

FOCOL HOLDINGS LIMITED

**Consolidated Financial Statements
For The Year Ended September 30, 2025
And Independent Auditors' Report**

FOCOL HOLDINGS LIMITED

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of FOCOL Holdings Limited:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of FOCOL Holdings Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at September 30, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

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 are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Summary of the Key Audit Matters	How the scope of our audit responded to the Key Audit Matters
<p>Recoverable amounts of goodwill</p>	<p>At September 30, 2025, the Group had recorded Goodwill of \$10,858,568 (refer to Note 12 to the consolidated financial statements).</p> <p>The valuation of goodwill is based on management’s estimate about the value-in-use calculations of the cash generating units. There are a number of underlying assumptions used to determine the value-in-use, including the long-term growth and discount rate applied on net cash-flows. Estimated value-in-use may vary significantly, especially for LPG Operations when the above-mentioned assumptions are changed and the changes in these individual assumptions may result in an impairment of goodwill.</p>	<p>We obtained an understanding of the Group’s impairment process and methodology.</p> <p>We tested the design and implementation of controls around the preparation of the impairment model including key assumptions.</p> <p>We engaged our valuation specialists to assist with the assessment of the methodology, model inputs, discount rate and long-term growth rate.</p> <p>We assessed the short-term growth rate and related projections over the discrete period for reasonableness by performing a look back and retrospective analysis using past data.</p> <p>We obtained an understanding of assumptions to determine whether those assumptions correlated to past data. We assessed any impacts of changes identified on the impairment model and performed sensitivity analysis to confirm the impact of these changes.</p> <p>We also assessed the sufficiency and appropriateness of the disclosures given in respect of goodwill and its sensitivity.</p>
<p>Utility services revenue</p>	<p>During the year, the Group entered into a power purchase agreement (“PPA”) to provide utility scale power generation. The PPA includes delivery-based and cost-recovery elements, and other contractual considerations that impact the timing and value of billing. The Group recognized total revenue of \$39,636,684 arising from the PPA.</p> <p>The recognition of revenue under IFRS 15: Revenue from Contracts with Customers requires a detailed analysis of the contract, performance obligations and their completion, and determination and allocation of transaction price to performance obligations in order to determine the amount, timing and presentation of revenue recognized.</p>	<p>We reviewed the PPA and obtained an understanding of the Group’s revenue recognition process for the PPA.</p> <p>We assessed the design and tested the implementation and operating effectiveness of relevant controls related to revenue recognition arising from the PPA.</p> <p>We evaluated management’s judgments in identifying separate performance obligations and management’s assessment of when the performance obligations are met.</p> <p>We also evaluated management’s identification of transaction price and allocation of transaction price to the performance obligations.</p> <p>We assessed the timing of the Group’s recognition of revenue, along with the presentation and disclosure within the consolidated financial statements.</p>

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 as issued by the IASB, 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.

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.

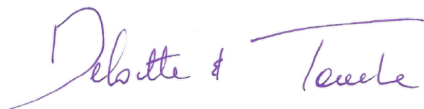
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Lawrence Lewis.

A handwritten signature in purple ink that reads "Deloitte & Touche". The signature is written in a cursive, flowing style.

Nassau, Bahamas
January 20, 2026

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2025

(Expressed in Bahamian dollars)

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash	\$ 59,336,973	\$ 55,617,501
Term deposits (Note 5)	4,608,163	4,581,772
Accounts receivable, net (Notes 7 and 24)	63,900,518	59,065,143
Notes receivable, net (Note 31)	495,547	1,571,733
Inventories (Note 6)	22,024,898	28,029,811
Prepaid expenses (Notes 9 and 24)	19,559,739	12,191,906
Total current assets	<u>169,925,838</u>	<u>161,057,866</u>
NON-CURRENT ASSETS:		
Other long-term receivables (Note 8)	6,851,027	7,374,301
Property, plant, equipment and investment property, net (Note 10)	351,973,541	275,668,960
Right-of-use assets, net (Notes 11 and 24)	10,894,651	17,665,137
Goodwill and intangible assets (Note 12)	12,017,464	11,990,074
Investment in associate (Note 14)	28,178,930	25,441,172
Due from associate (Note 24)	88,279	322,525
Total non-current assets	<u>410,003,892</u>	<u>338,462,169</u>
TOTAL ASSETS	<u>\$ 579,929,730</u>	<u>\$ 499,520,035</u>

(Continued)

See notes to consolidated financial statements.

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2025


(Expressed in Bahamian dollars)

	2025	2024
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Bank overdraft (Note 15)	\$ -	\$ 4,130,828
Accounts payable and accrued liabilities (Notes 16 and 24)	109,560,288	102,936,730
Dividends payable (Note 24)	3,155,518	3,156,574
Current portion of lease liabilities (Notes 18 and 24)	3,749,206	7,417,802
Current portion of long-term debt (Note 17)	6,554,750	4,453,839
Total current liabilities	<u>123,019,762</u>	<u>122,095,773</u>
NON-CURRENT LIABILITIES:		
Due to associate (Note 24)	3,222,879	3,440,879
Lease liabilities (Notes 18 and 24)	7,694,618	10,575,312
Long-term debt (Note 17)	97,400,193	40,304,032
Preference shares (Note 19)	71,945,744	71,874,364
Total non-current liabilities	<u>180,263,434</u>	<u>126,194,587</u>
Total liabilities	<u>303,283,196</u>	<u>248,290,360</u>
EQUITY:		
Share capital (Note 20)	87,537	87,564
Preference shares (Note 20)	500,000	500,000
Contributed capital (Note 20)	73,998,341	74,193,075
Retained earnings	202,060,656	176,449,036
Total equity	<u>276,646,534</u>	<u>251,229,675</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 579,929,730</u>	<u>\$ 499,520,035</u>

(Concluded)

See notes to consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors on January 20, 2026, and are signed on its behalf by:



Director



Director

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED SEPTEMBER 30, 2025

(Expressed in Bahamian dollars)

	2025	2024
REVENUE (Note 30)	\$ 454,016,242	\$ 436,462,405
COST OF SALES (Notes 24 and 32)	<u>(334,230,652)</u>	<u>(326,983,174)</u>
Gross profit	119,785,590	109,479,231
Equity income (Notes 14 and 24)	2,737,758	2,708,917
Other income	9,121	6,102
Marketing, administrative and general expenses (Notes 21, 23 and 24)	(57,035,471)	(64,107,967)
Depreciation and amortization expense (Notes 13 and 32)	(13,996,653)	(12,684,087)
Finance costs	(2,575,833)	(2,926,790)
Dividends on preferred shares (Note 19)	<u>(4,532,496)</u>	<u>(2,896,624)</u>
NET PROFIT AND COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 44,392,016</u>	<u>\$ 29,578,782</u>
Basic and diluted earnings per share (Note 22)	<u>\$ 0.39</u>	<u>\$ 0.26</u>

See notes to consolidated financial statements.

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED SEPTEMBER 30, 2025

(Expressed in Bahamian dollars)

	<u>Share Capital</u>	<u>Preference Shares</u>	<u>Contributed Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at September 30, 2023	\$ 83,563	\$ 500,000	\$ 49,500,000	\$ 165,328,214	\$ 215,411,777
Total comprehensive income	-	-	-	29,578,782	29,578,782
Common shares purchased and cancelled (Note 20)	(7)	-	-	(38,121)	(38,128)
Ordinary share rights offering (Note 20)	4,008	-	24,693,075	-	24,697,083
Common share dividends: \$0.15 per share (Note 20)	-	-	-	(15,419,839)	(15,419,839)
Preference share dividends (Note 20)	-	-	-	(3,000,000)	(3,000,000)
Balance at September 30, 2024	87,564	500,000	74,193,075	176,449,036	251,229,675
Total comprehensive income	-	-	-	44,392,016	44,392,016
Common shares purchased and cancelled (Note 20)	(10)	-	(87,556)	-	(87,566)
Common shares forfeited and cancelled (Note 20)	(17)	-	(107,178)	-	(107,195)
Common share dividends: \$0.15 per share (Note 20)	-	-	-	(15,780,396)	(15,780,396)
Preference share dividends (Note 20)	-	-	-	(3,000,000)	(3,000,000)
Balance at September 30, 2025	<u>\$ 87,537</u>	<u>\$ 500,000</u>	<u>\$ 73,998,341</u>	<u>\$ 202,060,656</u>	<u>\$ 276,646,534</u>

See notes to consolidated financial statements.

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED SEPTEMBER 30, 2025

(Expressed in Bahamian dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	\$ 44,392,016	\$ 29,578,782
Adjustments for:		
Depreciation and amortization expense (Note 13)	20,282,044	17,294,923
Equity income from associate (Note 14)	(2,737,758)	(2,708,917)
Loss on disposals of property, plant and and equipment, net	283,580	571,909
Expected credit (recoveries) losses	(547,714)	734,404
Interest expense related to preference shares	4,532,496	2,896,624
Income from operations before working capital changes	66,204,664	48,367,725
Increase in accounts receivable, net	(4,394,856)	(7,053,125)
Increase in prepaid expenses	(7,367,833)	(7,793,371)
Decrease (increase) in inventories	6,004,913	(3,410,360)
Increase in accounts payable and accrued liabilities	6,623,558	38,002,434
Net cash from operating activities	<u>67,070,446</u>	<u>68,113,303</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in term deposits	(26,391)	(16,997)
Decrease in notes receivable	1,076,186	466,618
Decrease in other long-term receivables	523,274	2,062,000
Proceeds from disposal of property, plant, equipment and investment property	1,350	-
Purchase of property, plant, equipment and investment property (Note 10)	(89,285,080)	(88,009,019)
Purchase of intangible assets (Note 12)	(159,953)	-
Decrease (increase) in due from associate	234,246	(322,525)
(Decrease) increase in due to associate	(218,000)	16,517
Net cash used in investing activities	<u>(87,854,368)</u>	<u>(85,803,406)</u>

(Continued)

See notes to consolidated financial statements.

