WEST INDIES PETROLEUM TERMINAL LIMITED

# LISTING BY INTRODUCTION
# INFORMATION MEMORANDUM

DECEMBER 08, 2025

WEST INDIES PETROLEUM TERMINAL LIMITED

PUBLICATION DATE: DECEMBER 08, 2025

## ABOUT THE LISTING

The Company is seeking list up to 11,180,372,000 participating ordinary voting shares in the capital of West Indies Petroleum Terminal Limited at a price of J$0.50 per share. These shares will be listed on the Main Market of the Jamaica Stock Exchange via a Listing by Introduction. As at the date of this Memorandum, the share capital and shareholdings of the Company are as follows:

| SHAREHOLDERS | SHAREHOLDINGS | % HOLDINGS |
|---|---|---|
| WIP Energy Limited | 8,926,257,600 | 79.84% |
| World Energy Solutions Limited | 2,232,074,400 | 19.96% |
| Kurt Boothe | 20,000,000 | 0.18% |
| Individual Shareholders (102) | 2,040,000 | 0.02% |
| **Total Shareholdings** | **11,180,372,000** | **100.00%** |

**The 102 shareholders are employees of the company that benefited from a stock-based compensation exercise that took place on April 08, 2024, and a private equity investor that participated in an Exempt Distribution in August 2024. WIP Terminal Limited decision to list on the stock exchange via a listing by introduction is driven by a desire to capitalize on the advantages associated with being a publicly traded entity. These advantages encompass increased liquidity for existing shareholders, enhanced access to capital through equity transactions such as rights issues and Additional Public Offerings (APOs), heightened profile and visibility, and improved corporate governance.**

# TABLE OF CONTENTS


| | | |
|---|---|---|
| 1. | DISCLAIMER – FORWARD LOOKING STATEMENTS | 4 |
| 2. | DEFINITIONS USED IN THE MEMORANDUM | 5-7 |
| 3. | INFORMATION ABOUT COMPANY | 8-10 |
| 4. | BOARD OF DIRECTORS | 11-13 |
| 5. | MANAGEMENT TEAM | 14-15 |
| 6. | MANAGEMENT DISCUSSION AND ANALYSIS | 16-25 |
| 7. | RISKS FACTORS | 26-29 |
| 8. | PROFESSIONAL ADVISORS TO THE COMPANY | 30 |
| 9. | DIRECTORS SIGNATURE | 31 |
| | **APPENDIX**<br>Auditors Consent Letter and Auditors Report<br>Audited Financial Statements<br>Un-Audited Management Accounts | 32-73 |

# SECTION 1: IMPORTANT DISCLAIMER-FORWARD LOOKING STATEMENTS

This Memorandum may contain forward-looking statements. Forward-looking statements are also found in other places throughout the document and may be identified by accompanying language such as “expects”, “intends”, “anticipates”, “estimates” and other cognate or analogous expressions or by qualifying language or assumptions. These statements involve both known and unknown risks, uncertainties and other important factors that could cause the actual results or outcomes to differ materially from the forward-looking statements.

### THESE RISKS, UNCERTAINTIES, AND OTHER FACTORS BEYOND THE CONTROL OF THE COMPANY INCLUDE AMONG OTHERS:

| | |
|---|---|
| **(A)** | general economic and business conditions (both locally and internationally); |
| **(B)** | Fluctuations in global commodity prices as a result of geopolitical developments or changes in supply/demand dynamics; |
| **(C)** | changes in political, social, and economic conditions impacting adversely on the secured corporate Notes issued by the Company, the securities market in general and on the Issuer in particular; |
| **(D)** | regulatory initiatives adversely affecting the securities market or the Issuer; |
| **(E)** | natural disasters such as earthquakes and hurricanes; |
| **(F)** | failure of key equipment, important for the businesses of the Company; or |
| **(G)** | changes in tax policy, the application of tax laws and the like and/or the Government regulatory regime. |

**The Company expressly disclaims any obligation or undertaking to distribute any updates or revisions to any forward-looking statements.**

# SECTION 2: DEFINITIONS USED IN THE MEMORANDUM

| | |
|---|---|
| **ACT** | Means the Companies Act, 2004 |
| **AUDITOR** | Means PricewaterhouseCoopers East Caribbean, Chartered Accountants with its office located at Unit 111 Johnsons Centre, No. 2 Bella Rosa Road, P.O. Box BW 304, Gros Islet, St. Lucia, West Indies. The independent Auditors of the Company. |
| **AUDITORS' REPORT** | Means the report of the Auditors on the Historical Financial Information, set out in the appendix. |
| **BBL** | Means Barrel of Crude Oil and is a unit of measurement used for measuring oil. |
| **BOARD OF DIRECTORS** | Means the Board of Directors of the Company, details of which are set out on Section 4, page 11. |
| **BROKER** | VM Wealth Management Limited (VMWM), who will act on behalf of West Indies Petroleum Terminal Limited in the execution of the listing. |
| **CAGR** | Means compound annual growth rate (CAGR) and is a measure of annual growth rate over time, with the effect of compounding considered. The CAGR formula is equal to (Ending Value/Beginning Value) ^ (1/No. of Periods) – 1. |
| **COMPANY OR "WIPT"** | Means West Indies Petroleum Terminal Limited, a company incorporated in St. Lucia as an international business company (IBC) on August 10, 2006. |
| **DIRECTORS** | Means a member of the Board of Directors. |
| **DSCR** | Means the Debt Service Coverage Ratio, which is a credit metric used to understand how easily a company's operating cash flow can cover its annual interest and principal obligations. The formula for this ratio is (EBITDA - Cash Taxes)/ (Interest + Principal). |
| **EBITDA** | Means Earnings Before Interest, Taxes, Depreciation and Amortization. This is an alternate measure of profitability to net income. By including depreciation and amortization as well as taxes and debt payment costs, EBITDA attempts to represent the cash profit generated by the company's operations. The formula for EBITDA is (Net Income + Interest + Taxes + Depreciation + Amortization). |

| | |
|---|---|
| **EBIT** | Means Earnings Before Interest and Taxes. EBIT is also sometimes referred to as operating (production and non-production costs) from sales revenue. The formula for calculating EBIT is (Net Income + Interest + Taxes). |
| **FORWARD LOOKING STATEMENTS** | Means the forward-looking statements referred to in section 1 of this Memorandum. |
| **FSC** | Means the Financial Services Commission of Jamaica. |
| **FUEL** | Mean material such as coal, gas, or oil that is burned to produce heat or power. |
| **GLOBAL WARMING** | Means the long-term warming of the Planet's overall temperature. |
| **GREEN ENERGY** | Means any energy type that is generated from natural resources, such as sunlight, wind, or water. |
| **HISTORICAL FINANCIAL INFORMATION** | Means the summary financial statements set out in Section 5 of this Information Memorandum, comprising the audited statement of financial position of the Group as of December 31, 2023, and the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows of the Company, in each case for the period from 2019 to 2023. |
| **IBC** | Means International Business Corporation (IBC), which is an entity incorporated under the IBC Act. The IBC structure allows for a comprehensive range of business opportunities within a tax-free environment. |
| **INFORMATION MEMORANDUM** | Means this document dated (November 7, 2024) which constitutes an Information Memorandum for the purposes of the Companies Act, 2004 and the Securities Act. |
| **JSE** | Means the Jamaica Stock Exchange. |
| **LISTING BY INTRODUCTION** | Means a listing of the company's securities on the Jamaica Stock Exchange, where none of the securities are being offered to the public. |
| **MAIN MARKET** | Means the Main Market of the Jamaica Stock Exchange. |
| **REGISTRAR** | Means Jamaica Central Securities Depository Limited, 40 Harbour Street, Kingston, Saint Andrew. |

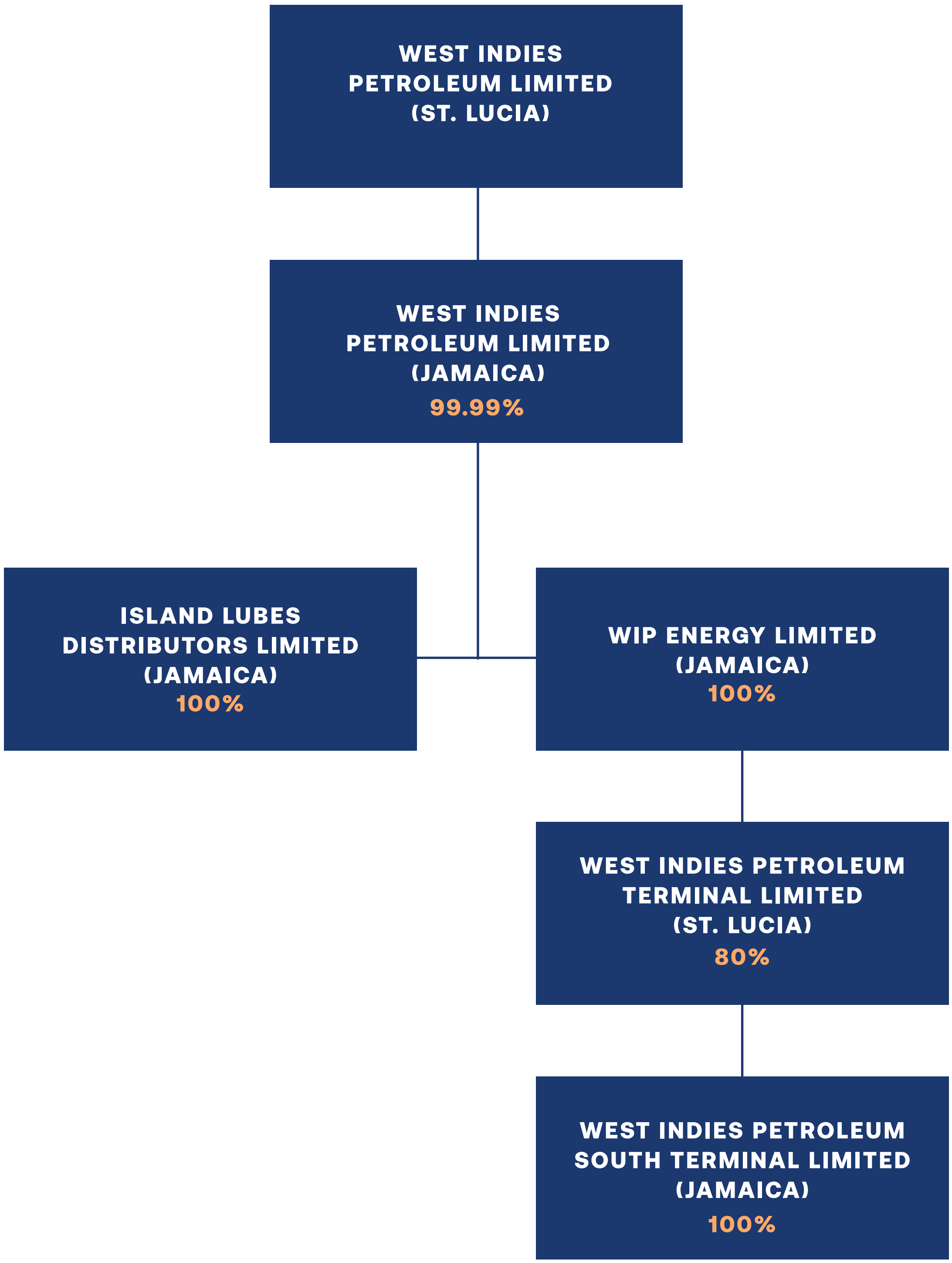
| | |
|---|---|
| **ROAA** | Return on average assets (ROAA) is an indicator used to assess the profitability of a firm's assets, and it is most often used by banks and other financial institutions as a means to assets (ROA) although the latter often uses current assets instead of average assets. The formula for calculating ROAA is (net income/average total assets). |
| **ROAE** | Means the Return on average equity (ROAE), which is a financial ratio that measures the performance of a company based on its average shareholders' equity outstanding. Typically, ROAE refers to a company's performance over a fiscal year, so the ROAE numerator is net income and the denominator is computed as the sum of the equity value at the beginning and end of the year, divided by 2. |
| **SHARES** | Means the ordinary shares in the capital of the Company. |
| **VMWM** | Means the licensed securities dealer that will be acting as the lead broker for this listing by introduction, being a company incorporated under the laws of Jamaica with its registered office at 53 Knutsford Boulevard, Kingston 05, Jamaica W.I. |
| **J$** | Means the Jamaican dollar unless otherwise indicated. |
| **US$** | Means the United States dollar unless otherwise indicated. |
| **WIP** | Means West Indies Petroleum Limited, the ultimate beneficial owner and shareholder of WIP Terminal. |
| **WIP ENERGY** | WIP Energy is the direct majority shareholder of WIP Terminal, effective March 12, 2025. WIP Energy is the operating fuel distribution company of WIP. |
| **WIPST** | Means the operating company and fixed asset held and owned 100% by WIP Terminal. |
| **WIP TERMINAL** | Means the company being listed by introduction on the JSE Main Market. |

# SECTION 3: INFORMATION ABOUT THE COMPANY

West Indies Petroleum Terminal Limited (WIP Terminal) was incorporated as ERI Services (St. Lucia) Limited on August 10, 2006. During 2016, the Company was acquired by West Indies Petroleum Limited (Jamaica) (WIP) for the purposes of becoming vertically integrated in the fuel business and entering the storage business. As a result, the Company changed its name in January 2017 from ERI Services (St. Lucia) Limited to West Indies Petroleum Terminal Limited. WIP main activity is the purchase and distribution of petroleum products. This includes the distribution of fuel in Jamaica and the Caribbean; sale of marine lubricants mainly to sea going vessels; and bunker trading in Jamaican waters. WIP is headquarters in Kingston, Jamaica. The customers of WIP includes Guyana Oil Company, Barbados National Oil Company, La Romana in Dominica Republic, Dominica National Petroleum Company Ltd, Kimazou Energy in Haiti, Curoil in Curacao , CMA-CGM, Zim Integrated Shipping Services Limited, Royal Caribbean Cruise Line, Carnival Cruise Line, Norwegian Cruise Line, Caribbean Feeder Service, Lindsay Blee Limited, several other container and cargo shipping lines and over 200 retail customers in Jamaica. The principal activity of West Indies Petroleum Terminal Limited is that of an investment holding company, with its registered office at 20 Micoud Street, Castries, St. Lucia. As an investment holding company, it holds 100% of the shares in West Indies Petroleum South Terminal Limited, formerly JB Terminal (Port Esquivel) Limited. West Indies Petroleum South Terminal Limited owns and operates a 740,000-barrel fuel storage facility located at Port Esquivel on the south coast of Jamaica. The Company generates revenue from storage and throughput fees. The storage fee is currently US$0.83 per barrel per month and a throughput fee of US$0.30 per barrel for volumes up to 10 million barrels per year. It currently earns the majority of its revenue from its parent company, WIPL. Since June 2024, WIP Terminal commenced earning revenue from 3rd parties, including Musket Corp.

