

FOCOL HOLDINGS LIMITED

**Consolidated Interim Financial Statements
For The Year Ended September 30, 2023 (Unaudited)**

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2023 (UNAUDITED)**

(Expressed in Bahamian dollars)

| | 30 Sept 2023 | 30 Sept 2022 Audited |
|---|---------------------|---------------------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash | 31,706,911 | 30,900,968 |
| Term deposits | 4,564,775 | 4,556,898 |
| Accounts receivable, net | 60,006,113 | 42,749,693 |
| Inventories | 24,473,305 | 28,708,117 |
| Prepaid expenses and sundry assets | 8,450,365 | 2,804,129 |
| Total current assets | 129,201,469 | 109,719,805 |
| NON-CURRENT ASSETS: | | |
| Property, plant and equipment, net | 200,227,058 | 160,368,519 |
| Right of use assets, net | 18,661,475 | 21,536,310 |
| Goodwill and intangible assets | 12,125,060 | 12,203,004 |
| Investment in associate | 22,732,254 | 19,887,382 |
| Due from associate | - | 82,191 |
| Total non-current assets | 253,745,847 | 214,077,406 |
| TOTAL ASSETS | 382,947,316 | 323,797,211 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Bank overdraft | 18,176,408 | 6,157,152 |
| Accounts payable and accrued liabilities | 69,336,169 | 52,206,556 |
| Dividends payable | 2,004,342 | 2,004,342 |
| Current portion of lease liabilities | 4,809,739 | 3,534,963 |
| Current portion of long-term debt | 2,135,803 | 2,215,696 |
| Total current liabilities | 96,462,461 | 66,118,709 |
| NON-CURRENT LIABILITIES: | | |
| Due to associate | 3,424,362 | 1,665,123 |
| Lease liabilities | 14,825,958 | 18,582,968 |
| Long term debt | 25,651,638 | 27,780,758 |
| Preference shares | 27,582,158 | 11,832,752 |
| Total non-current liabilities | 71,484,116 | 59,861,601 |
| SHAREHOLDERS' EQUITY: | | |
| Share capital | 83,563 | 83,563 |
| Preference shares | 500,000 | 500,000 |
| Contributed capital | 49,500,000 | 49,500,000 |
| Retained earnings | 164,917,176 | 147,733,338 |
| Total equity | 215,000,739 | 197,816,901 |
| TOTAL LIABILITIES AND EQUITY | 382,947,316 | 323,797,211 |

FOCOL HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED SEPTEMBER 30, 2023 (UNAUDITED)***(Expressed in Bahamian dollars)*

| | 30 Sept 2023 | 30 Sept 2022 Audited |
|--|----------------------|---------------------------------|
| REVENUES | 441,829,803 | 423,808,309 |
| COST OF SALES | <u>(340,258,289)</u> | <u>(343,702,811)</u> |
| Gross profit | 101,571,514 | 80,105,498 |
| Equity income | 2,844,873 | 1,761,713 |
| Other income | 6,503 | 6,160 |
| Marketing, administrative and general expenses | (53,740,824) | (44,758,098) |
| Depreciation and amortization expense | (14,420,034) | (12,002,398) |
| Finance costs | (2,936,340) | (2,790,871) |
| Dividends on preferred shares | <u>(1,107,095)</u> | <u>(959,178)</u> |
| NET PROFIT AND COMPREHENSIVE INCOME | 32,218,597 | 21,362,826 |
| Earnings per share | 0.29 | 0.18 |

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED SEPTEMBER 30, 2023 (UNAUDITED)**

(Expressed in Bahamian dollars)

| | Share Capital | Preference Shares | Contributed Capital | Retained Earnings | Total |
|--|--------------------------|------------------------------|--------------------------------|------------------------------|--------------------|
| Balance at September 30, 2021 | 83,647 | 500,000 | 49,500,000 | 141,816,175 | 191,899,822 |
| Total comprehensive income | - | - | - | 21,362,826 | 21,362,826 |
| Common shares purchased and cancelled | (84) | - | - | (409,161) | (409,245) |
| Common share dividends | - | - | - | (12,036,502) | (12,036,502) |
| Preference share dividends | - | - | - | (3,000,000) | (3,000,000) |
| Balance at September 30, 2022 | 83,563 | 500,000 | 49,500,000 | 147,733,338 | 197,816,901 |
| Balance at September 30, 2022 | 83,563 | 500,000 | 49,500,000 | 147,733,338 | 197,816,901 |
| Total comprehensive income | - | - | - | 32,218,597 | 32,218,597 |
| Common share dividends | - | - | - | (12,034,759) | (12,034,759) |
| Preference share dividends | - | - | - | (3,000,000) | (3,000,000) |
| Balance at September 30, 2023 | 83,563 | 500,000 | 49,500,000 | 164,917,176 | 215,000,739 |

