

APD LIMITED
Unaudited Interim Financial Statements

**As at March 31, 2022, and
the nine months ended March 31, 2022**

APD LIMITED
(Incorporated under the laws of the Commonwealth of The Bahamas)

Unaudited Interim Statement of Financial Position
As of March 31, 2022, and June 30, 2021
(Amounts expressed in Bahamian dollars)

	March 31, 2022	June 30, 2021, (Audited)
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	18,074,183	17,606,947
Accounts receivable	2,056,024	2,088,967
Tax receivable	694,671	826,248
Deposits, prepayments, and other assets	1,227,712	729,870
Spare parts inventory	824,447	836,473
Deferred borrowing costs	93,276	-
Total current assets	22,970,313	22,088,505
Non-current assets		
Long-Term Investment	425,000	-
Property, plant, and equipment	79,961,771	81,523,145
Right-of-use asset	45,163,939	45,586,032
Total non-current assets	125,550,710	127,109,177
Total assets	148,521,023	149,197,682
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	372,184	239,021
Due to related parties	842,142	1,058,574
Accrued expenses and other liabilities	1,084,095	1,359,183
Current portion of redeemable preference shares	-	30,482,339
Current portion of lease liability	89,395	114,061
Current portion of long-term debt	1,028,533	-
Total current liabilities	3,416,349	33,253,178
Non-current liabilities		
Long term debt	28,798,934	-
Lease liability	46,916,904	46,981,634
Deposits Held	253,663	274,663
Total non-current liabilities	75,969,501	47,256,297
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	19,892,896	19,445,930
Total equity	69,135,173	68,688,207
Total liabilities and equity	148,521,023	149,197,682

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

	2022	2021
	\$	\$
Revenue		
Landing fees	9,740,244	8,936,977
Terminal handling fees	3,299,998	3,019,237
Stevedoring fees	2,394,435	2,158,099
Gate fees	1,706,531	1,573,078
Storage fees	1,234,873	1,480,732
Security	1,898,584	1,723,735
Subleases	1,047,278	1,134,941
Hazmat fees	264,300	240,600
Reefer line	485,950	424,900
Dockage	225,183	209,267
Line handling fees	61,150	51,041
Other income	103,204	35,844
	<u>22,461,730</u>	<u>20,988,451</u>
Total revenue	22,461,730	20,988,451
Expenses		
Salaries, employee benefits and training	3,363,571	3,417,453
Terminal handling costs	2,912,097	2,684,963
Government lease	456,833	278,651
Government fees & Taxes	1,082,547	1,126,735
Utilities	640,353	652,043
Insurance	269,166	258,513
Legal and other professional fees	389,946	264,907
Repairs and maintenance	726,902	902,831
Other operating expenses	304,191	135,931
Security	276,270	259,023
Company meetings and events	87,208	71,815
Disposal of Property and Equipment	(385)	17,459
Office supplies, postage, and delivery	103,911	69,202
	<u>10,612,610</u>	<u>10,139,526</u>
Total expenses	10,612,610	10,139,526
Earnings before interest, depreciation and amortisation	<u>11,849,120</u>	<u>10,848,925</u>

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

	2022	2021
	\$	\$
Depreciation and amortisation		
Depreciation	2,665,405	2,495,359
Depreciation- Right-Of-Use-Asset	422,093	422,093
Amortisation of preference share issue cost	373,660	23,327
	<u>3,461,158</u>	<u>2,940,779</u>
Total depreciation and amortisation		
	<u>3,461,158</u>	<u>2,940,779</u>
Earnings before interest	<u>8,387,962</u>	<u>7,908,146</u>
Interest (finance costs)		
Interest on preference shares	(320,563)	(1,325,869)
Interest on loan	(537,233)	(11,336)
Interest on lease	(1,589,480)	(1,593,329)
Interest income	2,887	6,023
	<u>(2,444,389)</u>	<u>(2,924,511)</u>
Total finance costs, net		
	<u>(2,444,389)</u>	<u>(2,924,511)</u>
Total earnings for the period attributable to the equity holders	<u>5,943,573</u>	<u>4,983,635</u>
Total comprehensive income for the period	<u>5,943,573</u>	<u>4,983,635</u>
Basic and diluted earnings per share	<u>1.19</u>	<u>1.00</u>

