

APD LIMITED
Unaudited Interim Financial Statements

**As at December 31, 2021 and
the six months ended December 31, 2021**

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

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

| | December 31, 2021 | June 30, 2021 (Audited) |
|---|----------------------------------|------------------------------------|
| | \$ | \$ |
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 13,689,410 | 17,606,947 |
| Accounts receivable | 2,732,706 | 2,088,967 |
| Tax receivable | 299,366 | 826,248 |
| Deposits, prepayments and other assets | 3,112,300 | 729,870 |
| Spare parts inventory | 777,641 | 836,473 |
| Deferred borrowing costs | 93,276 | - |
| Total current assets | <u>20,704,699</u> | <u>22,088,505</u> |
| Non-current assets | | |
| Property, plant, and equipment | 80,701,753 | 81,523,145 |
| Right-of-use asset | 45,304,636 | 45,586,032 |
| Total non-current assets | <u>126,006,389</u> | <u>127,109,177</u> |
| Total assets | <u><u>146,711,088</u></u> | <u><u>149,197,682</u></u> |
| LIABILITIES AND EQUITY | | |
| Current liabilities | | |
| Accounts payable | 39,728 | 239,021 |
| Due to related parties | 1,596,015 | 1,058,574 |
| Accrued expenses and other liabilities | 402,439 | 1,359,183 |
| Current portion of redeemable preference shares | - | 30,482,339 |
| Current portion of lease liability | 59,596 | 114,061 |
| Current portion of long-term debt | 1,028,533 | - |
| Total current liabilities | <u>3,126,311</u> | <u>33,253,178</u> |
| Non-current liabilities | | |
| Long term debt | 28,798,934 | - |
| Lease liability | 46,976,501 | 46,981,634 |
| Deposits Held | 260,383 | 274,663 |
| Total non-current liabilities | <u>76,035,818</u> | <u>47,256,297</u> |
| Share capital | 49,969 | 49,969 |
| Share premium | 49,192,308 | 49,192,308 |
| Retained earnings | 18,306,682 | 19,445,930 |
| Total equity | <u>67,548,959</u> | <u>68,688,207</u> |
| Total liabilities and equity | <u><u>146,711,088</u></u> | <u><u>149,197,682</u></u> |

APD LIMITED**Unaudited Interim Statement of Comprehensive Income
For the six months ended December 31, 2021 and 2020
(Amounts expressed in Bahamian dollars)**

| | 2021 | 2020 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| Revenue | | |
| Landing fees | 6,693,279 | 6,075,707 |
| Terminal handling fees | 2,393,446 | 2,006,654 |
| Stevedoring fees | 1,721,302 | 1,441,561 |
| Gate fees | 1,174,386 | 1,058,183 |
| Storage fees | 843,035 | 1,079,336 |
| Security | 1,299,538 | 1,169,370 |
| Subleases | 705,148 | 734,519 |
| Hazmat fees | 177,800 | 164,200 |
| Reefer line | 342,050 | 302,650 |
| Dockage | 153,039 | 133,571 |
| Line handling fees | 42,500 | 31,841 |
| Other income | 90,485 | 23,791 |
| | <u>15,636,008</u> | <u>14,221,383</u> |
| Total revenue | 15,636,008 | 14,221,383 |
| Expenses | | |
| Salaries, employee benefits and training | 2,286,782 | 2,209,964 |
| Terminal handling costs | 2,130,802 | 1,783,828 |
| Government lease | 338,002 | 213,489 |
| Government fees & Taxes | 717,415 | 755,375 |
| Utilities | 408,164 | 402,311 |
| Insurance | 172,587 | 182,770 |
| Legal and other professional fees | 214,567 | 192,794 |
| Repairs and maintenance | 419,655 | 734,116 |
| Other operating expenses | 154,129 | 76,893 |
| Security | 185,175 | 174,363 |
| Company meetings and events | 85,080 | 69,620 |
| Disposal of Property and Equipment | (385) | 8,922 |
| Office supplies, postage, and delivery | 66,174 | 45,487 |
| | <u>7,178,147</u> | <u>6,849,932</u> |
| Total expenses | 7,178,147 | 6,849,932 |
| Earnings before interest, depreciation and amortisation | <u>8,457,861</u> | <u>7,371,451</u> |