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED SEPTEMBER 30, 2025

(Expressed in Bahamian dollars)

	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	64,000,000	20,000,000
Proceeds from preference share issuance	-	44,254,375
Proceeds from ordinary share rights offering	-	20,831,958
Repayment of long-term debt	(4,802,928)	(3,029,570)
Repayment of lease liabilities	(7,161,336)	(6,208,130)
Repurchase of ordinary shares (Note 20)	(87,566)	(38,128)
Common share dividends paid	(15,781,452)	(14,267,607)
Preference share dividends paid	(3,000,000)	(3,000,000)
Payment of preference share interest	(4,532,496)	(2,896,624)
Net cash from financing activities	<u>28,634,222</u>	<u>55,646,274</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,850,300	37,956,171
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>51,486,673</u>	<u>13,530,502</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 59,336,973</u>	<u>\$ 51,486,673</u>
CASH AND CASH EQUIVALENTS IS COMPRISED OF THE FOLLOWING:		
Cash	\$ 59,336,973	\$ 55,617,501
Bank overdraft	-	(4,130,828)
	<u>\$ 59,336,973</u>	<u>\$ 51,486,673</u>
SUPPLEMENTAL INFORMATION:		
Interest paid on bank overdraft and loans	<u>\$ 1,602,706</u>	<u>\$ 2,089,928</u>
Interest received	<u>\$ 7,294</u>	<u>\$ 5,850</u>
NON-CASH TRANSACTION:		
Change in lease liability	<u>\$ 612,045</u>	<u>\$ 6,360,498</u>
Change in right-of-use asset	<u>\$ 612,045</u>	<u>\$ 6,360,498</u>
Change in additional paid in capital	<u>\$ -</u>	<u>\$ 3,872,625</u>
Change in treasury shares	<u>\$ 107,195</u>	<u>\$ -</u>
Change in accounts receivable	<u>\$ 107,195</u>	<u>\$ -</u>

(Concluded)

See notes to consolidated financial statements.

FOCOL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2025

(Expressed in Bahamian dollars)

1. INCORPORATION AND ACTIVITY

FOCOL Holdings Limited is incorporated under the laws of The Commonwealth of The Bahamas. The consolidated financial statements for the year ended September 30, 2025 comprise FOCOL Holdings Limited and its subsidiaries (together referred to as “the Group”). The Group operates through its wholly-owned subsidiaries and investment in associate as follows:

- Freeport Oil Company Limited (“FOCOL”), an exclusive supplier of petroleum products in Freeport, Grand Bahama;
- Grand Sun Investments Limited (“Grand Sun”), an operator of several service stations in the Freeport, Grand Bahama area;
- Grand Bahama Terminals Limited, an operator of storage facilities in Lewis Yard, Grand Bahama;
- GAL Terminal Limited, an operator of service stations in Eight Mile Rock and Lewis Yard, Grand Bahama;
- Convenience Retailing Limited, a land-owning entity and an operator of several service stations in New Providence;
- Sun Services Limited; a former land-owning entity;
- O.R. Services Limited; a former operator of several service stations in New Providence;
- Sun Oil Holdings Limited (formerly Freeport Oil Holdings Investments Limited) and its wholly-owned subsidiaries, Sun Oil Limited (“Sun Oil”), a wholesaler of fuel and related products operating in The Bahamas, Sun Oil Turks and Caicos Limited (“Sun Oil – TCI”), a wholesaler of fuel and related products operating in the Turks and Caicos Islands and Sun Brokerage Co., Ltd, a brokerage company operating in The Bahamas. Sun Oil also operates through its 60% voting interest in BTCI Tankers Limited (“BTCI”) (an associate), a company whose principal activity is shipping petroleum products throughout The Bahamas and Turks and Caicos Islands;
- Sun Oil Aviation Limited, a partner in a Joint Operation which conducts fuel supply operations at the Lynden Pindling International Airport (“LPIA”);
- Sun Marine Limited, a company to develop marine shipping business at a later date;
- Boulevard Services Limited (“Boulevard”), an operator of a service station in Freeport, Grand Bahama;
- Bahamas Utilities Company Limited (formerly Sun Utilities Company Limited), a company developed to supply generators for energy production and to provide renewable energy solutions;
- Bahamas Utilities Holdings Limited; a company developed to pursue general infrastructure-related opportunities;

- Energy Bahamas Holdings Limited; a company developed to operate in the energy sector;
- Bahamas Solar & Renewables Company Limited, a company developed to provide renewable energy using solar and other renewable energy technology;
- Bahamas Turbines Limited, a company developed to supply generators for energy production;
- Bahamas Independent Power Holdings Limited, a company developed to operate in the energy sector;
- New Providence Gas Ltd, a company developed to operate in the energy sector;
- Atlantic International Supply & Trading Limited (“AIST”), a wholesaler of petroleum products; and
- Atlantic International Supply & Trading Limited (“AIST-TCI”), a wholesaler of petroleum products.

The Group’s subsidiaries are incorporated in the Commonwealth of The Bahamas, excluding BTCL, AIST-TCI and Sun Oil-TCI, which are incorporated under the laws of the Turks and Caicos Islands.

The registered office of the Group is located in the chambers of Dupuch & Turnquest, Attorneys-at-Law on Dowdeswell Street, New Providence.

There are no significant restrictions on the ability of the Group to access or use assets and settle liabilities.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group adopted new and revised Standards and Interpretations issued by the International Accounting Standards Board (the “IASB”) and the International Financial Reporting Interpretations Committee (the “IFRIC”) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on October 1, 2024. The adoption of the following standards and interpretations has not led to any changes in the Group’s accounting policies:

Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The Group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Non-current Liabilities with Covenants

The Group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The Group has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

Accounting Standards and Interpretations not yet effective

At the date of authorization of these consolidated financial statements, the following relevant Standards were issued but not yet effective:

New and amended Standards		Effective for annual periods beginning on or after
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability	January 1, 2025
IFRS 7 and IFRS 9	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows	January 1, 2026
IFRS 18	Presentation and Disclosures in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

The Directors anticipate that the Group will adopt these Standards in the relevant future periods, but have not yet assessed the potential impact of the adoption of these Standards.

3. MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance* - The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB, including International Financial Reporting Standards and the interpretations adopted by the IASB, applied on a consistent basis for all years presented.
- b. Basis of preparation* - The consolidated financial statements include the Group and its wholly-owned subsidiaries, and have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards as issued by the IASB requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed separately.

c. ***Basis of consolidation*** - The consolidated financial statements incorporate the financial statements of the Group, entities (including structured entities) controlled by the Group and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group. Total comprehensive income of subsidiaries is attributed to the owners of the Group.

Where necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the Group's accounting policies.

All inter-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

- d. Cash and cash equivalents* - Cash and cash equivalents comprise cash balances, call and short-term deposits with original contractual maturities of three (3) months or less, and subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.
- e. Term deposits* - Term deposits comprise of bank deposits with original maturities greater than three (3) months.
- f. Accounts receivable* - Accounts receivable are stated at amortized cost less allowance for expected credit losses (Note 7) and any impairment losses (Notes 3 (j) and (k)).
- g. Prepayments and other assets* - Prepayments and other assets consist primarily of costs paid for future services occurring within a year. These costs include insurance, business license and real property tax fees which are being amortized over the terms of their respective agreements or period, respectively. Security deposits exists with Governmental agencies and private entities and are recognized in the consolidated statement of financial position as 'other assets.'
- h. Inventories* - Inventories are valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of selling expenses.

Cost of inventories is based on the first-in, first-out method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Effective October 1, 2023, the Group's Retail subsidiaries changed the cost of inventories to the weighted average method to accurately reflect inventory movement.

- i. Property, plant, equipment and investment property* - (i) Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 3(j)). The cost of construction in progress assets include the cost of materials, direct labour, borrowing costs (see Note 3(s)) and other costs directly attributable to bringing the assets to a working condition for its intended use.

Maintenance, repairs and minor costs are expensed as incurred.

(ii) Investment properties are also stated at cost less accumulated depreciation and impairment losses, if any.

Major repairs and improvements which substantially extend the useful life of the assets are capitalized.

Upon sale or other disposition of assets, the cost and the related depreciation are removed from the accounts and the resulting gain or loss, if any, is reflected in income.

Commencing the month following acquisition or when the asset is placed in service, depreciation of property, plant, equipment and investment property is recorded on the straight-line basis with the following annual rates of depreciation:

Buildings and improvements	2.5% - 5%
Investment property-buildings	2.5% - 5%
Equipment	12.5 - 20%
Computer, furniture, fixtures and fencing equipment	20 - 33.3%
Storage facilities	3.9 - 5%
Vehicles	20%
Liquid petroleum gas plant	5%

- j. Impairment* - Property, plant, equipment and investment property, right-of-use assets and intangible assets are reviewed at the date of each consolidated statement of financial position to determine whether there is objective evidence of impairment. If any such indications exist, the asset's recoverable amount is estimated.

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate cash flows largely independent of those from other assets, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Property, plant, equipment and investment property and right-of-use assets

An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive income.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

Intangible assets

Goodwill and indefinite life intangibles are tested for impairment annually or when indicators of impairment are present. Determining whether goodwill and intangibles are impaired requires an estimation of the value in use of the asset or cash-generating units to which such assets have been allocated.

The value in use calculation requires the Group to estimate the future cash flows expected to arise from the asset or cash-generating unit and a suitable discount rate in order to calculate present value.

Intangible assets with finite useful lives are assessed for impairment when there is an impairment indicator. Amortization is recorded on a straight-line basis over the useful life of the asset.

k. Financial instruments

Initial recognition, subsequent measurement, and impairment

Financial assets and financial liabilities are recognized in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial Assets

Initial recognition, classification and measurement

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. In order for a financial asset to be classified and measured at amortized cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss (FVTPL).

Financial assets at amortized cost

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

At September 30, 2025, the Group's financial assets at amortized cost includes cash, term deposits, accounts receivable, net, notes receivable, other long-term receivables and due from associate.

The Group does not have financial assets at FVTOCI or at FVTPL.

Reclassification

When, and only when, the Group changes its business model for managing financial assets, it reclassifies all affected financial assets. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Impairment

At each reporting date the Group assesses the allowance for expected credit losses (ECLs) for financial assets at amortized cost.

Under IFRS 9, the Group is required to measure expected credit losses of a financial instrument in a way that reflects:

- (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (ii) the time value of money; and
- (iii) reasonable and supportable assumptions that are available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group always recognizes lifetime ECL for trade receivables, notes receivable and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Accounts receivables are segmented based on customer type, credit risk and ageing buckets.

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset and has transferred substantially all the risks and rewards of the financial asset.

Financial Liabilities

Initial recognition, classification and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include bank overdrafts, lease liabilities, accounts payable and accrued liabilities, dividends payable, due to associate, long-term debt and certain preference shares.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has no financial liabilities held for trading and has not designated any financial liabilities at fair value through profit or loss.