Effective March 12, 2025, the majority ownership in WIP Terminal, that is 79.84% of the issued ordinary shares was transferred from WIP to WIP Energy. This was done for the purposes of group operating efficiency, capital markets activities, and to maximize shareholder returns over the long-term. To note, WIP Terminal and WIP Energy, have the same ultimate beneficial owner, in WIP.

# CORPORATE STRUCTURE



# CAPITAL STRUCTURE OF THE COMPANY (US$ CURRENCY):

As of September 30, 2024, the capital structure of the Company is as follows:

| BALANCE SHEET SUMMARY | |
|---|---|
| Total Assets | 36,069,960 |
| Total Equity | 22,881,664 |
| Total Liabilities | 13,188,296 |
| Total Liabilities & Equity | 36,069,690 |
| **Total Shareholdings** | **11,180,372,000** |

# SECTION 4: BOARD OF DIRECTORS

**GERALD CHAMBERS**
CHAIRMAN & CEO

Charles Chambers has extensive experience in investment banking, finance, and the fuel sector has created a natural flow and segue into the provision of supplementary services to the maritime industry. Charles leads a team that boasts the largest fuel bunker capabilities in Jamaica, as well as supplying the local market and the region with petroleum products and marine lubricants.

**GORDON SHIRLEY**
DIRECTOR

Mr. Shirley has a lifetime of experience in the petroleum industry on the retail side of the business where he has been involved with his family's gasoline service station operation. In 2003 he also formed a company called G.A.S. Investments which sells wholesale fuel and today supplies approximately 7% of the total volume of fuel to the retail fuel industry in Jamaica, supplying over forty (40) independently owned retail fuel stations and several large consumers of fuel products.

**TARIK FELIX**
DIRECTOR & HEAD OF COMMERCIAL OPERATIONS

Tarik Felix has over 17 years of commodity trading experience and 10 years of petroleum trading experience. As a result, he has a wealth of knowledge in logistics, trading, business development in emerging markets, and clean fuels. Mr. Felix also has a BA in psychology, which he uses every day at West Indies Petroleum. Mr. Felix oversees West Indies Petroleum's day-to-day operations in business development, logistics, and trading. He is focused on expanding the fuel product line and increasing fuel supply throughout the region.

# BOARD OF DIRECTORS (CONTD)

**KURT BOOTHE**
INDEPENDENT DIRECTOR

Kurt is responsible for leading his 100-member strong team at MDS Ltd., to listing on the Junior Market of the Jamaica Stock Exchange in December 2013, under his stewardship as General Manager of the company.

Prior to joining the company in 2006, Kurt Boothe was part of the American Express Financial Advisors Team and as Portfolio Administrator with the Private Client Group of Franklin Templeton Investments Inc.

He holds a Bachelor's degree in Business Administration and he earned his MBA with concentration in Entrepreneurship from the Wayne Huizenga School of Business at Nova Southeastern University in Fort Lauderdale, Florida.

Kurt is a former Director of the Petroleum Company of Jamaica, which is the government retail arm of service stations, and distributor of industrial fuels, liquified petroleum gas (LPG) and lubricants.

**AMANDA LEVIEN**
INDEPENDENT DIRECTOR

Amanda Levien is a global finance professional with over 16 years of experience, having completed over 27 transactions with an aggregate value of more than US$3 billion. This experience spans across international borders with clients from the United States, Europe, China, India, and the Caribbean.

Mrs. Levien has overseen prosperous public and private, equity and debt capital raising, provided strategic advisory solutions, and has undertaken successful mergers and acquisition engagements with an array of global entities, including Callisto Partners, Oxbow Carbon and securities giant, Goldman Sachs.

Mrs. Levien is a driven, independent thinker who operates from a place of objectivity and integrity. She is an avid advocate for women in leadership positions and seeks to further push boundaries for women across the energy and technology industries.

**KARL TOWNSEND**
INDEPENDENT DIRECTOR

Karl Townsend is currently the Chief Country Officer, Group Capital Markets Unit, Jamaica, at JMMB Group Limited. Karl has over thirty years of banking, corporate finance, and investment banking/ capital markets experience garnered with the foremost financial institutions in Jamaica and overseas. Karl holds a BSc. in Economics and Management from the University of the West Indies- Mona and an MBA (Finance) from the Alliance Manchester Business School, University of Manchester. He has participated in several professional development courses in sales, sales management, credit risk and talent management. In addition, Karl has participated in executive development courses in Private Equity and Valuation at the Wharton Business School, University of Pennsylvania and Stern Business School, New York University, respectively.

Karl is a Director of Gwest Corporation Limited and Image Plus Consultants Limited, both listed on the Jamaica Stock Exchange as well as Winchester MRI Limited (an associate company of Image Plus Consultants Limited). He is a proud alumnus of St. Jago High School, Past President of the St. Jago Past Students' Association, and the father of two (2) sons.

## AUDIT COMMITTEE

The Board of Directors of WIP Terminal uphold standards of best practices in corporate governance including compliance with sound accounting practices and accordingly has established an Audit Committee. The primary purpose of the Committee will be to assist the Board in fulfilling its oversight responsibilities. In performing its duties, the Committee will maintain effective working relationships with the Board, the Company's management, and the Company's external auditors. The Committee will play a key role in corporate governance and internal controls of WIP Terminal. The Committee will also be responsible for assisting the Board of Directors and management in its compliance with regulatory requirements. The members of the Audit Committee are:

1. Amanda Levien (Chair)
2. Kurt Boothe (Member)
3. Karl Townsend (Member)

## COMPENSATION AND REMUNERATION COMMITTEE:

1. Kurt Boothe (Chair)
2. Amanda Levien (Member)
3. Tarik Felix (Member)

## DIVIDEND POLICY

The dividend policy of WIP Terminal is to declare an annual dividend of up to 25% of net profits available for distribution, subject to the need for reinvestment in the Company from time to time. The Board of Directors may, in its discretion, change this dividend policy from time to-time due to, inter alia, changes in the return-on-equity of the Company, its liquidity needs or material changes in tax policy affecting the business. WIP Terminal has not paid a dividend over the past couple of years.

# MANAGEMENT TEAM

## CHARLES CHAMBERS
## CHIEF EXECUTIVE OFFICER

Charles Chambers has extensive experience in investment banking, finance, and the fuel sector has created a natural flow and segue into the provision of supplementary services to the maritime industry. He leads a team that boasts the largest fuel bunker capabilities in Jamaica, as well as supplying the region with petroleum products and lubricants. Charles is the CEO of West Indies Petroleum Limited.

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## HON. DANVILLE WALKER
## SENIOR VICE PRESIDENT

Danville Walker: Hon. Danville Walker, OJ, JP has extensive experience in executive management both in the public and private sectors leading major institutions such as Electoral Office of Jamaica, Jamaica Customs, Jamaica Observer, ATL Industrial Group, etc, before joining West indies Petroleum Limited as Senior Vice President on July 1, 2021. Danville is the Senior Vice-President of West Indies Petroleum Limited.

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## ANDREW BROWN
## CHIEF FINANCIAL OFFICER

Andrew Brown: Andrew Brown is a Fellow of the Institute of Chartered Accountants of Jamaica (ICAJ) and the Association of Chartered Certified Accountants (ACCA). He is an experienced finance and accounting professional with in excess of 25 years' experience in multiple industries in diverse senior finance roles and extensive Board-level experience. He has over 10 years senior management experience in the petroleum industry

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## PETER-JOHN WESTCARR
## GENERAL MANAGER, TERMINAL OPERATIONS.

Peter-John Westcarr: A graduate of the University of Technology, Peter-John Westcarr holds a degree in Electrical Engineering (Instrumentation and Controls). Peter joined WIP in 2016 when WIPST formerly JB Terminal (Port Esquivel) Limited. was purchased from the Jamaica Broilers group. Peter-John Westcarr now holds the position of General Manager, Terminal Operations.

## MATERIAL LITIGATION

13.22 The Company is not involved in any litigation, arbitration or other legal proceedings in Jamaica, Saint Lucia or in any other jurisdiction and the Directors of the Company are not aware of any circumstance which would give rise to any such litigation, arbitration, or other proceedings.

## MATERIAL CONTRACTS

13.23 The company's main source of revenue is earned from terminal operations of its only subsidiary, West Indies Petroleum South Terminal Limited pursuant to a Fuel Storage & Throughput Agreement dated the 1st day of February 2022 by and between West Indies Petroleum Limited and West Indies Petroleum South Terminal Limited. Since June 2024, revenue includes 3rd parties, including Musket Corp. that has led to the diversification of revenue for the YTD 9 months unaudited results. As a result, revenue is comprised of 7% attributed to 3rd parties and 93% attributed to WIPL as of September 30, 2024.

*Disclosure: The sole subsidiary of WIP Terminal, West Indies Petroleum South Terminal Limited, has entered into a security agreement with fuel supplier BP Latin America further to which BP Latin America has a charge over the assets of West Indies Petroleum South Terminal Limited.*

*Subsequent to the dates in the Information Memorandum, WIP has entered into arrangements with both Total Energies and Sunoco LP where the storage fees are being paid by them. Therefore, WIP Terminal is no longer dependent on WIP for its revenues.*

*Effective March 12, 2025, the majority ownership in WIP Terminal, that is 79.84% or the issued ordinary shares was transferred from WIP to WIP Energy. This was done for the purposes of group operating efficiency, capital markets activities, and to maximize shareholder returns over the long-term. To note, WIP Terminal and WIP Energy, have the same ultimate beneficial owner, in WIP.*

## TAXATION

13.24 The Company is an international business company ("IBC") incorporated in Saint Lucia which elected to pay income tax at the rate of 1%. In addition, it is exempt from withholding tax, capital gains tax and stamp duties in Saint Lucia. If all Board Meetings are held outside Jamaica and policy decisions affecting the Company are made at such Board Meetings, then the Company should not be treated as resident in Jamaica for tax purposes. Dividends paid by the Company to Jamaican residents and other residents in a country which is a party to the CARICOM Double Taxation Treaty will be taxed at zero rate in the country in which the Company is resident (i.e. Saint Lucia) and will not be taxed in Jamaica or in the other CARICOM treaty country in which the shareholder resides. Between 2019 and 2020, the laws in St. Lucia relating to income taxation of IBCs were substantially amended. The key changes are as follows:

**A.** As of July 1, 2021, all IBCs incorporated before December 1, 2019 will be taxed at 30% on income derived from a Saint Lucian source – that is to say earned from business activities performed in Saint Lucia.

**B.** Income earned from sources outside Saint Lucia will be exempt from Saint Lucian income tax if the IBC satisfies certain economic substance tests – designed to show that the IBC has a substantive presence in Saint Lucia. This means carrying out certain business activities in Saint Lucia.

# SECTION 5: MANAGEMENT DISCUSSION & ANALYSIS

This Management's Discussion and Analysis is intended to assist potential investors in understanding the operations and financial condition of WIP Terminal. To provide background into the operations of WIP Terminal this discussion highlights a historical analysis of WIP Terminal and the current economic and industry climate.

## INDUSTRY OVERVIEW

Bunkering is the process of supplying fuels to ships for their own use. It is done via floating vessel (tanker or barge), directly from the on-land fuel storage tanks (ex-pipe) or by truck. The international bunker industry is crucial to the maritime industry, whether cargo ships, container ships, tankers, bulk carriers, cruise ships or ferries. These vessels depend on the services from companies like WIP within the bunker industry to provide fuel in order to maintain global trade, facilitate the movement of goods and commodities across oceans and connect people and markets worldwide. The fuels supplied include high sulphur fuel oil, very low sulphur fuel oil and low sulphur fuel oil.

Locally, shipping is projected to be the third largest consumer of petroleum by activity, behind Road & Rail Transportation and Electricity Generation[1]. The local shipping industry is supplied by a few companies, including WIP, which controls an estimated 60% of the domestic bunker fuel market. Due to the absence of protocols for importing petroleum intended for export, subjecting it to local taxes and duties applicable to fuel meant for domestic use, Petrojam Limited imposes an extra charge to provide fuel to Jamaica's bunker industry. However, WIP are exempt from these taxes and tariffs for bunker fuel because its wholly owned fuel terminal WIPST at Port Esquivel , is situated within a designated Special Economic Zone (SEZ). The SEZ Act offers tax incentives and other advantages to bunker businesses to foster the sector's growth. Consequently, WIP imports fuel from the US Gulf Coast at a reduced price compared to the Petrojam Limited ex-refinery posted prices. Furthermore, WIP secured an exclusive 10-year supply contract with global fuel supplier British Petroleum (BP) for small parcels less than 100,000 barrels, thereby enabling WIP to competitively supply Fuel Oil, Gasoline, Diesel,  throughout the Central American and the Caribbean regions.

WIP controls an estimated

60%

of the domestic bunker fuel market.

WIP imports fuel from the US Gulf Coast at a reduced price compared to the Petrojam Limited ex-refinery posted prices.

