

APD LIMITED
Unaudited Interim Financial Statements

As at December 31, 2023 and
the six months ended December 31, 2023

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

Unaudited Interim Statement of Financial Position
As of December 31, 2023 and June 30, 2023
(Amounts expressed in Bahamian dollars)

	December 31, 2023	June 30, 2023
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	15,030,803	16,194,347
Accounts receivable	3,442,370	2,828,080
Tax receivable	769,952	584,793
Deposits, prepayments and other assets	531,571	1,331,528
Spare parts inventory	697,392	694,071
Investments	2,929,502	2,480,905
Total current assets	<u>23,401,590</u>	<u>24,113,724</u>
Non-current assets		
Property, plant and equipment	77,995,994	78,935,014
Right-of-use asset	49,394,621	49,709,236
Investments	3,079,304	2,903,738
Total non-current assets	<u>130,469,919</u>	<u>131,547,988</u>
Total assets	<u><u>153,871,509</u></u>	<u><u>155,661,712</u></u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	141,759	315,890
Due to related parties	1,443,403	1,472,223
Accrued expenses and other liabilities	1,861,047	1,183,147
Current portion of lease liability	77,405	75,703
Current portion of long term debt	2,057,067	2,057,067
Total current liabilities	<u>5,580,681</u>	<u>5,104,030</u>
Non-current liabilities		
Long term debt	24,684,800	24,684,800
Lease liability	52,257,933	52,297,487
Deposits held	276,863	274,663
Total non-current liabilities	<u>77,219,596</u>	<u>77,256,950</u>
Total liabilities	<u>82,800,277</u>	<u>82,360,980</u>
Equity		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Retained earnings	21,828,955	24,058,455
Total equity	<u>71,071,232</u>	<u>73,300,732</u>
Total liabilities and equity	<u><u>153,871,509</u></u>	<u><u>155,661,712</u></u>

APD LIMITED**Unaudited Interim Statement of Comprehensive Income
For the six months ended December 31, 2023 and 2022
(Amounts expressed in Bahamian dollars)**

	2023	2022
	\$	\$
Revenue		
Landing fees	7,891,696	7,744,522
Terminal handling fees	2,645,353	2,568,950
Stevedoring fees	1,770,330	1,825,046
Security	1,488,420	1,458,079
Storage fees	884,001	2,635,947
Gate fees	1,232,543	1,209,941
Subleases	752,794	716,000
Reefer line	642,750	674,400
Hazmat fees	183,550	158,450
Dockage	201,218	145,949
Line handling fees	48,900	43,450
Other income	155,854	30,411
	<u>17,897,409</u>	<u>19,211,145</u>
Total revenue	17,897,409	19,211,145
Expenses		
Salaries, employee benefits and training	2,366,310	2,329,766
Terminal handling costs	2,511,526	3,160,307
Government fees & taxes	543,675	609,398
Repairs and maintenance	717,772	511,869
Utilities	637,131	567,981
Government lease	510,334	504,096
Security	197,996	182,040
Legal and other professional fees	435,856	319,271
Insurance	199,247	180,629
Other operating expenses	165,262	201,996
Office supplies, postage and delivery	52,540	95,250
Company meetings and events	82,312	63,005
Loss on disposal of assets	3,943	140,646
	<u>8,423,904</u>	<u>8,866,254</u>
Total expenses	8,423,904	8,866,254
Earnings before interest, depreciation and amortisation	9,473,505	10,344,891

APD LIMITED**Unaudited Interim Statement of Comprehensive Income (Continued)
For the six months ended December 31, 2023 and 2022
(Amounts expressed in Bahamian dollars)**