- Financial liabilities at amortized cost

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. This category applies to bank overdrafts, accounts payable and accrued liabilities, dividends payable, due to associates, long-term debt and certain preference shares.

Derecognition

Financial liabilities are derecognized when the obligation under the liability is discharged, cancelled or expires.

1. Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest in the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in floating interest rate, in which case a revised discount rate is used); or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the property, plant, equipment, right-of-use assets and investment property policy [see Note 3(j)].

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occur and are included in marketing, administrative and general expenses in the consolidated statement of comprehensive income.

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

- m. Repurchase of shares* - When share capital recognized as equity is repurchased, the amount of consideration paid, including directly attributable costs, is recognized as a reduction of equity. Pursuant to Section 45 of the Companies Act, 1992 all common shares purchased are cancelled.
- n. Accounts payable and accrued liabilities* - Accounts payable and accrued liabilities are measured at amortized cost.

- o. Preference shares liability* - Preference shares liability are measured at amortized cost using the effective interest method. Series D, E and F preference shares do not transfer equity interest and/or voting rights to the holders of the securities and guarantees returns on investments on a semi-annual basis. These shares are mandatorily redeemable with principal maturity dates of June 30, 2030, April 30, 2033 and April 30, 2039, respectively.
- p. Preference shares equity* – Preference shares as equity issued by the Group are recognized as the proceeds received, net of direct issuance costs. The repurchase of preference shares is recorded as a reduction of equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issuance or cancellation of these shares.
- q. Dividends* - Dividends are recognized as a liability in the period in which they are declared.
- r. Revenue recognition* - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns, rebates and other similar allowances.

Products sold

The majority of the Group's revenue is generated by the sale and delivery of products to customers. The product portfolio of the Group mainly consists of motor gasoline, diesel, propane and lubricants.

Revenue is recognized by the Group when control over the products has been transferred, at which point its performance obligation has been fulfilled to the customer. For product sales, control is transferred either at delivery of the products or upon pickup by the customer from the Group's premises. Revenue recognized is based on the price specified in the contract, net of returns, discounts, and value added tax.

Services rendered

Revenue from services is recognized in the consolidated statement of comprehensive income when the services are rendered and the performance obligation to the customer is satisfied. At this point, management is certain of collection of the associated trade accounts receivable balance. Services include energy supply, tank rentals, management of supply and distribution for third parties, provision of berthing facilities and transportation fees.

Interest and dividends

Revenue from interest and dividend income are included in other income in the consolidated statement of comprehensive income. Interest income is recognized using the effective interest method, and dividend income is recognized when the shareholder's right to receive payment is established.

- s. Borrowing costs* - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale, are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in the consolidated statement of comprehensive income in the period in which they are incurred.

- t. **Employee benefits** - The Group maintains defined contribution plans covering all eligible full-time employees. Contributions to the plan are based on salaries. Obligations for pension plans are recognized as an expense in the consolidated statement of comprehensive income as incurred.
- u. **Provisions** - A provision is recognized in the consolidated statement of financial position when the Group has a present and legal obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

- v. **Business combinations** - The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair values at the acquisition date, except for non-current assets that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in the consolidated statement of comprehensive income.

- w. **Foreign currency translation** - The Group's functional currency is Bahamian dollars. In preparing the consolidated financial statements of the Group, transactions in currencies other than Bahamian dollars are recorded at the rates of exchange prevailing on the dates of the transactions.

At the date of each consolidated statement of financial position, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the consolidated statement of comprehensive income.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the consolidated statement of comprehensive income for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in equity.

- x. **Classification** - Assets are classified as current when intended for sale or consumption in the normal operating cycle, or held primarily for the purpose of being traded, or expected to be realized within twelve months, or classified as cash or cash equivalents. All other assets are classified as non-current. Liabilities are classified as current when expected to be settled in the normal operating cycle, or held primarily for the purpose of being traded, or due to be settled within twelve months, or there are no unconditional rights to defer settlement for at least twelve months. All other liabilities are classified as non-current.
- y. **Segment reporting** - A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.
- z. **Investment in associate** - An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies and is typically evidenced by voting rights more than 20%.

The results and assets and liabilities of associates are recognized in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate.

When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses.

Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

aa. **Related parties** - Related parties are defined as follows:

- i. Controlling shareholders;
- ii. Subsidiaries;
- iii. Associates;
- iv. Individuals owning, directly or indirectly, an interest in the voting power that gives them significant influence over the enterprise, i.e. normally more than 20% of shares (including close family members of such individuals);
- v. Key management personnel - persons who have authority for planning, directing and controlling the enterprise and close family members of such individuals; and
- vi. Enterprises owned or which are controlled by the individuals described in (i), (iv) and (v).

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgments in applying the entity's accounting policies - In the process of applying the Group's accounting policies, which are described above, judgments made by management that have the most significant effect on the amounts recognized in the consolidated financial statements are discussed in the relevant notes below.

Key sources of estimation uncertainty - critical accounting estimates - The preparation of consolidated financial statements in accordance with IFRS Accounting Standards as issued by IASB (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities, at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Certain amounts included in or affecting the Group's consolidated financial statements and related disclosure must be estimated, requiring the Group to make assumptions with respect to values or conditions which cannot be known with certainty at the time the consolidated financial statements are prepared. A critical accounting estimate is one which is both important to the portrayal of the Group's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The Group evaluates such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as the forecasts as to how these might change in the future.

a. Impairment - The Group has made significant investments in tangible and intangible assets. These assets are tested for impairment as follows:

(i) Goodwill – goodwill is tested for impairment annually or when circumstances indicate there may be potential impairment. An impairment loss is recognized if the carrying amount of the asset or its related cash generating unit (CGU) exceeds its estimated recoverable amount. Key assumptions used in the recoverable amount calculation that can lead to estimation uncertainty are as follows:

- Cash flow projections based on financial budgets for a five-year period using an expected annual growth rate.
- Discount rates used to estimate the present value of projected cash flow.
- Long-term growth rate of relevant products, industries and markets.

(ii) Tangible and other intangible assets – the carrying amounts for tangible and other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment.

Factors considered important which could trigger an impairment review for tangible and intangible assets include the following: (i) significant fall in market values; (ii) significant underperformance relative to historical or projected future operating results; (iii) significant changes in the use of the assets or the strategy for the overall business, including assets on which a decision has been made to phase out or replace and also assets that are damaged or taken out of service; (iv) significant negative industry or economic trends; (v) and significant cost overruns in the development of assets.

Estimating recoverable amounts of assets of companies must in part be based on management evaluations, including estimates of future performance, revenue generating capacity of the assets, assumptions of the future market conditions and the success in marketing of new products and services. Changes in circumstances and in management's evaluations and assumptions may give rise to impairment losses in the relevant periods.

The estimated useful lives of tangible assets are reviewed annually. A change in the estimated useful lives would impact annual depreciation expense and the carrying amount of the tangible asset.

- b. *Investment in associate*** - In accordance with the provisions of IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investment in Associates*, the Group assessed whether or not it has control over BTCI Tankers Ltd. ("BTCI"), based on practical ability to direct the relevant activities of BTCI unilaterally. The Group owns 60% voting and equity interest in BTCI. In making their judgment, the Group considered that the relevant activities of BTCI are controlled through the management agreement with a marine management company.

Given the nature and terms of the management agreement, it was determined that the relationship was established whereby the marine management company is a principal acting on its behalf as described in IFRS 10. Therefore, it was determined that the Group does not have control as they do not have the ability to direct the relevant activities, thereby making BTCI an investment in associate.

- c. *Expected credit losses*** - The measurement of ECL is a function of the probability of default, loss given default and the exposure at default. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cashflows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Exposure at default represents the assets gross carrying amount at the reporting date.
- d. *IFRS 16 - Leases*** - The Group leases land, buildings and vessels. The calculation of the lease liabilities and right of use assets requires management to make certain assumptions. The lease term is based on the lease agreement or on the economic life of the asset if the lease is on an evergreen basis. The discount rate used to calculate the lease liability is based on the Group's incremental borrowing rate (IBR).

In addition, the Group allocates the lease contract to the leased asset and to the service component of the contract. Short-terms leases are excluded from the lease liability calculation.

5. TERM DEPOSITS

The Group has the following term deposits:

Short-term deposits with local banks totaling \$2,872,719 (2024: \$2,846,355). The short-term deposits have maturity dates of up to six months with an interest rate of 0.55% (2024: interest rate of 0.55%) per annum.

Term deposit of \$1,400,000 (2024: \$1,400,000) with a bank in the Turks and Caicos Islands. The term deposit is for a period of one year at an interest rate of 0.70% (2024: 0.70%) per annum.

Term deposits totaling \$318,386 (2024: \$318,386) with a bank in the Turks and Caicos Islands. The term deposits are for a period of one year at interest rates ranging from 0.16% to 1.8% (2024: 0.16% to 1.8%).

Term deposit of \$17,058 (2024: \$17,031) with a local bank. The term deposit is for a one-year period with an interest rate of 0.16% (2024: 0.16%).

6. INVENTORIES

Inventories consist of the following:

	2025	2024
Diesel	\$ 7,321,733	\$ 11,356,048
Gasoline - unleaded	4,371,939	8,331,772
Lube oil	4,157,756	4,110,037
Parts and tanks	3,502,469	1,925,171
Propane	1,532,834	1,021,839
Other	1,130,072	1,276,849
Jet fuel	8,095	8,095
	<u>\$ 22,024,898</u>	<u>\$ 28,029,811</u>

Management has determined that no allowance for obsolete inventory is necessary.

7. ACCOUNTS RECEIVABLE, NET

Accounts receivable consists of the following:

	2025	2024
Accounts receivable - trade	\$ 60,455,089	\$ 56,749,464
Other receivables	<u>8,403,018</u>	<u>7,625,253</u>
	68,858,107	64,374,717
Less: allowance for expected credit loss	<u>(4,957,589)</u>	<u>(5,309,574)</u>
	<u>\$ 63,900,518</u>	<u>\$ 59,065,143</u>

The movement in the allowance for expected credit losses is as follows:

	2025	2024
At beginning of year	\$ 5,309,574	\$ 4,630,825
Expected credit losses (recoveries)	(334,065)	735,780
Write-offs	<u>(17,920)</u>	<u>(57,031)</u>
At end of year	<u>\$ 4,957,589</u>	<u>\$ 5,309,574</u>

The Group writes-off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Sensitivity Analysis - Allowance for Expected Credit Loss (ECL)

The Group's calculation of the allowance for ECL is sensitive to changes in inflation, GDP growth rates and commodity prices. A change in the ECL rate by one (1) percent of the total outstanding accounts receivable balance at September 30, 2025 can result in an increase or decrease in the allowance for ECL by \$688,581 (2024: \$643,747).