1 https://www.mset.gov.jm/wp-content/uploads/2021/07/Jamaica-Energy-Statistics-2021.pdf

# A. HISTORICAL FINANCIAL PERFORMANCE

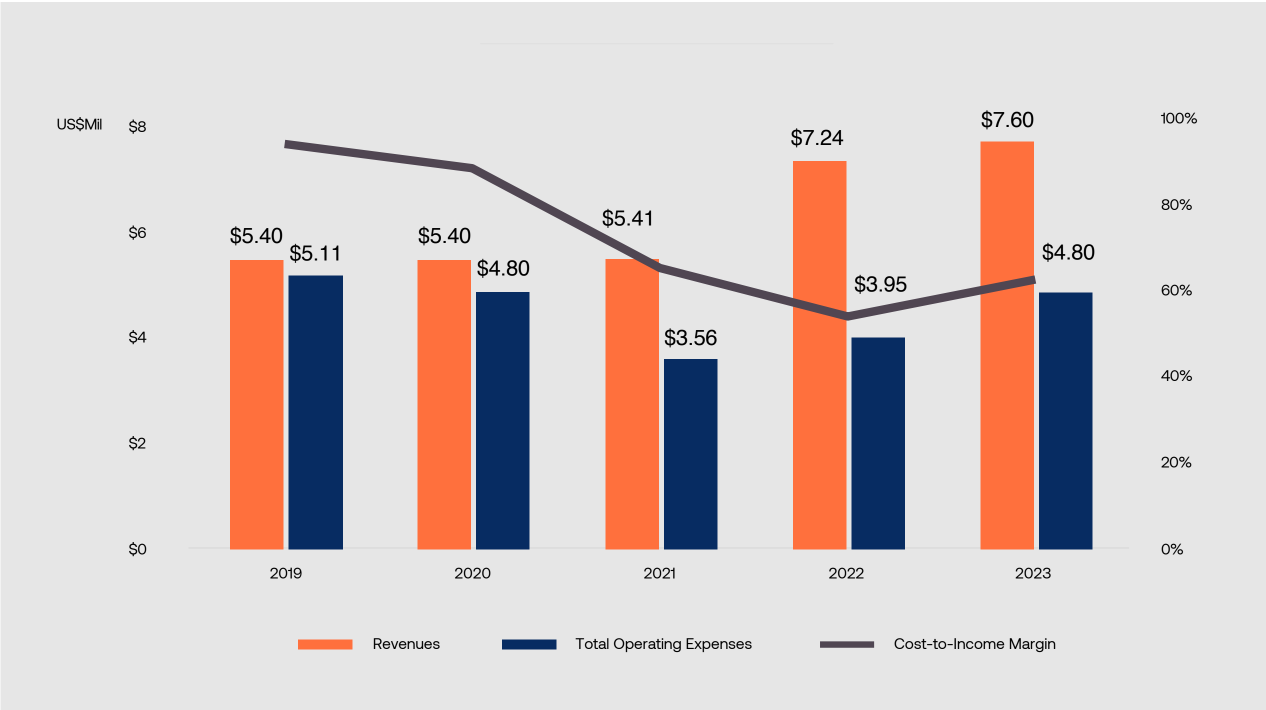
The table below shows the summary of the financial performance for West Indies Petroleum Terminal Limited over the past five (5) years from 2019 to 2023.

| PETROLEUM TERMINAL LIMITED FINANCIAL STATEMENTS US$ | AUDITED DEC 2019 | AUDITED DEC 2020 | AUDITED DEC 2021 | AUDITED DEC 2022 | AUDITED DEC 2023 |
|---|---|---|---|---|---|
| **HISTORICAL INCOME STATEMENT** | | | | | |
| Revenue | 5,400,000 | 5,400,000 | 5,400,000 | 6,683,072 | 7,577,741 |
| Other income | - | - | 11,210 | 561,634 | 21,161 |
| Total Revenue | 5,400,000 | 5,400,000 | 5,411,210 | 7,244,706 | 7,598,902 |
| Staff costs | (789,571) | (760,502) | (803,891) | (1,123,132) | (1,423,341) |
| Other operating cost | (4,321,746) | (4,042,733) | (2,756,003) | (2,826,624) | (3,373,985) |
| Total Operating Cost | (5,111,317) | (4,803,235) | (3,559,894) | (3,949,756) | (4,797,326) |
| Finance cost | (749,778) | (683,054) | (320,517) | (289,809) | (364,095) |
| Profit/(Loss) before Taxation | (461,095) | (86,289) | 1,530,799 | 3,005,141 | 2,437,481 |
| Taxation | 760,429 | 1,705,312 | (156,700) | (145,716) | (264,393) |
| Net Profit/ (Net Loss) | 299,334 | 1,619,023 | 1,374,099 | 2,859,425 | 2,173,088 |
| **HISTORICAL BALANCE SHEET** | | | | | |
| Total Assets | 35,578,273 | 24,184,899 | 25,012,485 | 35,123,670 | 35,183,979 |
| Total Equity | 1,111,835 | 2,730,858 | 4,104,957 | 18,647,643 | 20,820,731 |
| Total Liabilities | 34,466,438 | 21,454,041 | 20,907,528 | 16,476,027 | 14,363,248 |
| Total Equity and Liabilities | 35,578,273 | 24,184,899 | 25,012,485 | 35,123,670 | 35,183,979 |
| **HISTORICAL CASH FLOW STATEMENT** | | | | | |
| Cash provided by operating activities | 3,033,483 | 4,979,403 | 4,354,980 | 139,108 | (687,674) |
| Cash (used in) / provided by investing activities | (3,023,590) | (507,795) | (3,504,973) | 2,497,030 | (927,501) |
| Cash provided by/(used) in financing activity | - | (3,821,428) | (1,464,286) | (2,642,857) | 1,877,993 |
| Cash and cash equivalents at end of the year | 11,189 | 652,165 | 35,410 | 28,691 | 287,692 |

## HISTORICAL ANALYSIS OF WEST INDIES PETROLEUM TERMINAL LIMITED 2019 TO 2023

### Income Statement

West Indies Petroleum Terminal Limited (WIP Terminal) generates revenue from the storage and delivery of fuel products on behalf of its customers for a fee. For the review period 2019 to 2023, WIP Terminal's revenues were fixed at US$5.4Mn for the first three years, before increasing in 2022 and 2023, following the renegotiations of the Fuel Storage and Throughput agreement with its subsidiary, West Indies Petroleum South Terminal Limited with its parent West Indies Petroleum Limited (Jamaica). At the end of 2023, top-line revenue experienced a 13.39% or US$894.67 thousand increase to end at US$7.58Mn. The rise in revenue was mainly attributable to storage charge increasing from US$0.75 cents per barrel to US$0.80 cents per barrel. Furthermore, there was an increase in throughput fees due to throughput volume levels jumping from 2.83 million barrels recorded in 2022 to 3.79 million barrels in 2023. Ultimately total revenue, which includes other income (or interest income), experienced a 4.89% year-over-year increase to US$7.60Mn.



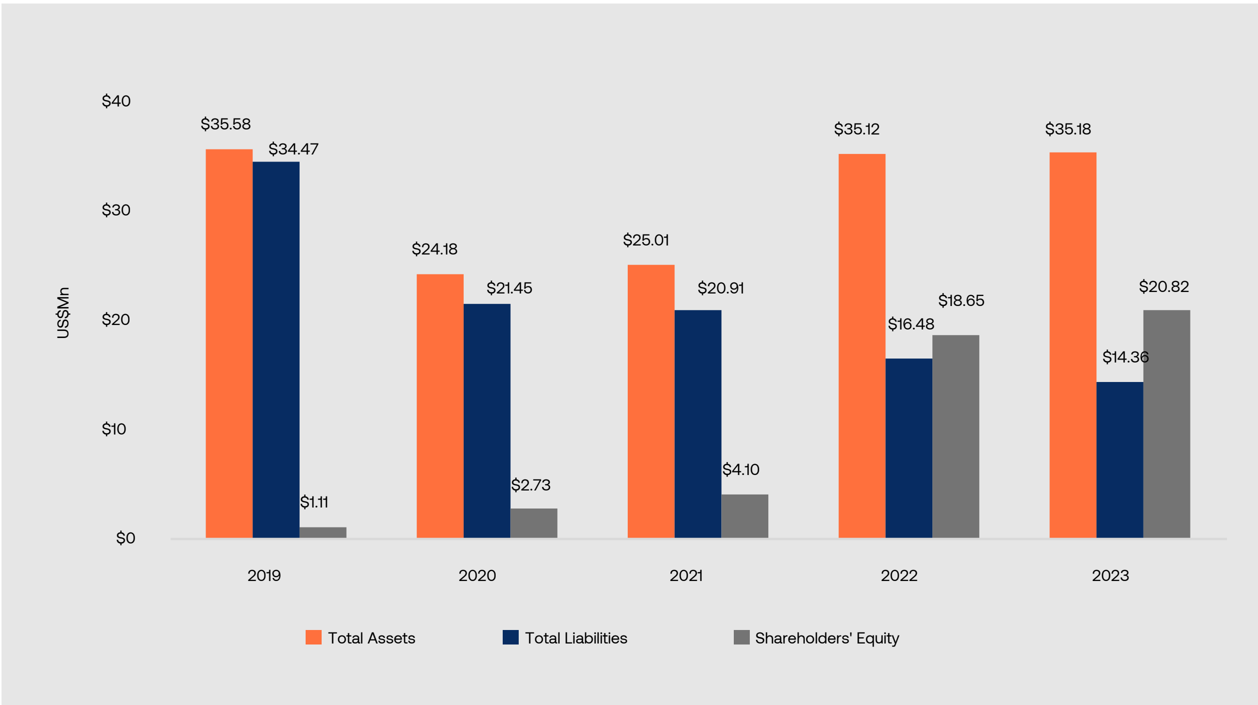

Following marginal declines throughout 2019 – 2021, the Company's total operating costs began rising in 2022. By the conclusion of the 2023 financial year, the total operating costs experienced a 21.46% uptick, totaling US$847.57 thousand above the close of 2022. This increase was primarily attributed to elevated staff expenses necessitated by rising volumes, augmented professional fees, heightened utility charges, and increased costs for materials, supplies, and maintenance. The growth in revenue was insufficient to outpace that of operating expenses, which resulted in the cost to income ratio increasing from 54.5% to 63.1%, indicating room for additional efficiency control mechanisms.

WIP Terminal's EBITDA grew by a CAGR of 12.7% throughout the reporting period, moving from US$2.59Mn in 2019 to US$4.18Mn in 2023. However, at the end of 2023, the EBITDA declined by 13.5% when compared to the year-end 2022, due to the surge in operating expenses to meet higher volumes amid elevated inflation. Subsequently, the EBITDA margin lost 17.13 percentage points, falling from 72.3% in 2022 to 55.2% in 2023.


While the Company recorded a loss before tax in both 2019 and 2020, this turned around in 2021, as the company began recording consecutive pretax profits, including US$2.44Mn in 2023. This was however, 18.89% lower than the pretax profit recorded in 2022, due to higher finance costs for interest payments on the new bonds that were issued and non-recurring profit on disposal in 2022 of land and building of US$0.56M that its subsidiary, WIPST owned on Hope Road. Despite pre-tax losses, WIP Terminal has maintained a net profit throughout the reporting period, which grew from US$0.30Mn in 2019 to US$2.17Mn in 2023. Of note, the year-over-year net profit had a 24% decline, attributable to lower pretax profit and a higher taxation margin. The net profit margin shed 10.95 percentage points, moving from 39.5% to 28.6% mainly due to higher operating expenses to handle the higher volumes and the non-recurring profit on disposal of the property on Hope Road.

**Balance Sheet**

WIP Terminal's asset base has generally remained stable, apart from declines in 2020 and 2021 during the COVID-19 pandemic. In 2022 total assets increased by 40.4% from US$25.01M in 2021 to US$35.12M in 2022 due mainly to the revaluation of the WIPST terminal assets. In 2023, total assets experienced a slight increase of 0.17% to US$35.18Mn. This US$60.31 thousand increase was primarily driven by a significant increase in the company's cash position, which grew by a compound annual growth rate of 125.18% from 2019 to 2023, as the company's liquidity strengthened, and a US$272.86 thousand increase in other receivables resulting from insurance prepayments. However, these increases were partly offset by a reduction of US$464.51 thousand or 1.34% in Property, Plant, and Equipment due to depreciation expenses of the terminal assets at the Port Esquivel facility. Despite the marginal growth in assets, the Company's return on average assets (ROAA) declined from 9.5% in 2022 to 6.2% in 2023, due to the reduction in Net Profit.




receivables resulting from insurance prepayments. However, these increases were partly offset by a reduction of US$464.51 thousand or 1.34% in Property, Plant, and Equipment due to depreciation expenses of the terminal assets at the Port Esquivel facility. Despite the marginal growth in assets, the Company's return on average assets (ROAA) declined from 9.5% in 2022 to 6.2% in 2023, due to the reduction in Net Profit.

WIP Terminal's total liabilities experienced a 12.82% decrease to end 2023 at US$14.36Mn. This decline was attributable to the 15.77% fall in current liabilities, stemming from the US$4.07Mn reduction in Due to Related Party, despite being offset by a US$1.88 million increase in borrowings. Due to related party moved from accounting for 77% of total current liabilities in 2022 to 58% in 2023, while short term debts increased from 19% to 38%, resulting from the new VM Wealth Management Limited (VMWM) bond facility. Throughout 2023, WIP Terminal made repayments totaling US$2.64 million on the loan from Scotia Bank, which was funded by securing a new US$6.44 million bond facility from VMWM. Additionally, two repayments were made on the VMWM Bond, amounting to US$954 thousand in September 2023 and US$972 thousand in November 2023. The company has demonstrated its ability to cover the interest expense on these debt obligations, evident by the consistent increase in the interest coverage ratio from 0.87x in 2020 TO 7.69x at the end of 2023. For the year ended December 31, 2023, the Company recorded an interest coverage ratio (ICR) of 7.69x, a reduction over the 11.37x recorded in the prior year, due to EBITDA falling while finance costs grew to meet interest payments on the new VMWM bonds.

The Company's total shareholders' equity closed at US$20.82Mn which represented a 11.65% or US$2.17Mn increase from the US$18.65Mn recorded in the previous year. This was driven primarily by surge in retained earnings from US$3.96Mn to US$6.14Mn. Although the Company's equity position strengthened, the return on average equity (ROAE) dipped from 25.1% to 11%, due to the reduction in net profit.

**Cash Flow Statement**

The Company maintained annual growth in operating cash flow prior to 2021. The growth was supported by the rise in net profit and depreciation. However, the surge in funds due to related parties ate away at the operating cash flow, which fell from US$139.11 thousand in 2022 to negative, indicating financial strains in generating cash for operation.

With expansion and improvement at the forefront, WIP Terminal's cash from investing activities remained negative throughout 2019 to 2024, with the exception of 2022. The company spent annually on the acquisition of property, plant and equipment, but in 2022, the company offloaded and brought in US$3.05Mn from the proceeds of disposal.

The company had no cash from financial activities in 2019 but resumed repaying debt in 2020. The balance of cash from financial activities remained negative until 2022, when the company received a US$6.45Mn capital injection via two US Indexed Secured Notes. Nonetheless, WIP Terminal maintained a positive closing cash balance, which has grown year-over-year, ending 2023 at US$287.69 thousand from US$28.69 thousand in the prior year.

## B. INTERIM 9 MONTHS FINANCIAL PERFORMANCE

The table below shows the financial performance for WIP Terminal over the last nine (9) months (9M) in 2024 and the comparative period in 2023.

| WEST INDIES PETROLEUM TERMINAL LIMITED FINANCIAL STATEMENTS US$ | INTERIM 9 MONTHS TO SEPTEMBER 2023 | INTERIM 9 MONTHS TO SEPTEMBER 2024 |
|---|---|---|
| **HISTORICAL INCOME STATEMENT** | | |
| Revenue | 5,721,282 | 6,686,779 |
| Other income | 24,817 | 4,768 |
| Total Revenue | 5,746,099 | 6,691,547 |
| Staff costs | (1,039,688) | (1,086,419) |
| Other operating cost | (2,737,362) | (2,861,711) |
| Total Operating Cost | (3,777,050) | (3,948,130) |
| Finance cost | (241,117) | (596,600) |
| Profit/(Loss) before Taxation | 1,727,933 | 2,159,858 |
| Taxation | (54,604) | (85,883) |
| Net Profit | 1,673,328 | 2,060,933 |
| **HISTORICAL BALANCE SHEET** | | |
| Total Assets | 35,043,433 | 36,069,960 |
| Total Equity | 20,485,842 | 22,881,664 |
| Total Liabilities | 14,557,592 | 13,188,296 |
| Total Equity and Liabilities | 35,043,433 | 36,069,960 |
| **HISTORICAL CASH FLOW STATEMENT** | | |
| Historical Cash Flow Statement | (1,069,391) | 169,391 |
| Cash (used in) / provided by investing activities | (1,638,194) | (664,511) |
| Cash used in financing activity | 2,727,600 | 511,650 |
| Cash and cash equivalents at end of the year | 30,713 | 304,222 |

**Income Statement**

At the end of the first nine (9) months of the financial year, WIP Terminal saw a notable 16.88% surge in top-line revenue, rising from US$ 5.72Mn in 2023 to US$ 6.68Mn in 2024. This upturn was chiefly influenced by an increase in storage fees, moving from US$ 0.80 cents to US$ 0.83 cents per barrel, alongside an expansion in storage capacity by 80,000 barrels monthly. However, this rise in storage fees was counterbalanced by a reduction in the volume of fuel passing through the terminal, attributable to ongoing supply chain issues experienced by its parent company WIP. Other income decreased by US$ 20,049, ending the reporting period at US$ 4,768. Ultimately, total revenue grew by 16.45% or US$ 945.45 thousand to US$ 6.69Mn.

