WEST INDIES OIL CO. LTD.

THE WEST INDIES OIL COMPANY LIMITED

Research Report June 24, 2022

CORPORATE INFORMATION

CORPORATE AND REGISTERED OFFICE	The West Indies Oil Company Limited (WIOC) Friars Hill Road P.O. Box 230 St. John's Antigua and Barbuda E-mail: shares@westindiesoil.com Telephone: 1 268 727 4789 Primary Contact Persons: Gregory F. Georges, Chief Executive Officer Carlton Bramble, CPA, CGA; ACIS – Chief Financial Officer
REGISTRAR, TRANSFER, AND PAYING AGENT	Eastern Caribbean Central Securities Depository (ECCSD) P.O. Box 94 Bird Rock Basseterre St. Kitts Telephone: 1 869 465 7192 Fax: 1 869 465 3798
AUDITORS	BDO Corner Factory Road and Carnival Gardens P.O. Box 3109 St. John's Antigua Telephone: 1 268 462 8868; 1 268 462 8869; 1 268 462 8992 Fax: 1 268 462 8808
LEGAL ADVISORS	Cort & Cort Attorneys at Law and Notaries Public. Fitzgerald House 2nd Floor 44 Church Street St. John's Antigua Telephone:1 268 462 5232/5233 Fax: 1 268 462 5234 Primary Contact: Dr. L Errol Cort – Senior Partner/Head of Chambers Tel: 1-268-462-1530 Email: corte@cortandcort.com

WIOC'S MISSION, VISION, AND CORE VALUES

The WIOC Mission

"To be the premier oil storage and petroleum products provider in Antigua and Barbuda, Dominica and the rest of the Eastern Caribbean"

The WIOC Vision

"WIOC will continuously deliver value to our stakeholders by:

- ***Providing high quality petroleum products and storage services in a safe, environmentally sustainable, and ethical manner.***
- ***Our commitment to continuous operational excellence and customer satisfaction.***
- ***Enhancing capacity and consistently delivering outstanding results.***
- ***Building a culture of efficiency and innovation to achieve strategic goals.***
- ***Creating a team focused on collaboration, professional development, and high performance.***
- ***Improving the economic and cultural vitality of the communities where we operate.***

Core Values

- ***Safety***
- ***Integrity***
- ***Reliability***
- ***Innovation***
- ***Excellence***

DISCLAIMER

Prospective investors should not construe the contents of this Research Report as legal or financial advice. Should you need advice or are in doubt about the contents of this document, consult an intermediary licensed under the Securities Act of an ECCU Member Territory or any other person who is licensed by the ECSRC to advise on the acquisition of corporate instruments or other securities in the Eastern Caribbean Securities Market (ECSM). The ultimate decision and responsibility to proceed with any transaction with respect WIOC securities rests solely with the investor. Therefore, prior to making an investment, the investor should determine the economic risks and merits, as well as the legal, and accounting characteristics of WIOC's securities, and his or her ability to assume those risks.

THE CHAIRMAN'S LETTER

In 1965, Natomas and Amoco International Oil established The West Indies Oil Company Limited (WIOC) as an oil refinery and distribution entity. The business expanded to Dominica in 1972 where we opened a satellite terminal operation in Canefield. Natomas eventually sold their shares in the Company to the (GOAB) in 1976 and, in 2015, the Government reacquired the shares of the controlling shareholder National Petroleum Limited. Currently, the GOAB remains the largest shareholder with 46% of the outstanding shares following the divestment to new shareholders in May 2021. The new shareholders joined existing minority shareholders PDV Caribe SA and Fancy Bridge Limited who own 25% and 24% of WIOC's shares respectively.

In the early 1980s, WIOC shifted its operation from the refining of crude oil and have focused on the storage and distribution of refined petroleum products and ancillary marine agency, marine vessel bunkering, aviation fuel and laboratory services. WIOC has also engaged in several real estate development projects. The success of this decision is reflected in consistent growth in our financial performance over the years. This change in focus, the expansion of our core business, and a diversification into attractive and profitable non-core opportunities have resulted in a more resilient revenue base. The rate of revenue growth and the profitability of the client services segments of the business have outperformed the traditional core sales and distribution segment. This growth is anchored by the expansion of storage capacity from five hundred thousand barrels at the end 2015 to 1.7 million barrels at the end of 2020.

In 2018, WIOC realized consolidated after-tax profit of $24.6M, with profits increasing to $26.16M in 2019.

Like most other businesses, the COVID-19 Pandemic has negatively affected our operating income for 2020 and 2021, This is particularly evident in aviation services and LPG bulk sales which were negatively affected by the fall off in air travel and the closures of the majority of the country's hotels and restaurants. Consolidated net income for 2020 and 2021 were $14.5 million and $17.8 million respectively. However, we anticipate a return to 2018-2019 levels of operating income between 2023-2025, in line with forecasted economic growth projections from authoritative regional and international institutions such as the Eastern Caribbean Central Bank (ECCB) and the Economic Commission for Latin America (ECLAC).

The Board of Directors remain committed to steering the Company's strategy, and overseeing its implementation, with the goal of attaining specified targets and creating value for our shareholders. Over the past 50 years, WIOC has emerged as a strong and stable Company, playing an integral role in the lives of the people of Antigua and Barbuda. The dedication, professionalism and experience of our management team and employees, their commitment to excellence and to the mission and vision of the Company, are evident in our continued growth and expansion. WIOC will therefore continue to aggressively pursue its mission "to be the premier oil storage and petroleum products provider in Antigua and Barbuda, Dominica, and the rest of the Eastern Caribbean.

Contents

DEFINITIONS AND ACRONYMS

BBL	Stock tank barrel of oil
CEO	Chief Executive Officer
CARICOM	Caribbean Community and Common Market
CHAIRMAN	President of the Board of Directors
CCE	Cash and Cash Equivalents
CFO	Chief Financial Officer
COMPANY / ISSUER	The West Indies Oil Company Limited
CPI	Consumer Price Index
COO	Chief Operational Officer
DCF	Discounted Cash Flow
DPS	Dividend per Share
EC$	Eastern Caribbean Dollar
ECCB	Eastern Caribbean Central Bank
ECCSD	Eastern Caribbean Central Securities Depository Limited
ECCU	Eastern Caribbean Currency Union
ECSE	Eastern Caribbean Securities Exchange
ECSRC	Eastern Caribbean Securities Regulatory Commission
EPS	Earnings per Share
FMV	Fair Market Value
GDP	Gross Domestic Product
GOAB	Government of Antigua and Barbuda
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IPO	Initial Public Offering

IVS	International Valuation Standards
Lead Arrangers	First Caribbean International Bank (Barbados)
	Bank of Saint Lucia Limited
KPI	Key performance indicators
LPG	Liquefied Petroleum Gas
Market Capitalisation	The total value of the tradable shares of a publicly traded company. It is equal to the share price times the number of shares outstanding. As outstanding stock is bought and sold in public markets, capitalization could be used as a proxy for the public opinion of a company's net worth and is a determining factor in some forms of stock valuation. Preferred shares are not included in the calculation
Mb/d	Million barrels per day
NAV	Net Asset Value
NBV	Net Book Value
NFPA	National Fire Protection Association
OECS	Organization of Eastern Caribbean States
OSRL	Oil Spillage Response Limited
P/E	Ratio Price Earnings Ratio
PB	Price to Book
PE	Price to Earnings
Principal Broker	Bank of Saint Lucia Limited
Public Servant	Any person employed by an agency of the government, namely, the Central Government, a Statutory Corporation or Company of the government. The employee may be employed on permanent or contractual terms and excludes consultants.
ROA	Return on Assets
ROE	Return on Equity/ Capital

COMPANY BACKGROUND INFORMATION

The primary focus of WIOC is Energy. WIOC was incorporated on March 28th, 1961, in Antigua and Barbuda. Its business activities cluster around the sourcing, marketing, and distribution of petroleum products. The original vision for WIOC included the refining of crude petroleum; and until 1976 when new technologies, changing markets and economies of scale forced a retreat from that arena, the WIOC 'Christmas Tree' – the Fractionating Tower with its bright flare of burning surplus propane gas, a glowing beacon lighting up the sky – seemed to represent a star pointing the way to an industrial future for Antigua and Barbuda. The original vision may have changed, as over time both WIOC and Antigua and Barbuda have adjusted to shifting realities – but the Company's core business remains essentially the same. WIOC's current aggressive move which diversifies its business portfolio into new ventures such as bunkering, aviation refueling, and commercial real estate development, signals a determination to meet the challenges of a transitioning international petroleum market head-on. The Company has also initiated collaborative consultations with the GOAB Department of the Environment, as it moves toward the development of a renewable energy business portfolio.

In 1976, major shareholder Natomas sold its majority equity to the GOAB, making the people of Antigua and Barbuda owners of WIOC. With crude oil refining no longer an option, WIOC continued to occupy an economic niche as a 'Terminaling' operation: sourcing, marketing, and distributing refined petroleum products for the local and regional markets. That activity continued until 1980, when international shipping magnate Bruce Rappaport purchased the controlling shares in the company. The newly capitalized WIOC made a valiant effort to re-enter the arena of crude oil refining. The plan called for the acquisition of two brand new catalytic cracking plants, capable of producing 21,000 barrels of refined crude daily, with a break-even point of 17,000 barrels a day. Although the refinery came online in 1983, without the new technology the effort was eventually abandoned as uneconomical, and by the end of the year WIOC was back to its core business: sourcing, storing, marketing, and distributing refined petroleum products. In 2015, the outlook for WIOC changed dramatically when the GOAB acquired the shares held by the Estate of the deceased Bruce Rappaport. The new majority shareholder, the GOAB, mandated the Board of Directors and the Executive Management to expand its core business and diversify into attractive non-core opportunities.

Still, at base, the core business of WIOC remains the sourcing, storing, marketing and distribution of refined petroleum products; and the company continues to excel in this arena. In addition to its line of commercial fuels (Gasoline, Jet Fuel, Ultra Low Sulphur Diesel, High Sulphur Diesel, Fuel Oil No. 6), WIOC also supplies Domestic Liquid Petroleum Gas (LPG), Engine Oils and Lubricants. WIOC distributes these products via an extensive network that includes 4 Marinas and 17 Service Stations in Antigua; 1 Service Station in Barbuda; and 9 Service Stations in the Commonwealth of Dominica. Fuel Storage is another of WIOC's core activities, and by 2020 the Company's already extensive tank farm was expanded to increase the capacity to store up to 1.7 million barrels of Petroleum Products.

One signal legacy of the Company's history as a crude oil refiner and fuel supplier is the existence of a fully equipped Confirmatory Product Testing Laboratory. The Product Sample Testing Laboratory is an essential facility for WIOC's continuing successful performance as a supplier of world class fuels and lubricants. The Laboratory is slated for significant expansion in the near term, in line with the company's ambitious development plans, For over 50 years, WIOC has stuck close to its core business. This strategy accounts for the company's longevity, even as world market conditions have changed over the years. Adaptability is a key skill for success in any arena, and WIOC has clearly proven – and continues to prove – that the company is amply endowed with the ability to move with the times and take full advantage of any available economic niche. WIOC has a foundation of over half a century of growth and development, an enviable base from which to optimise its existing business portfolio and capitalise on new opportunities.

GENERAL INFORMATION

The Company was incorporated on March 28th, 1961, in Antigua and Barbuda and is governed by Companies Act, 1995 of the Laws of Antigua and Barbuda.

The objects of the company, in summary, are set forth as follows:

i. The Issuer was established to operate and conduct a business in petroleum and chemical processing and related operations in the production, transportation, distribution, and sale of such products.
ii. The Issuer can, within its limitations of powers in each jurisdiction it seeks to do business, acquire, use, operate, mortgage, lease, develop, sell, and otherwise dispose of assets, tangible or otherwise, using various means in any part of the world for any purpose in connection with the business of the Issuer. The Issuer may also engage in activities related to its business on its behalf or on the behalf of others in a manner which is advantageous or profitable to the Issuer.
iii. The Issuer can act in any capacity as principal or agent with all persons or individuals to deal in activities related to the business of the Issuer.
iv. The Issuer may purchase, acquire, lease, sell, own, mortgage, and dispose of natural resources, or licenses and claims thereto. It is free to engage in activities in the productive chain of petroleum related products and minerals including but not limited to extraction, production, transportation, and final sale.
v. The Issuer may deal in and with goods, wares, merchandise, personal property of every class and description. The Issuer may acquire goodwill, rights, assets or any liability and obligation of any person as well as acquire by various means, grant, or dispose patents, licenses, rights, trademarks, copyrights, inventions related to the business of the company.
vi. The Issuer may acquire by various means, guarantee, sell, collateralise, or dispose of various financial instruments issued by any legal, sovereign, dependency, or political entity. The Issuer will hold all relevant voting rights and will act in a manner to preserve or enhance the value of such assets.
vii. The Issuer may enter, make, and perform contracts of every kind with any person, sovereign, colony, political body, or dependency.
viii. The Issuer may borrow, for the purposes of the Issuer, any amount and may loan to persons and various legal entities its surplus funds, with or without security.

The Issuer, in general, can carry on any other business and exercise all powers conferred to it by the laws of Antigua and Barbuda for companies formed under the Companies Act 1995.

DOCUMENTS AVAILABLE FOR INSPECTION

The West Indies Oil Company Limited will make the following documents available for inspection at their corporate office during normal working hours or through website link: https: www.westindiesoil.com/investor-information

a) WIOC's Audited financial statements and Annual Reports for the three-year period December 2015 to December 2021.
b) WIOC Certificate of Incorporation.
c) WIOC Articles of Continuance.
d) WIOC Articles of Association.
e) WIOC Memorandum of Association; and
f) WIOC Certificate of Good Standing

DIVIDEND POLICY

Dividends on ordinary shares will be payable within three (3) months following the declaration of the dividends payable by the Board of Directors. The timing of the dividend declaration will normally be by April 30th following the end of the financial year. The payment is made annually within six (6) months following the financial year-end for the net earnings on which the Directors have declared dividends payable. The financial year-end is December 31st. The dividend declaration amount is determined by the Directors of the company (in consultation with Executive Management) up to the amount (not exceeding) that was previously recommended by the Directors to a general meeting of the Issuer. The company has historically maintained a dividend payout ratio of 67% of net earnings however, this was reduced to 50% of net earnings for the financial years 2019 and 2020 due to impact of the COVID–19 pandemic on the financial performance of the company. The company will continue to pursue a dividend policy with the twin objectives of optimizing the long-term value of its shares and retaining the net earnings required for capital maintenance and investment in operating assets. Therefore, the Directors and Executive Management will set dividends at levels which can be honored within the stipulated payment deadline.

DIVIDEND RATES

The Issuer's dividend payment ratio has historically been 67% of net earnings however, this was reduced to 50% for the financial years 2019 and 2020. The unaudited consolidated net income after tax for 2021 is $17.803 million.
An estimated dividend payout of EC$11.928 million to shareholders of record as of June 27th ,2022 will be paid in July 2022 at a rate of over $2.00 per share. The forecast net earnings and dividend payouts for 2022 – 2025 are as follows:

Payment Year	Actual/Forecast Net Income	Actual/Forecast Dividend
2022	$17.803 M for FY 2021	$11.93M
2023	$24.102 M for FY 2022	$16.15M
2024	$26.846 M for FY 2023	$17.98M
2025	$29.583 M for FY 2024	$19.82M
2026	$31.249 M for FY 2025	$20.94M

BOARD OF DIRECTORS

The Board comprises eight directors drawn from the three substantial shareholders: The GOAB, PDV Caribe S.A. and Fancy Bridge Limited.

Profile of Directors:

Raul Licausi (Chairman of the Board)

Profession:	Diplomat
Appointed by:	PDV Caribe S.A
Year Appointed:	2016
Nationality:	Venezuelan

Mr. Raul Licausi is a Venezuelan Government official currently serving as the Deputy Minister of Foreign Affairs for the Caribbean representing the Bolivarian Republic of Venezuela.