	2023	2022
	\$	\$
Depreciation and amortisation		
Depreciation - property, plant and equipment	1,542,260	1,637,156
Depreciation-right-of-use-asset	314,616	281,395
	<u>1,856,876</u>	<u>1,918,551</u>
Total depreciation and amortisation		
	<u>1,856,876</u>	<u>1,918,551</u>
Earnings before interest	<u>7,616,629</u>	<u>8,426,340</u>
Finance costs		
Interest expense	417,906	447,606
Interest on lease liability	1,178,397	1,055,509
Interest income	(244,941)	(13,697)
	<u>1,351,362</u>	<u>1,489,418</u>
Total finance costs, net		
	<u>1,351,362</u>	<u>1,489,418</u>
Total earnings for the period attributable to the equity holders	<u>6,265,267</u>	<u>6,936,922</u>
Total comprehensive income for the period	<u>6,265,267</u>	<u>6,936,922</u>
Basic and diluted earnings per share	<u>1.25</u>	<u>1.39</u>

APD LIMITED**Unaudited Interim Statement of Changes in Equity
For the six months ended December 31, 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	21,367,312	70,609,589
Total comprehensive income for the period	-	-	6,936,922	6,936,922
Dividend paid for the period	-	-	(6,995,681)	(6,995,681)
Balance at December 31, 2022	49,969	49,192,308	21,308,553	70,550,830
Balance at July 1, 2023	49,969	49,192,308	24,058,455	73,300,732
Total comprehensive income for the period	-	-	6,265,267	6,265,267
Dividend paid for the period	-	-	(8,494,767)	(8,494,767)
Balance at December 31, 2023	49,969	49,192,308	21,828,955	71,071,232

APD LIMITED**Unaudited Interim Statement of Cash Flows
For the six months ended December 31, 2023 and 2022
(Amounts expressed in Bahamian dollars)**

	2023	2022
	\$	\$
Cash flows from operating activities		
Total comprehensive income for the period	6,265,267	6,936,922
Adjustments for:		
Depreciation - property, plant and equipment	1,542,260	1,637,156
Depreciation - right-of-use-asset	314,616	281,395
Amortisation of bond discount	(53,125)	-
Gain on investments	(126,140)	-
Loss on disposal of property, plant and equipment	3,943	140,646
Interest income	(244,941)	(13,697)
Interest on lease liability	1,178,397	1,055,509
Loan interest expense	417,906	447,606
Operating profit before changes in working capital	9,298,183	10,485,537
Increase in accounts receivable	(614,290)	(494,302)
Decrease / (increase) in deposit, prepayments & other assets	799,957	(210,337)
(Increase) / decrease in purchase inventory	(3,321)	4,739
(Increase) / decrease in tax receivable	(185,159)	514,021
Increase in deposits held	2,200	-
(Decrease) / increase in accounts payable	(174,131)	11,526
Decrease in due to related parties	(28,820)	(193,892)
Increase / (decrease) in accrued expense and other liabilities	259,994	(317,824)
Net cash provided by operating activities	9,354,613	9,799,468
Cash flows from investing activities		
Acquisition of property and equipment	(607,185)	(1,624,721)
Purchase of investments	(444,898)	(5,000,000)
Proceeds from sale of property, plant and equipment	-	9,500
Net cash used in investing activities	(1,052,083)	(6,615,221)
Cash flows from financing activities		
Principal payment on long term debt	-	(1,028,533)
Principal payment on lease liability	(37,851)	(96,241)
Dividends paid to ordinary shareholders	(8,494,767)	(6,995,681)
Interest income received	244,941	13,697
Interest expense paid	-	(447,606)
Interest expense paid on lease liability	(1,178,397)	(1,055,509)
Net cash used in financing activities	(9,466,074)	(9,609,873)
Decrease in cash and cash equivalents	(1,163,544)	(6,425,626)
Cash and cash equivalents, beginning of the period	16,194,347	19,817,081
Cash and cash equivalents, end of the period	15,030,803	13,391,455

APD LIMITED

Condensed Notes to the Unaudited Interim Financial Statements December 31, 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 six months ended December 31, 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 December 31, 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.