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Based on the provision matrix, the Group has determined an ECL rate of 5% to 100% (2024: 5% to 100%) which has been applied to the various buckets.

(Continued)

The ageing of receivables is as follows:

	2025	2024
Current	\$ 34,140,737	\$ 37,173,269
31 - 60 days	5,496,249	7,084,672
61 - 90 days	6,214,970	6,100,259
Over 90 days	<u>23,006,151</u>	<u>14,016,517</u>
	<u>\$ 68,858,107</u>	<u>\$ 64,374,717</u>

Included in accounts receivable are balances totaling \$29,759,781 (2024: \$21,891,874) which are past due but not impaired.

(Concluded)

8. OTHER LONG-TERM RECEIVABLES

Other long-term receivables consist of:

- (i) Value added tax (“VAT”) amounts due from The Bahamas Government. The balance of \$5,851,635 (2024: \$7,374,301) are interest free and unsecured. Management has not assessed an expected credit loss on the amounts outstanding.
- (ii) Debt service reserve account pledged to a local bank as security for the \$40 million facility obtained in July 2025. The balance of \$999,392 (2024: \$Nil) is restricted and must remain on deposit until full settlement of the facility.

9. PREPAID EXPENSES

Prepaid expenses include advances and deferred expenses of \$19,559,739 (2024: \$12,191,906). These amounts will be fully expensed during the subsequent year.

10. PROPERTY, PLANT, EQUIPMENT AND INVESTMENT PROPERTY, NET

The movement of property, plant, equipment and investment property during the year is as follows:

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Computer, Furniture, Fixtures and Fencing Equipment</u>	<u>Storage Facilities</u>	<u>Vehicles</u>	<u>Liquid Petroleum Gas Plant</u>	<u>Construction In- Progress</u>	<u>Total</u>
COST/VALUATION:									
Balance at September 30, 2023	\$ 29,641,048	\$ 33,966,660	\$ 131,784,032	\$ 5,051,886	\$ 55,941,914	\$ 12,795,931	\$ 726,295	\$ 14,263,517	\$ 284,171,283
Additions	1,261,667	829,972	64,525,214	193,180	1,580,126	165,693	-	19,453,167	88,009,019
Transfers In (Out)	775,205	252,646	2,050,994	285,862	3,221,053	335,333	-	(6,574,132)	346,961
Disposals	-	-	-	(15,061)	-	-	-	(904,795)	(919,856)
Balance at September 30, 2024	31,677,920	35,049,278	198,360,240	5,515,867	60,743,093	13,296,957	726,295	26,237,757	371,607,407
Additions	434,000	180,625	48,886,836	216,494	71,635	134,633	-	39,360,857	89,285,080
Transfers In (Out)	67,300	365,841	2,083,275	2,103,715	1,038,717	335,828	-	(5,994,676)	-
Disposals	-	-	-	-	-	(55,900)	-	(284,930)	(340,830)
Balance at September 30, 2025	<u>\$ 32,179,220</u>	<u>\$ 35,595,744</u>	<u>\$ 249,330,351</u>	<u>\$ 7,836,076</u>	<u>\$ 61,853,445</u>	<u>\$ 13,711,518</u>	<u>\$ 726,295</u>	<u>\$ 59,319,008</u>	<u>\$ 460,551,657</u>
ACCUMULATED DEPRECIATION:									
Balance at September 30, 2023	\$ -	\$ 13,879,913	\$ 29,295,402	\$ 4,357,922	\$ 27,245,225	\$ 9,667,423	\$ 726,295	\$ -	\$ 85,172,180
Depreciation	-	895,337	6,317,214	306,872	2,160,875	1,086,955	-	-	10,767,253
Disposals	-	-	-	(986)	-	-	-	-	(986)
Balance at September 30, 2024	-	14,775,250	35,612,616	4,663,808	29,406,100	10,754,378	726,295	-	95,938,447
Depreciation	-	921,599	8,342,771	279,177	2,047,135	1,104,887	-	-	12,695,569
Disposals	-	-	-	-	-	(55,900)	-	-	(55,900)
Balance at September 30, 2025	<u>\$ -</u>	<u>\$ 15,696,849</u>	<u>\$ 43,955,387</u>	<u>\$ 4,942,985</u>	<u>\$ 31,453,235</u>	<u>\$ 11,803,365</u>	<u>\$ 726,295</u>	<u>\$ -</u>	<u>\$ 108,578,116</u>
CARRYING VALUE:									
As at September 30, 2025	<u>\$ 32,179,220</u>	<u>\$ 19,898,895</u>	<u>\$ 205,374,964</u>	<u>\$ 2,893,091</u>	<u>\$ 30,400,210</u>	<u>\$ 1,908,153</u>	<u>\$ -</u>	<u>\$ 59,319,008</u>	<u>\$ 351,973,541</u>
As at September 30, 2024	<u>\$ 31,677,920</u>	<u>\$ 20,274,028</u>	<u>\$ 162,747,624</u>	<u>\$ 852,059</u>	<u>\$ 31,336,993</u>	<u>\$ 2,542,579</u>	<u>\$ -</u>	<u>\$ 26,237,757</u>	<u>\$ 275,668,960</u>

The Group capitalized \$431,511 (2024: \$180,000) of borrowing costs and \$752,102 (2024: \$Nil) of insurance costs during the year. Some components of property, plant, equipment and investment property are pledged as security for the loan facilities obtained from a local bank (Note 17). Rental income of \$688,242 (2024: \$540,052) was earned during the year for property leased by the Group (Note 27).

11. RIGHT OF USE ASSETS

	<u>Land</u>	<u>Buildings</u>	<u>Vessels</u>	<u>Total</u>
COST:				
Balance at September 30, 2023	\$ 1,631,482	\$ 1,182,798	\$ 36,453,409	\$ 39,267,689
Additions	<u>-</u>	<u>-</u>	<u>6,352,875</u>	<u>6,352,875</u>
Balance at September 30, 2024	1,631,482	1,182,798	42,806,284	45,620,564
Additions	<u>612,045</u>	<u>-</u>	<u>-</u>	<u>612,045</u>
Balance at September 30, 2025	<u>\$ 2,243,527</u>	<u>\$ 1,182,798</u>	<u>\$ 42,806,284</u>	<u>\$ 46,232,609</u>
ACCUMULATED DEPRECIATION:				
Balance at September 30, 2023	\$ 994,868	\$ 557,031	\$ 20,048,674	\$ 21,600,573
Charge for the year	<u>197,662</u>	<u>93,819</u>	<u>6,063,373</u>	<u>6,354,854</u>
Balance at September 30, 2024	1,192,530	650,850	26,112,047	27,955,427
Charge for the year	<u>183,558</u>	<u>74,225</u>	<u>7,124,748</u>	<u>7,382,531</u>
Balance at September 30, 2025	<u>\$ 1,376,088</u>	<u>\$ 725,075</u>	<u>\$ 33,236,795</u>	<u>\$ 35,337,958</u>
CARRYING VALUE:				
As at September 30, 2025	<u>\$ 867,439</u>	<u>\$ 457,723</u>	<u>\$ 9,569,489</u>	<u>\$ 10,894,651</u>
As at September 30, 2024	<u>\$ 438,952</u>	<u>\$ 531,948</u>	<u>\$ 16,694,237</u>	<u>\$ 17,665,137</u>

The Group leases several assets including land, buildings and vessels. The lease terms range from eighteen (18) months to forty (40) years. Certain leases have expired and are on an evergreen basis (i.e. the leases are automatically renewed until proper notice of cancellation by either party).

Amounts recognized in the consolidated statement of comprehensive income

	2025	2024
Depreciation expense on right-of-use assets	<u>\$ 7,382,531</u>	<u>\$ 6,354,854</u>
Interest expense on lease liabilities	<u>\$ 814,407</u>	<u>\$ 836,862</u>
Expenses relating to short-term leases	<u>\$ 932,788</u>	<u>\$ 779,902</u>
Expenses relating to variable lease payments not included in the measurement of the lease liability	<u>\$ 273,913</u>	<u>\$ 263,175</u>

(Continued)

One of the properties leased by the Group contains a variable lease payment term that is linked to sales generated from the leased store. Variable payment terms are used to link rental payments to store cash flows and reduce fixed cost. The breakdown of lease payments for this store is as follows:

	2025	2024
Fixed payments	\$ 100,618	\$ 97,687
Variable payments	<u>273,913</u>	<u>263,175</u>
	<u>\$ 374,531</u>	<u>\$ 360,862</u>

The total cash outflows for leases amounted to \$7,975,743 (2024: \$7,044,992).

(Concluded)

12. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets consist of the following:

	2025	2024
Goodwill	\$ 10,858,568	\$ 10,858,568
Intangible assets	<u>1,158,896</u>	<u>1,131,506</u>
	<u>\$ 12,017,464</u>	<u>\$ 11,990,074</u>

Goodwill consists of the following:

	2025	2024
Goodwill, G.A.L. Terminal Limited	\$ 3,808,514	\$ 3,808,514
Goodwill, Shell Propane Plant	3,285,419	3,285,419
Goodwill, Boulevard Services Limited	3,116,881	3,116,881
Goodwill, Grand Bahama Terminals Limited	<u>647,754</u>	<u>647,754</u>
	<u>\$ 10,858,568</u>	<u>\$ 10,858,568</u>

Allocation of goodwill to cash-generating units:

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- *Petroleum operations* - wholesale sales of petroleum and petroleum products, lubricating oils and greases and all other petroleum derivatives, the construction and operations of filling stations and the provision of bunkering services in Grand Bahama. Goodwill allocated to this cash generating unit totaled \$7,573,149 (2024: \$7,573,149).
- *LPG operations* - distribution, wholesale and retail sales of propane in Grand Bahama. Goodwill allocated to this cash generating unit totaled \$3,285,419 (2024: \$3,285,419).