Hilroy R. Humphreys

Profession:	Businessman
Appointed by:	GOAB
Year Appointed:	2014
Nationality:	Antiguan

Mr. Hilroy Humphreys is a prominent Antiguan businessman who has been the chairman and owner of G.C.S. Bottling Co. Ltd. over twenty years. Mr. Humphreys is also a former member of parliament and Senior Cabinet Minister in the Government of Antigua and Barbuda.

Alberto Wayne Martin

Profession:	Civil Engineer
Appointed by:	GOAB
Year Appointed:	2015
Nationality:	Antiguan

Mr. Alberto Wayne Martin is a prominent Antiguan civil engineer. He has been self-employed for the past seventeen years as a Civil and Structural Engineer, and a Certified Professional General Appraiser.

Mr. Martin holds a BSc. (Hons.) in Civil Engineering from the University of The West Indies, St. Augustine. He also holds the Certified General Appraiser (CGA) from the Appraisal Institute (AI).

Maria Browne

Profession:	Member of Parliament, Minister of Government and Businesswoman
Appointed by:	GOAB
Year Appointed:	2015
Nationality:	Antiguan

Ms. Maria Browne is an Antiguan Government Minister. She currently serves as the Minister of Housing, Lands and Urban Renewal.

Ms. Browne holds a BSc. in Psychology from the University of Phoenix, Arizona. She also holds a LLB (Hons.) QLD from Arden University, UK and is currently pursuing an LPC/LLM from the University of Law, London.

Weiqian XU

Profession:	Technical Director
Appointed by:	Fancy Bridge Limited
Year Appointed:	2015
Nationality:	Singaporean

Ms. Weiqian XU is a Singaporean with over twenty years of engineering experience in the chemical industry. She holds a BSc. in Polymer Materials from the Dalian University of Technology.

Lan Yu

Profession:	Financial Manager
Appointed by:	Fancy Bridge Limited
Year Appointed:	2015
Nationality:	Canadian

Ms. Lan Yu is a Canadian Investment Manager at Manpower Services (Hong Kong) Ltd. Ms. Yu manages relationships with current and prospective partners, consultants, brokers, attorneys, and other industry contacts. She also screens and identifies potential investment opportunities.
Ms. Yu holds a BSc. (Hons.) in Psychology and Economics from the University of Toronto.

Maria Colmenares

Occupation:	General Manager
Appointed by:	PDV Caribe, S.A
Year Appointed:	2015
Nationality:	Venezuelan

Ms. Maria Colmenares currently serves as the General Manager of PDV St. Kitts Nevis Ltd and manages the day-to-day affairs of the business.
Ms. Colmenares holds a BSc. General Sciences from the Colegio Santiago de Leon de Caracas. She also holds a bachelor's in law (LLB) from the Universidad Catolica "Andres Bello". Lastly, Ms. Colmenares holds an MBA from the Universidad Metropolitana, Caracas.

Abena St. Luce

Substantive Position:	Director
Profession:	Architectural Consultant
Appointed by:	GOAB
Year Appointed:	2015
Nationality:	Antiguan

Ms. Abena St. Luce is a consultant and currently serves as the Co-Owner of ASBH Inc. (2013); Project Director with National Housing and Urban Development (2014-2019); owner of MTM Consultants (2016); and Consultant and Project Manager of Balute Construction (2019-2020).

Ms. St. Luce holds a BSc. In Architecture Technology from New York Institute of Technology. She also holds a Certificate in Commercial Design as part of the Leadership in Energy and Environmental Design (LEED) Accreditation for Professionals. Lastly, Ms. St. Luce completed the Project Management Intensive Program from New York University.

OWNERSHIP STRUCTURE

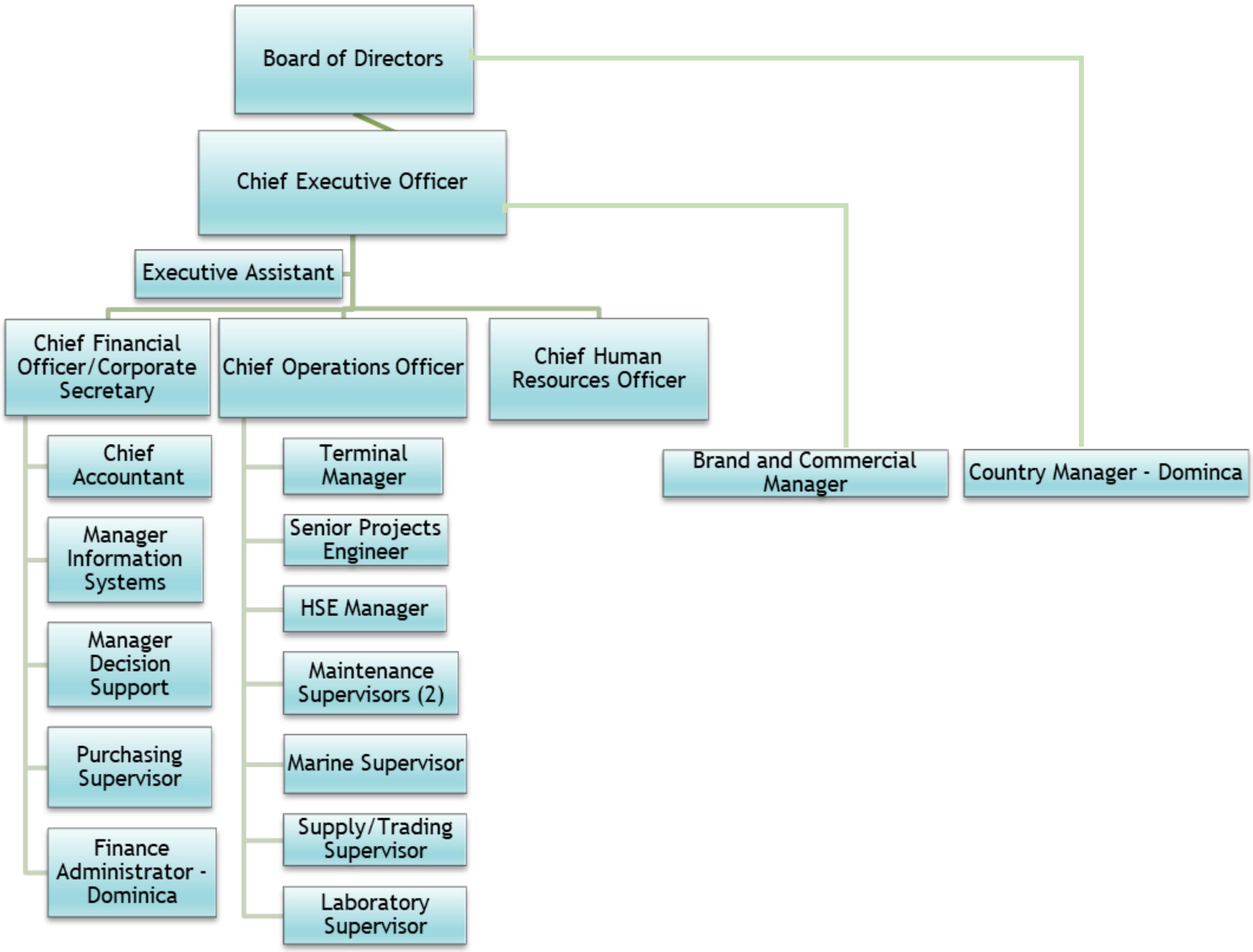
Name	NATIONALITY	ADDRESS	OCCUPATION	No. of Shares
The Government of Antigua and Barbuda	Antiguan	Parliament Drive, St. John's Antigua	-	2,717,280
Fancy Bridge Limited	British Virgin Islander	NovaSage Chambers, P. O Box 4389, Road Town Tortola, BVI	Company	1,401,025
PDV Caribe, S. A.	Venezuelan	Centro Empresarial Sabana Grande, Francisco Solano Avenue, 14th Floor, El Recreo Libertador Municipality Caracas, Venezuela	Company	1,480,000
Various minority shareholding of less than 1% per shareholder	Various	-	-	321,695

The Issuer has 5,920,000 authorized, issued and fully paid shares with a par value of EC$0.0025 per share and total share capital of EC$14,800. There is only one share class and there are no listed or unlisted securities issued by the Issuer which do not represent share capital.

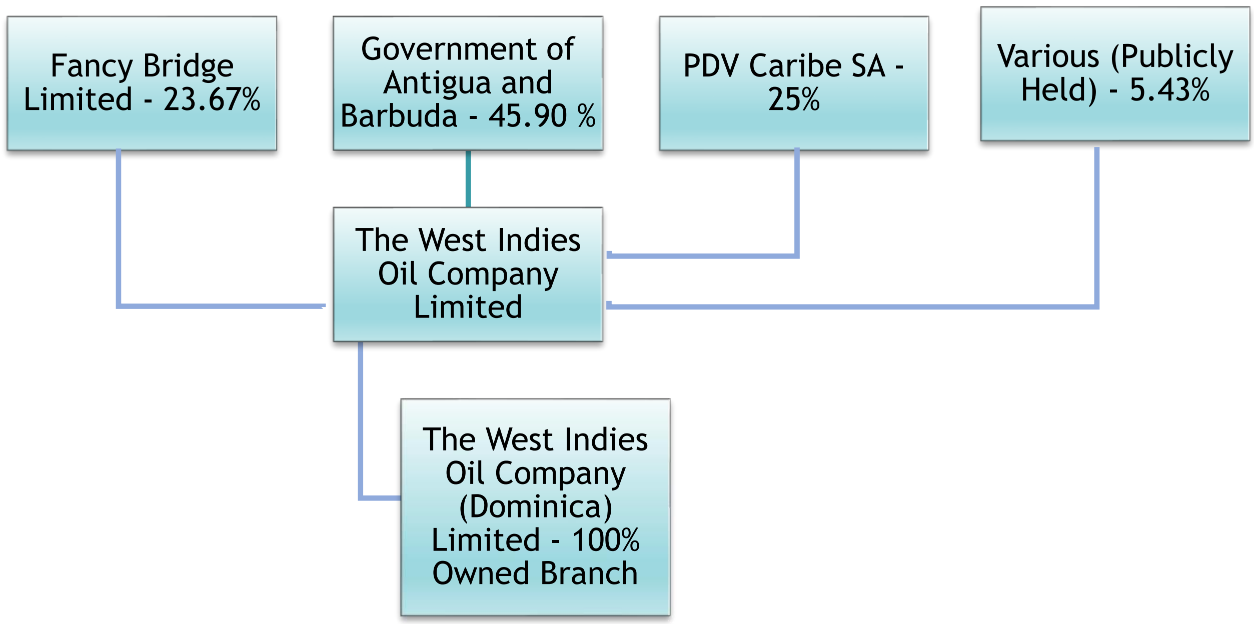
At present the GOAB is the largest shareholder, owning 2,717,280 shares or 45.9% of the Issuer's share capital.

In so far as the Company has the information, after the successful completion of the Listing, there are no individuals who directly or indirectly, jointly, or severally, exercise or could exercise control over the Issuer and the particulars of the proportion of the Issuer's voting capital held by such persons.

CORPORATE ORG CHARTS
Board of Directors/Executive Officers/Managers/Senior Supervisors



CORPORATE ORG CHARTS
Corporate Family Three



EXECUTIVE TEAM

Mr. Gregory F Georges, Chief Executive Officer

Gregory F. Georges was appointed Chief Executive Officer (CEO) of WIOC with effect from November 1, 2014. Prior to this, he served as the Company's Chief Financial Officer from September 2004. He has been associated with WIOC for over twenty years as he was part of a professional team that provided audit and consulting services to WIOC.

Mr. Georges is responsible for leading the team in the delivery of WIOC's strategic plan, building capacity and realising profitable growth. His financial acumen, results-oriented approach, and ability to think strategically plays a pivotal role building on WIOC's legacy and extending track record of innovation, while continuing to add value to all WIOC's stakeholders.

Since his appointment as CEO, Gregory has successfully led the transformation of WIOC from a company whose core business has been the domestic supply of petroleum products in a regulated pricing environment to an increasingly more diversified business with the provision of client services playing a much larger role in the Company's revenue base and profitability.

He has a track record of strong technical capability and leadership both inside and outside of WIOC. He also commands a wealth of knowledge and experience in the petroleum industry. He is a Chartered Professional Accountant (CPA).

Mr. Carlton Bramble, Chief Financial Officer/Corporate Secretary

Carlton Bramble is an experienced veteran of the Energy industry. He has had various financial management positions throughout the Eastern and Western Caribbean as well as Suriname and is currently, the Chief Financial Officer of WIOC. He believes that the finance function should be at the vanguard of advancing the strategic objectives of the organisation while simultaneously ensuring organisational integrity and robustness through the implementation of risk control processes, governance, and compliance procedures.

Throughout his career, Carlton has always had a passion for teaching and mentoring. He has been a tutor of Finance and Accounting courses at the University of the West Indies as well several other bodies providing Finance and Accounting certifications.

Carlton is an alumnus of the University of the West Indies where he earned a Bachelor of Science in Economics and Accounting and a member of the Canadian Professional Accounting organisation the Chartered Professional Accountants (CPA) Vancouver branch. He is also an Associate of the Institute of Chartered Secretaries and Administrators ICSA. Carlton holds certificates in Leadership, Business Strategy and International Financial Reporting Standards and has had a lifelong passion for teaching and mentorship which he sees as integral to and complementary of his leadership responsibilities.

Mr. Carl Farley, Chief Operation Officer

Carl Farley joins the executive team with a wealth of experience in the Petroleum, Oil and Gas industry having worked in the industry for SOL Petroleum, Shell Caribbean and Mobil Barbados Ltd, accumulating well over thirty years in the field. There is no doubt because Mr. Farley would have earned a regional reputation as a top performer. He previously held senior operations positions with responsibility for Operations & Engineering standards, the management of Terminal, Marine and Road Transport Operations, Health, Safety & Environmental (HSE) standards and initiatives, Asset Integrity and Asset Verification, and Laboratory & Quality Control analysis.

Carl holds a Bachelor of Science (BSc) in Management studies with emphasis on Finance, Marketing Management and Project Management and a Master of Science (MSc) in Project Management and Evaluation from the University of West Indies (UWI).

Beyond his academic and professional pursuits, Carl is currently Deputy Commandant of the Barbados Cadet Corps whose mission is to use challenging activities and military discipline to create model citizens among a wide cross-section of young Barbadian boys and girls. In addition, Carl was the former President of the UWI Alumni Association (Barbados Chapter); a platform he utilized to advocate for regional integration. As part of WIOC's Executive, Mr. Farley provides the much-needed operational advice as an authority in his field. He is eager to lend his expertise and train our people across all operational departments.

Marlene Bailey, Chief Human Resources Officer

BBA, MSc, SHRM

Marlene Bailey joined WIOC in 2017 and serves as WIOC's Human Resources (HR) manager, leading the HR department on the back of twelve (12) years of experience in the HR field and sound qualifications. Marlene served as a Human Resources Coordinator and Human Resources Officer prior to her appointment as Human Resources Manager.

Marlene holds a master's degree in Human Resources Management, a Bachelor of Business Administration (B.B.A) in Business Management & International Business, a Society of Human Resource Management (SHRM) certificate, and various certificates in International Law, Human Resource Management, and Industrial relations.

SENIOR MANAGEMENT TEAM

Alanna Joseph, Chief Accountant

BA, CPA

Alanna Joseph joined the WIOC team in 1996 and serves as the Chief Accountant, overseeing all accounting related activities, having climbed through the ranks. She holds a Bachelor of Arts (B.A.) in Accounting, an Associate of Science (A.S.) in Business management and is a Certified Public Accountant (CPA).

Levor Henry, Brand and Commercial Manager

BA., MBA

Levor Henry is a Communications and Change Management Professional offering 10 years' experience in marketing and corporate communications. He is a detailed project leader with experience in developing strategic plans, implementing organizational change management processes, and overseeing the full cycle of small to large projects.

Mr. Henry joined the WIOC Team in March 2021 as our Brand & Corporate Communications Manager and has since been promoted to Brand & Commercial Manager effective April 2022.

