liabilities	<u>4,399,023</u>	<u>4,987,166</u>
Non-current liabilities		
Long term debt	25,713,333	26,741,867
Lease liability	46,719,019	46,727,308
Deposits Held	274,663	274,663
Total non-current liabilities	<u>72,707,015</u>	<u>73,743,838</u>
Total liabilities	77,106,038	78,731,004
Equity		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	21,308,553	21,367,312
Total equity	<u>70,550,830</u>	<u>70,609,589</u>
Total liabilities and equity	<u>147,656,868</u>	<u>149,340,593</u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income
For the six months ended December 31, 2022 and 2021
(Amounts expressed in Bahamian dollars)**

	2022	2021
	\$	\$
Revenue		
Landing fees	7,744,522	6,693,279
Terminal handling fees	2,568,950	2,393,446
Stevedoring fees	1,825,046	1,721,302
Gate fees	1,209,941	1,174,386
Storage fees	2,635,947	1,299,538
Security	1,458,079	705,148
Subleases	716,000	177,800
Hazmat fees	158,450	342,050
Reefer line	674,400	153,039
Dockage	145,949	83,192
Line handling fees	43,450	42,500
Other income	30,411	90,485
	<u>19,211,145</u>	<u>15,636,008</u>
Total revenue	19,211,145	15,636,008
Expenses		
Salaries, employee benefits and training	2,329,766	2,286,782
Terminal handling costs	3,160,307	2,130,802
Government lease	504,096	338,002
Government fees & Taxes	609,398	717,415
Utilities	567,981	408,164
Insurance	180,629	172,587
Legal and other professional fees	319,271	214,567
Repairs and maintenance	511,869	419,655
Other operating expenses	201,996	154,129
Security	182,040	185,175
Company meetings and events	63,005	85,080
Disposal of Property and Equipment	140,646	(385)
Office supplies, postage and delivery	95,250	66,174
	<u>8,866,254</u>	<u>7,178,147</u>
Total expenses	8,866,254	7,178,147
Earnings before interest, depreciation and amortisation	<u>10,344,891</u>	<u>8,457,861</u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income (Continued)
For the six months ended December 31, 2022 and 2021
(Amounts expressed in Bahamian dollars)**

	2022	2021
	\$	\$
Depreciation - property, plant and equipment	1,637,156	1,758,883
Depreciation - right-of-use-asset	281,395	281,395
Amortisation of preference share issue cost	-	373,660
	<u>1,918,551</u>	<u>2,413,938</u>
Total depreciation and amortisation		
	<u>1,918,551</u>	<u>2,413,938</u>
Earnings before interest	<u>8,426,340</u>	<u>6,043,923</u>
Finance costs		
Preference share dividends	-	320,563
Interest expense	447,606	309,236
Interest on lease liability	1,055,509	1,059,653
Interest income	(13,697)	(2,887)
	<u>1,489,418</u>	<u>1,686,565</u>
Total finance costs, net		
	<u>1,489,418</u>	<u>1,686,565</u>
Total earnings for the period attributable to the equity shareholders	<u>6,936,922</u>	<u>4,357,358</u>
Net income and total comprehensive income	<u>6,936,922</u>	<u>4,357,358</u>
Basic and diluted earnings per share	<u>1.39</u>	<u>0.87</u>

APD LIMITED**Unaudited Interim Statement of Changes in Equity
For the six months ended December 31, 2022 and 2021
(Amounts expressed in Bahamian dollars)**

	Share capital \$	Share premium \$	Retained earnings \$	Total \$
Balance at July 1, 2021	49,969	49,192,308	19,445,930	68,688,207
Total comprehensive income for the period	-	-	4,357,358	4,357,358
Dividend paid for the period	-	-	(5,496,606)	(5,496,606)
Balance at December 31, 2021	<u>49,969</u>	<u>49,192,308</u>	<u>18,306,682</u>	<u>67,548,959</u>
Balance at July 1, 2022	49,969	49,192,308	21,367,312	70,609,589
Total comprehensive income for the period	-	-	6,936,922	6,936,922
Dividend paid for the period	-	-	(6,995,681)	(6,995,681)
Balance at December 31, 2022	<u>49,969</u>	<u>49,192,308</u>	<u>21,308,553</u>	<u>70,550,830</u>

APD LIMITED

Unaudited Interim Statement of Cash Flows For the six months ended December 31, 2022 and 2021 (Amounts expressed in Bahamian dollars)