Petroleum Operations - Supply of petroleum products

Goodwill arose during 2006 and 2013 when the Group acquired Texaco Service Stations in Lewis Yard and Eight Mile Rock, and Boulevard Services Limited in Freeport, Grand Bahama, respectively. The recoverable amount of this cash-generating unit is determined based on value-in-use calculations which uses cash flow projections based on financial budgets covering a five-year period, and discount rate of 13% per annum (2024: 12.5%).

Cash flow projections during the budgeted period are based on consistent gross margins throughout the budgeted period. The cash flows were projected over the 5-year discrete period based on a growth rate of 2% (2024: 2%) per annum. The annual growth rate is estimated by management based on the annual GDP growth rate adjusted for any entity specific considerations.

The Directors assessed the key assumption and concluded that reasonable changes in the key assumptions described would not cause the aggregate carrying value to exceed the aggregate recoverable amount resulting in an impairment of the goodwill.

The Directors estimate that significant headroom exists and only a major change in the growth rate and the discount would result in an impairment charge.

LPG Operations - Supply of propane

Goodwill arose during 2005 with the acquisition of the Shell Propane Plant in Grand Bahama. The recoverable amount of this cash-generating unit is determined based on a value-in-use calculation which uses financial budgets covering a five-year period, and a discount rate of 14% (2024: 14.0%) per annum. The business has continued to operate on a satisfactory basis, but without achieving any significant increase in market share because it remains the only supplier of the product.

Cash flow projections during the budgeted period are based on consistent gross margins throughout the budgeted period. The cash flows were projected over the 5-year discrete period based on an annual growth rate of 2% (2024: 2%) per annum. The annual growth rate is estimated by management based on the annual GDP growth rate adjusted for any entity specific considerations. The growth rate is sensitive to changes in revenues.

The Directors estimate that a decrease in the growth rate by 2% and an increase in the discount rate by 2% would have to occur to reduce the headroom in the cash-generating unit and result in an impairment charge for the Group.

Intangible assets

Intangible assets consist of the following:

	2025	2024
Trademark license	\$ 4,080,000	\$ 4,080,000
Computer software	1,987,446	1,827,493
Less: accumulated amortization	<u>(4,908,550)</u>	<u>(4,775,987)</u>
	<u>\$ 1,158,896</u>	<u>\$ 1,131,506</u>

Shell Brands International AG is one of the Shell Overseas Holdings Limited (“SOHL”) Group of Companies whose primary responsibility is to maintain the Shell Brand Trademarks in all relevant jurisdictions. Upon purchasing Shell Bahamas Limited, the Group paid an initial license fee of \$4,080,000 and pays quarterly royalties on American gallons sold from authorized sites. The agreement provides the Group with a non-exclusive license to continue the use of the Shell Brand Visual Manifestations at authorized sites.

The Group entered into an initial Trademark License Agreement with SOHL which expired January 15, 2011. The Trademark License Agreement is renewed every five years, with the current term having commenced July 1, 2021. “The Parties may at any time extend the License term for a further period of five (5) years on the same commercial terms as at the commencement date or otherwise.”

Management reviewed the useful life assessment and subsequently determined that the Trademark License has a finite useful life equal to the remaining life of the contract with the exercised option. As a result, the Trademark License was amortized over a period of seven years, commencing August 2014. The Trademark License was fully amortized during 2021. Management has assessed and have not identified any impairment events that would trigger impairment testing of the trademark during the period.

The value of the initial license fee was determined by SOHL and purportedly represents the proportionate value added to the business as a result of SOHL’s global efforts to distinguish itself and promote its products over those of its competitors.

Computer software

On November 1, 2018, the Group completed the installation of various industry specific computer software to improve operational efficiency and customer service. The computer software has an estimated useful life of fifteen (15) years and amortization expense for the period was \$132,563 (2024: \$134,986).

13. DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation and amortization expense consists of the following:

	2025	2024
Depreciation of property, plant and equipment	\$ 12,695,569	\$ 10,767,253
Depreciation of right-of-use assets	7,382,531	6,354,854
Amortization of trademark license and computer software	132,563	134,986
Amortization of Preference D, E and F transaction costs	71,381	37,830
	<u>20,282,044</u>	<u>17,294,923</u>
Less: transferred to cost of sales	<u>(6,285,391)</u>	<u>(4,610,836)</u>
	<u><u>\$ 13,996,653</u></u>	<u><u>\$ 12,684,087</u></u>

14. INVESTMENT IN ASSOCIATE

Investment in associate consist of the following:

	Interest Held	2025	2024
BTCI Tankers Ltd.	60.00%	<u>\$ 28,178,930</u>	<u>\$ 25,441,172</u>

Total movement in investment in associate is as follows:

	2025	2024
Balance, beginning of year	\$ 25,441,172	\$ 22,732,255
Equity income	<u>2,737,758</u>	<u>2,708,917</u>
Balance, end of year	<u>\$ 28,178,930</u>	<u>\$ 25,441,172</u>

15. BANK OVERDRAFT

The Group has combined overdraft facilities of \$10,100,000 (2024: \$10,100,000). This combined facility bears interest at Bahamas Prime plus 1.00% or 5.25% (2024: Bahamas Prime plus 1.00% or 5.25%) per annum. At September 30, 2025, the combined availed overdraft facility balance was \$Nil (2024: \$4,130,828).

The overdraft facilities are secured by a guarantee and postponement of claim by the Group, a fixed and floating charge debenture over the assets in the Group and the assignment of insurance proceeds.

16. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consists of the following:

	2025	2024
Trade payables	\$ 104,491,703	\$ 99,154,753
Accrued liabilities	<u>5,068,585</u>	<u>3,781,977</u>
	<u>\$ 109,560,288</u>	<u>\$ 102,936,730</u>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 115 days (2024: 89 days).

17. LONG-TERM DEBT

Long-term debt consists of the following:

	2025	2024
Bank loan	\$ 103,954,943	\$ 44,757,871
Less: current portion	<u>6,554,750</u>	<u>4,453,839</u>
	<u>\$ 97,400,193</u>	<u>\$ 40,304,032</u>

The Group has the following bank loans:

- i. \$5 million loan facility obtained in November 2019 representing the final drawdown on a \$20 million loan facility initially obtained during the period September 2014 to July 2019. The loan is repayable over a 10-year term at an interest rate of Bahamas Prime Plus 0.25% or 4.50% and monthly payments of \$51,819 (2024: \$51,819). The loan balance at September 30, 2025 was \$2,315,560 (2024: \$2,862,516).

The loan facility is secured by debenture and guarantee and a pledge of shares of the Parent company.

- ii. \$10 million facility obtained to finance capital projects. The facility was initially obtained in the form of an overdraft facility. In November 2021, the overdraft facility was converted to a loan. The loan is amortized over a fifteen-year period at an interest rate of Bahamas Prime Plus 0.25% or 4.50% and monthly installments of \$76,499 (2024: \$76,499). The loan balance at September 30, 2025 was \$8,045,708 (2024: \$8,627,602).

The loan facility is secured by guarantee and postponement of claim by the Group, a fixed and floating charge over the assets in the Group and the assignment of insurance proceeds.

- iii. \$17.15 million facility obtained to finance capital projects. The facility was initially obtained in the form of an overdraft facility. In November 2021, the overdraft facility was converted to a loan. The loan is amortized over a twelve-and-a-half-year period at an interest rate of Bahamas Prime Plus 0.25% or 4.50% and monthly installments of \$149,225 (2024: \$149,225). The loan balance at September 30, 2025 was \$12,895,208 (2024: \$14,166,187).

The loan facility is secured by guarantee and postponement of claim by the Group, a fixed and floating charge over the assets in the Group and the assignment of insurance proceeds.

- iv. \$20 million facility obtained in January 2025 to finance capital projects. The loan is amortized over a eight year period at an interest rate of Bahamas Prime Plus 0.25% or 4.5% and monthly installments of \$248,465. The loan balance at September 30, 2025 was \$19,694,145 (2024: \$Nil)

The loan facility is secured by guarantee and postponement of claim by the Group, a fixed and floating charge over the assets in the Group and the assignment of insurance proceeds.

(Continued)

- v. \$24 million facility obtained to finance capital projects. \$20 million of this facility was initially obtained in the form of an overdraft facility. In October 2023, the overdraft facility was converted to a loan. The remaining \$4 million was obtained in January 2025. The loan is amortized over a ten-year period at an interest rate of Bahamas Prime Plus 0.25% or 4.50% and monthly installments of \$248,732 (2024: \$248,732). The loan balance at September 30, 2025 was \$21,004,322 (2024: \$19,101,566).

The loan facility is secured by guarantee and postponement of claim by the Group, a fixed and floating charge over the assets in the Group and the assignment of insurance proceeds.

- vi. \$40 million facility obtained in July 2025 to finance capital projects. The loan has a two year moratorium and is amortized over an eighteen-year period at an interest rate of Bahamas Prime Plus 0.25 or 4.50% and quarterly installments of \$555,556 commencing two years after initial drawdown. The loan balance at September 30, 2025 was \$40,000,000 (2024: \$Nil).

The loan facility is secured by guarantee and postponement of claim by the Group, a fixed and floating charge over the assets in the Group and the assignment of insurance proceeds.

Loan maturity analysis:

	2025			
	Carrying Amount	0-12 months	1-5 years	Greater than 5 years
Loan facility - \$5 million	\$ 2,315,560	\$ 528,441	\$ 1,787,119	\$ -
Loan facility - \$10 million	8,045,708	567,532	3,253,542	4,224,634
Loan facility - \$17.15 million	12,895,208	1,235,683	7,083,906	4,575,619
Loan facility - \$20 million	19,694,145	2,141,017	9,593,879	7,959,249
Loan facility - \$24 million	21,004,322	2,082,077	11,936,110	6,986,135
Loan facility - \$40 million	<u>40,000,000</u>	<u>-</u>	<u>5,058,820</u>	<u>34,941,180</u>
Total Long-Term Debt	<u>\$ 103,954,943</u>	<u>\$ 6,554,750</u>	<u>\$ 38,713,376</u>	<u>\$ 58,686,817</u>
	2024			
	Carrying Amount	0-12 months	1-5 years	Greater than 5 years
Loan facility - \$5 million	\$ 2,862,516	\$ 503,343	\$ 2,359,173	\$ -
Loan facility - \$10 million	8,627,602	542,605	3,110,642	4,974,355
Loan facility - \$17.15 million	14,166,187	1,181,789	6,774,946	6,209,452
Loan facility - \$20 million	<u>19,101,566</u>	<u>2,226,102</u>	<u>12,761,771</u>	<u>4,113,693</u>
Total Long-Term Debt	<u>\$ 44,757,871</u>	<u>\$ 4,453,839</u>	<u>\$ 25,006,532</u>	<u>\$ 15,297,500</u>

The loan facilities are subject to financial covenants which are tested quarterly. The covenants measure the Group's leverage and coverage ratios and tangible net worth. The Group complied with these covenants in 2025 and 2024.