Shemrick Rodney, Manager Information Technology

B.Sc. CISA, CISM

Shemrick Rodney brought over 12 years of experience in the information technology (IT) field when he joined the WIOC team in 2017. Shemrick leads WIOC's IT team, offering wide regional experience and expertise. Before assuming his role at WIOC, Shemrick had various roles in information technology management inclusive of the audit of information risk management systems, network administration and information technology consultation.

Shemrick holds a Bachelor of Applied Science (B.A.Sc.) in Computer Science and Accounting. He also holds the Certified Information Security Manager (CISM) and Certified Information Systems Auditor (CISA) certifications from the Information Systems Audit and Control Association (ISACA). Lastly, Shemrick holds the Network+ CE certification from the Computing Technology Industry Association (CompTIA).

Janine Martinez, Manager Decision Support

ACCA Member

Janine Martinez joined in 2010 as an Accounts Clerk, coming from a similar position and has risen through the ranks to Staff Accountant, Finance Supervisor and Manager Decision Support which she currently holds. Janine is involved in providing support for and articulating critical strategic business insights and drivers.

Janine is a member of the Association of Chartered Certified Accountants (ACCA) and has completed various professional development training and workshops including but not limited to, leadership training and advanced financial modelling.

Janine is passionate about WIOC and is committed to obtaining a Master's degree in the accounting field and continuing to contribute to WIOC's growth.

Ronnie Singh, Senior Project Engineer

BSc., PMP

Ronnie Singh joined WIOC in 2016 as a Project Engineer before moving up to Senior Project Engineer. Prior to his time at WIOC, Ronnie held various positions including Project Controls Engineer, Project Engineer, Senior Project Engineer, Project Manager and Manager - Overseas Projects.

Ronnie holds a Bachelor of Science (B.Sc.) in Engineering as well as the Project Management Professional (PMP) Certification (2009). Ronnie has consistently pursued continuous learning and has attended many workshops and training sessions.

Mallon Joseph, Terminal Manager

Operations Cert.

Mallon Joseph joined WIOC in January 2002 as a Terminal foreman with responsibility for supervising, coordinating, and assisting with port activities at WIOC. He moved up the ranks to terminal supervisor then senior terminal supervisor and now he is the Terminal Manager. Mallon’s responsibility is to provide oversight of WIOC’s terminals. This includes duties such as supervision of the bulk fuel facility and other fuel related activities; ensuring costs, quality and delivery commitments comply with company and customers’ requirements; ensuring adherence to health and safety procedures; and ensuring that general operating standards are enforced.

Mallon has acquired professional training in facilities management from UWI Open Campus. He has also completed a terminal operations course from Phillips Operations Management in 2017.

Cedric C. Sookhoo Snr., Country Manager

BBA., PG Dip

Cedric Sookhoo Snr. joined WIOC in May 2019. He holds the position of Country Manager at WIOC Dominica. Cedric has a Bachelor of Business Administration (BBA) with a major in Finance from the University of Technology, Kingston Jamaica, and a Post graduate diploma (PG Dip) in Business Administration from the University of Leicester, UK. Cedric held his previous position for six years where he acquired vast experience in Business Development in the energy sector. He also kept abreast with industry practices and procedures by attending many managements training, seminars, and workshops.

Cedric’s job involves managing the operations and developing business for WIOC Dominica to increase profitability.

DISCLAIMER ON ECONOMIC AND FINANCIAL LANDSCAPE ANAYLSIS

The financial and economic information presented in this Research Report has been prepared in good faith. The Issuer used information from sources which are deemed to be reputable, reliable, and accurate as at the preparation time of this document. The Issuer gives no guarantee or warranty (expressed or implied), regarding the accuracy, completeness, correctness or reliability of the data or the statistical methodologies utilized by the sources. While the Issuer believes that its judgement on published economic and financial data is reasonably held at the time of preparation, it gives no guarantee or warranty (expressed or implied) on its opinions or judgements.

Certain financial and economic data presented in this Research Report, particularly concerning data for 2022 and 2021, may be subject to revision and possible adjustment by the respective sources. This may be due to data being updated or revised due to new information becoming available, corrections or omissions. Certain data, for example, are not actuals, but have been estimated by the respective sources because year-end or quarter-end information is available for some sectors of the economy while other sectors require an estimation based on partial data. Additionally, it may be the case that where data is available for all sectors of the economy, they are still subject to final revision and there may be errors or omissions.

Projections on financial and economic data presented in this Research Report, are provided for informational purposes and no guarantee is made regarding the accuracy of such projections or that they will be realized. In some cases, projections are provided by third parties and while the Issuer believes these projections to be accurate and reliable, no guarantee is given regarding their accuracy or reliability.

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OPERATING PERFORMANCE

HISTORICAL AND FORECAST STATEMENTS
(Audited 2015 -2020 and Unaudited 2021)

Consolidated Statements of Comprehensive Income (XCD '000)

Year ended December 31	Forecast	Actual						
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Sales	344,352	332,196	229,132	327,539	341,337	279,541	223,311	274,165
Cost of sales	(297,486)	(286,973)	(188,695)	(268,403)	(288,404)	(230,107)	(180,722)	(222,013)
Gross profit	**46,866**	**45,223**	**40,437**	**59,136**	**52,933**	**49,434**	**42,589**	**52,152**
Other operating income	31,702	27,445	23,902	32,982	27,140	21,778	13,898	14,688
Net sales and other operating income	**78,568**	**72,668**	**64,339**	**92,118**	**80,073**	**71,212**	**56,487**	**66,840**
Operating expenses								
Selling, general and administrative	(35,282)	(37,224)	(35,957)	(38,108)	(36,936)	(36,066)	(31,131)	(37,046)
Depreciation on PPE	(9,347)	(7,773)	(7,401)	(7,951)	(6,825)	(4,870)	(2,916)	(2,845)
Remeasurement(loss)/gain		28	2,637	(1299)				
Provision for claims and losses		(95)		(229)		(349)	(68)	(2,506)
Credit loss expense		(695)	(122)	(1290)	(672)			
Bad debt recovery			19				(324)	(145)
Exchange loss		(1,089)	(622.00)	(1092)	(848)	(540)	(581)	(540)
Fixed asset impairment				(596)	(810)			
Depreciation on investment property					(274)	(316)	(358)	(367)
	(44,629)	**(46,848)**	**(41,446)**	**(50,565)**	**(46,365)**	**(42,141)**	**(35,378)**	**(43,449)**
Net operating income	**33,939**	**25,820**	**22,893**	**41,553**	**33,708**	**29,071**	**21,109**	**23,391**
Interest income		62	44	47			64	377
Interest expense	(1,804)	(1,902)	(1,423)	(1,763)	(797)			(789)
		(1,840)	**(1,379)**	**(1,716)**	**(797)**		**64**	**(412)**
Net income before taxation	**32,135**	**23,980**	**21,514**	**39,837**	**32,911**	**29,071**	**21,173**	**22,979**
Taxation								
Corporation tax	(8,034)	(4,848)	(4,009)	(9,094)	(7,161)	(6,719)	(5,373)	(5,592)
Withholding tax		(18)	(18)	(18)	(18)	(91)	(66)	(392)
Deferred tax		(1,311)	(1,169)	(1,075)	(1,042)	(740)	(151)	(78)
	(8,034)	(6,177)	**(5,197)**	**(10,187)**	**(8,221)**	**(7,550)**	**(5,590)**	**(6,062)**
Net income for the year	**24,101**	**17,803**	**16,317**	**29,650**	**24,690**	**21,521**	**15,583**	**16,917**
Other comprehensive income								
Revaluation of land					812			
Special tax on net income			(1,771)	(3,026)				
Total comprehensive income for the year	**24,101**	**17,803**	**14,546**	**26,624**	**25,502**	**21,521**	**15,583**	**16,917**

Consolidated Statements of Financial Position (XCD'000)
(Audited 2015 -2020 and Unaudited 2021)

As at December 31	Forecast	Actual						
	2022	2021	2020	2019	2018	2017	2016	2015
Assets								
Current Assets								
Cash and cash equivalents	27,964	64,548	32,897	24,889	64,275	50,600	38,203	43,953
Trade and other receivables	93,756	94,406	88,701	97,939	104,619	93,547	80,023	83,509
Tax Receivables	0	543						
Inventories	13,040	13,500	17,843	9,409	16,049	18,975	12,402	18,093
Current portion of loan receivable		106	145					
Deferred charges		1,106	370	395	223			
Total Current Assets	**134,760**	**174,209**	**139,956**	**132,632**	**185,166**	**163,122**	**130,628**	**145,555**
Non-Current Assets								
Property held for development and sale	9,053	9,148	9,148	9,148	9,148	9,148	9,148	9,148
Investment property	10,515	10,515	10,515	10,515	1,586	2,055	2,335	2,916
Property, plant and equipment	247,231	224,745	213,537	215,468	200,785	166,616	132,973	87,936
Loan receivable		0	60					
Deferred tax asset		50	50	50	50	647	1,387	1,586
Total Non-Current Assets	**266,799**	**244,458**	**233,310**	**235,181**	**211,569**	**178,466**	**145,843**	**101,586**
Total Assets	**401,559**	**418,667**	**373,266**	**367,813**	**396,735**	**341,588**	**276,471**	**247,141**
Liabilities								
Current Liabilities								
Trade and other payables	103,119	109,540	89,195	75,193	120,125	108,243	67,942	41,862
Tax payable	2,008	0	2,991	6,327	2,207	1,528	1,292	2,918
Loan payable		28,523	7,975	8,062	8,149			
Total Current Liabilities	**105,127**	**138,063**	**100,161**	**89,582**	**130,481**	**109,771**	**69,234**	**44,780**
Non-Current Liabilities								
Long term loan	30,953	23,512	21,037	28,688	36,337	13,500	-	-
Deferred tax liability		4,000	2,689	1,520	445		-	-
Total Non-Current Liabilities	**30,953**	**27,512**	**23,726**	**30,208**	**36,782**	**13,500**		
Total Liabilities	**136,080**	**165,575**	**123,887**	**119,790**	**167,263**	**123,271**	**69,234**	**44,780**
Shareholders' Equity								
Share capital	15	15	15	15	15	15	15	15
Contributed surplus	128,889	128,889	128,889	128,889	128,889	128,889	128,889	128,889
Revaluation surplus	69,709	69,709	69,709	69,709	69,709	68,896	68,896	68,896
Accumulated surplus	66,866	54,479	50,766	49,410	30,859	20,517	9,437	4,561
Total Shareholders' Equity	**265,479**	**253,092**	**249,379**	**248,023**	**229,472**	**218,317**	**207,237**	**202,361**
Total Liabilities and Shareholders' Equity	**401,559**	**418,667**	**373,266**	**367,813**	**396,735**	**341,588**	**276,471**	**247,141**

Consolidated Statements of Cash Flows (XCD ‘000)
(Audited 2015 -2020 and Unaudited 2021)

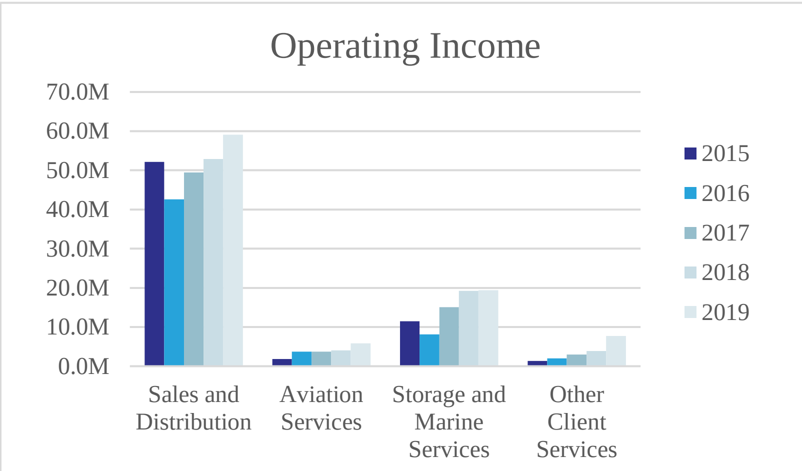
Year Ended December 31,	**Forecast**		**Actual**					
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Net operating income	33,939	23,981	21,514	39,837	32,911	29,071	21,173	22,979
Adjustments for:								
Loss/(Gain) on disposal of PPE		152				(389)	(8)	(545)
Loss/(Gain) on disposal of investment property			43		(1254)			
Other Non-Cash Items		(28)	(2,656)	1,299				
Depreciation on investment property					274	316	358	367
Depreciation on PPE	9,347	7,772	7,401	7,951	6,825	4,870	2,916	2,845
Provision for impairment of fixed asset				596	810		68	2,506
Provision for contingencies and claims		95						
Credit loss expense		723	122	1,290	672		325	145
Interest expense		1,902	1,423	1,763	797			789
Interest income				-48			(64)	(377)
Operating income before changes in working capital	**43,286**	**34,597**	**27,847**	**52,688**	**41,035**	**33,868**	**24,768**	**28,709**
Change in trade and other receivables	1,347	(6,400)	9,135	5,390	(11,967)	(13,525)	3,317	19,774
Change in inventories	1,874	4,183	(8,434)	6,641	2,925	(6,573)	5,691	654
Change in trade and other payables	(10,423)	32,423	3,449	(51,102)	13,182	37,611	20,834	-8,860
Change in deferred charges		(736)	24	(172)				
Change in loan receivable		100	(205)					
	79,370	64,167	31,816	13,445	45,175	51,381	54,610	40,277
Tax Paid	(5,542)	(8,400)	(9,135)	(8,018)	(6,500)	(6,500)	(7,018)	(11,018)
Net cash generated from operating activities	**73,828**	**55,767**	**22,681**	**5,427**	**38,675**	**44,881**	**47,592**	**29,259**
Cash flows from investing activities								
Purchase of PPE	(31,902)	(18,991)	(5,569)	(23,231)	(40,991)	(38,619)	(47,952)	(6,339)
Proceeds from disposal of PPE		18	56		1,450	459	7	545
Long -term receivable	96							
Interest received/(paid)				48	(798)		64	376
Net cash used in investing activities	**(31,806)**	**(18,973)**	**(5,513)**	**(23,183)**	**(40,339)**	**(38,160)**	**(47,881)**	**(5,418)**
Cash flows from financing activities								
Long Term Loan		32,400			32,400	13,500		
Loan repayment	(27,900)	(9,675)	(7,650)	(7,650)	(1,913)			
Dividends paid	(12,362)	(19,446)		(12,130)	(15,148)	(7,824)	(5,461)	(39,009)
Treasury Shares	6,817	(6,817)						
Interest paid	(1,804)	(1,605)	(1,510)	(1,850)				(788)
Net cash from financing activities	**(35,249)**	**(5,143)**	**(9,160)**	**(21,630)**	**15,339**	**5,676**	**(5,461)**	**(39,797)**
(Decrease)/Increase in CCE during the year	**6,773**	**31,651**	**8,008**	**(39,386)**	**13,675**	**12,397**	**(5,750)**	**(15,956)**
CCE, beginning of year	**64,548**	**32,897**	24,889	64,275	50,600	38,203	43,953	59,909
CCE, end of year	**71,321**	**64,548**	**32,897**	**24,889**	**64,275**	**50,600**	**38,203**	**43,953**
Represented by:								
Cash and cash equivalents	**71,321**	**64,548**	**32,897**	**24,889**	**64,275**	**50,600**	**38,203**	**43,953**