FOCOL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023 (UNAUDITED)
(Expressed in Bahamian dollars)

| | 30 Sept 2023 | 30 Sept 2022 Audited |
|---|---------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | 32,218,597 | 21,362,826 |
| Adjustments for: | | |
| Depreciation and amortization expense | 14,420,034 | 12,002,398 |
| Equity income from associate | (2,844,873) | (1,761,713) |
| Loss on disposal of property, plant and equipment, net | - | 48,202 |
| Income from operations before working capital changes | 43,793,758 | 31,651,713 |
| (Increase) Decrease in accounts receivable, net | (17,256,420) | 8,119,442 |
| (Increase) Decrease in prepaid expenses and sundry assets | (5,646,236) | 641,033 |
| (Increase) Decrease in inventories | 4,234,812 | (5,802,295) |
| Increase (Decrease) in accounts payable and accrued liabilities | 17,129,613 | 27,796,872 |
| Net cash from operating activities | 42,255,527 | 62,406,765 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| (Increase) Decrease in term deposits | (7,877) | (351,372) |
| (Increase) Decrease in due from associate | 82,191 | (23,214) |
| Increase (Decrease) in due to associate | 1,759,239 | (1,755,108) |
| Proceeds from disposal of property, plant and equipment | - | 7,503 |
| Purchase of property, plant and equipment | (48,781,111) | (19,592,528) |
| Purchase of intangible assets | (48,362) | (46,358) |
| Net cash used in investing activities | (46,995,920) | (21,761,077) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Conversion of bank overdraft to long-term debt | - | 27,150,000 |
| Repurchase of ordinary shares | - | (409,245) |
| Common share dividends paid | (12,034,759) | (12,036,502) |
| Repayment of lease liabilities | (4,961,711) | (5,019,081) |
| Repayment of long-term debt | (2,209,013) | (1,818,763) |
| Proceeds from preference share issuance | 15,732,563 | - |
| Preference share dividends paid | (3,000,000) | (3,000,000) |
| Net cash (used in) from financing activities | (6,472,920) | 4,866,409 |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (11,213,313) | 45,512,097 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 24,743,816 | (20,768,281) |
| CASH AND CASH EQUIVALENTS, END OF YEAR | 13,530,503 | 24,743,816 |
| CASH AND CASH EQUIVALENTS IS COMPRISED OF THE FOLLOWING: | | |
| Cash and bank balances | 31,706,911 | 30,900,968 |
| Bank overdraft | (18,176,408) | (6,157,152) |
| | 13,530,503 | 24,743,816 |
| SUPPLEMENTAL INFORMATION : | | |
| Interest paid on bank overdraft and loans | 1,808,763 | 1,716,575 |
| Interest received | 6,503 | 6,160 |
| NON- CASH TRANSACTION: | | |
| Transfer of bank overdraft to long-term debt | - | 27,150,000 |
| Change in lease liability | 2,468,265 | 1,607,480 |

FOCOL HOLDINGS LIMITED

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2023 (UNAUDITED)

1. NATURE OF OPERATIONS

FOCOL Holdings Limited is incorporated under the laws of The Commonwealth of The Bahamas. The consolidated interim financial statements for the year ended September 30, 2023 comprise of FOCOL Holdings Limited and its subsidiaries (together referred to as “the Group”). The Group operates in the energy sector through its wholly owned subsidiaries as follows:

- Freeport Oil Company Limited;
- Grand Sun Investments Limited;
- Grand Bahama Terminals Limited;
- GAL Terminal Limited;
- Convenience Retailing Limited;
- Sun Services Limited;
- O.R. Services Limited;
- Freeport Oil Holdings Investments Limited and its wholly owned subsidiaries, Sun Oil Limited, Sun Oil Turks and Caicos Limited and Sun Brokerage Co., Ltd. Sun Oil Limited also operates through its 60% voting interest in BTCI Tankers Limited;
- Sun Oil Aviation Limited;
- Sun Marine Limited;
- Boulevard Services Limited;
- Bahamas Utilities Company Limited (formerly Sun Utilities Company Limited);
- Bahamas Utilities Holdings Limited;
- Bahamas Solar & Renewables Company Limited;
- Atlantic International Supply & Trading Limited (“AIST”); and
- Atlantic International Supply & Trading Limited (“AIST-TCI”).

2. BASIS OF PREPARATION

The consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 ‘Interim Financial Reporting’. They do not include all of the information and note disclosures required in the annual financial statements in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the Group’s consolidated financial statements for the year ended September 30, 2022.

3. ACCOUNTING POLICIES

The consolidated interim financial statements have been prepared in accordance with the accounting policies included in the Group’s consolidated financial statements for the year ended September 30, 2022.

4. ESTIMATES AND JUDGEMENTS

The preparation of consolidated interim financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities, at the date of the consolidated interim financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Significant judgements, estimates and assumptions applied in these consolidated interim financial statements were the same as those applied in the Group's consolidated financial statements for the year ended September 30, 2022.