The uptick in other operating cost and staff costs resulted in the Company's total expenses increasing from US$ 3.77Mn for the 9-month period in 2023, to US$ 3.94 Mn for the 9-month period in 2024. Year-over-year for the 9-month period, other operating cost increased by US$ 124,349 or 4.54%, while staff costs increased by US$ 46,731 or 4.5%.

WIP Terminal's finance costs increased by 147% year-over-year for the 9M period ending September 2024, moving from US$ 241,117 in 2023 to US$ 596,600 in 2024. This is due to interest expenses associated with corporate bonds that were issued in 2023 and 2024. WIP Terminal's net profit robustly improved by 23.16% (or US$ 387,605) year over year to end the first 9 months of 2024 at US$ 2.06Mn. This outturn is primarily attributable to the increase in operating revenue and the strong administration and cost containment of operating costs.

**Balance Sheet**

At the end of the 9-month period, the asset base experienced a 2.9% year-over-year increase, primarily attributed to the US$ 656.25 thousand uptick in the right-of-use asset for leased storage tank, a significant surge in the cash and cash equivalents and receivables. The Return on Assets (ROA) increased materially from 4.78% to 5.71%, due to the increase in net profit.

Total liabilities fell 9.4% to US$ 13.18Mn, mainly due to reductions in due to related parties. Although the 6% BNS loan was repaid, the increase in borrowings stemmed from the addition of four (4) corporate bonds raised by VM Wealth Management Limited (VMWM), which were US$ and US$ Indexed Secured notes in 2023 and 2024. The corporate bonds re-pay principal or amortize quarterly, that in turn has lowered WIP Terminal's total leverage. As at September 30, 2024, WIP Terminal borrowings were US$ 5.47 Mn. Shareholders' equity also improved over the period, moving from US$ 20.48Mn in 2023 to US$ 22.88Mn at the end of September 2024. This was primarily attributable to an increase in retained earnings from US$ 5.80Mn to US$ 8.19Mn.

**Q3 Operating Performance:**

| INCOME STATEMENT | UNAUDITED - 3 MONTHS (Q3) | | CHANGE | CHANGE % |
|---|---|---|---|---|
| | 30-Sept-24 US$ | 30-Sept-23 US$ | | |
| Revenue | 2,379,590 | 1,921,081 | 458,509 | 23.9% |
| Other income | 4,678 | 24,817 | -20,139 | -81.2% |
| Total Revenue | 2,381,860 | 1,944,447 | 437,413 | 22.5% |
| Staff costs | (344,441) | (415,686) | 71,245 | -17.1% |
| Other operating cost | (933,143) | (1,151,229) | 218,086 | -18.9% |
| Finance cost | (203,319) | (184,911) | -18,408 | 10.0% |
| Profit/(Loss) before Taxation | 900,956 | 192,622 | 708,334 | 367.7% |
| Taxation | (19,913) | 32,208 | -52,121 | -161.8% |
| Net Profit | 881,043 | 224,830 | 656,213 | 291.9% |

For the 3rd quarter of 2024, the Company grew operating revenue by 23.9% to US$ 2,379,590, on a year-over-year basis. The growth that the Company experienced during the 3rd quarter, on a year-over-year basis, was due to factors including, continued diversification of clients at the Terminal, and demand for petroleum products in the local market.

Total expenses for Q3 2024 were US$ 1,277,584 versus US$ 1,566,915 for Q3 2023, representing a significant decrease of 18.47%. Finance cost increased by 10% for the comparative period, Q3 2024 versus Q3 2023, increasing to US$ 203,319 from US$ 184,911, due to additional corporate bond interest expense attached to the corporate bond fundraise that was executed in 2023.

The increase in revenue and decline in expenses, resulted in net profit expanding by 291.9%, moving from US$ 224,830 in Q3 2023 to US$ 881,043 at the end of Q3 2024.

**Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Board of Directors which makes strategic decisions. Currently, the company operates only one business segment.

**Outlook**

Globally, the maritime bunker industry is projected to remain upbeat due to a notable surge in demand attributable to the expanding maritime trade and transportation sector[2]. The local tourism sector is anticipated to surpass the 4 million visitors mark in 2024, through a combination of increased airline and cruise ship

2 Bunker Fuel Market Size, Share and Global Trend by Fuel Grade (IFO 380, IFO 180, MGO/MDO), By Seller Type (Major Oil Company, Large Independent Distributors, Small Independent Distributors), By End User (Container Fleet, Tanker Fleet, Bulk and General Cargo Fleet), And Geography Forecast till 2030.

stopovers[3]. This is expected to provide revenue opportunities for the bunkering industry, through refueling the increased cruise vessels stopping at the ports. WIP is particularly expected to benefit from the additional cruise vessels in light of the Company being the primary fuel provider for Royal Caribbean, Carnival Cruise Lines, Norwegian Cruise Lines, MSC Cruises International, amongst other major cruise lines.

Although plans to develop the local logistics hub are lagging, global trade is projected to continue growing, which is likely to see more cargo and container ships passing through the region. This is anticipated to bode well for WIP's top-line revenue and ultimately improve the Company's overall financial performance, as demand for bunker fuel is likely to rise.

The International Energy Agency (IEA) forecasts a global oil consumption increase of 1.24 million barrels per day (bpd) in 2024[4], falling short of the Organization of the Petroleum Exporting Countries (OPEC)'s projection of 2.25 million bpd. OPEC's supply cuts and persistent geopolitical tensions have propelled recent oil price hikes. However, despite these factors, demand remains robust, buoyed by the International Monetary Fund (IMF)'s estimation of global economic growth reaching 3.10% in 2024[5]. Robust economic growth, coupled with higher oil prices are expected to support the profitability of WIP's three business segments, namely bunker fuel, local retail and re-exporting.

3 https://jis.gov.jm/jamaica-projected-to-welcome-4-2-million-visitors-and-generate-us4-1b-in-tourism-earnings-for-2023-24/

4 https://www.eiu.com/n/campaigns/energy-in-2024/

5 https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024

# SECTION 7: RISKS FACTORS

The principal focus of our strategy is to grow by expanding our business. Our future growth depends, in part, on our ability to obtain financing for our existing and new operations and business lines as well as our ability to:

- Own storage assets in Jamaica, the Caribbean, and the region that are strategically advantageous for fuel distribution. Panama & the Bahamas have been identified as strategic locations for the Region, and the Company's expansion.
- Focus on expanding storage assets in Jamaica, the Caribbean, and the region, that are advantageous for logistics, and markets that we serve.
- Diversify the client base, by expanding to new regional countries. The Company's parent company, West Indies Petroleum Limited, has the exclusive rights to expand into thirty-four (34) regional countries or more via a major global supplier. West Indies Petroleum Terminal Limited will benefit directly from this expansion and diversification. West Indies Petroleum Limited currently supplies ten (10) countries in the region.
- Diversify the client base by providing storage to additional customers.

## MATERIAL RISKS

**Climate Change and Global Warming Contributing to the Desire to move away from traditional petrochemicals.**

The negative impact of Climate Change and Global warming on the environment has resulted in a global thrust towards the utilization of Green energy. Green Energy is energy that can be produced using a method, and from a source, that causes no harm to the natural environment. Green energy is any energy type that is generated from natural resources, such as sunlight, wind, or water. It often comes from renewable energy sources although there are some differences between renewable and green energy. When fossil fuels are burned, they release large amounts of carbon dioxide, a greenhouse gas, into the air. Greenhouse gases trap heat in our atmosphere, causing global warming. West Indies Petroleum Terminal Limited is in the business of the storage of fossil fuels. Nevertheless, the Company maintains an available and responsive ESG and corporate governance program and policies that are reviewed annually by the Company's Board of Directors. The Company and industry experts see the role of green energy, renewable energy globally, and how this integrates into the overall providers of energy. Per industry reports, fossil fuels are anticipated to remain as the main source of energy up to 2050 and potentially beyond, providing long-term investment demand for terminals, storage, and capacity requirements for fuel, per the Company's offering.

**The onset of another pandemic related event may negatively impact demand for our products and the supply of our products.**

Covid-19 Pandemic The World Health Organisation, on March 11, 2020, declared that the novel coronavirus (SARS-COV-2), which causes the disease referred to as COVID-19 had reached the status of a global pandemic (the "Pandemic" or the "COVID-19 Pandemic"). Jamaica recorded its first case of the COVID-19 virus in the same month. There were several measures put in place by various governments in an attempt to contain the spread of COVID-19 which had significant and negative impact on economies worldwide. Since then, the Company has taken steps to increase its inventory holding to mitigate against logistics and supply chain disruptions and has diversified its product suppliers.

**Natural disasters, in particular, hurricanes in the Caribbean.**

The Company's fuel storage, terminal, plant, and assets are in the geographic area (Jamaica), that carries the risk of tropical hurricanes, tropical depressions, storms, and other weather-related events. West Indies Petroleum Terminal Limited has a well-structured, HSSE: Health, Safety, Security & Environment structure, and team in place, that monitors this risk. In the event of an adverse tropical weather storm or related activity, the Company mobilizes the necessary policies, procedures, team members, to secure its facility, fuel product at the terminal, and team members.

**Geo-political Conflicts.**

War, the threat of war, trade wars, blockades, sanctions, political polarization - all are geopolitical risks that might affect a company's performance. In terms of business for the Company, and the business lines of West Indies Petroleum Terminal Limited, it is best defined as, the potential for international political conflict to threaten the financial and operational stability of its suppliers, the market prices of raw materials (e.g. fuel), market demand & supply for fuel, around the world. With the recent increase in geo-political risk over the past few years, between Russia and Ukraine, and Israel and Palestine, geo-political risk has been escalating and increasing as a result.

The Company evaluates potential best and worst-case scenarios, quantifying exposure, and impacts where possible. It also assesses the need to reallocate resources to strengthen capabilities and respond to the risks accordingly.

**Environmental disasters & potential accidents given the flammable material of fuel.**

The Company stores more than 650,000 barrels (bbl.) of fuel at any one time at its storage facility. The Company has a well-structured, HSSE: Health, Safety, Security & Environment structure, and team in place, that monitors this risk. In the event of any adverse fire, or flammable activity at the Terminal, the Company mobilizes the necessary policies, procedures, team members, to secure its facility, fuel product at the terminal, and team members. Additionally, the HSSE team has a robust and on-going fire prevention inspection and program in place always at the facility.

We may not be able to generate sufficient cash to service our indebtedness and/or may not be able to refinance our indebtedness on favourable terms. If we are unable to do so, we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, and other factors beyond our control. We cannot assure investors that the Company will maintain a level of cash flows from operating activities sufficient to permit the Company to pay the principal, premiums, dividends, and interest on our indebtedness.

**We may find it necessary or prudent to refinance our outstanding indebtedness, the terms of which may not be favourable to us. Our ability to refinance our indebtedness on favourable terms, or at all, is directly affected by prevailing global economic and financial conditions. In addition, our ability to incur secured indebtedness (which would generally enable us to achieve better pricing than unsecured indebtedness) depends in part on the value of our assets, which depends, in turn, on the strength of our cash flows, results of operations, economic and market conditions and other factors.**

If our cash flows and capital resources are insufficient to fund our debt service obligations or we are unable to refinance our indebtedness, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Consequently, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Further, we may not be able to consummate those dispositions, or the proceeds from the dispositions may not be adequate to meet any debt service obligations then due.

**Our insurance policies may not be adequate to cover our losses and because we obtain some of our insurance policies through protection and indemnity associations, we may be subject to calls in amounts based not only on our own claim records, but also the claim records of other members of the protection and indemnity associations, which could expose us to additional expenses.**

We carry insurance policies to protect us against most of the accident-related risks involved in the conduct of our business, including marine hull and machinery insurance, protection, and indemnity insurance, which includes pollution risks, crew insurance, and war risk insurance. We may not be adequately insured to cover losses from our operational risks. Additionally, our insurers may refuse to pay particular claims and our insurance policies may be voidable by the insurers if we take, or fail to take, certain actions, such as failing to maintain certification of our vessels with applicable maritime regulatory organizations. Any significant uninsured or underinsured loss or liability could have a material adverse effect on our business, cash flows and financial condition. In addition, we may not be able to obtain adequate insurance coverage at reasonable rates in the future during adverse insurance market conditions. We may also be subject to calls or premiums in amounts based not only on our claim records but also the claim records of other members of the protection and indemnity associations through which we receive insurance coverage for tort liability, including pollution-related liability. Our payment of these calls could result in significant expense to us, which could have a material adverse effect on our results of operations, cash flows and financial condition. Moreover, the protection and indemnity associations and other insurance providers reserve the right to make changes in insurance coverage with little or no advance notice.

**We may be unable to attract and retain key personnel, which could interrupt our business and limit our growth.**

Our success depends to a significant degree upon the abilities and efforts of our management team and our ability to hire and retain key members of our management team. The loss of any of these individuals, or our inability to attract and retain qualified personnel, could adversely affect our business prospects and financial condition. Difficulty in hiring and retaining key personnel could negatively impact our results of operations and financial condition.

**Material disruptions in the availability or supply of oil may reduce the supply of our products and have a material impact on our operating results, revenues, and costs.**

The success of our business depends on our ability to purchase, sell, and deliver petroleum products to our customers. Material disruptions in the availability or supply of oil may have an adverse effect on our suppliers. In addition, any political instability, natural disasters, terrorist activity, piracy activity, military action or other similar conditions may disrupt the availability or supply of oil and consequently decrease the supply of petroleum products. Decreased availability or supply of petroleum products may reduce our operating results, revenues, and results of operations.

The refined fuel that we purchase from our suppliers may fail to meet the contractual specifications that we have agreed to supply to our customers and, as a result, we could lose business from those customers and be subject to claims or other liabilities.

If the refined fuel that we purchase from our suppliers fails to meet the specifications we have contractually agreed to supply to our customers, we could be subject to claims or other liabilities. In addition, our relationship with our customers may be adversely affected and we could lose our customers. Our insurance policies that protect us against most of the risks involved in the conduct of our business may not be adequate and we may not have any recourse against our suppliers for fuel that fails to meet agreed specifications. The loss of customers and increased liabilities would reduce our earnings and could have a material adverse effect on our business, weaken our financial condition and reduce our results of operations.