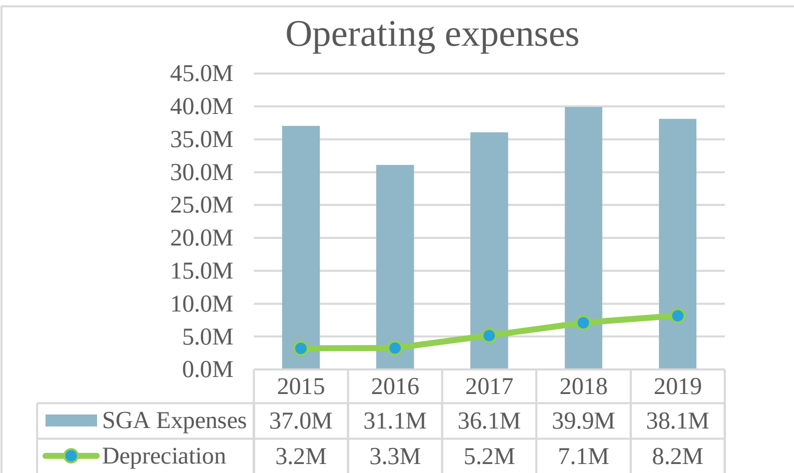
KEY FINANCIAL RATIOS

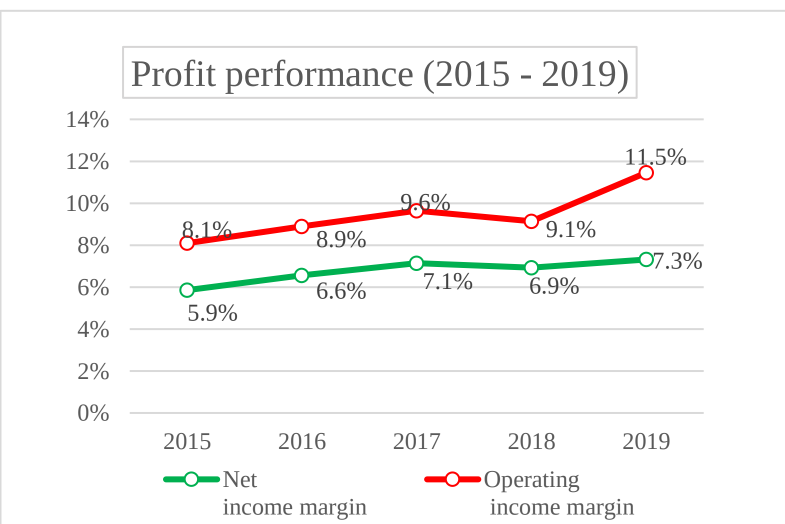
Key Financial Ratios	*Forecast*	*Actual*						
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Net income margin	7%	5%	7%	9%	7%	7%	7%	6%
Operating income margin	10%	8%	10%	13%	9%	10%	9%	8%
Current Ratio	1	1	1	1	1	1	2	3
Interest Coverage Ratio	24	18	10	24	42	-	-	57
Return on Capital Employed	6%	4%	4%	8%	6%	6%	6%	7%
Return on Equity	9%	7%	7%	12%	11%	10%	8%	8%
Debt to Equity	0.5	0.7	0.5	0.5	0.7	0.6	0.3	0.2
Debt to Asset Ratio	0.3	0.4	0.3	0.3	0.4	0.4	0.3	0.2
Earnings Per Share	4.07	3.00	2.46	4.50	4.30	3.64	2.63	2.86
Price or Earnings Ratio	15	20	24	13	14	17	23	21
Dividend Yield	5%	3%	2%	5%	5%	4%	3%	3%
Dividend Payout Ratio	67%	67%	50%	50%	67%	67%	69%	67%

MANAGEMENT DISCUSSIONS AND ANALYSIS

West Indies Oil Company's Actual performance (2015 to 2019)







West Indies Oil Company (WIOC) recorded a profit of XCD$26.38 million for the year ended December 2019, an increase of 0.58% or $0.88M from the prior year 2018.The Net Income increase for the five-year period (2015- 2019) was 56% or $9.5M, this was primarily due to higher other income, particularly in storage and marine services and miscellaneous income. However, profit was partially offset by higher operating expenses, taxes, and finance costs, up $7.36M and $8.46M respectively. WIOC invested tremendously in property plant and equipment which in turn was financed by long-term loans, hence this impact increased interest expense on loans and higher depreciation expense on the assets for the period. Total revenue from the prior year (2018) saw a marginal decrease of 0.40% or 1.29M. Revenue over the five-year period (2015 to 2019) increased by 23.4%. The gasoline and fuel oil product lines starred as major contributors to revenue. Additionally, the bulk LPG's and other LPG package sizes has been WIOC's most profitable product mix, this is due to increased migration to propane powered appliances and equipment by Antiguans. WIOC's other income has also grown impressively for the five-year period by 123%. This increase was attributed to increased storage fee income, jet fuel handling and transmission fees and miscellaneous income. WIOC's cost of sales decreased by $20M or 6.94% from 2018 to 2019. However, over the five-year period (2015 to 2019) the cost increased by $46.39M or 20.89%, mainly due to marginal increases on per unit import levies and higher volumes per barrel on diesel and gasoline. Operating expenses saw a decrease from the prior year by 1.56 % and an increase by 15.02% for the five-year period. The main contributors for higher operating expenses include an increase in depreciation expense because of asset acquisitions, several one-off separation packages for employees with significant years of service in 2017 through to 2018, and salaries and increases in product haulage expense for transportation to customers and port charges.

There was an increase of 115% in finance costs and 61% in tax for the year 2019. The high spike in finance costs was primarily due to interest expense recognized on a $7.65M principal repayment on a loan facility. The tax amount was higher due to a special tax on net income mandated by Antigua and Barbuda Income Tax Amendment Act of 2019, where an additional tax of ten percent (10%) is charged on the net income of the Parent Company.

WIOC's strong balance sheet has enabled it to remain profitable, continue its expansion and explore new opportunities to further enhance and generate greater revenue. Overall, assets decreased by 10% or $38.1M for the year 2019. Non-current assets grew by $14.4M mainly due to additions in the jetty and tank farm. This contributed to fulfilling one of WIOC's key strategic plan projects which is to generate revenue by berth & tank storage expansions. Current assets fell for the year by $52.5M because of increases in collections of trade receivables and reductions in inventory particularly diesel and mogas fuel. WIOC's current ratio remained at 1 and return on asset at 7% which signifies strength, in both the ability to repay short term debt and the efficiency in use of every dollar invested in assets to generate profit.

Over the five-year period 2015 to 2019 total assets increased by 45%, with non-current assets of $124M being the primary contributor to this amount. Trade receivables and inventory, primarily between the years 2017 and 2018 were the highest contributors to this figure. WIOC's debt fell by 28% for 2019.Long-term debt dipped by $6.6M due to a principal repayment of $7.65M partially offset by a loan principal drawdown, while short term debt containing mainly trade payable payments fell by $40.9M. Over the last five years, however, WIOC's debt grew, with long term and short-term debt increasing by $30.2M and $44.8M respectively. WIOC also maintained a high interest cover ratio for the period, which signifies its potent ability to pay back interest expense (over many times) on debt. The company's strong credit position has enabled it to access debt financing from premier financial institutions at very favourable terms. This is further proven by WIOC's healthy financial leverage. The Company has maintained an average debt to equity ratio of 0.4 over the last five years.

The increase in WIOC's shareholders' equity from $9.4M for the year (2019) and $36.5M for the five-year period signals the yearly growth of the Company. In 2019, return on equity was 11% and the five-year average 9%. The average EPS, P/E ratio, dividend yield and dividend payout ratio for the last five years are $35.6, 17.6, 4% and 61% respectively. This demonstrates tremendous gain by WIOC's shareholders in the past. An interpretation of an average EPS of 35.6 for instance, means that WIOC's shareholders earned $35.6 on each share they owned. WIOC's healthy dividend policy, produces a great dividend yield at 4% and an average dividend payout ratio of 61% which means that WIOC is paying back 61% of profits to its shareholders and retaining 39% for capital maintenance.

MANAGEMENT DISCUSSIONS AND ANALYSIS

West Indies Oil Company's Actual performance (2020)

Effects of Covid-19 Pandemic:

The effects of the COVID-19 pandemic on the Company's operating results commenced in second quarter 2020. As the number of cases arising from infection by the virus grew, the governments of both Antigua and Dominica took various measures to restrict social interaction, with resulting commensurate effects on economic activity. Various forms of these restrictions remain in effect as of publication of the 2020 Financial Statements, albeit with less severity than during the high point of the pandemic in the second and third quarters of 2020.

The key effects of measures taken to combat the pandemic on the Company's 2020 results are:

- A reduction in Jet fuel volumes by 64%
- A reduction in bulk LPG volumes by 40%
- Overall reduction in trading volumes by 24%

As a result of these negative impacts, The Company's 2020 operating income before expenses is lower than 2019 by $27,778,811. The net income before tax declined significantly in 2020 to $21,514,048 from $39,837,079 for 2019. In addition, the Company's liquidity has been negatively impacted, forcing the deferral of scheduled capital expenditure and payment of dividends in 2020 in respect of the financial year ended December 31, 2019.

During 2020, the governments of the Organisation of Eastern Caribbean States (OECS) in collaboration with the Eastern Caribbean Central Bank (ECCB) implemented a program to provide relief to individuals and companies in the form of a three (3) to six (6) months' moratoria on loan repayments to commercial banks. The Company chose not to participate in the program since it was satisfied that its working capital management policies were sufficient to ensure continued, uninterrupted operations despite the negative impact of the pandemic on its liquidity.

The Company took the following steps to mitigate the impact on its liquidity:

- Negotiated a one-off extension of credit terms with major suppliers in April-May of 2020
- Reduced discretionary operating expenditure by 8% ($3,499,530) throughout 2020
- Tighter monitoring of credit and improved receivables collection. There was a net increase in receivables collection of $10,985,833.

In April 2021, the company raised EC$32.4 million for working capital support and to fund its deferred capital expenditure program on terms like its existing facility from 2017. The negative impact on economic activity of the COVID-19 crisis has continued into 2021 and the Company continues to experience lower than average trading results and liquidity restraints.

MANAGEMENT DISCUSSIONS AND ANALYSIS
2021 Performance Summary

Year to date trading volumes excluding Jet fuel increased over 2020 by 5%. The trading volumes are also 5% higher than the budget. Jet volumes are higher than budget by 96%, and higher than prior year by 97%. There has been less disruption to trading activities caused by social distancing measures to control COVID-19 outbreaks in 2021 relative to 2020. However, August and September's results has been negatively impacted by the extension of the overnight curfew by two (2) hours at the middle of August through to the end of September. The overall year to date improved trading activity has generated a positive gross margin variance of $4.69 million in comparison to 2020 and $2.65 million in comparison to the budget for all products excluding LPG. The favourable variance on white oils and fuel oil has been offset by the following factors:

1) Negative LPG price variance.

The LPG gross margin is lower than the prior year and budget by $1.76 million and $3.816 million respectively. The negative variance is the result of higher product cost, particularly in the second half of the year. Unlike the other products – gasoline, diesel and fuel oil, the overall LPG margins are not fixed/guaranteed – therefore significant increases in cost will result in the erosion of margins on this product. Product cost per barrel has increased by 60% over the prior year. To recover the lost margins, the Company increased bulk LPG prices in two phases on August 1st and December 1st, 2021.

In addition, management has issued a tender for supply of LPG. Savings will be realised on the product cost from the successful bidder on the supply tender effective January 2022 when the new supply contract comes into effect.

2) Lower Lab Fees

Lab fees are lower than prior year by $342K and budget by $353K. The lower laboratory testing fees are the result of the loss of business to competitors in neighboring territories and a reduction in demand for some testing services. Management has initiated dialog with clients to recoup the business lost to neighboring labs. In addition, with the recovery of trading volumes in the third and fourth quarters, income from laboratory testing services is forecast to exceed the first two quarters.

Lower Storage Fees

Storage fees are lower than prior year by $656K and budget by $713K due to tank 27 being out of service for repairs and the delayed in-service date for tank 6. The repairs on tank 27 is complete. It should be noted that the demand for storage has softened due to the general reduction in economic activity throughout the Eastern Caribbean region, affecting the timeframe within which rental agreements can be concluded with the storage client.

Working Capital Accounts Note

Trade and other receivables are higher than the prior year balance on November 30th by EC$5.125 million. This increase is attributable primarily to the company's larger customers and management is satisfied that the increased receivables outstanding are not impaired.

Trade and other payables are higher by $30.4666 million – offsetting and funding the increase in receivables. The company's payables account balances are current and within supplier payment terms. Thus, the increase in current liabilities is not the result of failure to settle liabilities timely. The increase in accounts payable is due to higher costs for inventory.

Management is satisfied that the company can meet its trading obligations as well as financing and capital budget commitments for the foreseeable future.

2022 Outlook – Funding for capital assets and financing requirements

The planned capital expenditure over the forecast period is EC$30 million, dividend payments of EC$11.928 million, loan principal and interest payments $27.9 and EC$2.057 million respectively. The disbursements to investors include repayment to CIBC First Caribbean Bank of the outstanding demand loan of $16.2 million In April 2022 and estimated dividend payments to shareholders of $11.928 million in July 2022. Management expects to meet these commitments from operating cash flows and close the forecast period with an estimated EC$67 million cash on hand inclusive of reserve balances.

Summary

The trading results highlighted above has resulted in year-to-date unaudited consolidated Net Income of $17.803 million at year end, below the budget projection by $169K and above prior year by $3.26 million. The restrictive curfew hours curtailing business and social activities to 5AM – 6PM, then 5AM – 8PM for most of February and March weighed on the results for the first half of the year, contributing to the below budget forecast performance year to date. Curfew hours were extended to 11PM in April. A spike in the number of active COVID cases in August prompted the governments of Antigua and Dominica to introduce more stringent curfew measures. The overnight curfew hours were extended to 8PM to 5AM in Antigua in middle August. They were relaxed on October 15th allowing for commercial and business activities up to 11PM. The COVID-19 restrictions year to date, however, have not been as stringent as last year and there has been improvement in trading activities. The Government lifted the state of emergency and the related curfew on December 24, 2021.

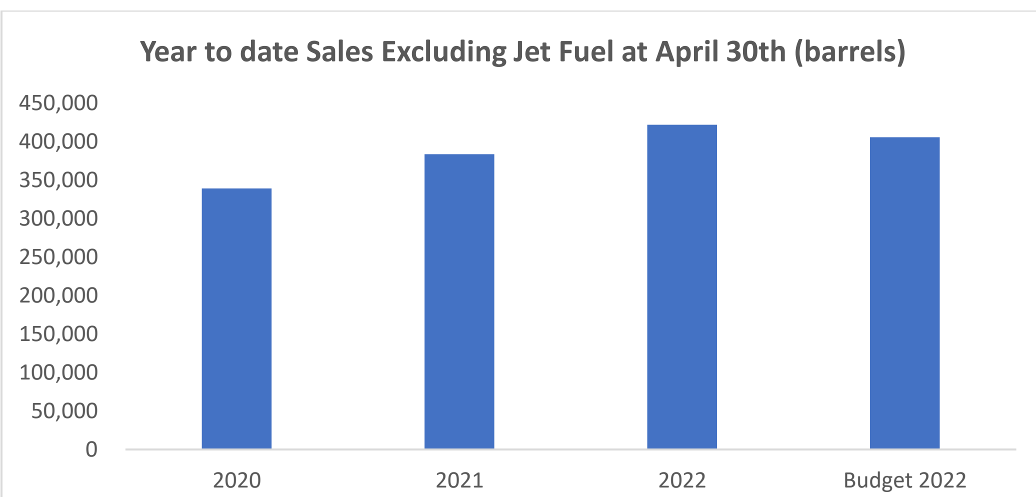
MANAGEMENT DISCUSSIONS AND ANALYSIS

Performance Summary – Year to date April 2022

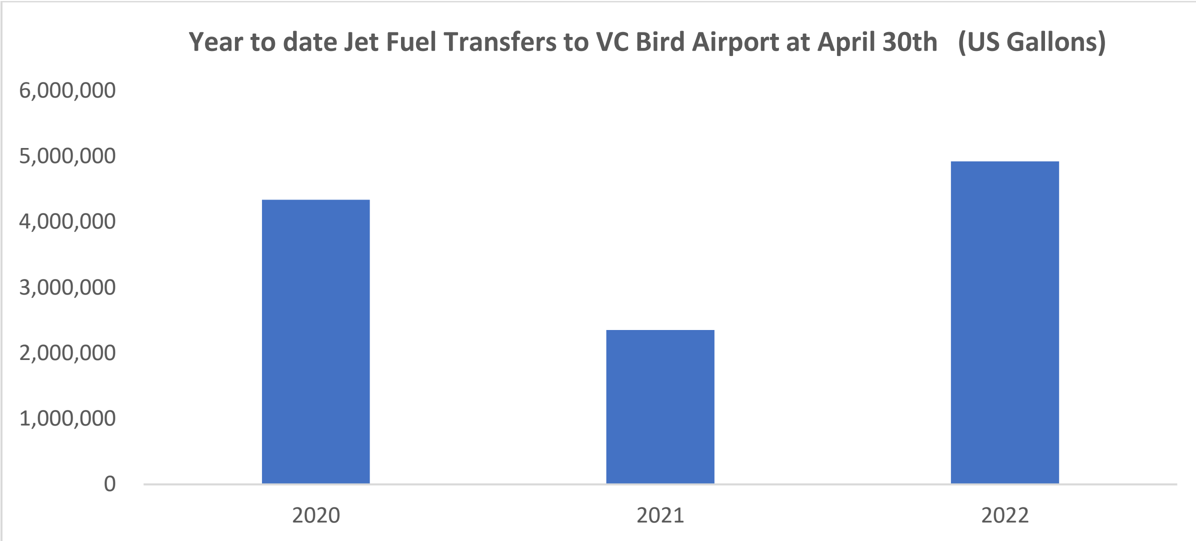
COVID-19 continues to the impact the Company's business results. The Company is the sole importer and distributor of gasoline, diesel, LPG, jet fuel and fuel oil for the Antigua and Barbuda market. The Dominica branch has the largest footprint of retail locations in Dominica. Therefore, the negative effects of COVID-19 on the Antigua and Barbuda and Dominica markets will be reflected in the Company's financial results.