APD LIMITED**Unaudited Interim Statement of Comprehensive Income (Continued)
For the six months ended December 31, 2021 and 2020
(Amounts expressed in Bahamian dollars)**

| | 2021 | 2020 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Depreciation and amortisation | | |
| Depreciation | 1,758,883 | 1,646,791 |
| Depreciation- Right-Of-Use-Asset | 281,395 | 281,396 |
| Amortisation of preference share issue cost | 373,660 | 15,551 |
| | <u>2,413,938</u> | <u>1,943,738</u> |
| Total depreciation and amortisation | | |
| | <u>2,413,938</u> | <u>1,943,738</u> |
| Earnings before interest | <u>6,043,928</u> | <u>5,427,713</u> |
| | | |
| Interest (finance costs) | | |
| Interest on preference shares | (320,563) | (883,916) |
| Interest on loan | (309,236) | (8,879) |
| Interest on lease | (1,059,653) | (1,062,219) |
| Interest income | 2,887 | 4,284 |
| | <u>(1,686,565)</u> | <u>(1,950,730)</u> |
| Total finance costs, net | | |
| | <u>(1,686,565)</u> | <u>(1,950,730)</u> |
| Total earnings for the period attributable to the equity holders | <u>4,357,358</u> | <u>3,476,983</u> |
| | | |
| Total comprehensive income for the period | <u>4,357,358</u> | <u>3,476,983</u> |
| | | |
| Basic and diluted earnings per share | <u>0.87</u> | <u>0.70</u> |

APD LIMITED**Unaudited Interim Statement of Changes in Equity
For the six months ended December 31, 2021 and 2020
(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 | - | - | 3,476,983 | 3,476,983 |
| Dividend paid for the period | | | (4,996,921) | (4,996,921) |
| Balance at December 31, 2020 | <u>49,969</u> | <u>49,192,308</u> | <u>16,251,329</u> | <u>65,493,606</u> |
| 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> |

APD LIMITED**Unaudited Interim Statement of Cash Flows
For the six months ended December 31, 2021 and 2020
(Amounts expressed in Bahamian dollars)**

| | 2021 | 2020 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Total comprehensive income for the period | 4,357,358 | 3,476,983 |
| Adjustments for: | | |
| Depreciation | 1,758,883 | 1,646,791 |
| Depreciation-Right-of-Use-Asset | 281,396 | 281,396 |
| Amortisation of preference share issue cost | 373,660 | 15,551 |
| (Gain) / Loss on disposal of assets | (385) | 8,922 |
| Interest income | (2,887) | (4,284) |
| Interest on preference shares | 320,563 | 883,916 |
| Interest on lease liability | 1,059,653 | 1,062,219 |
| Loan interest expense | 309,236 | 8,879 |
| Operating profit before changes in working capital | 8,457,477 | 7,380,373 |
| Increase in accounts receivable | (643,739) | (782,514) |
| Increase in Deposit, Prepayments & other assets | (2,382,430) | (338,194) |
| Decrease in Purchase inventory | 58,832 | 56,659 |
| Decrease in tax receivable | 526,882 | 433,760 |
| Increase Deferred borrowing costs | (93,276) | - |
| (Decrease) / Increase in deposits held | (14,280) | 21,000 |
| (Decrease) / Increase in accounts payable | (199,293) | 153,089 |
| Increase/(Decrease) in due to related parties | 537,441 | (325,723) |
| Decrease in accrued expense and other liabilities | (956,744) | (726,949) |
| Net cash provided by operating activities | 5,290,870 | 5,871,501 |
| Cash flows from investing activities | | |
| Acquisition of property and equipment | (937,607) | (4,278,975) |
| Proceeds from sale of property, plant and equipment | 500 | - |
| Net cash used in investing activities | (937,107) | (4,278,975) |
| Cash flows from financing activities | | |
| Principal payment on long term debt | (1,028,533) | (150,000) |
| Principal payment on lease liability | (59,596) | (29,780) |
| Dividends paid to ordinary shareholders | (5,496,606) | (4,996,921) |
| Interest income received | 2,887 | 4,284 |
| Interest expense paid | (309,236) | (8,879) |
| Interest on preference shares | (320,563) | (883,916) |
| Interest on lease liability | (1,059,653) | (1,062,219) |
| Net cash used in financing activities | (8,271,300) | (7,127,431) |
| Decrease in cash and cash equivalents | (3,917,537) | (5,534,905) |
| Cash and cash equivalents, beginning of the period | 17,606,947 | 18,327,087 |
| Cash and cash equivalents, end of the period | 13,689,410 | 12,792,182 |

APD LIMITED

Condensed Notes to the Unaudited Interim Financial Statements December 31, 2021

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, 2021 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 December 31, 2021

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.

APD LIMITED

Condensed Notes to the Unaudited Interim Financial Statements December 31, 2021

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.