

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).

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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.

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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.