There was however a modest improvement in the operating results in 2021 and year to date up to April 2022, the pace of this improvement has accelerated. The improvement in operating results occurred despite the sharp spike in the prices of the Company's products in March 2022 following the outbreak of the Russia/Ukraine war. Unlike COVID-19, there is precedent in the Company's recent history of successfully navigating the challenges of a sudden and sustained spike in the price of its products. It is the expectation of the Company's Management Team that, if there are no other negative developments of the magnitude of COVID-19, operating results will continue to improve and financial results will return to the pre-pandemic levels in line with the Company's forecasts.

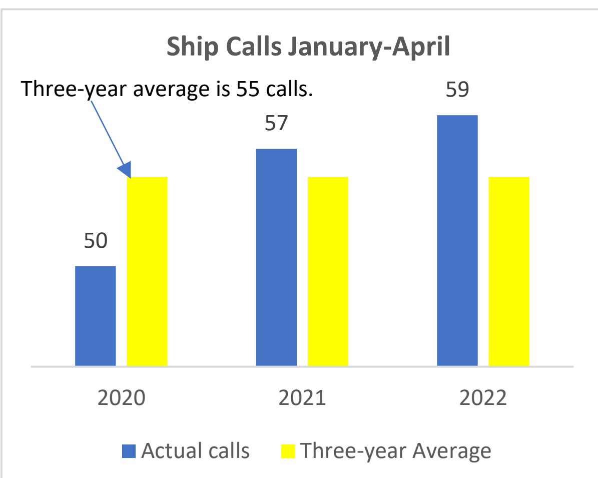
The asset utilisation Key Performance Indicators (KPI) charts below show the effects of COVID-19 restrictions on social and economic activity on the Company's performance in 2020 and 2021 and the recovery as reflected in the year-to-date 2022 results. The first four months for each of the three years are very useful for comparative purposes. January to March 2020 were unaffected by the negative effects of COVID-19 social distancing measures and the same period for 2020 on the other hand shows the operating results with COVID-19 social distancing measures fully in effect. The 2022 comparative period is the first to show results with fully relaxed COVID-19 social distancing restrictions.

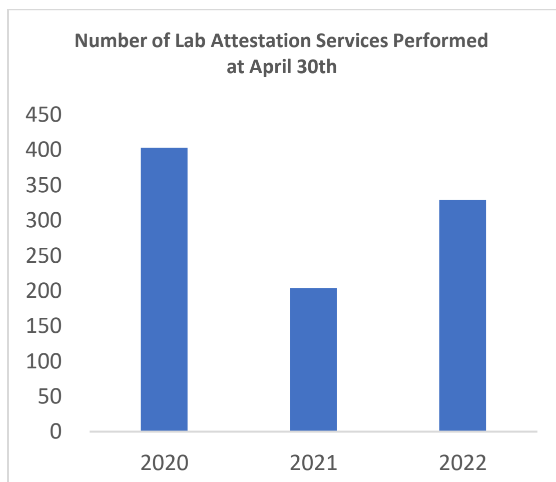


The increase in volumes occurred across all product lines, however gasoline is the prime driver of recovery of sales volumes.



There has been a strong recovery of jet fuel sales year to date. At an average of 30 thousand barrels per month, jet fuel sales have exceeded budget and are almost at the pre-pandemic average 35,000 barrels for the same period in 2019.





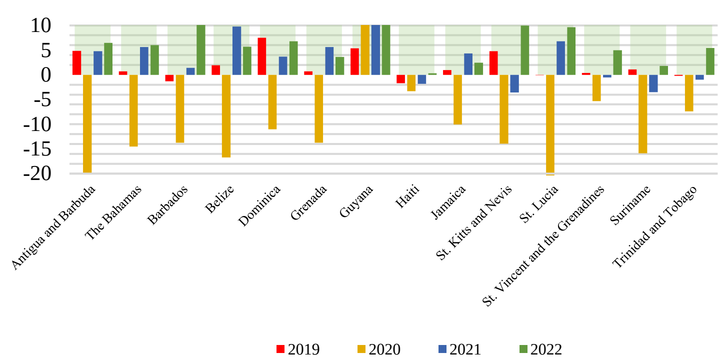
The above two charts illustrate the recovery of the client services segments of the business. The clients are primarily regional and international, and the improvement of the operating results is reflective of the recovery of the regional and international economic activity as the restrictions caused by the COVID-19 pandemic has receded.

ECONOMIC REVIEW AND OUTLOOK

BACKGROUND AND GENERAL OVERVIEW

The economy of Antigua and Barbuda, like most Caribbean Territories is recovering from the impact of the pandemic and relaxing restrictions to attempt a cautious easing to ‘normal’. Following a sharp decline of GDP in 2020 of 20.2%, Antigua and Barbuda rebounded slightly in 2021 registering growth of 5.3%. Tourist expenditure increased by 39.5% in 2021 compared to 2020 although cruise ship and total visitor arrivals remained relatively subdued. Antigua and Barbuda registered sustained growth in the construction sector of 12% in 2021. The Government reported an increase of receipts and a decrease in capital expenditure. Debt to GDP decreased by 1.5% in 2021 from 98.9% in 2020 to 97.4%, however there was an increase in the overall debt stock of the country from $3.6 billion in 2020 to $3.8 billion in 2021. The Government in the 2022 National Budget presentation provided that the capital budget for 2022 would be $181.8 million, a 85% budgeted increase over capital expenditure in 2021 ($98 million).

Figure 1: Caribbean Growth Forecasts and Revisions



Despite challenges with the ‘Grand Reopening’, the Caribbean registered growth of 3.5% in 2021. The ECCU performed slightly better than the wider Caribbean registering growth of 3.9% in 2021 following the 17.0% contraction in 2020.

As at June 2022, Antigua and Barbuda has recorded 8,581 COVID-19 cases and 140 COVID-19 related deaths. So far, 126,122 doses of vaccinations have been administered equating to approximately 65% of the population. Significant progress with the vaccination rate prompted the relaxation of protocols including the discontinuation of curfews, mask mandates and entry requirements into the country.

High dependence on tourism means that Antigua and Barbuda’s economic performance is sensitive to economic conditions in its source markets and their periphery. Geopolitical tensions in Eastern Europe have exacerbated prevailing inflation concerns globally and is likely to delay recovery in tourism dependent states.

The short-term outlook for Antigua and Barbuda appears cautiously optimistic as the economy continues to grow with a slower but steady recovery in the tourism sector and a corresponding improvement in the labor market. Key downside risks include heightened inflation domestically and in source markets, monetary tightening in key source markets reducing demand for consumption, the possibility of a resurgence of COVID-19 infections leading to more economic restrictions and the prospect of a global economic recession.

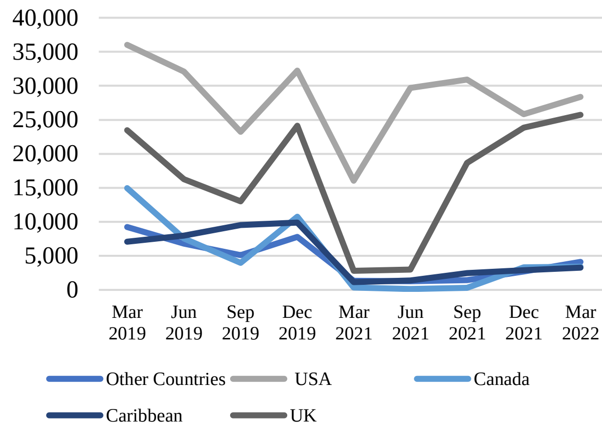
RECENT ECONOMIC DEVELOPMENTS

Recent economic developments in Antigua and Barbuda have been largely dominated by the economic recovery from the impacts of the COVID-19 pandemic, the impact of rising inflation and the spike in energy-related costs.

Economic Performance

The Antigua and Barbuda economy registered growth of 5.3% in 2021 representing a modest recovery from the 20.2% contraction reported in 2020. Growth is led by the tourism sector due to recovery in demand from key source markets. This recovery in tourism has led to significant positive multiplier externalities in the domestic economy.

Figure 2: Stay-Over Arrivals



Source: ECCB (2022)

The growth rate of the Hotel and Restaurants sector, which is a leading indicator for tourism growth is projected to grow by 1.5% (2021: 15.9%; 2022: 17.5%). Similarly, Stay-over arrivals increased by 35.5% in 2021 from the sharp decline of 58.0% experienced in 2020. The recovery in stay-over arrivals was spurred by increased arrivals from the islands' two main source markets- the US and the UK which reported increases in 2021 of 69.9% and 52.1% respectively. The other source markets have not fared as well with arrivals from Canada down 74.2%, the Caribbean 1.7% and other countries 27.6%. Cruise ship and yacht passengers have been slow to return due to inherent limitations on balancing the operational cost of a fleet and COVID-19 protocol requirements. There was a 70.3% contraction in cruise ship arrivals in 2021 compared to 2020 (2020: 259,426; 2021: 77,140). Arrival numbers are a long way from the pre-pandemic levels where Antigua and Barbuda boasted 734,000 arrivals in 2019 and 794,604 in 2018. The authorities have projected 20% growth in the tourism industry in 2022, a recovery of 75% of 2019 levels.

The construction sector is one of the largest contributors to GDP recording a contribution of 14.4% in 2021 a marginal increase from 14.3% in 2020. The sector is projected to grow by 8.7% in 2022 which is 7.3% lower than the 15.9% growth experienced in 2021. Private investments are expected to lead growth in the sector with a projected total investment of US$3 billion. The private investment projects under construction include the PLH Ocean Club in Barbuda (EC$325M) and several private luxury homes at Windward Beach, Jumby Bay, Mill Reef Club, Galley Bay Heights, and Pearns' Point.

The Government of Antigua and Barbuda has pipeline projects which are anticipated to facilitate development of key sectors including health, education, tourism, and agriculture. For example, the construction of the University of the West Indies Five Island Campus (UWI FIC) is expected to serve the wider Caribbean. Also, the authorities have engaged in several public-private sector projects which include the construction of a new hospital and medical center with view to improve medical conditions and an agro-industrial park aimed at increasing agricultural production in the country. In addition to this, refurbishment of the Heritage Quay and Redcliff Quay docking facilities remains underway funded through a concession agreement signed in 2019 with Global

Ports. There are also several on-going projects aimed at improving the country's resilience to climate-related events.

Sectors such as Transportation, Storage and Communication, and Wholesale and Retail Trade Activities reported declines of 1.4% and 5.2% in 2021 due to subdued demand following from strong recoveries in 2020. Transportation, Storage and Communication contributed 10.2% directly to GDP in 2021 in line with its 2020 contribution of 10.1%. Wholesale and Retail Trade and Real Estate, Renting and Business Activities contributed 13.8% and 12.4% respectively to GDP in 2021.

Growth in financial sector is expected to contract by 2.1% in 2022 (2022: 4.4%; 2021: 6.5%). Despite this contraction, the banking sector remains well capitalized with healthy liquidity. During 2021, the banking sector experienced consolidation with two mergers and acquisitions due to the exit of foreign banks.

The manufacturing sector is expected to grow by 5.1% in 2022 up from 2.5% in 2021. Consumer prices rose by 4.4% in April 2022 after a significant increase in 2021 of 2.7%. Inflation projections for 2022 will be in line with most global economies which are experiencing record levels of headline inflation. Comparing the Consumer Price Index from March 2022 to March 2021 there were increases in the Food and non-Alcoholic Beverages (8.6%), Alcoholic Beverages, Tobacco, and Narcotics (11.9%), Furnishings, household equipment and routine household maintenance (17.6%) and Clothing and Footwear (6.4). Housing, water, electricity, gas and other fuels Index and Education decreased by 2.1% and 0.2% respectively.

The unemployment rate for Antigua and Barbuda stood at 8.7% as at latest published date, 2018. In 2019, proxy data from the Social Security Board (ABSSB) estimated increases in contributions of 3.9% in the public sector, 0.3% in the private sector and 0.3% self-employed indicating a likely increase in the unemployment during the Pandemic.

Fiscal Performance

Antigua and Barbuda's fiscal deficit marginally improved in 2021 to $97 million from $98 million in 2020. The fiscal deficit is greater than the average ECCU deficit which was $89 million in 2021. There was an improvement in current revenue which increased by 4.7% to $785.2 million in 2021 from $749.4 million in 2020. Capital revenue decreased from $5.3 million in 2020 to $2.0 million in 2021. While taxes on income and profits and international trade and transactions decreased by 4.4% and 5.1% respectively, there was increased revenue generated by taxes on property (3.4%) and domestic goods and services (25.4%) respectively.

Figure 3: Revenue and Expenditure (EC$MM)

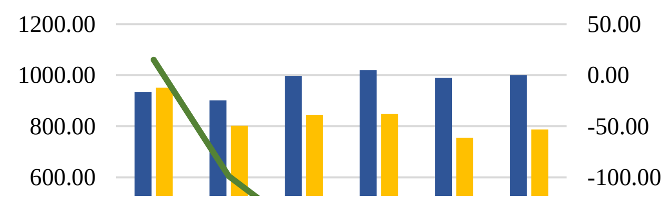
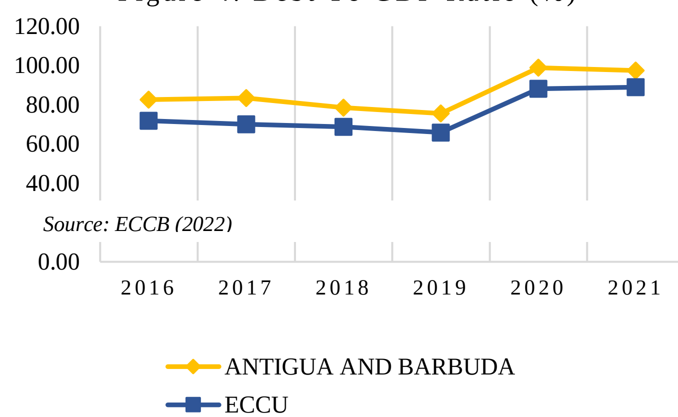


Figure 4: Debt To GDP Ratio (%)

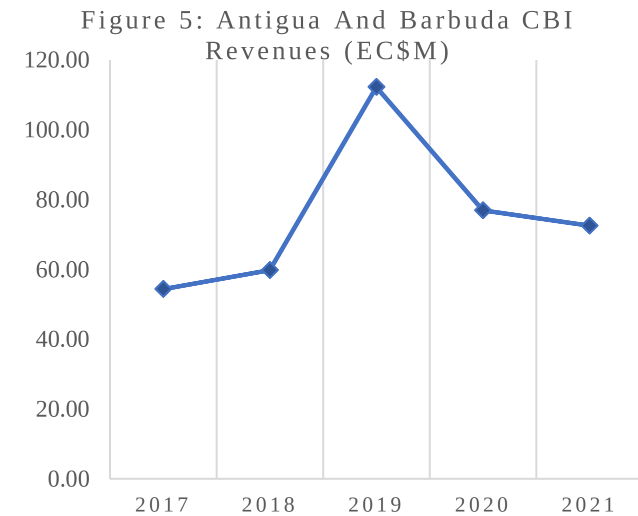


Tax revenue increased by 9.3% from $609.9 million in 2020 to $666.6 million in 2021. Conversely, revenue from the Citizenship by Investment program decreased by 3.1% from $76.9 million in 2020 to $74.5 in 2021. As of September 2021, monthly average recurrent revenue was $63 million, a 19% increase from 2020 ($51 million). There was a 13.1% (2021: $92.7 million; 2020: $81.9 million) improvement in the Import Duties collected in 2021. Indirect taxes decreased by 15% 2021 (2020: $139.5 million; 2021: $118.6 million). Total corporation tax collected in 2021 decreased by 4.5% (2020: $86.9 million; 2021: $82.9 million).

