

APD LIMITED
Unaudited Interim Financial Statements

As at September 30, 2021 and
the three months ended September 30, 2021

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

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

	September 30, 2021	June 30, 2021
	\$	(Audited) \$
ASSETS		
Current assets		
Cash and cash equivalents	20,413,019	17,606,947
Accounts receivable	2,076,250	2,088,967
Tax receivable	939,452	826,248
Deposits, prepayments and other assets	1,203,516	729,870
Spare parts inventory	796,385	836,473
Deferred borrowing costs	93,276	-
Total current assets	<u>25,521,898</u>	<u>22,088,505</u>
Non-current assets		
Property, plant and equipment	81,044,113	81,523,145
Right-of-use asset	45,445,334	45,586,032
Total non-current assets	<u>126,489,447</u>	<u>127,109,177</u>
Total assets	<u><u>152,011,345</u></u>	<u><u>149,197,682</u></u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	169,730	239,021
Due to related parties	1,276,105	1,058,574
Accrued expenses and other liabilities	1,603,178	1,359,183
Current portion of redeemable preference shares	-	30,482,339
Current portion of lease liability	29,798	114,061
Current portion of long term debt	2,057,067	-
Total current liabilities	<u>5,135,878</u>	<u>33,253,178</u>
Non-current liabilities		
Long term debt	28,798,933	-
Lease liability	47,036,098	46,981,634
Deposits Held	274,663	274,663
Total non-current liabilities	<u>76,109,694</u>	<u>47,256,297</u>
Total liabilities	81,245,572	80,509,475
Equity		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	21,523,496	19,445,930
Total equity	<u>70,765,773</u>	<u>68,688,207</u>
Total liabilities and equity	<u>152,011,345</u>	<u>149,197,682</u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income
For the three months ended September 30, 2021 and 2020
(Amounts expressed in Bahamian dollars)**

	2021	2020
	\$	\$
Revenue		
Landing fees	3,356,864	2,950,331
Terminal handling fees	1,262,175	936,339
Stevedoring fees	915,648	601,225
Gate fees	590,400	511,404
Storage fees	274,185	306,282
Security	656,813	570,579
Subleases	363,023	367,260
Hazmat fees	89,850	78,800
Reefer line	165,300	129,300
Dockage	83,192	61,283
Line handling fees	21,950	14,841
Other income	19,911	10,300
	<u>7,799,311</u>	<u>6,537,944</u>
Total revenue	7,799,311	6,537,944
Expenses		
Salaries, employee benefits and training	1,178,405	1,096,682
Terminal handling costs	989,260	825,688
Government lease	159,426	99,722
Government fees & Taxes	358,707	377,687
Utilities	175,170	196,039
Insurance	83,979	85,386
Legal and other professional fees	107,565	75,340
Repairs and maintenance	167,548	275,305
Other operating expenses	65,700	51,401
Security	94,649	85,749
Company meetings and events	11,998	5,337
Disposal of Property and Equipment	115	(1,341)
Office supplies, postage and delivery	22,978	24,893
	<u>3,415,500</u>	<u>3,197,888</u>
Total expenses	3,415,500	3,197,888
Earnings before interest, depreciation and amortisation	<u>4,383,811</u>	<u>3,340,056</u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income (Continued)
For the three months ended September 30, 2021 and 2020
(Amounts expressed in Bahamian dollars)**

	2021	2020
	\$	\$
Depreciation and amortisation		
Depreciation	880,173	810,112
Depreciation- Right-Of-Use-Asset	140,698	140,698
Amortisation of preference share issue cost	373,660	7,776
	<u>1,394,531</u>	<u>958,586</u>
Total depreciation and amortisation		
	<u>1,394,531</u>	<u>958,586</u>
Earnings before interest	<u>2,989,280</u>	<u>2,381,470</u>
Interest (finance costs)		
Interest on preference shares	(320,563)	(441,953)
Interest on loan	(62,896)	(8,757)
Interest on lease	(529,827)	(531,110)
Interest income	1,572	2,208
	<u>(911,714)</u>	<u>(979,612)</u>
Total finance costs, net		
	<u>(911,714)</u>	<u>(979,612)</u>
Total earnings for the period attributable to the equity holders	<u>2,077,566</u>	<u>1,401,858</u>
Total comprehensive income for the period	<u>2,077,566</u>	<u>1,401,858</u>
Basic and diluted earnings per share	<u>0.42</u>	<u>0.28</u>

APD LIMITED**Unaudited Interim Statement of Changes in Equity
For the three months ended September 30, 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	<u>-</u>	<u>-</u>	<u>1,401,858</u>	<u>1,401,858</u>
Balance at September 30, 2020	<u>49,969</u>	<u>49,192,308</u>	<u>19,173,125</u>	<u>68,415,402</u>
Balance at July 1, 2021	49,969	49,192,308	19,445,930	68,688,207
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>2,077,566</u>	<u>2,077,566</u>
Balance at September 30, 2021	<u>49,969</u>	<u>49,192,308</u>	<u>21,523,496</u>	<u>70,765,773</u>

APD LIMITED**Unaudited Interim Statement of Cash Flows
For the three months ended September 30, 2021 and 2020
(Amounts expressed in Bahamian dollars)**

	2021	2020
	\$	\$
Cash flows from operating activities		
Total comprehensive income for the period	2,077,566	1,401,858
Adjustments for:		
Depreciation	880,173	810,112
Depreciation-Right-of-Use-Asset	140,698	140,698
Amortisation of preference share issue cost	373,660	7,776
(Gain)/Loss on disposal of assets	115	-
Interest income	(1,572)	(2,208)
Interest on preference shares	320,563	441,953
Interest on lease liability	529,827	531,110
Loan interest expense	62,896	8,756
Operating profit before changes in working capital	4,383,926	3,340,055
Decrease/(Increase) in accounts receivable	12,717	(161,018)
Increase in deposits, prepayments and other assets	(473,646)	(445,920)
Decrease/(Increase) in spare parts inventory	40,088	(121,908)
Increase in tax receivable	(113,204)	(59,323)
Decrease/Increase in deposits held	-	21,000
Decrease in accounts payable	(69,291)	(143,188)
Increase/(Decrease) in due to related parties	217,531	(649,598)
Increase in accrued expenses and other liabilities	243,995	915,900
Increase in Deferred borrowing costs	(93,276)	-
Net cash provided by operating activities	4,148,840	2,696,000
Cash flows from investing activities		
Acquisition of property and equipment	(401,256)	(1,142,804)
Net cash used in investing activities	(401,256)	(1,142,804)
Cash flows from financing activities		
Long term debt	30,856,000	-
Payment on redeemable preference Shares	(30,856,000)	-
Interest on preference shares	(320,563)	(441,953)
Interest income received	1,572	2,208
Principal payment on lease liability	(29,798)	(14,890)
Interest on lease liability	(529,827)	(531,110)
Interest expense paid	(62,896)	(8,756)
Net cash used in financing activities	(941,512)	(994,501)
Increase in cash and cash equivalents	2,806,072	558,695
Cash and cash equivalents, beginning of the period	17,606,947	18,237,087
Cash and cash equivalents, end of the period	20,413,019	18,885,782

APD LIMITED

Condensed Notes to the Unaudited Interim Financial Statements September 30, 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 three months ended September 30, 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 September 30, 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.

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.

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.