(Concluded)

18. LEASE LIABILITIES

	2025	2024
Current	\$ 3,749,206	\$ 7,417,802
Non-Current	<u>7,694,618</u>	<u>10,575,312</u>
	<u>\$ 11,443,824</u>	<u>\$ 17,993,114</u>

The Group does not face a significant liquidity risk with regard to its lease liabilities. The average effective borrowing rate used was 4.90% (2024: 4.90%).

19. PREFERENCE SHARES

The following preference share series are issued and outstanding and are classified at long-term debt in the consolidated statement of financial position:

Preference shares series D

Amount: \$12 million
Issuance date: May 31, 2021
Maturity date: June 30, 2030
Interest rate: 6% payable on June 30 and December 30

Preference shares series E

Amount: \$16 million
Issuance date: May 11, 2023
Maturity date: April 30, 2033
Interest rate: 6.25% payable on April 30 and October 31

Preference shares series F

Amount: \$45 million
Issuance date: May 1, 2024
Maturity date: Five annual equal installments of \$9 million commencing April 30, 2035
Interest rate: 6.25% payable on April 30 and October 31

Key attributes of preference D, E and F shares are as follows:

- a. **Early redemption** - The Group may not redeem these shares prior to the third anniversary date. After the third anniversary date, the Group may redeem these shares in whole or in part by providing 90 days' written notice to the holders of the shares.
- b. **Liquidation preference** - If the Group liquidates, dissolves, winds up or sells more than 51% of the value of the Group's assets other than in the ordinary course of the Group's business, the shareholders will have the right to redeem at par value.
- c. **Ranking** - The shares will rank in respect to the payment of dividends and payments upon liquidation equally, with any other preference shares maintained by the Group and senior to the Group's Common Shares.
- d. **No equity ownership or voting rights** - Holders do not have equity ownership or voting rights.

The preference shares are recorded at fair value less transaction costs at initial recognition. At September 30, 2025 the balance was \$71,945,744 (2024: \$71,874,364). Dividends paid on the preferred shares for the year amounted to \$4,532,496 (2024: \$2,896,624). Transaction costs are amortized over the life of the shares using the effective interest method. Unamortized transaction costs at September 30, 2025 was \$1,054,256 (2024: \$1,125,637).

20. SHARE CAPITAL

	2025	2024
<u>Common Shares</u>		
<i>Authorized:</i>		
480,000,000 shares of \$.0008 each		
(2024: 480,000,000 shares of \$.0008 each)	<u>\$ 400,000</u>	<u>\$ 400,000</u>
<i>Issued and fully paid:</i>		
105,183,928 shares of \$.0008 each		
(2024: 105,219,137 shares of \$.0008 each)	<u>\$ 87,537</u>	<u>\$ 87,564</u>

The movement in issued shares in numbers during the year is as follows:

	2025	2024
Balance at beginning of year	105,219,137	100,217,102
Common share rights offering	-	5,010,435
Common shares purchased during the year	(13,770)	(8,400)
Common shares transferred during the year	<u>(21,439)</u>	<u>-</u>
Balance at end of year	<u>105,183,928</u>	<u>105,219,137</u>

During 2024, the Group issued 5,010,435 shares during a rights offering extended to existing shareholders. Existing shareholders were entitled to receive one (1) right for every twenty (20) shares held on February 21, 2024, the record date of the offering. The rights were issued at a strike price of \$5 per share, the listed share price on the record date.

Subsequent to the rights offering, staff members also participated in the rights offering at a share price of \$5 per share. Total shares issued to staff totaled 774,525 and the Group received a combination of cash and a receivable as compensation for the shares. Included in accounts receivable is a balance of \$2,727,505 at September 30, 2025 (2024: \$3,525,861) representing the total amount due from staff related to the shares issued during the rights offering. During the year, 21,439 (2024: \$Nil) of these shares were forfeited, transferred to treasury shares and cancelled.

(Continued)

Common shares purchased during the period is comprised of the following:

Repurchase <u>Date</u>	Total <u>Shares</u>	Price <u>Per Share</u>	Total <u>Consideration</u>	Cancellation <u>Date</u>
October 3, 2024	1,500	\$ 6.10	\$ 9,155	May 6, 2025
October 18, 2024	910	6.12	5,565	May 6, 2025
October 22, 2024	2,000	6.30	12,605	May 6, 2025
January 31, 2025	4,520	6.37	28,777	May 6, 2025
February 3, 2025	<u>4,840</u>	6.50	<u>31,464</u>	May 6, 2025
	<u>13,770</u>		<u>\$ 87,566</u>	

Common share dividends are made payable to shareholders of record as at December 31, March 31, June 30 and September 30 of each year within 10 business days of the record date or such other period as stipulated by the Directors from time to time.

During the year, the Directors declared and the Group paid dividends of \$0.15 per share or \$15,780,396 (2024: \$0.15 per share or \$15,419,839).

Treasury shares

During the year, the Group acquired and cancelled 13,770 (2024: 8,400) of its own common shares at a total cost of \$87,566 (2024: \$38,128) and as such, these shares are not reflected in treasury shares.

	2025	2024
<u>Preference Shares</u>		
<i>Authorized:</i>		
Class A shares of \$.01 each	25,000,000	25,000,000
Class B shares of \$.01 each	15,000,000	15,000,000
Class C shares of \$.01 each	10,000,000	10,000,000
Additional authorized shares	<u>70,000,000</u>	<u>70,000,000</u>
	<u>120,000,000</u>	<u>120,000,000</u>
120,000,000 shares of \$.01 each (2024: 120,000,000 shares of \$.01 each)	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>

Issued and fully paid:

Class A shares of \$.01 each	25,000,000	25,000,000
Class B shares of \$.01 each	15,000,000	15,000,000
Class C shares of \$.01 each	<u>10,000,000</u>	<u>10,000,000</u>
	<u>50,000,000</u>	<u>50,000,000</u>

(Continued)

Key attributes of the preference shares are as follows:

- a. **Refunding provision** - The Group reserves the right to retire these securities at any date, if it is deemed to be in the Group's best interest, providing 90 days' notice by way of a refunding issue. In the case of such refunding, investors would have first right of refusal to subscribe for an equivalent amount of the principal value of new securities in any such refunding issue.
- b. **Dividends** - Preference share dividends at the annual rate of The Bahamas Prime Lending Rate plus 1.75% on the principal value outstanding to shareholders of record as at the record date (if declared) are paid in semi-annual cash installments following declaration by the Board of Directors in their full discretion. Effective January 3, 2017, the Bahamas Prime Lending Rate changed to 4.25% resulting in an effective rate of 6.00%. Unpaid dividends are cumulative from the date of the last dividend payment or from the date of issuance, whichever is later.

Preference share dividends declared are made payable to shareholders of record as at April 15, June 30, October 15 and December 31 of each year within 10 business days of the record date in the full discretion of the Board of Directors.
- c. **Liquidation preference** - If the Group liquidates, dissolves, winds up or sells more than 51% of the value of the Group's assets other than in the ordinary course of the Group's business, holders of Preference Shares will have the right to have their shares redeemed at the issue price of BS\$1.00 per share of the residual outstanding principal value on the effective date of liquidation.
- d. **Ranking** - The Class A, Class B and Class C Preference Shares rank equally, and with respect to the payment of dividends and payments upon liquidation: (1) senior to the Group's Common Shares and (2) subordinate to any debentures, debt obligations, or vendor claims against the Group.
- e. **No equity ownership or voting rights** - Holders of Preference Shares do not have equity ownership nor voting rights.

Contributed capital

Total contributed capital is comprised of:

	2025	2024
Common shares	\$ 24,498,341	\$ 24,693,075
Preference shares	<u>49,500,000</u>	<u>49,500,000</u>
	<u>\$ 73,998,341</u>	<u>\$ 74,193,075</u>

(Concluded)

21. MARKETING, ADMINISTRATIVE AND GENERAL EXPENSES

Marketing, administrative and general expenses are comprised of:

	2025	2024
Salaries and benefits	\$ 18,660,806	\$ 20,018,794
Shipping and delivery	8,470,131	6,972,433
Insurance	6,468,164	9,073,775
Repairs and maintenance	5,839,839	8,902,667
License registrations	4,132,950	5,470,732
Trademark and related fees	2,552,347	2,309,769
Bank charges	2,101,880	2,150,920
Miscellaneous	1,768,123	1,055,889
Professional fees	1,480,247	1,310,296
Utilities	1,452,663	1,361,255
Advertising	1,408,546	1,367,593
Rent	1,259,990	1,114,595
Travel expenses	510,378	446,410
Office expenses	453,714	416,393
Communications	434,504	873,973
Donations	193,788	196,199
Consulting fees	174,000	174,000
Non-executive Directors' fees	169,200	112,800
Customer service	51,915	45,070
Expected credit (recoveries) losses	(547,714)	734,404
	<u>\$ 57,035,471</u>	<u>\$ 64,107,967</u>

22. EARNINGS PER SHARE

The calculation of basic earnings per share at September 30, 2025 was based on net comprehensive income attributable to ordinary shareholders of the Group totaling \$41,392,016 (2024: \$26,578,782) and weighted average number of ordinary shares outstanding during the year ended September 30, 2025 of 105,198,596 (2024: 102,309,847), are calculated as follows:

	2025	2024
Net income for the year	\$ 44,392,016	\$ 29,578,782
Dividends paid on preference shares	<u>(3,000,000)</u>	<u>(3,000,000)</u>
Net income attributable to ordinary shareholders of the Parent company	<u>\$ 41,392,016</u>	<u>\$ 26,578,782</u>
Weighted average number of ordinary shares, end of year	<u>105,198,596</u>	<u>102,309,847</u>
Basic and diluted earnings per share	<u>\$ 0.39</u>	<u>\$ 0.26</u>

The additional shares issued during the rights offering did not give rise to a bonus element as the fair value of the shares equaled the offering price on the record date of the transaction.