Total expenditure decreased by 0.3% from $990.1 million in 2020 to $987.3 million in 2021. Current expenditure increased by 2.1% or $18.3 million (2020: $882.9 million; 2021: $901.3 million). Interest payments saw increased expenditure by 4.3% ($4.1 million) from 2020 and 2021. Also, interest payments on external debt marginally decreased by 1.8% ($0.8 million) while other interest payments and transfers and subsidies increased by 4.3% ($4.1 million) and 3.0% ($8.2 million).

Source: ECCB (2022)

Total outstanding public debt stood at $3,868 million (97.4% of GDP) at the end of 2021, a 5.8% increase compared to 2020 and 8.5% above the average debt/GDP ratios in the ECCU. Outstanding external debt also grew by 33.7% ($73.6 million). Central Government debt represents 83.3% of GDP and increased by 4.7% between 2020 and 2021. Public Corporation debt increased by 12.8% over the same period.



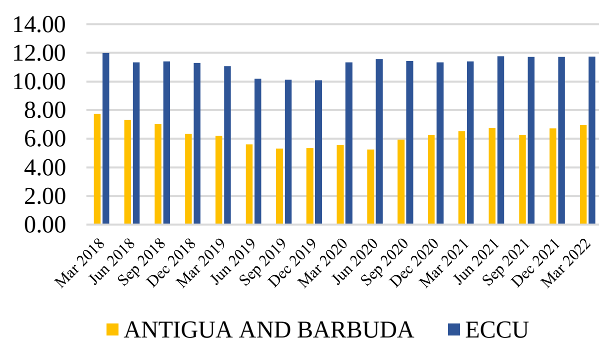
Source: ECCB (2022)

Debt service payments contracted by 0.1% ($0.4 million) to $655.3 million (24.3% of GDP) between 2020 and 2021. Antigua and Barbuda's debt service payments represent 40.5% of the ECCU's total debt service.

Monetary Developments

The quarterly average of non-performing loans (NPLs) to total gross loans has increased from 5.8% in 2020 to 6.6% in 2021. Comparatively, regional NPLs increased marginally from 11.3% in 2020 to 11.7% in 2021. Antigua and Barbuda's asset quality has shown marked signs of improvement and remains significantly above the regional standards and established ECCB benchmark of 5%.

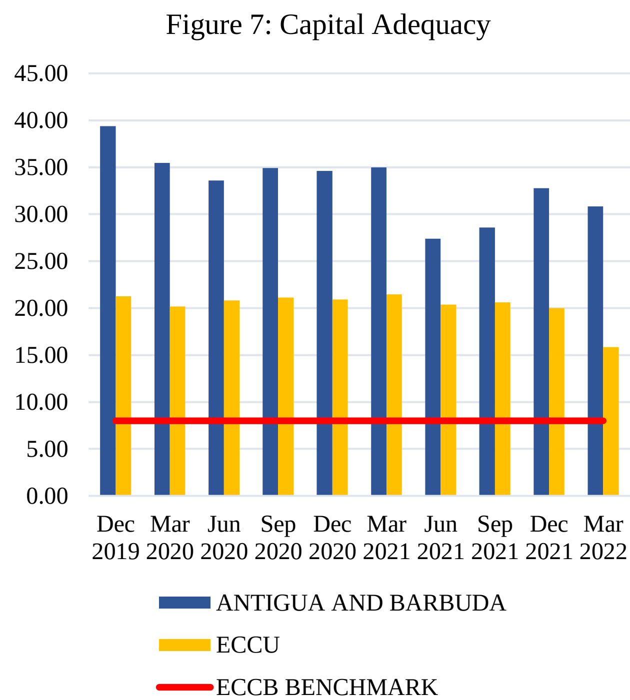
Figure 6: Non- Performing Loans



Source: ECCB (2022)

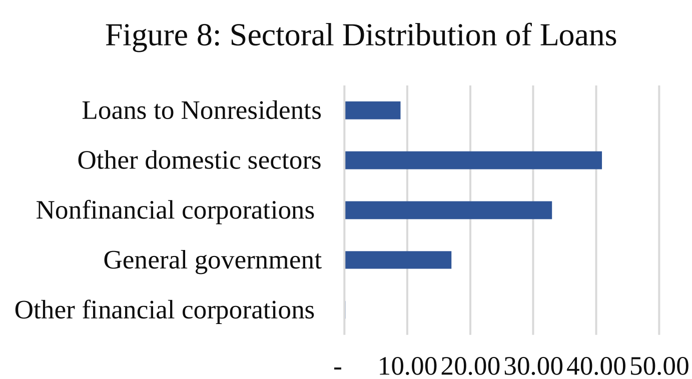
The financial institutions in the space remained well capitalized despite the deteriorating trend in the risk-weighted assets of banks in Antigua and Barbuda which started in 2017. In 2021, the regulatory capital adequacy to risk –weighted assets of banks in Antigua and Barbuda stood at 32.8% well above the ECCU average of 20% as well as the ECCB's statutory minimum of 8%. As of April 2022, net foreign assets stood at $1,656.7 million or 24.8% of the ECCU aggregate ($6,681.7 million).

The impact of the Pandemic on the liquidity at the banks in Antigua and Barbuda was short-lived. Banks in Antigua and Barbuda maintained highly liquid balance sheets partly due to the challenges in securing credit within their risk appetite. Liquid assets to total assets fell from 46.5% in December 2019 to 36.9% in December 2020 but quickly rebounded to 40.5% in December 2021. As at March 2022 the ratio of liquid assets to total assets stood at 46.8% which signaled a return to pre-pandemic levels and brought the ratio above the ECCU average for the first time since March 2020. In December 2019 liquid assets to short term liabilities stood at 52,0%, the ratio decreased to 42.6% in December 2020 and increased to 45.5% in December 2021. As at March 2022 the ratio had slightly surpassed the December 2019 levels- 52.3%. The average for ECCU banks was slightly less than the average for banks in Antigua and Barbuda; 48.0% as at March 2021. Non-financial corporations and general government accour loans disbursed locally. Loans to foreigners accounted for 8.9% of the loan portfolio.



Source: ECCB (2022)

During 2020, bank profitability in Antigua and Barbuda fell below the average return in the ECCU. To reduce the economic impact of the pandemic banks offered loan payment moratorium to cushion the blow from increased unemployment. This led to an increase in the loan loss provisioning of banks in 2020. As at March 2022, return on asset stood at 0.67%, slightly below the average reported in 2021 (0.68%). Return on assets in the ECCU region fell in March 2022 to 0.3% well below the 2021 average of 1.2%. At the most recent reported date, March 2022 returns on average equity was 7.3% which was a marginal improvement over 2021's average of 7.1%. Return on average equity in the ECCU fell to 2.8% in March 2022 from 8.8% in December 2021. As at the last report, December 2019 Monetary Liabilities (M2) had grown by 0.8% to EC$3,718 million from EC$3,688 million in 2018.



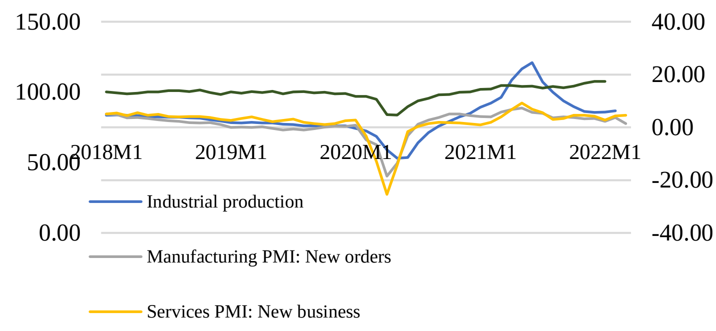
Source: ECCB (2022)

OUTLOOK

The Year 2022 represents a period of uncertainty for the global economy. As most countries attempt to return to their pre-pandemic 'normal', governments' fiscal and central banks' monetary policies introduced to address the economic fallout from the pandemic have been curtailed. Central banks have adjusted their inflation expectations upwards and have intensified their efforts to get inflation down. The International Monetary Fund's (IMF) projections of global GDP growth for 2022 have been revised downwards from 4.4$ to 3.6% (0.8% lower than January 2022 projections). This downward revision captures the impact of the war in Ukraine on the global economy. Global growth projections for 2023 were revised downward from 3.8% (projected in January 2022) to 3.6%. The war in Ukraine has contributed to increased headline inflation globally following from disruptions to the supply of oil, gas, metals, wheat, and corn. Advanced economies are projected to grow by 3.3% in 2022, a 1.2% decline from October's projection. Global trade volume growth is projected to slow from an estimated 10.1% in 2021 to 5% in 2022, reflecting the significant downturn in overall activity.

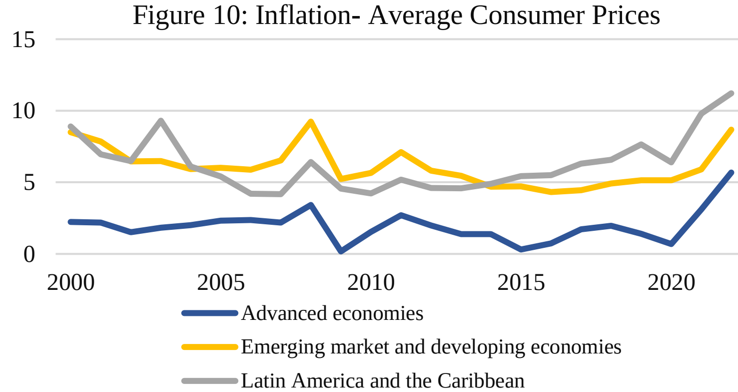
Most countries are expected perform below the pre-pandemic growth trend through to 2024. While the risk of a resurgence of active cases persists, the threat of further economic restrictions has moved Governments to increase their efforts in improving vaccination rates. The global recovery has increased energy demands and energy prices are expected to remain elevated due to supply constraints.

Figure 9: Global Activity Indicators



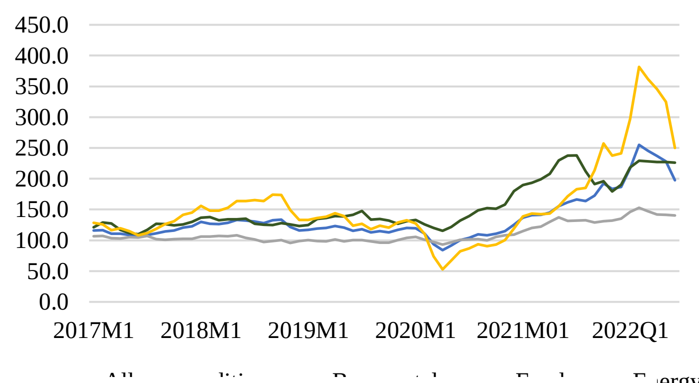
Source: Derived from IMF (2022), World Bank Group (2022)

Figure 10: Inflation- Average Consumer Prices



Source: Derived from IMF (2022), World Bank Group (2022)

Figure 11: Commodity Prices

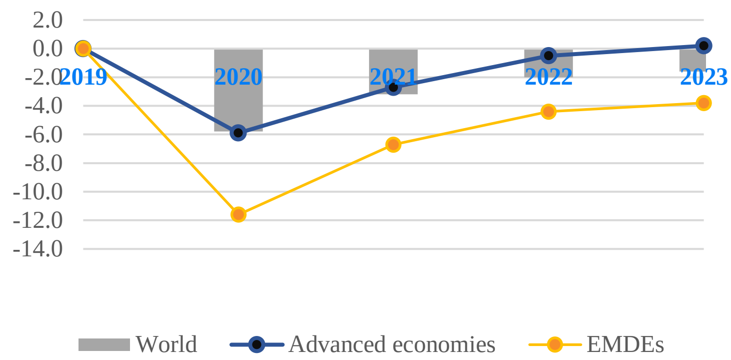


Source: Derived from IMF (2022), World Bank Group (2022)

Growth in Emerging and Developing Economies (EMDEs) excluding China, is projected at 4.2% in 2022, down from 6.3% in 2022. Most of the growth in EMDEs in buoyed by growth in China, which is expected at 5.1% in 2022, a downward revision, following from 8% growth projected in 2021. Many EMDEs continue to face similar debilitating challenges due to the COVID19 pandemic. Current vaccine procurement data suggests that only a third of the Lower Income Countries (LIC) population would be inoculated by the end of 2023. There is significant differentiation in recovery profiles between Emerging Markets based on the severity of the Pandemic, economic structure, exposure to specific shocks (tourism/ commodity prices) and effectiveness and breadth of policy response.

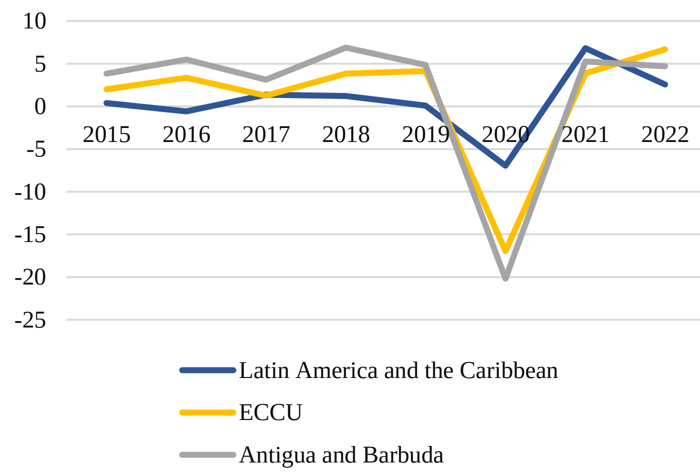
Globally inflation has become a news frontpage issue and an election debate issue as headline inflation has climbed to decade highs and food inflation has hit double digits across many countries. In December 2021, the US recorded 7% average rate inflation in 2021, a record high not seen since June of 1982. The Fed in its January 26, 2022, statement responded by reaffirming its mandate of price stability. Pandemic-related supply and demand imbalances and the reopening of the economy were cited as being the key drivers of the spike in inflation.

Figure 12: Deviation of Output from Pre-pandemic Trends



Source: Derived from IMF (2022), World Bank Group (2022)

Figure 13: Growth Projections



Source: Derived from IMF(2022) and ECCB (2022)

The impact of the pandemic across the Caribbean region has varied with more diversified economies showing greater resistance. As the country's prime industry tourism's recovery is expected to significantly improve the unemployment situation in Antigua and Barbuda as major hotels, restaurants and other service providers partially reopened during 2021 but returned to 'normal' operations in 2022. The economy rebound by 5.27% in 2021 and is expected to grow by a further 4.71% in 2022. The projection for 2022 faces significant risks from the impact of Russia's invasion of Ukraine as inflation caused by the reduction supply in food and oil reduces purchasing power, thereby reducing tourist arrivals.

The Antigua and Barbuda economy is poised for further recovery in 2022, however this recovery will require a nimble approach to strategizing that will allow for swift response to challenges. The global environment provides great opportunity and uncertainty. The general outlook remains tempered with significant risks to the downside.