	2022	2021
	\$	\$
Cash flows from operating activities		
Net income for the period	6,936,922	4,357,358
Adjustments for:		
Depreciation - property, plant and equipment	1,637,156	1,758,883
Depreciation - right-of-use-asset	281,395	281,396
Amortisation of preference share issue cost	-	373,660
Loss/(Gain) on disposal of assets	140,646	(385)
Interest income	(13,697)	(2,887)
Preference share dividends	-	320,563
Interest on lease liability	1,055,509	1,059,653
Loan interest expense	447,606	309,236
Operating profit before changes in working capital	10,485,537	8,457,477
Increase in accounts receivable	(494,302)	(643,739)
Increase in deposit, prepayments & other assets	(210,337)	(2,382,430)
Decrease in purchase inventory	4,739	58,832
Decrease in tax receivable	514,021	526,882
Decrease in deposits held	-	(14,280)
Increase / (Decrease) in accounts payable	11,526	(199,293)
(Decrease) / Increase in due to related parties	(193,892)	537,441
Decrease in accrued expense and other liabilities	(317,824)	(956,744)
Decrease in Deferred borrowing costs	-	(93,276)
Net cash provided by operating activities	9,799,468	5,290,870
Cash flows from investing activities		
Acquisition of property and equipment	(1,624,721)	(937,607)
Purchase of investments	(5,000,000)	-
Proceeds from sale of property, plant and equipment	9,500	500
Net cash used in investing activities	(6,615,221)	(937,107)
Cash flows from financing activities		
Principal payment on long term debt	(1,028,533)	(1,028,533)
Principal payment on lease liability	(96,241)	(59,596)
Dividends paid to ordinary shareholders	(6,995,681)	(5,496,606)
Interest income received	13,697	2,887
Interest expense paid	(447,606)	(309,236)
Interest on preference shares	-	(320,563)
Interest on lease liability	(1,055,509)	(1,059,653)
Net cash used in financing activities	(9,609,873)	(8,271,300)
Decrease in cash and cash equivalents	(6,425,626)	(3,917,537)
Cash and cash equivalents, beginning of the period	19,817,081	17,606,947
Cash and cash equivalents, end of the period	13,391,455	13,689,410

APD LIMITED

Condensed Notes to the Unaudited Interim Financial Statements December 31, 2022

1. General information

APD Limited (the Company) was incorporated on February 24, 2009, under the Companies Act, 1992 of the Commonwealth of The Bahamas (The Bahamas). The Company is 40% owned by The Treasurer of The Bahamas, 40% owned by Arawak Cay Port Development Holdings Limited (ACPDHL) and 20% owned by the general public, hereinafter collectively referred to as the Shareholders. ACPDHL is owned by a consortium of private companies operating in The Bahamas.

The Company is a public company, which was listed on the Bahamas International Securities Exchange effective April 11, 2012. The Company's registered office is located at Ocean Centre, Montagu Foreshore, East Bay Street, New Providence, The Bahamas.

On May 10, 2010, the Company and the Government of The Bahamas (the Government) entered into a Memorandum of Understanding (MOU), whereby the Government initiated the relocation of the freight, cargo and port handling activities from downtown Bay Street on the island of New Providence to Arawak Cay, New Providence, and the Company agreed to design, develop, construct, manage, operate and maintain a new commercial port at Arawak Cay to be known as Nassau Container Port (the Port) and an inland terminal on Gladstone Road, to be known as Gladstone Freight Terminal (the Depot) (Note 13).

In accordance with the MOU, 20% of the Company's ordinary shares were offered for sale to the general public through an Initial Public Offering (IPO) held in February 2012. At the conclusion of the IPO, the Government and ACPDHL each owned 40% and the general public owned 20% of the ordinary share capital of the Company.

The Port and Depot facilities were developed on 56.55 acres of land on Arawak Cay, New Providence (the Port Land) and 15 acres of land at Gladstone Road, New Providence (the Depot Land). On June 21, 2011, the Minister responsible for the Lands and Survey, acting on behalf of the Government leased the Port Land and Depot Land and licensed 27.88 acres of seabed for use of the Company for 45 years which became effective May 1, 2012 and August 13, 2012, respectively, when the Port and Depot facilities were substantially completed.

The Company commenced operations on the date of substantial completion of the Port facility on May 1, 2012. Operations of the Port include a break bulk, a bulk and a container terminal that has 1,167 linear feet of berthing. The container terminal will have the capability of handling at least 75,000 Twenty-foot Equivalent Units (TEUs) annually. The Depot is comprised of 100,000 square feet and 10,000 square feet of warehouse and administrative office space respectively, and serves as a deconsolidation and distribution centre.

These condensed interim financial statements have not been audited.

2. Basis of preparation

These unaudited interim financial statements for the six months ended December 31, 2022 have been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim financial reporting'. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended June 30, 2022, which have been prepared in accordance with the International Financial Reporting Standards (IFRSs).

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Condensed Notes to the Unaudited Interim Financial Statements December 31, 2022

3. Accounting policies

The accounting policies applied, methods of computation and presentation are consistent with those of the annual financial statements for the year ended June 30, 2022.

4. Estimates

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 and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed 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 June 30, 2022.

5. Financial risk management

5.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

These condensed financial statements do not include all the financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as at June 30, 2022. There have been no changes in the Company's risk management policies since June 30, 2022.

5.2 Liquidity risk

Compared to year end there was no material change in the contractual undiscounted cash flows for the financial liabilities.

6. Seasonality of operations

Due to the nature of the Company's operations, seasonal trends are not applicable.