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

	Share capital \$	Share premium \$	Retained earnings \$	Total \$
Balance at July 1, 2020	49,969	49,192,308	17,771,267	67,013,544
Total comprehensive income for the period	-	-	4,983,635	4,983,635
Dividend paid for the period			(4,996,921)	(4,996,921)
Balance at March 31, 2021	<u>49,969</u>	<u>49,192,308</u>	<u>17,757,981</u>	<u>67,000,258</u>
Balance at July 1, 2021	49,969	49,192,308	19,445,930	68,688,207
Total comprehensive income for the period	-	-	5,943,573	5,943,573
Dividend paid for the period			(5,496,607)	(5,496,607)
Balance at March 31, 2022	<u>49,969</u>	<u>49,192,308</u>	<u>19,892,896</u>	<u>69,135,173</u>

APD LIMITED**Unaudited Interim Statement of Cash Flows
For the nine months ended March 31, 2022, and 2021
(Amounts expressed in Bahamian dollars)**

	2022	2021
	\$	\$
Cash flows from operating activities		
Total comprehensive income for the period	5,943,573	4,983,635
Adjustments for:		
Depreciation	2,665,405	2,495,359
Depreciation-Right-of-Use-Asset	422,093	422,093
Amortisation of preference share issue cost	373,660	23,327
(Gain) / Loss on disposal of assets	(385)	18,800
Interest income	(2,887)	(6,023)
Interest on preference shares	320,563	1,325,869
Interest on lease liability	1,589,480	1,593,329
Loan interest expense	537,233	11,336
Operating profit before changes in working capital	11,848,735	10,867,725
Decrease in accounts receivable	32,943	167,674
Increase in Deposit, Prepayments & other assets	(497,842)	(22,822)
Decrease in Purchase inventory	12,026	53,712
Decrease / (Increase) in tax receivable	131,577	(102,518)
Increase Deferred borrowing costs	(93,276)	-
(Decrease) / Increase in deposits held	(21,000)	21,000
(Increase) / Decrease in accounts payable	133,163	(269,411)
Decrease in due to related parties	(216,432)	(309,146)
Decrease/(Increase) in accrued expense and other liabilities	(275,088)	123,685
Decrease in retention payable	-	(16,794)
Net cash provided by operating activities	11,054,806	10,513,105
Cash flows from investing activities		
Acquisition of property and equipment	(1,104,146)	(4,418,080)
Proceeds from sale of property, plant, and equipment	500	-
Net cash used in investing activities	(1,103,646)	(4,418,080)
Cash flows from financing activities		
Principal payment on long term debt	(1,028,533)	(750,000)
Principal payment on lease liability	(89,395)	(85,545)
Dividends paid to ordinary shareholders	(5,496,607)	(4,996,921)
Interest income received	2,887	6,023
Interest expense paid	(537,233)	(11,336)
Interest on preference shares	(320,563)	(1,325,869)
Interest on lease liability	(1,589,480)	(1,593,329)
Long-term investment	(425,000)	-
Net cash used in financing activities	(9,483,924)	(8,756,977)
Increase / (Decrease) in cash and cash equivalents	467,236	(2,661,952)
Cash and cash equivalents, beginning of the period	17,606,947	18,327,087
Cash and cash equivalents, end of the period	18,074,183	15,665,135

APD LIMITED

Condensed Notes to the Unaudited Interim Financial Statements March 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 nine months ended March 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, 2021, which have been prepared in accordance with the International Financial Reporting Standards (IFRSs).

APD LIMITED

Condensed Notes to the Unaudited Interim Financial Statements March 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, 2021.

There are no new IFRSs or interpretations of the International Financial Reporting Interpretations Committee (IFRICs) that are effective for the first time that would be expected to have a material impact on the Company.

a) Basis of preparation

Impact of COVID-19

Beginning of January 2020, global financial markets and local businesses have experienced and continue to experience significant volatility from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty.

Countries around the world continue to struggle with the effects of the COVID-19 pandemic. Border restrictions remain in place for many countries and The Bahamas remains under the Emergency Orders with impose curfew and travel restrictions. While the pandemic continues to be a challenge for The Bahamas and continues to negatively impact the Bahamian economy, the Company has seen a limited impact in the current year, and subsequent to year-end, has seen a steady increase in volumes comparable to pre-COVID-19 throughput. Construction activity within the country has enabled the volumes to remain high with imports on construction materials for project such as The US Embassy, Nassau Cruise Port, and other investments on the island.

While the extent and duration of the impact of COVID-19 remains uncertain at this time, management believes that these events would not have an impact on the carrying amount of assets and liabilities as at the reporting date, nor would it impact the Company's ability to continue as a going concern.

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, 2021.

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.

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

5.1 Financial risk factors (continued)

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, 2021. There have been no changes in the Company's risk management policies since June 30, 2021.

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.