23. PENSION PLANS

The Group through its subsidiaries, has two (2) (2024: 2) separate defined contribution plans covering all eligible full-time employees. Contributions are based on employee salaries and are matched by the subsidiaries up to 5% (2024: 5%). Employer contributions vest after five years. The plans are administered by independent third parties. Combined contributions for the period for both plans were \$450,365 (2024: \$451,023).

24. RELATED PARTY BALANCES AND TRANSACTIONS

Related party balances and transactions were as follows:

	2025	2024
<i>Related party balances:</i>		
Accounts receivable	\$ 1,618,383	\$ 911,702
Prepaid expenses	\$ 5,934,252	\$ 5,370,373
Due from associate	\$ 88,279	\$ 322,525
Accounts payable and accrued liabilities	\$ 3,859,856	\$ 2,837,392
Dividends payable	\$ 3,155,518	\$ 3,156,574
Due to associate	\$ 3,222,879	\$ 3,440,879
Right of use assets, net	\$ 8,719,050	\$ 15,834,553
Lease liabilities	\$ 9,795,162	\$ 17,121,257
<i>Related party transactions:</i>		
Equity income	\$ 2,737,758	\$ 2,708,917
Cost of sales	\$ 7,053,430	\$ 5,289,221
<i>Marketing, administrative and general expenses:</i>		
Shipping and delivery	\$ 6,356,328	\$ 5,160,541
Non-executive Directors' fees	\$ 169,200	\$ 112,800
Insurance premiums	\$ 6,384,274	\$ 8,817,935
Professional fees	\$ 776,594	\$ 452,865
<i>Compensation of key management personnel:</i>		
Salaries and short-term benefits	\$ 2,423,578	\$ 2,421,512
Post employment benefits	434,150	357,966
Consulting fees	174,000	174,000
	\$ 3,031,728	\$ 2,953,478

The balance due from/to associate is unsecured and interest free with no fixed terms of repayment.

25. FINANCIAL INSTRUMENTS

The Group is exposed to various risks including interest rate risk, credit risk, liquidity risk, capital risk, currency risk and fair value of financial assets and liabilities risk arising in the normal course of the Group's business activities. Management monitors the financial risks of the Group and takes such measures as considered necessary from time to time, to minimize such financial risks.

a. Interest rate risk

The Group is exposed to interest rate risk on short-term deposits and long-term debt. Management monitors interest rates to minimize the gap between interest rates, however, such instruments bear interest at adjustable rates thus limiting interest rate risk.

The Group's interest rates on long-term debt are not sensitive to changes given that The Bahamas Prime Lending Rate remained unchanged since January 2017. Interest rates for long-term debt is based on the Bahamas Prime Lending Rate plus a standard markup percentage. A change in interest rates by one (1) percent can result in an increase or decrease in profitability by \$1,039,549 (2024: \$447,578).

b. Inflation risk

The Group is exposed to inflation risks due to fluctuations in the sales price of petroleum products. Management monitors the cost and sales price of petroleum products on the international and local markets. Inflation risk is minimal as petroleum products are a necessity and fluctuations in the cost will not have a material impact on sales volumes.

c. Credit risk

The Group is exposed to credit risk in respect of losses that would have to be recognized if counterparties fail to perform as contracted.

The Group's exposure to credit risk is primarily with respect to accounts receivable, notes receivable, other long-term receivables, bank balances, and short-term deposits. Credit risk on bank balances and short-term deposits is limited as counterparties are reputable, well-established financial institutions. The Group's credit risk is thus primarily limited to accounts receivable, which is shown net of expected credit losses.

At each reporting date, the Group performs an impairment analysis by applying a simplified approach using a provision matrix to measure expected credit losses. Loss rates are based on actual credit losses for a three to five-year period. Loss rates are adjusted to reflect changes in forward-looking information such as inflation, GDP growth rates and commodity prices.

The credit risk from accounts receivable is mitigated by monitoring the solvency and the payment history of counterparties before continuing to extend credit facilities to them. Accounts receivable balances are written off when there is no reasonable expectation of recovery.

(Continued)

To assess the allowance for expected credit losses, accounts receivable balances have been grouped based on shared credit risk characteristics such as aging, governmental corporations, retail service station customers and other customers.

Of the accounts receivable balance at the end of the year, \$33,182,180 (2024: \$33,914,203) is due from two of the Group's largest customers. Apart from this, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to the two largest customers did not exceed thirty percent of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed five percent of gross monetary assets at any time during the year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

d. Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Prudent liquidity risk management requires maintaining sufficient cash. The Group monitors and maintains a level of bank balances deemed adequate to finance its operations. The Group maintains cash deposits with financial institutions of good standing. In addition, the Group through its subsidiaries maintains overdrafts as described in Note 15.

The tables below analyses the Group's financial assets and liabilities in relevant maturity groupings based on the remaining period at the contractual maturity dates:

	2025			
	Carrying Amount	0-12 months	1-5 years	Greater than 5 years
Cash	\$ 59,336,973	\$ 59,336,973	\$ -	\$ -
Term deposits	4,608,163	4,608,163	-	-
Accounts receivable, net	63,900,518	63,900,518	-	-
Notes receivable, net	495,547	495,547	-	-
Other long-term receivables	6,851,027	-	6,851,027	-
Due from associates	88,279	-	88,279	-
Total financial assets	\$ 135,280,507	\$ 128,341,201	\$ 6,939,306	\$ -

(Continued)

	2025			
	Carrying Amount	0-12 months	1-5 years	Greater than 5 years
Bank overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable	109,560,288	109,560,288	-	-
Dividends payable	3,155,518	3,155,518	-	-
Due to associate	3,222,879	-	3,222,879	-
Lease liability	12,661,669	4,215,394	7,840,581	605,694
Long-term debt	139,127,407	11,097,107	69,233,694	58,796,606
Preference shares	<u>117,753,333</u>	<u>4,532,500</u>	<u>33,762,500</u>	<u>79,458,333</u>
Total financial liabilities	<u>\$ 385,481,094</u>	<u>\$ 132,560,807</u>	<u>\$ 114,059,654</u>	<u>\$ 138,860,633</u>
Net liquidity gap	<u>\$ (250,200,587)</u>	<u>\$ (4,219,606)</u>	<u>\$ (107,120,348)</u>	<u>\$ (138,860,633)</u>

	2024			
	Carrying Amount	0-12 months	1-5 years	Greater than 5 years
Cash	\$ 55,617,501	\$ 55,617,501	\$ -	\$ -
Term deposits	4,581,772	4,581,772	-	-
Accounts receivable, net	59,065,143	59,065,143	-	-
Notes receivable, net	1,571,733	527,355	1,043,484	894
Other long-term receivables	7,374,301	7,374,301	-	-
Due from associates	<u>322,525</u>	<u>322,525</u>	-	-
Total financial assets	<u>\$ 128,532,975</u>	<u>\$ 127,488,597</u>	<u>\$ 1,043,484</u>	<u>\$ 894</u>

	2024			
	Carrying Amount	0-12 months	1-5 years	Greater than 5 years
Bank overdraft	\$ 4,130,828	\$ 4,130,828	\$ -	\$ -
Accounts payable	102,936,730	102,936,730	-	-
Dividends payable	3,156,574	3,156,574	-	-
Due to associate	3,440,879	3,440,879	-	-
Lease liability	19,828,267	8,131,002	10,977,492	719,773
Long-term debt	52,645,649	6,315,640	31,059,815	15,270,194
Preference shares	<u>122,285,833</u>	<u>4,532,500</u>	<u>34,482,500</u>	<u>83,270,833</u>
Total financial liabilities	<u>\$ 308,424,760</u>	<u>\$ 132,644,153</u>	<u>\$ 76,519,807</u>	<u>99,260,800</u>
Net liquidity gap	<u>\$ (179,891,785)</u>	<u>\$ (5,155,556)</u>	<u>\$ (75,476,323)</u>	<u>(99,259,906)</u>

(Continued)

e. Capital risk

Capital risk is the risk that the Group will become unable to absorb losses; this entails ensuring that opportunities can be acted upon in a timely fashion, while solvency is never threatened.

The Group manages its capital to ensure it will be able to continue as a going concern while maximizing benefits and opportunities that may arise. The Group holds Board of Directors meetings, during which time all aspects of the business are discussed. Identified risks are addressed and immediate solutions are sought. The capital structure of the Group consists of net debt and equity of the Group and is comprised of issued capital, reserves and retained earnings.

The Board manages its capital structure and makes adjustments to it in light of economic conditions. The Board may from time to time adjust dividend payments, return capital to shareholders, issue new shares, retire debt or increase debt all subject to performance ratios provided by their primary banker.

The Group's capital risk policy remains unchanged from 2024.

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. At present, the Group does not have any significant transactions denominated in foreign currencies other than U.S. dollars, and the foreign exchange rate for these transactions is fixed to the Bahamian dollar. Foreign exchange rates have not significantly fluctuated during the period.

Transactions denominated in U.S. dollars were translated into Bahamian dollars at the time of the exchange.

g. Fair value of financial assets and liabilities risk

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

In the opinion of management, the estimated fair value of financial assets and financial liabilities (accounts receivable, bank balances and accounts payable and accrued liabilities) at the date of the consolidated statement of financial position were not materially different from their carrying values. Long-term debt and preference shares approximate fair value and are carried at amortized cost given the long-term nature of these loans.

(Concluded)

26. COMMITMENTS

The Group through its subsidiaries entered into the following:

1. Various strategic agreements with third parties in order to secure supplies of inventory, as well as a Technical Service Agreement in connection with its participation in the Joint Operation at the Lynden Pindling International Airport. Incidental to these agreements, the Group through its subsidiaries, has committed to minimum purchase quantities for the supply agreements, and a minimum annual fee for the Technical Service Agreement.
2. A supply agreement with a major supplier of petroleum products. Per the supply agreement, the Group is committed to purchase minimum quantities of gasoline, diesel and liquid petroleum gas for the fiscal year. The supply agreement covers the period from October 1, 2024 to September 30, 2025. Thereafter, the agreement shall renew automatically for each successive year, unless terminated thereafter by either party upon written notice of cancellation.
3. Renewal of a Trademark License agreement effective July 2012 (see Note 12). The agreement provides a non-exclusive license to the Shell Brand Visual Manifestations at authorized sites. Consideration for the license, valued at \$4,080,000 at inception of the agreement, is capitalized accordingly. Continued use of the license is contingent on the subsidiary's commitment to pay SOHL royalties based on American gallons sold by authorized sites.
4. A Power Purchase agreement with a customer. The agreement commenced on October 15, 2024, and is for a term of thirty years. The Group is contracted to develop, design, construct, own and operate electric generating facilities and to sell the products generated by the facilities to the customer.