**If we are unable to comply with existing or modified environmental laws and regulations relating to our fuel storage facilities, we would be exposed to significant compliance costs and liabilities.**

Our operations involving the transportation and storage of fuel are subject to stringent laws and regulations governing the discharge of materials into the environment, otherwise relating to protection of the environment, operational safety, and related matters. Compliance with these laws and regulations increases our overall cost of business, including our capital costs to maintain and upgrade equipment and facilities, or claims for damages to property or persons resulting from our operations. Failure to comply with these laws and regulations may result in the assessment of administrative, civil, and criminal penalties, the imposition of investigatory and remedial liabilities, and the issuance of injunctions that may restrict or prohibit our operations or even claims for damages to property or persons resulting from our operations. The laws and regulations applicable to our operations are subject to change, and compliance with current and future laws and regulations may have a material effect on our results of our operations or earnings. A discharge of hazardous materials into the environment could, to the extent such event is not insured, subject us to substantial expense, including both the cost to comply with applicable laws and regulations and liability to third parties for personal injury or property damage.

# SECTION 8: PROFESSIONAL ADVISORS TO THE COMPANY

### VM WEALTH MANAGEMENT LIMITED

53 Knutsford Boulevard
Kingston 5

VM Wealth Management Limited

### HART MUIRHEAD FATTA

53 Knutsford Boulevard
Kingston 5

HMF
HART MUIRHEAD FATTA
ATTORNEYS-AT-LAW

### PRICEWATERHOUSECOOPERS TAX AND ADVISORY SERVICES LIMITED

Scotiabank Centre
Duke Street
P.P. Box 372

pwc

# SECTION 9: DIRECTOR'S SIGNATURE

| NAME OF DIRECTOR | SIGNATURE |
|---|---|
| GORDON SHIRLEY | |
| GERALD CHARLES CHAMBERS | |
| TARIK FELIX | |
| AMANDA LEVIEN | Amanda Levien |
| KARL TOWNSEND | |
| KURT BOOTHE | |

7 November 2024

To: West Indies Petroleum Terminal Limited

We consent to the use of our report to the shareholder of West Indies Petroleum Terminal Limited (the Company) on the consolidated statement of financial position of the company as at 31 December 2023 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2023, and the related notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information, in the Listing by Introduction Information Memorandum of the company dated November 7, 2024, relating to the listing of up to 11,180, 372,000 participating ordinary voting shares in the capital of West Indies Petroleum Terminal Limited at a price of J$0.50 per share. These shares will be listed on the Main Market of the Jamaica Stock Exchange via a Listing by Introduction. Our report is dated 9 May 2024.

PricewaterhouseCoopers

PricewaterhouseCoopers
Castries, St Lucia

PricewaterhouseCoopers East Caribbean, Unit 111 Johnsons Centre, No. 2 Bella Rosa Road, P.O. Box BW 304,
Gros Islet, St. Lucia, West Indies
T: (758) 722 6700, www.pwc.com/bb

# CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2023

WEST INDIES PETROLEUM TERMINAL LIMITED


| | |
|---|---|
| **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER** | **34** |
| **CONSOLIDATED FINANCIAL STATEMENTS** | |
| CONSOLIDATED STATEMENT OF FINANCIAL POSITION | **37** |
| CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME | **38** |
| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | **39** |
| CONSOLIDATED STATEMENT OF CASH FLOWS | **40** |
| NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS | **41** |

# Independent auditors’ report

To the Shareholder of West Indies Petroleum Terminal Limited

## Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of West Indies Petroleum Terminal Limited (the Company) and its subsidiaries (together ‘the Group’) as at 31 December 2023, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

***What we have audited***

The Group’s consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors’ responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Independence***

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

## Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Other matter

This report, including the opinion, has been prepared for and only for the Company in accordance with the terms of our engagement letter and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

Castries, St. Lucia
9 May 2024

# West Indies Petroleum Terminal Limited

Consolidated Statement of Financial Position

**31 December 2023**

(expressed in United States dollars unless otherwise indicated)

| | Note | 2023 $ | 2022 $ |
|---|---|---|---|
| **Assets** | | | |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 4 | 34,261,870 | 34,726,383 |
| Intangible assets | 5 | 25,173 | 21,738 |
| | | 34,287,043 | 34,748,121 |
| **Current Assets** | | | |
| Inventory | | - | 10,473 |
| Other receivables | 6 | 609,244 | 336,385 |
| Cash and cash equivalents | 7 | 287,692 | 28,691 |
| | | 896,936 | 375,549 |
| **Total Assets** | | 35,183,979 | 35,123,670 |
| **Equity** | | | |
| Share capital | 10 | 3,000,100 | 3,000,100 |
| Revaluation reserve | 11 | 11,683,261 | 11,683,261 |
| Retained earnings | | 6,137,370 | 3,964,282 |
| **Total Equity** | | 20,820,731 | 18,647,643 |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| Deferred tax liabilities | 13 | 2,385,304 | 2,255,426 |
| | | 2,385,304 | 2,255,426 |
| **Current Liabilities** | | | |
| Other payables | 8 | 347,655 | 404,498 |
| Taxation | | 141,324 | 142,046 |
| Borrowings | 12 | 4,553,098 | 2,673,123 |
| Due to related party | 9(a) | 6,935,867 | 11,000,934 |
| | | 11,977,944 | 14,220,601 |
| **Total Liabilities** | | 14,363,248 | 16,476,027 |
| **Total Equity and Liabilities** | | 35,183,979 | 35,123,670 |

**Approved for issue by the Board of Directors on 9 May 2024 and signed on its behalf by:**

T. Felix

Gerald Chambers Director

Tarik Felix Director

# West Indies Petroleum Terminal Limited

Consolidated Statement of Comprehensive Income

**Year ended 31 December 2023**

(expressed in United States dollars unless otherwise indicated)

| | Note | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| Revenue | 9 | 7,577,741 | 6,683,072 |
| Other income | 19 | 21,161 | 561,634 |
| | | 7,598,902 | 7,244,706 |
| Staff costs | 18 | (1,423,341) | (1,123,132) |
| Other operating cost | 17 | (3,373,985) | (2,826,624) |
| Finance cost | 15 | (364,095) | (289,809) |
| **Profit before Taxation** | | 2,437,481 | 3,005,141 |
| Taxation | 14 | (264,393) | (145,716) |
| **Net Income for the Year** | | 2,173,088 | 2,859,425 |
| **Other Comprehensive Income** | | | |
| *Items that will not be reclassified to profit or loss* | | | |
| Revaluation of property, plant and equipment, net of deferred taxes | 11 | - | 11,683,261 |
| **Other Comprehensive Income for the Year** | | - | 11,683,261 |
| **Net Income, being total Comprehensive Income for the Year** | | 2,173,088 | 14,542,686 |

# West Indies Petroleum Terminal Limited

Consolidated Statement of Changes in Equity

**Year ended 31 December 2023**

(expressed in United States dollars unless otherwise indicated)

| | Share Capital | Revaluation Reserve | Retained Earnings | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Balance at 1 January 2022 | 3,000,100 | - | 1,104,857 | 4,104,957 |
| **Net income, being total comprehensive income for the year** | - | - | 2,859,425 | 2,859,425 |
| Other comprehensive income | - | 11,683,261 | - | 11,683,261 |
| Total comprehensive income for the year | - | 11,683,261 | 2,859,425 | 14,542,686 |
| **Balance as at 31 December 2022** | 3,000,100 | 11,683,261 | 3,964,282 | 18,647,643 |
| Net income, being total comprehensive income for the year | - | - | 2,173,088 | 2,173,088 |
| **Balance as at 31 December 2023** | 3,000,100 | 11,683,261 | 6,137,370 | 20,820,731 |

# West Indies Petroleum Terminal Limited

Consolidated Statement of Cash Flows

**Year ended 31 December 2023**

(expressed in United States dollars unless otherwise indicated)

| | Note | 2023 $ | 2022 $ |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Net income | | 2,173,088 | 2,859,425 |
| Items not affecting cash: | | | |
| Depreciation | 4 | 1,363,363 | 1,518,531 |
| Amortisation | 5 | 16,554 | 18,841 |
| Gain on disposal of property, plant and equipment | | - | (561,500) |
| Foreign exchange losses | | 6,121 | - |
| Taxation expense | 14 | 264,393 | 145,716 |
| Interest income | 19 | (21,161) | - |
| Interest expense | 15 | 364,095 | 289,809 |
| | | 4,166,453 | 4,270,822 |
| Changes in operating assets and liabilities: | | | |
| Inventory | | 10,473 | (5,146) |
| Other receivables | | (272,860) | (233,362) |
| Due to related party | | (4,065,067) | (3,360,915) |
| Other payables | | (56,886) | (185,274) |
| | | (217,887) | 486 125 |
| Taxation paid | | (135,194) | (86,475) |
| Interest received | | 21,161 | |
| Interest paid | | (355,754) | (260,542) |
| Cash (used in)/provided by operating activities | | (687,674) | 139,108 |
| **Cash Flows from Investing Activities** | | | |
| Purchase of property, plant and equipment | 4 | (907,512) | (534,858) |
| Purchase of intangible assets | 5 | (19,989) | (19,700) |
| Proceeds on disposal of property, plant and equipment | | - | 3,051,588 |
| Cash (used in)/provided by investing activities | | (927,501) | 2,497,030 |
| **Cash Flows from Financing Activities** | | | |
| Proceeds from loan received | | 6,446,727 | - |
| Restricted cash | | (159,651) | - |
| Repayment on borrowings | | (4,409,083) | (2,642,857) |
| Cash provided by/(used in) financing activities | | 1,877,993 | (2,642,857) |
| Increase/(decrease) in cash and cash equivalents | | 262,818 | (6,719) |
| Effects of exchange rate changes on cash and cash equivalents | | (3,817) | - |
| Cash and cash equivalents at beginning of year | | 28,691 | 35,410 |
| **Cash and Cash Equivalents at End of the Year** | 7 | 287,692 | 28,691 |

## 1. Identification and Principal Activities

West Indies Petroleum Terminal Limited (the "Company") is incorporated and domiciled in St. Lucia. Its registered address is 20 Micoud Street, Castries, Saint Lucia. The ultimate parent company, West Indies Petroleum Limited is incorporated and domiciled in Jamaica. West Indies Petroleum Terminal Limited was purchased by West Indies Petroleum Limited in June 2016 and consequently the accounting year-end was changed to 31 December for the acquired entities. West Indies Petroleum South Terminal Limited (formerly JB Terminal ( Port Esquivel) Limited) is the Company's solely wholly owned subsidary.

On 9 May 2024, the Board of Directors approved the consolidated financial statements and authorised them for issue. The Board of Directors has the power to amend the financial statements after issue.

## 2. Statement of Compliance

### (a) Statement of compliance
These financial statements have been prepared in accordance with IFRS Accounting Standards.

## 3. Summary of Material Accounting Policies and Basis of Preparation

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### (a) Basis of preparation
The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates.

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

These financial statements have been prepared under the historical cost convention, except for the revaluation of land and building and terminal assets. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on managements' best knowledge of current events and actions, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant are disclosed in note 3(o).

***Standards, interpretations and amendments to published accounting standards effective in the current financial year***
Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial period. The Group has assessed the relevance of all such new standards, interpretations and amendments and has determined that none is material to its operations.

## 3. Summary of Material Accounting Policies and Basis of Preparation (Continued)

### (a) Basis of preparation (continued)

***Standards, interpretations and amendments to published accounting standards effective in the current financial year (continued)***

**Amendment to IAS 12, Deferred tax related to assets and liabilities arising from a single transaction,** (effective for annual periods beginning on or after 1 January 2023). This amendment require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. There was no impact to the Group on adoption of this amendment.

**Amendment to IAS 12 - International tax reform,** (effective for annual periods beginning on or after 1 January 2023). These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

**Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8,** (effective for the Group's financial year beginning on 1 January 2023). On 12 February 2022, the IASB ('the Board') issued amendments to the following standards:

- Disclosure of Accounting Policies, which amends IAS 1 and IFRS Practice Statement 2; and
- Definition of Accounting Estimates, which amends IAS 8.

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

The IASB amended IAS 1, *Presentation of Financial Statements*, to require entities to disclose their material accounting policy information rather than their significant accounting policies. The amendment provides the definition of material accounting policy information. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements.

Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

To support this amendment, the Board also amended IFRS Practice Statement 2, *Making Materiality Judgements*, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.
The amendment to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The adoption of these amendments did not have a significant impact to the Group.

**3. Summary of Material Accounting Policies and Basis of Preparation (Continued)**

**(a) Basis of preparation (continued)**

***Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Group***

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretation to existing standards have been issued which are not yet effective, and which the Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by management.

**Amendment to IFRS 16 – Leases on sale and leaseback** (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

**Amendment to IAS 1 – Non-current liabilities with covenants** (effective for annual periods beginning on or after 1 January 2024). These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

*The IASB amended IAS 1, Classification of liabilities as current or non-current,* to require entities to classify liabilities as current when the entity would not have complied with covenants based on its circumstances at the reporting date, even if compliance with such covenants were tested only within twelve months after that date. The amendment also clarifies that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

**Amendment to IAS 7 and IFRS 7 - Supplier finance** (effective for annual periods beginning on or after 1 January 2024). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

**IFRS S1, 'General requirements for disclosure of sustainability-related financial information** (effective for reporting periods beginning on or after 1 January 2024; this is subject to endorsement of the standards by local jurisdictions). This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

**3. Summary of Material Accounting Policies and Basis of Preparation (Continued)l**

**(a) Basis of preparation (continued)**

***Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Group (continued)***

**IFRS S2, 'Climate-related disclosures' (**effective for reporting periods beginning on or after 1 January 2024; this is subject to endorsement of the standards by local jurisdictions). This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Group has concluded that all other standards, interpretations and amendments to existing standards, which are published but not yet effective are either relevant to its operations but will have no material impact on adoption; or are not relevant to its operations and will therefore have no impact on adoption; or contain inconsequential clarifications that will have no material impact when they come into effect. This includes amendments resulting from the IASB's ongoing 'Improvements to IFRS' project.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the Group.

**(b) Consolidation**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to or has rights to the variable returns from its involvement with the entity and has the ability to affect those returns through the power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

All material intra-group balances, transactions and gains are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The Company carries its investments in subsidiaries at cost less impairment.

The Group's subsidiaries, countries of incorporation, and the Group's percentage interest are as follows:

| | Country of incorporation | Principal Activity | Group's Percentage Interest 2023 | Group's Percentage Interest 2022 |
|---|---|---|---|---|
| West Indies Petroleum South Terminal Limited | Jamaica | storage and delivery of fuel products on behalf of customers for a fee | 100% | 100% |

**3. Summary of Material Accounting Policies and Basis of Preparation (Continued)**

**(c) Revenue recognition**

The Group assesses the individual elements of the agreements and assess whether these individual elements are separate performance obligations. Where the contracts include multiple performance obligations, and/or lease and non-lease components, the transaction price is allocated to each performance obligation based on the stand-alone selling prices. These selling prices are variable prices per the agreements where the company establishes the price based on market rates and prices were accepted by customers.

