

APD LIMITED
Unaudited Interim Financial Statements

As at September 30, 2023 and
the three months ended September 30, 2023

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

Unaudited Interim Statement of Financial Position
As of September 30, 2023 and June 30, 2023
(Amounts expressed in Bahamian dollars)

	September 30, 2023	June 30, 2023
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	20,402,478	16,194,347
Accounts receivable	2,933,585	2,828,080
Tax receivable	661,220	584,793
Deposits, prepayments and other assets	771,015	1,331,528
Spare parts inventory	695,518	694,071
Investments	2,484,604	2,480,905
Total current assets	<u>27,948,420</u>	<u>24,113,724</u>
Non-current assets		
Property, plant and equipment	78,339,593	78,935,014
Right-of-use asset	49,551,929	49,709,236
Investments	3,016,384	2,903,738
Total non-current assets	<u>130,907,906</u>	<u>131,547,988</u>
Total assets	<u><u>158,856,326</u></u>	<u><u>155,661,712</u></u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	233,004	315,890
Due to related parties	1,069,531	1,472,223
Accrued expenses and other liabilities	1,627,791	1,183,147
Current portion of lease liability	76,554	75,703
Current portion of long term debt	2,057,067	2,057,067
Total current liabilities	<u>5,063,947</u>	<u>5,104,030</u>
Non-current liabilities		
Long term debt	24,684,800	24,684,800
Lease liability	52,277,710	52,297,487
Deposits held	276,863	274,663
Total non-current liabilities	<u>77,239,373</u>	<u>77,256,950</u>
Total liabilities	82,303,320	82,360,980
Equity		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	27,310,729	24,058,455
Total equity	<u>76,553,006</u>	<u>73,300,732</u>
Total liabilities and equity	<u><u>158,856,326</u></u>	<u><u>155,661,712</u></u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income
For the three months ended September 30, 2023 and 2022
(Amounts expressed in Bahamian dollars)**

	2023	2022
	\$	\$
Revenue		
Landing fees	3,994,465	3,856,365
Terminal handling fees	1,338,580	1,246,859
Stevedoring fees	889,925	919,853
Security	745,965	724,197
Storage fees	476,306	1,131,923
Gate fees	601,945	585,334
Subleases	375,897	342,226
Reefer line	276,192	347,150
Hazmat fees	84,400	72,700
Dockage	111,329	71,784
Line handling fees	27,450	21,200
Other income	143,708	14,850
	<u>9,066,162</u>	<u>9,334,441</u>
Total revenue	9,066,162	9,334,441
Expenses		
Salaries, employee benefits and training	1,224,917	1,158,397
Terminal handling costs	1,283,961	1,445,348
Government fees & taxes	271,838	365,132
Repairs and maintenance	273,655	231,943
Utilities	291,062	301,148
Government lease	233,654	230,829
Security	97,283	93,672
Legal and other professional fees	273,051	161,521
Insurance	95,866	89,317
Other operating expenses	100,604	126,893
Office supplies, postage and delivery	25,508	37,541
Company meetings and events	9,239	9,684
Loss on disposal of property, plant & equipment	-	140,646
	<u>4,180,638</u>	<u>4,392,071</u>
Total expenses	4,180,638	4,392,071
Earnings before interest, depreciation and amortisation	<u>4,885,524</u>	<u>4,942,370</u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income (Continued)
For the three months ended September 30, 2023 and 2022
(Amounts expressed in Bahamian dollars)**

	2023	2022
	\$	\$
Depreciation and amortisation		
Depreciation	771,450	824,122
Depreciation-right-of-use-asset	<u>157,308</u>	<u>140,698</u>
Total depreciation and amortisation	<u>928,758</u>	<u>964,820</u>
Earnings before interest	<u>3,956,766</u>	<u>3,977,550</u>
Finance costs		
Interest on loan	208,953	527,592
Interest on lease liability	589,198	225,026
Interest income	<u>(93,659)</u>	<u>(13,697)</u>
Total finance costs, net	<u>(704,492)</u>	<u>(738,921)</u>
Total earnings for the period attributable to the equity holders	<u>3,252,274</u>	<u>3,238,629</u>
Total comprehensive income for the period	<u><u>3,252,274</u></u>	<u><u>3,238,629</u></u>
Basic and diluted earnings per share	<u><u>0.65</u></u>	<u><u>0.65</u></u>

APD LIMITED**Unaudited Interim Statement of Changes in Equity
For the three months ended September 30, 2023 and 2022
(Amounts expressed in Bahamian dollars)**

	Share capital \$	Share premium \$	Retained earnings \$	Total \$
Balance at July 1, 2022	49,969	49,192,308	21,367,311	70,609,588
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>3,238,629</u>	<u>3,238,629</u>
Balance at September 30, 2022	<u>49,969</u>	<u>49,192,308</u>	<u>24,605,940</u>	<u>73,848,217</u>
Balance at July 1, 2023	49,969	49,192,308	24,058,455	73,300,732
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>3,252,274</u>	<u>3,252,274</u>
Balance at September 30, 2023	<u>49,969</u>	<u>49,192,308</u>	<u>27,310,729</u>	<u>76,553,006</u>

APD LIMITED**Unaudited Interim Statement of Cash Flows
For the three months ended September 30, 2023 and 2022
(Amounts expressed in Bahamian dollars)**

	2023	2022
	\$	\$
Cash flows from operating activities		
Total comprehensive income for the period	3,252,274	3,238,629
Adjustments for:		
Depreciation	771,450	824,122
Depreciation-right-of-use-asset	157,308	140,698
Amortization of bond discount	9,795	-
Gain on investments	(126,140)	-
Loss on disposal of assets	-	140,646
Interest income	(93,659)	(13,697)
Interest on lease liability	589,198	527,592
Loan interest expense	208,953	225,026
Operating profit before changes in working capital	4,769,179	5,083,016
Increase in accounts receivable	(105,505)	(1,634,471)
Decrease in deposit, prepayments & other assets	560,513	518,131
Increase in purchase inventory	(1,447)	(34,481)
Increase in tax receivable	(76,427)	(90,083)
Increase in deposits held	2,200	-
Decrease in accounts payable	(82,886)	(68,757)
(Decrease) / increase in due to related parties	(402,692)	153,778
Increase in accrued expense and other liabilities	444,644	718,015
Net cash provided by operating activities	5,107,579	4,645,148
Cash flows from investing activities		
Acquisition of property and equipment	(176,030)	(209,281)
Proceeds from sale of property, plant and equipment	-	9,500
Net cash used in investing activities	(176,030)	(199,781)
Cash flows from financing activities		
Interest income received	93,659	13,697
Principal payment on lease liability	(18,926)	(47,163)
Interest expense paid on lease liability	(589,198)	(527,592)
Interest expense paid	(208,953)	(225,026)
Net cash used in financing activities	(723,418)	(786,084)
Increase in cash and cash equivalents	4,208,131	3,659,283
Cash and cash equivalents, beginning of the period	16,194,347	19,817,081
Cash and cash equivalents, end of the period	20,402,478	23,476,364

APD LIMITED

Condensed Notes to the Unaudited Interim Financial Statements September 30, 2023

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, 2023 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, 2023, 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, 2023

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, 2023.

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, 2023.

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, 2023. There have been no changes in the Company's risk management policies since June 30, 2023.

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.