27. OPERATING LEASE AGREEMENTS

Operating leases, in which the Group is the lessor, related to property owned by the Group with lease terms between one to five years. The lessee does not have an option to purchase the property at the expiry of the lease period.

Lease income on operating leases was \$688,242 (2024: \$540,052).

The maturity analysis of operating lease receipts are as follows:

	2025	2024
Within one year	\$ 517,596	\$ 517,596
After one year but no more than five years	<u>2,104,980</u>	<u>2,104,980</u>
	<u>\$ 2,622,576</u>	<u>\$ 2,622,576</u>

28. CONTINGENT LIABILITIES

The Group is contingently liable for customs bonds of \$4,480,000 (2024: \$4,480,000) and has standby letters of credit of \$9,400,000 (2024: \$9,400,000).

29. CLAIMS AGAINST THE GROUP

Pursuant to the purchase of Shell Bahamas Limited, Sun Oil Holdings Limited assumed several outstanding legal matters and has engaged legal counsel to represent Sun Oil Holdings Limited in these matters. Based on management's judgment, a provision has been made in the consolidated financial statements for remaining exposure to expected loss in connection therewith.

30. SEGMENT REPORTING

The Group's primary format for segment reporting is in Business Segments. The risks and returns of the Group's operations are primarily determined by the nature of the different activities that the Group is engaged in, rather than the geographical location of these operations. This is reflected by the Group's organizational structure and the Group's internal financial reporting systems.

The Group has three Operating Segments: Wholesale, Retail and Utility Services. The activity of the Retail Segment includes marketing and operating several service stations, whilst the Wholesale Segment is dedicated to supplying petroleum products. The Utility Services Segment supplies generators for the purposes of energy production. The Group is managed on an integrated basis. The accounting policies of Operating Segments are the same as those described in Note 3, Material Accounting Policy Information. Sales between segments are made at prices that approximate market prices, taking into account the volumes involved. Revenue, expenses and results of the segments include inter-segment transactions between business segments. These transactions and any unrealized profits and losses are eliminated on consolidation.

(Continued)

STATEMENT OF COMPREHENSIVE INCOME - 2025

	Retail	Wholesale	Utility Services	Eliminations	Consolidated
REVENUE:					
External sales	\$ 90,240,617	\$ 283,525,578	\$ 80,250,047	\$ -	\$ 454,016,242
Intersegment sales	<u>1,440,000</u>	<u>369,196,105</u>	<u>39,079,013</u>	<u>(409,715,118)</u>	<u>-</u>
	<u>91,680,617</u>	<u>652,721,683</u>	<u>119,329,060</u>	<u>(409,715,118)</u>	<u>454,016,242</u>
RESULT:					
Segment result	<u>(246,482)</u>	<u>30,960,103</u>	<u>20,779,430</u>	<u>-</u>	<u>51,493,051</u>
Income from operations	(246,482)	30,960,103	20,779,430	-	51,493,051
Interest income	-	7,294	-	-	7,294
Finance costs	(33,138)	(920,018)	(1,622,677)	-	(2,575,833)
Dividends on preferred shares	<u>-</u>	<u>-</u>	<u>(4,532,496)</u>	<u>-</u>	<u>(4,532,496)</u>
PROFIT (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ (279,620)</u>	<u>\$ 30,047,379</u>	<u>\$ 14,624,257</u>	<u>\$ -</u>	<u>\$ 44,392,016</u>

STATEMENT OF FINANCIAL POSITION

ASSETS:					
Segment assets	<u>\$ 61,633,112</u>	<u>\$ 332,324,726</u>	<u>\$ 341,496,293</u>	<u>\$ (155,524,401)</u>	<u>\$ 579,929,730</u>
TOTAL ASSETS	<u>\$ 61,633,112</u>	<u>\$ 332,324,726</u>	<u>\$ 341,496,293</u>	<u>\$ (155,524,401)</u>	<u>\$ 579,929,730</u>
LIABILITIES:					
Segment liabilities	<u>\$ 81,537,050</u>	<u>\$ 248,702,463</u>	<u>\$ 127,146,315</u>	<u>\$ (154,102,632)</u>	<u>\$ 303,283,196</u>
TOTAL LIABILITIES	<u>\$ 81,537,050</u>	<u>\$ 248,702,463</u>	<u>\$ 127,146,315</u>	<u>\$ (154,102,632)</u>	<u>\$ 303,283,196</u>

OTHER INFORMATION

ASSETS:					
Capital additions	<u>\$ 903,564</u>	<u>\$ 23,370,838</u>	<u>\$ 65,010,678</u>	<u>\$ -</u>	<u>\$ 89,285,080</u>

(Continued)

STATEMENT OF COMPREHENSIVE INCOME - 2024

	Retail	Wholesale	Utility Services	Eliminations	Consolidated
REVENUE:					
External sales	\$ 90,523,321	\$ 318,841,447	\$ 27,097,637	\$ -	\$ 436,462,405
Intersegment sales	<u>-</u>	<u>402,072,865</u>	<u>-</u>	<u>(402,072,865)</u>	<u>-</u>
	<u>90,523,321</u>	<u>720,914,312</u>	<u>27,097,637</u>	<u>(402,072,865)</u>	<u>436,462,405</u>
RESULT:					
Segment result	<u>(2,188,329)</u>	<u>21,904,303</u>	<u>16,110,351</u>	<u>(429,979)</u>	<u>35,396,346</u>
Income from operations	(2,188,329)	21,904,303	16,110,351	(429,979)	35,396,346
Interest income	5,850	-	-	-	5,850
Finance costs	(30,859)	(1,040,521)	(1,855,410)	-	(2,926,790)
Dividends on preferred shares	<u>-</u>	<u>-</u>	<u>(2,896,624)</u>	<u>-</u>	<u>(2,896,624)</u>
PROFIT (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ (2,213,338)</u>	<u>\$ 20,863,782</u>	<u>\$ 11,358,317</u>	<u>\$ (429,979)</u>	<u>\$ 29,578,782</u>

STATEMENT OF FINANCIAL POSITION

ASSETS:					
Segment assets	<u>\$ 55,395,566</u>	<u>\$ 323,682,298</u>	<u>\$ 230,676,395</u>	<u>\$ (110,234,224)</u>	<u>\$ 499,520,035</u>
TOTAL ASSETS	<u>\$ 55,395,566</u>	<u>\$ 323,682,298</u>	<u>\$ 230,676,395</u>	<u>\$ (110,234,224)</u>	<u>\$ 499,520,035</u>
LIABILITIES:					
Segment liabilities	<u>\$ 79,640,545</u>	<u>\$ 226,930,783</u>	<u>\$ 49,874,747</u>	<u>\$ (108,155,715)</u>	<u>\$ 248,290,360</u>
TOTAL LIABILITIES	<u>\$ 79,640,545</u>	<u>\$ 226,930,783</u>	<u>\$ 49,874,747</u>	<u>\$ (108,155,715)</u>	<u>\$ 248,290,360</u>

OTHER INFORMATION

ASSETS:					
Capital additions	<u>\$ 566,613</u>	<u>\$ 13,101,122</u>	<u>\$ 74,341,284</u>	<u>\$ -</u>	<u>\$ 88,009,019</u>

Segment assets consist primarily of accounts receivable, inventories, property, plant, equipment, investment property, intangible assets and right of use assets.

Segment liabilities consist primarily of accounts payable, accrued liabilities, certain long-term debt and lease liabilities.

Corporate overheads are allocated to segments for company reporting purposes based on annual revenues and operating expenditure.

Dividends on preferred shares are included in corporate overheads. The funds raised from the preference share offerings were used in the utility services segment and the corresponding dividends have been allocated to this segment accordingly.

(Concluded)

31. NOTES RECEIVABLE, NET

Notes receivable, net consists of the following:

	2025	2024
Notes receivable	\$ 584,404	\$ 1,874,239
Less: allowance for expected credit loss	<u>(88,857)</u>	<u>(302,506)</u>
	<u>\$ 495,547</u>	<u>\$ 1,571,733</u>

The movement in allowance for expected credit loss is as follows:

	2025	2024
Balance, beginning of year	\$ 302,506	\$ 302,290
Expected credit loss	<u>(213,649)</u>	<u>216</u>
Balance, end of year	<u>\$ 88,857</u>	<u>\$ 302,506</u>

The notes are interest free and unsecured. The repayment terms range between one to twelve months (2024: two to seven years).

The Group writes-off a note receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Sensitivity Analysis - Allowance for Expected Credit Loss (ECL)

The Group's calculation of the allowance for ECL is sensitive to changes in inflation, GDP growth rates and commodity prices. A change in the ECL rate by one (1) percent of the total outstanding notes receivable balance at September 2025 can result in an increase or decrease in the allowance for ECL by \$5,844 (2024: \$18,742).

The Group always measures the loss allowance for notes receivables at an amount equal to lifetime ECL. The expected credit losses on notes receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Based on the provision matrix, the Group has determined an ECL rate of 13.7% - 15.4% (2024: 13.6% - 17.8%) which has been applied to the various buckets

32. RECLASSIFICATION

The following amounts included in cost of sales and depreciation and amortization expense have been reclassified to conform with the current year's presentation. Consolidated net profit and comprehensive income for the year reported in the consolidated statement of comprehensive income will not be impacted as a result of these changes.

	Effect on 2024
<i>Consolidated statement of comprehensive income:</i>	
Increase in cost of sales	\$ <u>4,610,836</u>
Decrease in depreciation and amortization expenses	\$ <u>4,610,836</u>

33. SUBSEQUENT EVENTS

Subsequent to year end but before the date of authorization of these consolidated financial statements, the following events have occurred:

1. The Group declared distribution of the following dividends:

Common Shareholders:

- i.* Extra-ordinary dividend of 3 cents per share to all shareholders on record at November 28, 2025, payable on December 11, 2025.
 - ii.* Ordinary dividend of 3 cents per share to all shareholders on record at December 31, 2025, payable on January 13, 2026.
2. On January 9, 2026, the Group received the proceeds of a bridge loan facility of \$40,000,000 to finance ongoing capital projects.

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