Revenue is measured at the transaction price agreed under the contract. The Group currently does not have arrangements that include deferred payment terms.

A receivable is recognised when services are provided as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

**(d) Trade and other receivables**

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Due to the short-term nature of the trade receivables, their carrying amount is considered to be the same as their fair value.

**(e) Trade and other payables**

Trade and other payable are recognised at fair value and subsequently stated at amortised cost. There were no trade payables at year end.

**(f) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective yield method.

**(g) Provisions**

A provision is recognised in the consolidated statement of financial position when the Group has legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**3. Summary of Material Accounting Policies and Basis of Preparation (Continued)**

**(h) Property, plant and equipment**

Land and buildings and terminal assets are initially recorded at cost and are subsequently shown at market value based on triennial valuations by external independent valuers, less subsequent depreciation of buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount. Increases in carrying amounts arising on revaluation are credited to other comprehensive income and shown in property revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged to other comprehensive income and debited against capital reserve; all other decreases are charged to profit or loss. All other items of property, plant and equipment continue to be carried at historical cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

| | |
|---|---|
| Buildings | 40 years |
| Plant, tank & pipeline | 3 – 25 years |
| Furniture, fixtures, plant & equipment | 3 – 25 years |

The assets' residual values and remaining useful lives are reviewed and adjusted accordingly, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating income, in the consolidated statement of comprehensive income.

**(i) Impairment**

The carrying amounts of the Group's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, an asset's recoverable amount is estimated at each statement of financial position date.

An impairment loss is recognised whenever the carrying amount of an asset, or group of operating assets is less than its recoverable amount. Impairment losses are recognised in the consolidated statement of comprehensive income.

**(j) Income taxes**

Taxation on the profit or loss for the year comprises current and deferred tax and is recognised in the consolidated statement of comprehensive income.

Current tax is the expected tax payable on the income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

A deferred tax liability is recognised for all taxable temporary differences except to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reverse in the foreseeable future.

**3. Summary of Material Accounting Policies and Basis of Preparation (Continued)**

**(j) Income taxes (continued)**

Deferred tax is computed using the statement of financial position liability method, providing for temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax of assets and liabilities, using taxes enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that the future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised

**(k) Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

***Financial assets***

The Group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value and those to be measured at amortised cost. The classification depends on the business model used for managing the financial assets and, in respect of debt instruments, the contractual terms of the cash flows.

***Recognition and measurement***

Debt instruments held for the collection of contractual cash flows, where those represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in the statement of comprehensive income using the effective interest rate method. Any gains or losses arising on derecognition are recognised directly in the statement of comprehensive income. Impairment losses are presented as a separate line in the statement of comprehensive income.

Debt instruments that are held for the collection of contractual cash flows and for the selling of financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income and impairment gains and losses are recognised in the statement of comprehensive income. When the debt instrument is derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss. Interest income from these financial assets is included in the statement of comprehensive income using the effective interest rate method. Any gains or losses arising on derecognition are recognised in the statement of comprehensive income. Impairment losses are presented as a separate line in the statement of comprehensive income.

Debt instruments that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gains and losses on such instruments are recognised in profit or loss in the period in which they arise.

**3. Summary of Material Accounting Policies and Basis of Preparation (Continued)**

**(k) Financial instruments (continued)**

***Application of the Simplified Approach to trade receivables***

For trade receivables other than those deemed specifically impaired, the Group applies the simplified approach which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables. The lifetime ECLs are determined by taking into consideration historical rates of default for each category of aged receivables as well as the estimated impact of forward looking information.

**(l) Foreign currency transactions**

(i) Functional currency and presentational currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which it operates (the functional currency). The consolidated financial statements are presented in United States Dollars which is also the Group's functional currency.

(ii) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

**(m) Related parties**

A party is related to the Company, if:

(i) Directly, or indirectly through one or more intermediaries, the party:
- (a) is controlled by, or is under common control with the Company;
- (b) has a direct or indirect interest in the Company that gives it significant influence; or
- (c) has joint control over the Company;

(ii) the party is an associate of the Company;
(iii) the party is a joint venture in which the Company is an investing party or venturer;
(iv) the party is a member of the key management personnel of the Company;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv)' or;
(vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged, The Company has a related party relationship with its directors and key management personnel, representing certain senior officers of the Company.

**(n) Intangible assets**

This represents acquired computer software which are capitalized on the basis of costs incurred to acquire and bring to use the specific software. The costs of these assets are amortized over their estimated useful lives of three to five years.

**3. Summary of Material Accounting Policies and Basis of Preparation (Continued)**

**(o) Use of estimates and judgements**

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(i) Depreciation of property, plant and equipment

Depreciation is provided so as to write down the respective assets to their residual values over their expected useful lives and, as such, the selection of the estimated useful lives and the expected residual values of the assets require the use of estimates and judgments. Details of the estimated useful lives are as shown in Note 3(h).

(ii) Taxation

The subsidiary is required to estimate income tax payable to the Commissioner of Tax Administration Jamaica on any profit derived from operations (Note 14). This requires an estimation of the current tax liability together with an assessment of the temporary differences which arise as a consequence of different accounting and tax treatments. These temporary differences result in deferred tax assets or liabilities which are included in the statement of financial position. Deferred tax assets and liabilities are measured using the enacted tax rate at the end of the reporting period. If the tax eventually payable or recoverable differs from the amounts originally estimated then the difference will be accounted for in the accounts in the year such determination is made.

Previously unrecognized future tax assets related to tax losses carried forward as a result of the acquisition of JB Terminal Limited (now West Indies Petroleum South Terminal Limited) in 2016 were recognised. The company recognised deferred income tax asset amounting to US$912,746 based on the anticipated future use of tax losses carried forward. If the tax authority regards the group entity as not being able to meet the, the deferred income tax asset will have to be written off against income tax expense.

(iii) Fair value of property, plant and equipment

The fair value of property, plant and equipment is determined by independent valuators. The valuators determine fair value for land and building by using The Open Market Value method which is mainly based on a comparable sales analysis. For comparable sales, adjustments are made for the time of the referenced sale, size, location, condition etc. These adjustments involve significant judgement, which could result in actual values being different from those realised from sale of these properties. For the terminal assets, the method was focused on assets valued under the Fair Market Value (FMV)- Installed basis. It was observed that the appraiser examined each major group of assets and conducted classifications of conditions based on factors such as age, utility, effective age, mode of installation and operation. These conditions being very good, good, fair, poor and scrap were used to adjust the derived costs for economic and technological obsolescence.

(expressed in United States dollars unless otherwise indicated)

## 4. Property, Plant and Equipment

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Land and Building | Furniture, Fixtures, Plant and Equipment | Plant, Tank, and Pipeline | Capital Work in Progress | Total |
| | $ | $ | $ | $ | $ |
| At Cost / Valuation- | | | | | |
| 1 January 2023 | 6,000,000 | 3,531,990 | 25,166,629 | 263,403 | 34,962,022 |
| Additions | - | 23,587 | 39,355 | 844,570 | 907,512 |
| Transfers | - | - | 252,258 | (252,258) | - |
| Adjustment | - | - | - | (8,662) | (8,662) |
| 31 December 2023 | 6,000,000 | 3,555,577 | 25,458,242 | 847,053 | 35,860,871 |
| Depreciation - | | | | | |
| 1 January 2023 | 30,532 | 51,125 | 153,982 | - | 235,639 |
| Adjustment | - | (12,565) | 12,565 | - | - |
| Depreciation | 111,145 | 266,382 | 985,836 | - | 1,363,363 |
| 31 December 2023 | 141,677 | 304,942 | 1,152,383 | - | 1,599,001 |
| Net Book Value - | | | | | |
| 31 December 2023 | 5,858,323 | 3,250,635 | 24,305,859 | 847,053 | 34,261,870 |

| | 2022 | | | | |
|---|---|---|---|---|---|
| | Land and Building | Furniture, Fixtures, Plant and Equipment | Plant, Tank, and Pipeline | Capital Work in Progress | Total |
| | $ | $ | $ | $ | $ |
| At Cost / Valuation- | | | | | |
| 1 January 2022 | 6,993,176 | 24,708,651 | 2,204,671 | - | 33,906,498 |
| Additions | 7,953 | 248,902 | 14,601 | 263,403 | 534,859 |
| Revaluation | 1,523,925 | 3,191,472 | (1,669,678) | - | 3,045,719 |
| Transfers | - | (24,617,035) | 24,617,035 | - | - |
| Disposal | (2,525,054) | - | - | - | (2,525,054) |
| 31 December 2022 | 6,000,000 | 3,531,990 | 25,166,629 | 263,403 | 34,962,022 |
| Depreciation - | | | | | |
| 1 January 2022 | 399,222 | 7,757,200 | 902,230 | - | 9,058,652 |
| Revaluation | (440,221) | (30,502) | (9,835,855) | - | (10,306,578) |
| Transfers | - | (7,719,268) | 7,719,268 | - | - |
| Disposal | (34,966) | - | - | - | (34,966) |
| Depreciation | 106,497 | 43,695 | 1,368,339 | - | 1,518,531 |
| 31 December 2022 | 30,532 | 51,125 | 153,982 | - | 235,639 |
| Net Book Value - | | | | | |
| 31 December 2022 | 5,969,468 | 3,480,865 | 25,012,647 | 263,403 | 34,726,383 |

(expressed in United States dollars unless otherwise indicated)

**4. Property, Plant and Equipment (Continued)**

The parent company has payable balances due to BP Latin America, LLC under a Products Supply and Storage Agreement between the parties made effective as of 16 December 2019. This agreement is also secured by a fixed and floating charge over the assets of West Indies Petroleum South Terminal Limited via:

- General Security Agreement over real and other personal property of whatever kind or nature used in the ordinary course of business dated 20 April 2023, supported by:
  - Legal Mortgage by way of Guarantee over property located at Long's Wharf in the parish of Saint Catherine registered at Volume 1471 Folio 80.

*Revaluation of property and terminal assets*
An independent valuation of the West Indies Petroleum South Terminal Limited's land and building was performed by valuators Property Consultants while the other terminal assets comprising pumps, tanks, pipelines and other equipment located at Port Esquivel were revalued by equipment valuators, Delano Reid and Associates Limited as at 14 October 2022. The revaluation surplus of $11,683,261 has been credited to other comprehensive income, net of deferred taxes.

If the land and building and terminal assets were stated on the historical cost basis, the amounts would be as follows:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| *Land and building:* | | |
| Cost | 7,001,129 | 7,001,129 |
| Accumulated depreciation | (527,107) | (448,455) |
| Net book value | 6,474,022 | 6,552,674 |
| *Terminal assets:* | | |
| Cost | 27,119,738 | 27,119,738 |
| Accumulated depreciation | (11,587,006) | (10,110,473) |
| Net book value | 15,532,732 | 17,009,265 |

The property, plant and equipment that, subsequent to initial recognition, are measured at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The levels are as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The items of property, plant and equipment of the Group shown at revalued amounts are included in Level 3. There were no transfers between levels.

(expressed in United States dollars unless otherwise indicated)

**4. Property, Plant and Equipment (Continued)**

The following table disclose the Group's non-financial assets carried at fair value:

| | | Fair Value measurements as at 31 December 2022 | | |
|---|---|---|---|---|
| **Categories** | **Date of revaluation** | **Quoted price in an active market** | **Significant other observable inputs (Level 2) $** | **Significant other observable inputs (Level 3) $** |
| Land and building | October 2022 | - | - | 5,969,468 |
| Terminal assets | October 2022 | - | - | 28,471,501 |
| Total | | - | - | 34,440,969 |

The following table shows the movement of assets measured at level 3 during the financial year.

| | 2023 $ | 2022 $ |
|---|---|---|
| 1 January | 34,440,969 | 24,823,170 |
| Fair value gains | - | 13,352,298 |
| Additions | 304,355 | 267,526 |
| Disposal | - | (2,490,088) |
| Current year depreciation | (1,356,168) | (1,511,937) |
| 31 December | 33,389,156 | 34,440,969 |

*Sensitivity*
The most significant input into the valuation of land and building is the price per square foot. Should the price per square foot increase/decrease by 10% the fair values would increase/decrease by $600,000.

As it pertains to the terminal assets the most significant input to their valuation is the condition rating of the assets. The condition rating is based on factors such as age, utility, effective age, mode of installation and operation. It is expected that if the condition of the assets deteriorate, changes will be made to adjust the derived costs for economic and technological obsolescence, thus decreasing the fair values of the assets.

(expressed in United States dollars unless otherwise indicated)

## 5. Intangible Assets

| | $ |
|---|---|
| Cost - | |
| At 31 December 2022 | 53,866 |
| Additions | 19,989 |
| At 31 December 2023 | 73,855 |
| Amortisation - | |
| At 31 December 2022 | 32,128 |
| Amortisation for the year | 16,554 |
| At 31 December 2023 | 48,682 |
| Net Book Value - | |
| At 31 December 2022 | 21,738 |
| At 31 December 2023 | 25,173 |

Intangible assets represent software acquired to track ships requiring bunkering fuel and the SAP accounting software.

## 6. Other Receivables

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Accounts receivable | 64,940 | 64,940 |
| Prepaid insurance | 197,009 | 133,867 |
| Prepaid expenses | 339,026 | 135,918 |
| Withholding tax recoverable | 5,307 | 18 |
| Other receivables | 2,962 | 1,642 |
| | 609,244 | 336,385 |

## 7. Cash and Cash Equivalents

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Petty cash | - | 162 |
| Restricted cash | 159,651 | - |
| Cash at bank | 128,041 | 28,529 |
| | 287,692 | 28,691 |

Restricted cash represents funds held as collateral under the Interest Reserve Account Agreement. These funds are held by the Loan Arranger for the repayment of interest in accordance with loan agreement. (Note 12).

(expressed in United States dollars unless otherwise indicated)

## 7. Cash and Cash Equivalents (Continued)

The effective interest rates on bank accounts for the year were:

| | 2023 % | 2022 % |
|---|---|---|
| - J$ | 0.28 | 0.28 |
| - US$ | 0.04 | 0.10 |

## 8. Other Payables

| | 2023 $ | 2022 $ |
|---|---|---|
| Trade payables | 254,108 | 217,251 |
| Other payables and accruals | 93,547 | 187,247 |
| | 347,655 | 404,498 |

## 9. Related Party Balances and Transactions

Parties are considered to be related if one party is controlled by another party, is under common control with another party, or has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions and balances are disclosed for the following:

(i) Enterprises and individual owning directly or indirectly an interest in the voting power of the Company that gives them significant influence over the Company's affairs and close members of the families of those individuals.