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RISK FACTORS

Before embarking on a decision to invest in the Issuer's Shares, prospective investors should carefully consider all the information contained in this Research Report. To determine whether these Securities are suitable investments for them, prospective investors are advised to consult their legal and financial advisors licensed by the ECSRC to provide advice on the acquisition of securities in the ECSM. Considering their own financial circumstances and investment objectives, prospective investors should consider among other things the following risk factors.

The Issuer's risk management policies are implemented by the Board of Directors "The Board" and Executive Management "The Executive". The risks are broadly categorised as operational and financial risk. The Board oversees and provides strategic direction to the Executive in the execution of risk management. The Chief Executive Officer "CEO" has overall responsibility for the implementation of risk management policies with delegation of primary responsibility for financial risks to the Chief Financial Officer "CFO" and operational risks to the Chief Operations Officer "COO". The Executive team, Manager Human Resources and other senior managers meet regularly to plan the execution and monitor the implementation of various policies approved by the Board for the purpose of managing and mitigating the Issuer's operational and financial risks.

The Board of Directors has overall responsibility for the establishment and oversight of the Issuer's risk management framework, and it also assesses financial and control risks to the Issuer. The Issuer's risk management policies are established to identify and analyse the risks faced by the Issuer, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Issuer's activities. The Issuer, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Issuer's Directors oversee how management monitors compliance with the Issuer's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Issuer.

OPERATIONAL RISKS

The Issuer's operational risks derive from the probability of incidents resulting in damage to property, plant, equipment, or inventory of the Issuer and/or its clients and customers, injury to or death of staff or third parties, environmental damage, public nuisance or harm. Operational risks also derive from wear and tear, obsolescence and inappropriate use and treatment of plant and equipment.

Within operational risks, the Issuer considers the following critical risk sub-categories:

Environmental contamination

The Issuer's operation involves marine transportation, berthing and handling of marine vessels transporting petroleum products, storage of these products in storage tanks, and transportation to customers via road tank wagons and underground pipelines. There is an inherent risk of spill and environmental damage associated with these operations.

Injury to staff, third party contractors, customers, and the public arising from the Issuer's activities.

The risk of injury to staff and third-party contractors is associated with operations involving heavy-duty equipment, and employees and third-party contractors carrying out tasks requiring protective gear. The Issuer's operations present risks to its customers and public that are general and incidental to its operations, stemming primarily from the fact that its products are flammable when handled outside of the industry standard and regulations for use.

Delivery of liquefied petroleum gas (LPG) to customers

The Issuer delivers liquefied petroleum gas for use at the customer's site in pressure resistant LPG storage tanks. Safe use of the product requires the storage container to be pressure tested before delivery to the customer and used at the customer site under prescribed industry standards. The Issuer provides public service announcements on the safe use of LPG containers at customer sites.

Product liability arising from contamination and product loss

The Issuer's products are useful to its customers when delivered to the customers within agreed product quality specifications. The Issuer has contract liability to ensure that its products meets industry and client agreed specifications. Additionally, the Issuer has contract liability for clients' products in storage for quality and losses exceeding specified limits.

Terminal operations disruption

Significant disruption of the Issuer's terminal operations will result in business interruption and trading losses. Terminal operation disruption may result from major equipment failure and *force majeure* occurrences.

Property damage arising from natural disasters and fire

The Issuer's industry is very capital intensive in nature. Indeed, the company has invested heavily in property, plant, and equipment. The unaudited value for property, plant, and equipment at December 31, 2020 is EC$215 million. This figure represents 59% of the Issuer's total assets. Damage to the assets will result in significant financial loss and disruption of trading.

The Issuer's risk management strategy to ensure the above risks are mitigated and maintained at levels that satisfy acceptable industry standards include, but are not limited, to the following key initiatives:

1) Review and implementation of risk mitigating policies by the Board of Directors and Executive Management.
2) Development and implementation of processes and procedures that comply with industry standards for operational excellence.
3) Rigorous enforcement of permits to work, training for staff and third-party contractors, and vetting for all activities that meet the risk threshold for authorisation with a permit to work.
4) Training of staff, third party contractors, clients, and customers in best practices for conducting activities safely, and with operational excellence.
5) Comprehensive all risk insurance coverage, including specific coverage for terminal operators' liability, products liability, business interruption, and workmen's compensation.
6) Engagement with the Issuer's insurance provider to ensure its policy coverage is optimal and also accessing expert advice for improving its risk management processes.

7) Capital investment and funding programs to improve the quality of the Issuer's operational assets and protective equipment.
8) Membership in the International Oil Spill Response cooperative which provides rapid response support in the form of equipment and technical expertise to members who have experienced a significant marine oil spill.
9) Proactive scheduling of testing and inspections of safety critical equipment to include pipelines, hoses, pumps, and the like.
10) The conduct of drills and exercises that prepare staff and contractors for all emergencies likely to be encountered in our operations and intended to minimize consequences.
11) Health, safety security and environment audits performed by our third-party customers.
12) Affiliation with International Best Practice organizations such as Tank Terminals, NFPA and Platts.

The Issuer's policies and procedures for managing operational risks are documented in its Standard Operating Procedures Manual and its Health and Safety Standards Procedures.

Operational risks are reviewed weekly by a cross-functional team of the Issuer and progress on action items and remedial plans documented. In addition, the Issuer maintains a Key Performance Indicator (KPI) dashboard of actual performance for several operational and health and safety standards for the purpose of monitoring progress towards the Issuer's goals of operational and health, safety, and environmental excellence.

The operational risk mitigation procedures are supported by insurance policies covering all aspects of The Issuer's operations, property, plant, and equipment as well as business interruption. The company is also currently engaged in a comprehensive risk mitigating program with its insurers and reinsurers which involve improvements to its operating procedures and standards, acquisition of additional plant and equipment for risk mitigation and timely response to incidents.

The Issuer's policies and procedures for managing operational risks are documented in its Standard Operating Procedures Manual and its Health and Safety Standards Procedures. These documents can be accessed and viewed at the weblink https://www.westindiesoil.com/investor-relations

FINANCIAL RISKS

The Issuer has exposure to the following risks from its use of financial instruments:

- Credit Risk.
- Liquidity Risk; and
- Market Risk.

Credit Risk

Credit risk is the risk of financial loss to the Issuer if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Issuer's receivables from customers.

i. Trade and Other Receivables:

The Issuer's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the country in which customers operate, has less of an influence on credit risk. Geographically, there is no excessive concentration of credit risk. The Issuer has established a credit policy under which new customers are analysed for credit worthiness before payment and delivery terms and conditions are offered. The Issuer establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

ii. Cash at hand and at Bank:

Cash and cash equivalents are held with established financial institutions, which represent minimum risk of default.

The maximum exposure to credit risk (EC$) at the reporting date was:

	2021	**2020**
Cash and cash equivalents	$64,548,040	$32,896,722
Trade and other receivables	$81,701,025	$80,365,211
	$ 146,249,065	$113,261,933

Credit risk in respect of trade and other receivables is limited as these balances are shown net of provision for doubtful debts. Cash at hand and at Bank are held with financial institutions which represent minimum risk of default.

Liquidity Risk

Liquidity risk is the risk that the Issuer will not be able to meet its financial obligations as they fall due. The Issuer's approach to managing liquidity is to ensure that, as far as possible, it will always have adequate liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Issuer's reputation.

Market Risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and price risk will affect the value of the Issuer's assets, the amount of its liabilities and/or income. Market risk arises from fluctuations in the value of liabilities and the value of investments held. The Issuer is exposed to market risk on certain of its financial assets.

i. Price Risk:

Price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all instruments traded in the market. The Issuer has no significant exposure to such risk.

ii. Interest Rate Risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is affected where there is a mismatch between interest earning assets and interest-bearing liabilities, which are subject to interest rate adjustments within a specified period. The Issuer's exposure to interest rate risk is contained in the loan covenant for its outstanding long-term loan. These covenants are not onerous and are the standard for loan facilities of that amount and nature. Further details on the Issuers loan facility are found in note 20 of the Issuers audited financial statements.

iii. Currency Risk:

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. WIOC's exposure is limited to the Eastern Caribbean Dollar and United States Dollar due to purchasing transactions. The Issuer's functional currency is the Eastern Caribbean Dollar. The Issuer is subject to minimal foreign exchange risk as there is a fixed parity of the Eastern Caribbean Dollar and the United States Dollar at the rate of EC $2.70 = US $1.00.

Capital Management:

It is the Issuer's policy to maintain a strong capital base to sustain future development of the business. The Board of Directors monitors the return on capital, which the Issuer defines as total shareholder's equity. The Issuer is not subject to externally imposed capital requirements and there were no recent changes in the Company's approach to capital management.

Valuation and Pricing Methodology

An Independent Valuator Muse, Stancil (MSC) performed a valuation of WIOC in 2019 and assessed the value of the company at US$125 million (EC$340 million). WIOC updated this valuation with an additional Discounted Cash Flow (DCF) and Comparative Analysis in preparation for the divestment of some of its shares by the GOAB via an IPO which ran from April to May 2021. MSC assessed the (DCF) analysis performed by WIOC as well as Comparative Analysis.

The Independent Valuator reported that *"the projections presented by WIOC are reasonable based on the factors currently known at this time. However, any purchaser of shares should conduct their own risk analysis to ensure that inherent risks in the underlying cash flow are in-line with their own expectations and risk tolerance.*
Muse has read the Prospectus and has conducted our analysis .... utilizing reasonable care and skill in applying methods of analysis consistent with normal industry practice. All results are based on information available at the time of review. Forecasts are inherently uncertain because of events that cannot be reasonably foreseen."

Comparative Analysis

A comparative analysis between WIOC and two similar entities listed on the ECSE was performed to determine whether the MSC analysis of WIOC for US$125 million (EC$340 million) is a reliable benchmark. The Grenada Electricity Services (GRENLEC) and the St. Lucia Electricity Services (LUCELEC) were selected for the comparative analysis due to:

a) their strong market position and high revenues.
b) Strong relation to the energy sector.
c) Similar employee head count.
d) Relatively high CAPEX spending.
e) High reliance on importation of petroleum products.
f) Revenues highly correlated with economic activity; and
g) These factors make them like WIOC.

The summary of the comparative financial ratios is as follows:

SUMMARY COMPANY COMPARISON MATRIX			
METRIC	**WIOC**	**GRENLEC**	**LUCELEC**
AVERAGE ASSET TURNOVER	1.07	1.22	0.67
ENTERPRISE VALUE/SALES	0.85	1.54	1.88
ENTERPRISE VALUE/EBITDA	7.39	6.79	6.40
PRICE/EARNINGS RATIO	13.34	12.82	15.39
FCF EQUITY (EC$ MILLIONS) 2016-2018	62.63	67.92	45.43
DEBT/EQUITY (12-31-2018)	0.11	0.29	0.32

The summary of the comparative hypotheticals based on the MSC analysis and publicly available financials for LUCELEC and GRENLEC is as follows:

	Market Data					Financial Data (FY+1)			Valuation (FY+1)		
	Price	Shares	Market Cap	Net Debt	EV	Sales	EBITDA	Earnings	EV/Sales	EV/EBITDA	P/E
Company Name	($/share)	(M)	($M)		($M)	($M)	($M)	($M)	x	x	x
LUCELEC	$20.00	23	$458	$127	$585	$311	$91	$30	1.9x	6.4x	15.4x
GRENLEC	$12.00	19	$228	$51	$279	$182	$41	$18	1.5x	6.8x	12.8x
WIOC (Hypothetical 12/31/2018)	$16.00	21	$340	($27)	$313	$368	$42	$26	0.8x	7.4x	13.3x
Average									1.4x	6.9x	13.8x
Median									1.5x	6.8x	13.3x

Generally, the comparative analysis that WIOC's valuation is US$125 million (EC$340 million) is reliable and is a suitable benchmark.

DCF Analysis

The summary of the DCF assumptions and value is as follows:

Assumptions	
Tax Rate	25.00%
Discount Rate	7.95%
Perpetual Growth Rate	2.75%
EV/EBITDA Multiple	7.4
Fiscal year End	31 Dec 2021
Shares Outstanding	5,920,000
Terminal Value (Hypothetical sale value at end of 2025)	
EV/EBITDA	$212,973,084
Perp. Growth	$568,960,352
Average	$390,966,718
Equity Value/Share	$66.04

The MSC, DCF and Comparative analysis suggest a target price range of $55 to $70.

WIOC believes that the assumptions that have been made in the underlying financial projections are reasonable and consistent within the normal bounds of uncertainty for these types of assets and historical norms for the company.

It should be noted however, that there are several key risk factors in the petroleum products markets, and these are normal for WIOC and similar companies. While any purchaser of shares takes on some level of risk associated with the business, WIOC wants to note those risk factors that we believe should be understood by the purchasers of shares in WIOC. These risks may affect the future cash flow of the company and the projections shown in this report.

1. The timing and veracity of the business rebound from COVID 19 is unknown at this time and could vary considerably from the projections shown.

2. Rebound of tourist and business travel is variable and will affect jet (aviation) fuel sales, along with demand for the other fuels marketed by WIOC.

3. Any future projected revenue increases due to new business ventures, including joint ventures regarding the new Business Park and VC Bird International Airport fuel marketing, have the potential to be highly variable and could differ significantly from forecasts provided by WIOC.

4. Future costs of borrowing for the company could vary from current projections.

WIOC is satisfied that having successfully navigated the worst of 2020 and 2021 COVID-19 pandemic, the Company's valuation and proposed list price based on the above valuation exercise is reliable at the point of listing in July 2022.

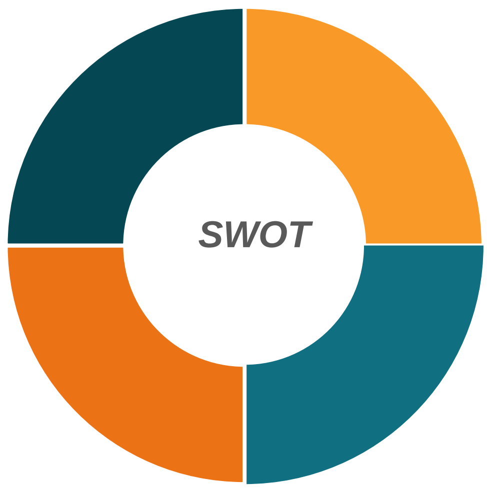
INVESTMENT PREDICTABILITY AND CONCLUSION

STRENGTHS

- Dominant market position
- Committed employees with strong institutional knowledge
- Strong financial position
- Control of critical industry/business assets
- Strong brand loyalty
- Reliable operating cash flows
- Above average levels of profitability for the OECS sub-region
- Access to financing at competitive cost
- Large real estate holdings

WEAKNESSES

- Government regulated margins for the Company's products
- High exposure to macroeconomic variables in home markets
- High levels of capital and operational expenditure required to maintain operations at industry standards
- Inherent exposure to high levels of operational risk due to the nature of the business and the Company's products
- Exposure to credit risk from large utility customers



OPPORTUNITIES

- Economic recovery in home markets, regionally and internationally provides for growth in line with or more than the Company's forecasts
- GOAB concession to provide solar voltaic power to the government owned utility is an opportunity for diversification of the Company's energy portfolio
- The Company's competitive advantage in supplying LPG fuel positions it to exploit the growth in residential and commercial demand for this product which is less carbon intensive
- The GOAB Cabinet mandate for the Company to collaborate with the Department of Environment affords the opportunity to access concessionary financing for renewable energy projects

THREATS

- Major negative macro-economic developments will adversely affect the Company's growth plans
- A disorderly or disruptive transition to alternative forms of energy other than that derived from the Company's products will also negatively impact its growth forecasts
- US sanctions on one of the Company's minority shareholders increases regulatory and compliance risks
- Increased frequency of major tropical cyclones results in a higher likelihood of business interruption and major infrastructure damage during the passage of one of these cyclones

INVESTMENT PREDICTABILITY AND CONCLUSION

Business growth Strategy

The current WIOC business operations can be divided into two broad segments, the marketing/distribution of petroleum products and other client services. Management is of the view that the unique competitive advantage of WIOC lies in the latter segment, therefore most of the new revenue generating investments in the prior five-year period 2017 – 2021 were focused on this segment of the business.