(a) Due to related party

| | 2023 $ | 2022 $ |
|---|---|---|
| West Indies Petroleum Limited | 6,935,867 | 10,985,503 |
| Other | - | 15,431 |
| | 6,935,867 | 11,000,934 |

(b) Sales of goods and services

| | 2023 $ | 2022 $ |
|---|---|---|
| Ultimate parent company | 7,577,741 | 6,683,072 |

(c) Expenses

| | 2023 $ | 2022 $ |
|---|---|---|
| Ultimate parent company | 189,794 | 166,727 |

(expressed in United States dollars unless otherwise indicated)

## 10. Share Capital

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Authorised: | | |
| 3,000,100 ordinary shares | | |
| Issued and fully paid: | | |
| Class A Ordinary Shares of $1 each | 1,530,051 | - |
| Class B Ordinary Shares of $1 each | 1,470,049 | - |
| 3,000,100 ordinary shares of $1 each | - | 3,000,100 |
| | 3,000,100 | 3,000,100 |

## 11. Revaluation Reserve

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Unrealised surplus on the revaluation of property, plant and equipment | 13,352,298 | 13,352,298 |
| Deferred tax | (1,669,037) | (1,669,037) |
| | 11,683,261 | 11,683,261 |

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

## 12. Borrowings

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| US Indexed Secured Notes 2024 – 10.0 % per annum (i) | 3,888,646 | - |
| US Indexed Secured Notes 2025 – 10.5 % per annum (ii) | 625,844 | - |
| Bank of Nova Scotia Jamaica Loan – 6 % per annum (iii) | - | 2,643,856 |
| Interest payable | 38,608 | 29,267 |
| | 4,553,098 | 2,673,123 |
| Classified as: | | |
| Current | 4,553,098 | 2,673,123 |
| | 4,553,098 | 2,673,123 |

(i) This loan was obtained in June 2023 in the sum of $5,814,547 at an interest at a rate of 10% per annum that matures in December 2024.

(ii) This loan was obtained in June 2023 in the sum of $632,180 at an interest at a rate of 10.5% per annum that matures in June 2025.

**12. Borrowings (Continued)**

The loans in (i) and (ii) above were issued in two separate tranches of fixed rate secured US$ and US$ Indexed promissory notes denominated in United States currency ("US$") and/or Jamaican Dollars (J$) for aggregate principal amounts not exceeding US$11,000,000. The proceeds were used to partially refinance existing debt obligations to the parent company. They are secured by:

(a) Promissory note from Jamaica Central Securities Depository Limited;
(b) Debenture over present and future property and assets of the company;
(c) Legal mortgage over property Volume 1471 and Folio 801;
(d) Security Contract (over equipment situated and the Port Esquivel Terminal Facility in St. Catherine); and
(e) Interest Reserve Account Agreement (Note 7)

- First priority charge over all assets of West Indies Petroleum South Terminal Limited is supported by:
  - Intercreditor Agreement with BP Latin America LLC;
  - Mortgage over property located at Long's Wharf in the parish of Saint Catherine registered at Volume 1471 Folio 80.

(iii) In 2022, this balance represented a loan from The Bank of Nova Scotia Jamaica Limited. Interest had an effective rate of six-point five percent (6.5%) per annum. The proceeds of the loan were used to purchase the vendor's mortgage loan from Jamaica Broilers Group Limited (JBG) that was previously granted to acquire a fuel storage plant. This loan superseded the previously held loan facility with Jamaica Broilers Group Limited (JBG) of $18,500,000 which was assumed on the 30th of June 2017. The loan was repaid during the year. The loan was secured by debenture over the assets of West Indies Petroleum Limited, West Indies Terminal Limited and West Indies Petroleum South Terminal Limited:

- First Legal Mortgage over Port and Storage assets located at Long's Wharf in the parish of Saint Catherine registered at Volume 1471 Folio 80 supported by:
  - Debt Purchase and Novation Agreement transferring Debenture, Mortgage and Guarantees from Jamaica Broilers Group to Bank of Nova Scotia Jamaica Limited;
  - Guarantees of West Indies Petroleum Limited and West Indies Petroleum South Terminal Limited; and
  - Assignment of fire, all risks and peril insurance over the structure, property and equipment and all other physical developments at the plant/fuel storage facility located at Port Esquivel, St. Catherine.

(expressed in United States dollars unless otherwise indicated)

## 12. Borrowings (Continued)

### Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

| | Loan Liabilities<br>$ |
|---|---|
| **Net debt as at 1 January 2022 and 31 December 2021** | 5,286,713 |
| Repayment – principal | (2,642,857) |
| Net interest movement | 29,267 |
| **Net debt as at 1 January 2023 and 31 December 2022** | 2,673,123 |
| New loans received | 6,446,727 |
| Repayment – principal | (4,568,734) |
| Foreign exchange loss | (6,358) |
| Net interest movement | 8,340 |
| **Net debt as at 31 December 2023** | 4,553,098 |

The subsidiary's loans are subjected to covenant clauses, whereby the subsidiary is required to meet certain key financial ratios. The subsidiary did not fulfil one or more of these ratios as required in the contract. Due to breaches of covenants during the year for which a waiver was not obtained, the loan becomes payable on demand and is therefore classified as a current liability at the year-end**.**

## 13. Deferred Tax Liabilities

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 12.5%.

The analysis of the deferred balances is as follows:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Deferred tax liabilities | (2,385,304) | (2,255,426) |
| | (2,385,304) | (2,255,426) |

The movement of the deferred income tax account is as follows:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Balance as at 1 January | (2,255,426) | (579,817) |
| Charged to profit or loss | (129,878) | (6,572) |
| Charged to other comprehensive income | - | (1,669,037) |
| Balance as at 31 December | (2,385,304) | (2,255,426) |

(expressed in United States dollars unless otherwise indicated)

**13. Deferred Tax Liabilities (Continued)**

The deferred tax assets and liabilities at the end of the year are as follows:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Deferred income tax assets - | | |
| Intangible assets | 4,186 | 2,927 |
| Interest payable | 4,826 | 3,658 |
| Unrealised foreign exchange loss | - | 146 |
| Tax losses unused | 912,746 | 1,098,283 |
| | 921,758 | 1,105,014 |
| Deferred income tax liabilities - | | |
| Unrealised foreign exchange gain | 888 | - |
| Property, plant and equipment | 3,306,174 | 3,360,440 |
| | 3,307,062 | 3,360,440 |
| Net deferred tax liabilities | (2,385,304) | (2,255,426) |

The deferred tax debited in profit or loss and other comprehensive income comprises the following temporary differences:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Profit or loss: | | |
| Intangible assets | 1,259 | 3,300 |
| Interest payable | 1,168 | 3,533 |
| Tax losses unused | (185,537) | (202,752) |
| Unrealised gain | (1,034) | 1,096 |
| Property, plant and equipment | 54,266 | 188,251 |
| | (129,878) | (6,572) |

Deferred tax credited against items of other comprehensive income is as follows:

| | 2022 | | |
|---|---|---|---|
| | Before tax | Tax credited | After Tax |
| | $ | $ | $ |
| *Items that will not be reclassified to profit or loss:* | | | |
| Gains on revaluation | | | |
| - Land | 382,399 | - | 382,399 |
| - Building | 1,581,747 | (245,518) | 1,336,229 |
| - Terminal assets | 11,388,152 | (1,423,519) | 9,964,633 |
| | 13,352,298 | (1,669,037) | 11,683,261 |

There were no revaluation adjustments in 2023.

(expressed in United States dollars unless otherwise indicated)

### 13. Deferred Tax Liabilities (Continued)

The amounts shown in the statement of financial position included the following:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Deferred tax assets to be recovered after more than 12 months | 912,746 | 1,098,283 |
| Deferred tax liabilities to be recovered after more than 12 months | 3,306,174 | 3,360,440 |

### 14. Taxation

The Group's subsidiary, West Indies Petroleum South Terminal Limited (formerly JB Terminal Limited), was an approved enterprise under the Jamaica Export Free Zone Act 1982 which was repealed in 2016 by the Special Economic Zones Act (SEZA). Effective 1 January 2020, the Company was granted approval to operate as an approved developer under the SEZA. Under the SEZA, a corporate income tax rate of 12.50% is applicable to approved developers and occupants.

(a) Taxation in based on the net profit adjusted for tax purposes as follows:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Current tax expenses: | | |
| Current tax income tax | 134,515 | 142,046 |
| Prior year over accrual | - | (2,902) |
| Deferred tax (Note 13) | 129,878 | 6,572 |
| Total taxation expenses in the statement of comprehensive income | 264,393 | 145,716 |

(b) Reconciliation of effective tax rate:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Profit before tax | 2,437,481 | 3,005,141 |
| Computed "expected" tax expense at 12.5% (2022 – 12.5%) | 304,685 | 375,643 |
| Tax effect of expenses not deductible for tax purposes | 5,146 | 10,010 |
| Reversal of depreciation on revaluation of property, plant and equipment | - | (160,767) |
| Employment tax credit | (54,591) | (60,844) |
| Promotion tax credit | - | (8,302) |
| Other | 9,153 | (10,024) |
| Actual expense in the statement of comprehensive income | 264,393 | 145,716 |

There were no tax obligations for the Parent Company during the period.

Subject to agreement with Tax Administration Jamaica, losses available for offset against future profits amount to $7,301,969 (2022 – $8,786,266).

(expressed in United States dollars unless otherwise indicated)

## 15. Finance Cost

Finance cost primarily interest on loan.

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Interest expense | 364,095 | 289,809 |
| | 364,095 | 289,809 |

## 16. Profit before Tax

Profit before tax is stated after charging:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Auditors' remuneration | 83,437 | 27,162 |
| Depreciation | 1,363,363 | 1,518,531 |
| Interest expense | 364,095 | 289,809 |

## 17. Expenses by Nature

Total direct, selling and other operating expenses:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Auditors' remuneration | 83,437 | 27,162 |
| Cleaning and sanitation | 43,923 | 44,386 |
| Depreciation | 1,363,363 | 1,518,531 |
| Insurance | 321,149 | 308,139 |
| Maintenance | 580,376 | 318,120 |
| Management fees | 189,794 | 166,727 |
| Other expenses | 237,917 | 148,757 |
| Professional fees | 171,525 | 49,895 |
| Rates and taxes | 19,862 | (12,655) |
| Security expenses | 138,247 | 85,521 |
| Staff costs (Note 18) | 1,423,341 | 1,123,132 |
| Utilities | 224,392 | 172,041 |
| | 4,797,326 | 3,949,756 |

## 18. Staff Costs

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Salaries, wages and related expense | 1,167,220 | 943,051 |
| Employer contribution | 153,259 | 92,477 |
| Staff welfare | 102,862 | 87,604 |
| | 1,423,341 | 1,123,132 |

## 19. Other Income

| | 2023 $ | 2022 $ |
|---|---|---|
| Interest income | 21,161 | 134 |
| Gain on disposal of property, plant and equipment | - | 561,500 |
| | 21,161 | 561,634 |

## 20. Financial Risk Management

**(a) Fair value of financial instruments**

Fair value accounts represent estimate of arms-length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market. While such instruments exist, they are valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

(i) The carrying value reflected in the financial statements for cash resources, accounts receivable and accounts payable are assumed to approximate to their fair value due to their short term nature. Additionally, the cost of all monetary assets and liabilities has been appropriately adjusted to reflect estimated losses on realisation or discounts on settlement. Loan and other non-current items are carried at their contracted settlement values or reflect the ability to effect set-offs in the amounts disclosed.

**(b) Financial instrument risk**

The Group has exposure to the following risks from its use of financial instruments, credit risk, market risk, liquidity risk and cash flow risk.  Information about the Group's exposure to each of the above, the Group's objectives, and policies for measuring and managing risk is detailed below.

The directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group manages the risk associated with accounts receivable by extending credit to reputable customers only. Cash resources are placed with reputable financial institutions that are believed to have minimal risk of default.

**20. Financial Risk Management (Continued)**

**(c) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge and cause the other party financial loss.

The Group faces credit risk in respect of its cash at bank and receivables. However, this risk is controlled by close monitoring by the Group.

The Group considers that credit risks associated with this financial instrument is minimal. In respect of receivables, the Group has no credit enhancements, however, the Group considers the counter party to be credit worthy (as all amounts receivable were owing from the government) and do not expect them to default on their obligations. As such, the Group is considered to have no significant exposure to credit risk as at period end.

**(d) Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's bank borrowings are subject to interest rate risk. However, the Group attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

Interest rates on bank borrowings are fixed for the life of the contract and as such are affected by fluctuations in market interest rates.

At 31 December 2023 the Group's interest bearing liabilities were:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Fixed rate instrument | | |
| Borrowings | | |
| | 4,514,490 | 2,643,856 |

There are no changes in the Group's approach to managing interest rate risk during the year.

(expressed in United States dollars unless otherwise indicated)

**20. Financial Risk Management (Continued)**

**(e) Liquidity risk**

Liquidity risk also referred to as funding risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at close to its fair value Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of finding adequate amount of committed credit facilities.

As at 31 December 2023, the Group's financial liabilities comprise borrowings, other payables and due to related party. The table below shows the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay.

| | 2023 | | | |
|---|---|---|---|---|
| | Current Within 3 Months $ | Current Within 12 Months $ | Non-Current 1 to 5 years $ | Total $ |
| Borrowings | 1,057,806 | 3,698,889 | - | 4,756,695 |
| Due to related party | 6,935,867 | - | - | 6,935,867 |
| Other payables | 287,589 | - | - | 287,589 |
| **Total** | 8,281,262 | 3,698,889 | - | 11,980,151 |

| | 2022 | | | |
|---|---|---|---|---|
| | Current Within 3 Months $ | Current Within 12 Months $ | Non-Current 1 to 5 years $ | Total $ |
| Borrowings | - | 2,686,331 | - | 2,686,331 |
| Due to related party | 11,000,934 | - | - | 11,000,934 |
| Other payables | 266,098 | - | - | 266,098 |
| **Total** | 11,267,032 | 2,686,331 | - | 13,953,363 |

Management aims at maintaining flexibility in funding by keeping lines of funding available as well as by acquiring and maintaining prudent cash resources in appropriate currencies required to settle commitments.

(expressed in United States dollars unless otherwise indicated)

**20. Financial Risk Management (Continued)**

**(f) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Jamaican dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Group further manages this risk by maximising foreign currency earnings and holding foreign currency balances.

The tables below summarise the Group's exposure to foreign currency exchange rate risk at 31 December**:**

| | JMD $ 2023 | JMD $ 2022 |
|---|---|---|
| **Financial Assets** | | |
| Cash and cash equivalents | 18,893 | 21,258 |
| Total financial assets | 18,893 | 21,258 |
| Total financial liabilities | - | - |
| **Net financial Position** | 18,893 | 21,258 |

The following table indicates the currencies to which the Group had significant exposure on their monetary assets and liabilities and forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a reasonably expected change in foreign currency rates. The sensitivity of the profit or loss was primarily as a result of foreign exchange gains and losses on translation of cash and cash equivalents. There would be no impact on other components of equity.

| | % Change in Currency Rate 2023 % | Effect on Profit before Tax 2023 $ | % Change in Currency Rate 2022 % | Effect on Profit before Tax 2022 $ |
|---|---|---|---|---|
| **Currency:** | | | | |
| JMD | -4% | (756) | -4% | (850) |
| JMD | 1% | 189 | 1% | 213 |

(expressed in United States dollars unless otherwise indicated)

## 21. Capital Management, Policies and Procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to sustain future development of the business. The Company's Board of Directors review the financial position of the Group at regular meetings.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to shareholders.

The Group is exposed to externally imposed capital requirements as a result of a loan issued by a specific financial institution. These capital requirements during the year are as follows:

| | Required | Actual 2023 | Actual 2022 | |
|---|---|---|---|---|
| Minimum interest coverage | 1.5:1 | 11.8:1 | N/A | Compliant |
| Minimum debt coverage ratio | 1.5:1 | N/A | 0.61 | *Non Compliant |
| Maximum debt to EBITDA | 4.5:1 | 1.1:1 | 0.13 | Compliant |
| Minimum debt to Equity | 2.5:1 | 0.22:1 | N/A | Non Compliant |

* This ratio is only applicable to 2022.

## 22. Subsequent Events

- In January 2024, the Company initiated the process to list its shares on the Jamaica Stock Exchange.
- In April 2024, the Memorandum of Association of the company was amended as follows:
  1. Shares in the company shall be issued in the currency of Jamaican Dollars;
  2. The Company is authorized to issue an unlimited number of Ordinary Shares;
  3. The authorized capital comprises one class of shares with no par value; and
  4. Previous share certificates were returned and cancelled and the following shares were allotted:
     a) 8,926,257,600 Ordinary Shares to West Indies Petroleum Ltd;
     b) 2,232,074,400 Ordinary Shares to World Energy Solutions Ltd; and
     c) 2,040,000 Ordinary Shares to Individual Shareholders, each holding 20,000 Ordinary Shares

# UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

## QUARTERLY REPORT FOR PUBLICATION PERIOD ENDED SEPTEMBER 30, 2024

WEST INDIES PETROLEUM TERMINAL LIMITED


| | |
|---|---|
| UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION | 67 |
| UNAUDITED CONSOLIDATED STATEMENT OF INCOME | 68 |
| UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | 69 |
| UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS | 70 |
| NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS | 71 |

**WEST INDIES PETROLEUM TERMINALS LIMITED**

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT SEPTEMBER 30, 2024**

**EXPRESSED IN UNITED STATES DOLLARS**

| | | 30-Sep-24 US$ | 30-Sep-23 US$ | 31-Dec-23 US$ |
|---|---|---|---|---|
| **ASSETS** | | | | |
| | **NOTES** | **$** | **$** | **$** |
| ***Non-Current Assets*** | | | | |
| Property, plant and equipment | | 33,909,695 | 34,162,223 | 34,287,042 |
| Right of Use Asset | | 656,250 | - | - |
| | | 34,565,945 | 34,162,223 | 34,287,042 |
| ***Current Assets*** | | | | |
| Inventories | | - | 5,147 | - |
| Other receivables | | 1,199,793 | 845,351 | 609,246 |
| Cash and cash equivalents | | 304,222 | 30,713 | 287,692 |
| Total Current Assets | | 1,504,016 | 881,210 | 896,938 |
| **Total Assets** | | 36,069,960 | 35,043,433 | 35,183,980 |
| **EQUITY** | | | | |
| Share capital | | 3,000,100 | 3,000,100 | 3,000,100 |
| Revaluation Reserve | | 11,683,261 | 11,683,261 | 11,683,261 |
| Retained earnings | | 8,198,303 | 5,802,481 | 6,137,370 |
| **Total Equity** | | 22,881,664 | 20,485,842 | 20,820,731 |
| **LIABILITIES** | | | | |
| ***Non-Current Liabilities*** | | | | |
| Deferred tax liability | | 2,385,304 | 2,115,564 | 2,385,304 |
| Lease Liabilty | | 481,631 | - | - |
| | | 2,866,935 | 2,115,564 | 2,385,304 |
| ***Current Liabilities*** | | | | |
| Borrowings | 3 | 5,476,142 | 5,400,724 | 4,514,491 |
| Trade and other payables | | 1,037,415 | 742,522 | 386,263 |
| Taxation | | 111,382 | 61,371 | 141,324 |
| Due to related parties | 4 | 3,437,650 | 6,237,411 | 6,935,867 |
| Lease libilitites | | 258,772 | - | - |
| Total Current Liabilities | | 10,321,361 | 12,442,028 | 11,977,945 |
| **Total Liabilities** | | 13,188,296 | 14,557,592 | 14,363,249 |
| **Total Equity and Liabilities** | | 36,069,960 | 35,043,433 | 35,183,980 |

Signed October 31, 2024:

GORDON SHIRLEY Director

GERALD CHARLES CHAMBERS Director

## WEST INDIES PETROLEUM TERMINALS LIMITED

## UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## PERIOD ENDING SEPTEMBER 30, 2024

## EXPRESSED IN UNITED STATES DOLLARS

| | YTD | | Quarter | | Audited |
|---|---|---|---|---|---|
| | 30-Sep-24 | 30-Sep-23 | Jul - Sep 2024 | Jul-Sep 2023 | 12- Months Dec2023 |
| | US$ | US $ | US $ | US $ | US $ |
| Revenue | 6,686,779 | 5,721,282 | 2,379,590 | 1,921,081 | 7,577,741 |
| Other income | 4,768 | 24,817 | 2,269 | 23,365 | 21,161 |
| | 6,691,547 | 5,746,099 | 2,381,860 | 1,944,447 | 7,598,902 |
| Staff costs | (1,086,419) | (1,039,688) | (344,441) | (415,686) | (1,423,341) |
| Other operating cost | (2,861,711) | (2,737,362) | (933,143) | (1,151,229) | (3,373,985) |
| Finance cost | (596,600) | (241,117) | (203,319) | (184,911) | (364,095) |
| **Profit before Taxation** | 2,159,858 | 1,727,933 | 900,956 | 192,622 | 2,437,481 |
| Taxation | (85,883) | (54,604) | (19,913) | 32,208 | - 264,393 |
| **Net Profit** | 2,060,933 | 1,673,328 | 881,043 | 224,830 | 2,173,088 |
| **Earnings Per Share** | 0.000184 | 0.56 | - | | 0.72 |

# WEST INDIES PETROLEUM TERMINALS LIMITED

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## PERIOD ENDING SEPTEMBER 30, 2024

## EXPRESSED IN UNITED STATES DOLLARS

| | Share Capital $ | Revaluation Reserve | Accumulated Profit $ | Total $ |
|---|---|---|---|---|
| **Nine Months Ended September 30, 2024** | | | | |
| Balance as at the beginning of period | 3,000,100 | 11,683,261 | 6,137,370 | 20,820,731 |
| Profit for period ended September 30, 2024 | - | | 2,060,933 | 2,060,933 |
| Balance as at September 30, 2024. | 3,000,100 | 11,683,261 | 8,198,303 | 22,881,664 |
| **Nine Months Ended September 30, 2023** | | | | |
| Balance as at the beginning of period | 3,000,100 | 11,683,261 | 4,104,185 | 18,787,546 |
| Profit for the period ended September 30, 2023 | - | | 1,698,296 | 1,698,296 |
| Balance as at September 30, 2023 | 3,000,100 | 11,683,261 | 5,802,481 | 20,485,842 |
| | - | - | | |

## WEST INDIES PETROLEUM TERMINALS LIMITED

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES CASH FLOWS

## PERIOD ENDING SEPTEMBER 30, 2024

## EXPRESSED IN UNITED STATES DOLLARS

| | Sept 2024 $ | Sept 2023 | Dec 2023 $ |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Net profit | 2,060,933 | 1,698,296 | 2,173,088 |
| Items not affecting cash: | | | |
| Depreciation and amortization | 1,041,859 | 1,052,296 | 1,379,917 |
| Foreign exchange losses | - | 17,991 | 9,983 |
| Depreciation ROU asset | 468,750 | | |
| Interest Income | | - | (21,161) |
| Lease Interest | 65,403 | - | |
| Taxation expense | 85,883 | 54,604 | 264,393 |
| Interest expense | 531,197 | 240,827 | 364,095 |
| | 4,254,026 | 3,064,014 | 4,170,315 |
| Changes in operating assets and liabilities: | | | |
| Inventory | - | (5,326) | 10,473 |
| Other receivables | (594,879) | 508,965 | (272,860) |
| Due to related party | (3,480,177) | (4,745,483) | (4,065,067) |
| Other payables | 593,713 | 460,553 | (56,843) |
| | 772,682 | (717,278) | (213,982) |
| Taxation paid | (115,825) | (135,236) | (135,194) |
| Interest Received | | | 21,161 |
| Interest paid | (487,466) | (216,877) | (355,755) |
| *Cash provided by operating activities* | 169,391 | (1,069,391) | (683,770) |
| **Cash Flows from Investing Activity** | | | |
| Purchase of property, plant and equipment | (664,511) | (1,638,194) | (907,512) |
| Proceeds on disposal of property, plant and equipment and intangible assets | - | - | (19,989) |
| *Cash used in investing activity* | (664,511) | (1,638,194) | (927,501) |
| **Cash Flows from Financing Activity** | | | |
| Repayment on borrowings | 961,650 | 2,727,600 | (4,409,083) |
| Restricted cash | - | - | (159,651) |
| Proceeds from loan | - | - | 6,446,727 |
| Payment of lease principal | (450,000) | - | |
| *Cash used in financing activity* | 511,650 | 2,727,600 | 1,877,993 |
| (Decrease)/increase in cash and cash equivalents | 16,530 | 20,015 | 266,722 |
| Effects of exchange rate changes on cash and cash equivalents | - | (17,991) | (7,652) |
| **Cash and cash equivalents at beginning of year** | 287,692 | 28,688 | 28,621 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | 304,222 | 30,713 | 287,691 |

**WEST INDIES PETROLEUM TERMINALS LIMITED**

**NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENT**

**PERIOD ENDING SEPTEMBER 30, 2024**

**EXPRESSED IN UNITED STATES DOLLARs**

## 1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

The Company was incorporated in 1996 as E.R.I. Services (St. Lucia) Limited under the Commercial Code of St. Lucia and later continued under the Companies Act of 1996 on March 19, 1998. On August 10, 2006, it was continued as an International Business Company under the International Business Companies Act No. 40 of 1999.

On June 30, 2016, West Indies Petroleum Limited, a company in Jamaica, acquired 100% of the issued shares in E.R.I. Services (St. Lucia) Limited. The Company's name was then changed to West Indies Petroleum Terminal Limited on July 1, 2016.

The Company's principal activity is an investment holding company with its registered office at 20 Micoud Street, Castries, St. Lucia. As an investment holding company, it contains 100% West Indies Petroleum South Terminal Limited shares, formerly J.B. Terminal (Port Esquivel) Limited.

These unaudited financial statements present the results of operation and economic position of the Company and its subsidiary, West Indies Petroleum South Terminal Limited, collectively referred to as the "Group".

## 2. CASH AND CASH EQUIVALENT

| Cash and Cash Equivalent | 30-Sep-24<br>US$ | 30-Sep-23<br>US$ | 31-Dec-23<br>US$ |
|---|---|---|---|
| Restricted Cash | 287,664 | - | 159,651 |
| Cash at bank | 16,559 | 30,713 | 128,041 |
| | 304,222 | 30,713 | 287,692 |

## 3. BORROWINGS

| | 30-Sep-24<br>US$ | 30-Sep-23 | 31-Dec-23<br>US$ |
|---|---|---|---|
| US Secured notes 2024 – 10.0 % per annum (i) | 972,167 | 4,768,544 | 3,888,670 |
| US Indexed Secured notes 2025 – 10.5 % per annum (ii) | 632,180 | 632,180 | 625,821 |
| US Secured notes 2027 – 12.0 % per annum (iii) | 1,500,000 | | - |
| JMD Secured Note 2029-14% per annum(iv) | 2,371,795 | | - |
| | 5,476,142 | 5,400,724 | 4,514,491 |

## 4. DUE TO RELATED PARTIES

Parties are related if another party controls one party, is under common control with another party, or can control the other party or exercise significant influence over the other party in making financial and operating decisions.

| | 30-Sep-24 US$ | 30-Sep-24 | 31-Dec-23 US$ |
|---|---|---|---|
| Due To West Indies Petroleum Limited Jamaica | 3,437,650 | 6,237,411 | 6,935,867 |
| | 3,437,650 | 6,237,411 | 6,935,867 |

## 5. EXPENSE BY NATURE

| | YTD | | Audited |
|---|---|---|---|
| | 30-Sep-24 | 30-Sep-23 | 31-Dec-23 |
| **Expense by Nature** | | | - |
| Auditors Renumeration | 13,629 | 12,600 | 18,955 |
| Cleaning and Sanitization | 54,479 | 30,939 | 43,923 |
| Depreciation Tank ROU asset | 468,750 | - | - |
| Interest Expense | 531,197 | 241,117 | 364,095 |
| Lease Interest Expense | 65,403 | - | - |
| Security | 164,193 | 95,397 | 138,247 |
| Depreciation and Amortization | 1,041,859 | 1,052,296 | 1,381,161 |
| Staff cost | 1,086,419 | 1,039,688 | 1,423,340 |
| Professional fees | 146,985 | 120,639 | 128,194 |
| Utilities | 206,973 | 144,706 | 224,392 |
| Insurance | 282,900 | 261,209 | 336,580 |
| Repairs and Maintenance/ Material and Supplies | 91,831 | 425,808 | 534,536 |
| Other Cost | 390,112 | 593,768 | 567,999 |
| Total Expenses | 4,544,731 | 4,018,168 | 5,161,421 |

## 6. FINANCE COST

| | YTD | | Audited |
|---|---|---|---|
| | 30-Sep-24 | 30-Sep-23 | 31dec2023 |
| | US$ | US $ | US $ |
| Lease Interest | 65,403 | - | - |
| Loan and Bond Interest | 531,197 | 241,117 | 364,095 |
| | 596,600 | 241,117 | 364,095 |

## 7. EBITDA

| | 30-Sep-24 | 30-Sep-23 | 31-Dec-23 |
|---|---|---|---|
| | US$ | US $ | US $ |
| Profit before Tax | 2,159,858 | 1,727,933 | 2,437,481 |
| Depreciation & Amortization | 1,510,609 | 1,052,296 | 1,381,161 |
| Interest | 596,600 | 241,117 | 364,095 |
| | 4,267,067 | 3,021,346 | 4,182,737 |

## 8. EARNINGS PER SHARE

The EPS is based on the following shares in issue:

I. 3,000,100 shares in issue to March 26, 2024
II. 11,160,372,000 shares in issue to up to August 26, 2024
III. 11,180,372,000 shares in issue from August 26, 2024

WEST INDIES
PETROLEUM
TERMINAL LIMITED