The wisdom of this strategic decision by Management is reflected in how the two segments of the business fared during the COVD-19 pandemic during 2020. The gross margin of the sales and distribution business segment which is more sensitive to the restrictions on social and commercial activity brought about by social distancing measures intended to mitigate the effects of the pandemic fell by 33%. The client services segment which comprises a more diverse set of business offering inclusive of product storage, marine agency and support services, lab testing services and throughput fees on facilitating product purchases fell 11% in comparison.

Our research indicates that the concept of “peak oil” – the point at which petroleum products consumption reaches its peak and decline thereafter as fossil fuel energy generation is surpassed by renewable energy ranges variously form the very ambitious ten (10) years to the more conservative twenty-five (25) to thirty (30) years. WIOC will not focus on “artificial” timelines but rather prepare for the transition by seeking out opportunities to collaborate with potential partners and the Antigua and Barbuda Department of the Environment (DOE). Indeed, the Government of Antigua and Barbuda has issued a cabinet decision mandating WIOC to collaborate with the DOE in the development of green energy projects.

WIOC’s Management understands that it’s best asset in being able to successfully transition to a renewable energy future is a strong balance sheet which positions it to exploit opportunities. This in turn is dependent on the healthy growth the existing business. Therefore, WIOC is also committed to replacing and upgrading the plant facilities and equipment to the level required to maximize the efficiency with which the marketing and distribution segment of the business is conducted as well providing first class facilities expected by client services customers.

The Company has two main implementation ready projects which will diversify its income streams. Firstly, a joint operation with Rubis for the provision of into-plane jet fuel at the VC Bird Airport in Antigua. Secondly, the construction a business park providing leased premises on company-owned land on Friars Hill Road.

The Jet fuel into-plane project is scheduled to commence in the fourth quarter of 2022. The Business Park is scheduled to break ground in fourth quarter 2022 with construction completed in 2023.

INVESTMENT PREDICTABILITY AND CONCLUSION

Renewable Energy Transition

The Climate Crisis caused by warming of the atmosphere by man-made emissions represents an existential threat to the future of humanity, in particular our small island states. This threat demands urgent action to reduce man-made carbon emissions and the scaling up of the use of renewable energy is a critical part of the response to this crisis.

In Antigua and Barbuda and Dominica we are very familiar with the economic threats of climate-driven hurricanes and natural disasters.

Further, perhaps no region has felt the economic impacts of COVID-19 as acutely as the Caribbean has, especially Antigua as we are so tourism dependent. The Covid pandemic in 2020 led to an unprecedented decline in demand for oil derivatives, particularly in transportation fuels, and most analysts view the pandemic as having accelerated the energy transition.

Many countries have put renewable energy at the heart of their post-pandemic recovery plans, while the change in administration in the USA has led to a recommitment from the world's biggest economy to the Paris Climate convention.

We have seen many countries making pledges to get to net zero emissions by 2050! Some of the world's largest energy companies have made similar commitments. For example, Shell, Repsol, BP and Chevron.

In our region, we have seen Barbados, St Kitts and Nevis and Dominica all committing to the ambitious target of achieving 100% of their electricity supply from renewable sources by 2030 or earlier. Only 9 years away!

The fact is renewable energy, especially wind and solar, are taking a role of increasing importance in the energy industry globally, regionally, and locally.

Antigua and the rest of the region is deplorably short in terms of renewable energy penetration. In Antigua, penetration rate of RE is approximately 15%.

There is therefore a tremendous opportunity to scale up RE in Antigua and the region and WIOC is ideally placed given our financial capacity to grasp this opportunity by transforming our strategic outlook and broadening our scope by adding solar photovoltaics and wind to our line of products and services.
WIOC must enhance its strategies to support energy efficiency and therefore progressively positioning ourselves for the proclaimed energy transition.

The fact is WIOC is no longer an oil company, but an energy company. The growing renewable energy sector offers a significant opportunity for advancing a green recovery and economic diversification.
WIOC is of the view that there will be fossil fuel business in the medium and even long term – say 10-20 years. The reality is however, that we must also commence the transition/diversification now.

This will be done via strategic partnerships to collaborate on new frameworks and financing strategies to bridge the gap between available capital and the execution of important renewable projects. WIOC will participate in renewable energy projects which increase the resilience of our grids, create new jobs, and better facilitate economic diversification.

The Cabinet of the GOAB in 2019 mandated the Antigua and Barbuda Department of the Environment (DOE) and WIOC to collaborate in implementing the GOAB targets for transition away from fossil fuels. The DOE and WIOC collaboration have been fruitful. The following are the key results:

1) A memorandum of understanding between the two entities
2) The seconding of a DOE technician to WIOC to facilitate the necessary knowledge transfer to and development of WIOC staff's renewable energy capabilities
3) The selection of WIOC as the Asset Manager for DOE's Sustainable Low Emission Mobility (SLIM) pilot project for the introduction of electric vehicles into the public transportation sector

In addition to mandate to collaborate with the DOE on the renewable energy transition, the Cabinet of Antigua and Barbuda also granted WIOC an exclusive license in 2022 to supply Antigua Public Utility Authority with a minimum of 5 megawatts of solar voltaic power for electricity generation. WIOC considers this the most important development in its renewable energy strategy. The Company is currently reviewing several proposals to partner with entities with expertise in the technical implementation and financing of a project of this nature.

Investment Recommendation

WIOC offers investors steady operating cash flows which translate to an attractive dividend return when compared with its peers on the ECSE. The risk to these returns from potential disruption to the Company's current business model arising from a disruptive transfer to renewable energy is mitigated by the Antigua and Barbuda, Dominica and indeed the rest of Caribbean region Small Island Developing states (SIDs) commitment to a "just transition" to renewable energy. WIOC's position as the primary supplier of petroleum products to the Antigua and Barbuda and it's deep embedding in the country's economy requires that it be an integral part of the Country's renewable energy transition. The Company has demonstrated that it has made concrete steps towards being part of that transition.

The Company has a dominant market position and a strong financial position which provide the foundation for successfully executing the projects it has in the pipeline and capitalizing on new growth opportunities.

There are indeed risks to the realisation of the Company's forecast earnings. WIOC has identified the key risks to be considered by investors when evaluating investment in its equity.

The Company is satisfied however that given its track record of consistent performance and growth that prospective investors having weighed the risks can have a high level of confidence that the Company will deliver on its promised growth and return to investors.

CORPORATE GOVERNANCE AND MATERIAL DISCLOSURES

BOARD OF DIRECTORS

The Board of Directors ("the Board") has ultimate responsibility for the Issuer's corporate governance and risk management. In keeping with its principal responsibilities, the Board of Directors of the Issuer continues to ensure that the highest standards in corporate governance are maintained, with the objectives of reinforcing the confidence and trust of all stakeholders, increasing customers' and clients' satisfaction, and building a strong an ethical institution. The fundamental approach adopted is to ensure that the right executive leadership, corporate strategy, internal controls, and risk management procedures are in place. Once the ten percent (10%) divestment of the shares and the associated rights and privileges in the divested shares owned by the GOAB is complete, it will lose controlling interest in WIOC. Ownership and the associated rights and privileges in the divested shares will be transferred to the investors allotted shares in the offering.

Notwithstanding the aforesaid, the Board continuously reviews its governance model to ensure relevance and effectiveness as the Issuer faces future challenges exacerbated by uncertain economic conditions.

ROLES AND RESPONSIBILITIES OF THE BOARD

It is the responsibility of the Board to periodically review and approve the overall strategies, business, organisation, and significant policies of the Issuer. The Board also monitors compliance with the Issuer's core values and adopts proper standards to ensure that the Issuer operates with integrity. The responsibilities of the Board include the following:

- reviewing and approving the strategic business plans for the Issuer.
- identifying and managing principal risks affecting the Issuer.
- reviewing the adequacy and integrity of the Issuer's internal controls systems.
- approving the appointment and compensation of the Chief Executive Officer and other Executive Staff; and
- approving changes to the corporate organization structure.

QUALITY AND SUPPLY OF INFORMATION TO THE BOARD

To effectively discharge its duties, the Board has full and unrestricted access to all information pertaining to the Issuer's business and affairs, as well as, to the advice and services of the Executive Management. In addition to formal Board meetings, the Chairman maintains regular contact with the Chief Executive Officer to discuss specific matters, and the latter, assisted by the Corporate Secretary, ensures that frequent and timely communication between the Senior Management and the Board is always maintained as appropriate.

CORPORATE SECRETARY

The Corporate Secretary is responsible for advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures, and regulations affecting the Board and the Issuer, as well as, to ensure best practices of governance. The Secretary is also responsible for advising the Directors of their obligations and duties to disclose any conflict of interest in a transaction involving the Issuer, and restrictions on disclosure of confidential information. All Directors have access to the advice and services of the Corporate Secretary.

CONFLICT OF INTEREST

In accordance with By-Law 19 of the By-Laws of the Issuer, a Director who is in any way interested, whether directly or indirectly, in a contract or proposed contract with the Issuer or whose material interest in a company, partnership, undertaking or other business is likely to be affected by a decision of the Board shall disclose the nature of his interest at the first meeting of the Board at which he is present after the relevant facts came to his knowledge. By-Law 19 further provides that after the disclosure, the Director making it shall not vote on the matter and, unless the Board otherwise directs, shall not be present or take part in the proceedings of any Meeting at which the matter is being discussed or decided by the Board.

The following Directors hold directorship in the following respective companies:

Abena St. Luce – Director at Caribbean Union Bank (Antigua)
Hilroy H Humphreys – Managing Director GCS Bottling Company (Antigua)

No Director has any existing or proposed contracts with the Issuer or any subsidiary of the Issuer.

INTERNAL RELATIONSHIPS

There is no family relationship between any Director and any member of Staff of the Issuer.

DIRECTORS' REMUNERATION

For the year ended 31st December 2021 an amount of $424,000 (2020-$438,500) was paid as directors fees and expenses.

Estimated Director's remuneration for the financial year ending 31st December 2022 is as follows:

1. Chairman of the Board: $60,000 (EC$5,000 per month)
2. Remaining seven (7) Directors: $294,000 (EC$3,500 per month for each Director)

Directors received no benefits in kind.

LEGAL PROCEEDINGS

Pending legal matters are described in Note 22 Commitments and Contingencies of the Audited Financial Statements:

1. **Land Lease**
   The Group leases land from the GOAB on which certain pipelines have been installed. As of December 31, 2021, this lease had fifty-three (50) years remaining. The Group has a waiver of the annual rental amount of EC$5,000.

2. **Pending Litigation**
   The Parent Company is currently involved in an employee-related legal matter related to a claim for compensation for unfair dismissal. The Industrial Court has not yet issued a judgement in this matter. The amount of the liability, if any, in respect of the abovementioned legal matters will be contingent on the outcome of court proceedings and

will be recognised in the financial statements at the time of determination. The company is awaiting commencement of hearing of arguments in the Industrial Court regarding this issue.

MATERIAL CONTRACTS

The Directors have approved a loan agreement between the Issuer and First Caribbean International Bank (Barbados) Limited, Antigua Branch as Creditor for borrowing EC$45,900,000 for various capital projects in 2017 and a further EC$32,400,000 in 2022. The Creditor has a lien of EC$50,000,000 on the assets of the Issuer, collateral for the loans. The outstanding balance as of June 30th, 2022, is $29,362,500.

No Director has any beneficial interest arising from contracts or family relationships with employees or officers of the Issuer.

PATENTS OR INTELLECTUAL PROPERTY RIGHTS

Intellectual Property Right protections are enforced via contractual agreements with clients and contractors providing goods and services. Presently, the continuation of the Issuer’s operations are dependent on the following contractual agreements:

1) Seabed License granted by the GOAB to facilitate the operation of the Issuer’s Sea Island Jetty used to berth cargo ships. The license has a term of 20 years commencing May 12th, 2017.
2) The GOAB granted the Issuer a “right-of-way” for its underground jet fuel pipeline which runs from its Friars Hill Terminal to the VC Bird International Airport. See note 21 of the Audited Financial Statements. There are 55 years remaining on the lease before expiration as at the time of preparing of the Prospectus.

SIGNIFICANT INVESTMENTS

The Issuer currently has the following significant investment project taking place or is schedule to begin shortly:

1. **New Pump Pit Project:** This is a project to replace and relocate the battery of pumps and related piping network and electrical support used to pump fuel to and from the marine tankers at the Issuer's Sea Island Jetty, throughout the network of pipes and storage tanks at the Friars Hill Terminal and from the Friars Hill Terminal to the storage facilities at the VC Bird International Airport. It is a capital maintenance project critical to sustainability of the operations. The Issuers is at the final stage of determining the successful qualified Contractor to award the project to. The project is forecast to be completed by end of year 2021.
2. **Capital Investment - Airport Into-plane Joint Operation**: The Issuer has signed a joint operation agreement to jointly own the net assets of a proposed joint operation for into-plane fuel delivery services at the VC Bird International Airport. Management places very high priority on successfully completing the JO agreement because this investment will result in additional income from WIOC's participation in JO in the form of return on investment in the joint operation
3. **Brand Enhancement and Service Station Upgrade:** The projected spend is for the first phase of a critical program to rehabilitate key company service station sites and burnish the corporate image to reflect the company's vision to position itself as the premier regional

energy company. The brand enhancement and service station upgrade are necessary for realising increased rental and other ancillary income**.**

4. **New 4" Jet-A Pipeline to Airport:** This project is of highest priority as this pipeline is used to transfer Jet A1 to Antigua's International airport. The existing line is significantly depreciated having been installed fifty (50) years ago. The line therefore must be replaced on an urgent basis. This pipeline is a source of revenue as it charges a transfer fee to the Into-plan e jet fuel operator at the airport.
5. **New Fire Water System including pumps:** The scope of this project will include a complete upgrade of the existing firewater system to include new fire water loop, freshwater storage tank along with new pumps. This project is urgent and critical to ensure that the Company's fire detection, prevention and suppression systems are brought up to the current NFPA standards.

BUSINESS STRATEGIC PLAN SUMMARY

WIOC has focused on the distribution and marketing of petroleum-based products as its core business, while offering other client services for alternative sources of revenue. In its 2019-2022 strategic business plan, WIOC management has opted to increase its focus on to not only diversify its revenue stream but also to increase its revenue stream resilience by tapping into unique competitive advantages.

To diversify its client services arm while also continuing to develop the efficiency of its distribution services arm, WIOC plans to embark on a US$49 million infrastructure development plan. US$26 million is projected to be spent on maintenance, replacement and upgrading of critical plant infrastructure. Over US$23 million will be spent on new revenue generating projects including a berth expansion, additional storage and the new WIOC Business Park.

WIOC's business goals are embodied in its key strategic priorities and takes a dualistic approach which demonstrates the importance of both the financial and non-financial aspects of its business:

- Improve Employee Morale.
- Improve Health and Safety.
- Optimise Revenue.
- Minimise Costs; and
- Enhance the Brand Image.

Each strategic priority has measurable Key Performance Indicators which will aid WIOC in tracking its progress to ensure that we are meetings its strategic goals. Some of the most impactful business initiatives which WIOC will/has embark(ed) on are as follows:

Item#	**Business Initiative over the 2021 – 2025 planning period**
1	Corporate Rebranding and service station upgrade
2	Upgrade WIOC plant and Equipment
3	Berthing (CBM) and pipeline upgrade
4	Increased Oil storage Capacity
5	Increased LPG storage Capacity
6	Full ERP upgrade
7	Staff Training
8	Enhanced Security
9	Jet Fuel Certification
10	Upgrade company Club House

WIOC is acutely aware that this transformation cannot be achieved without its most valuable human resource, - our people, a safe working environment, and business policies which promote a healthy environment and efficient leveraging of information technology.

PROJECTED FINANCIAL STATEMENTS

Forward-looking statements in this Research Report are not and should not be deemed as guarantees of the Issuer's future performance.

This Report contains forward-looking statements in a few places including but not limited to statements of expectations, future or prospects, and financial projections. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made. Prospective investors in the Issuer are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they have been made. Future events or circumstances could cause actual results to differ or differ materially from historical or anticipated results.

Forward looking statements can be identified using the words "anticipates", "believes", "expects", "intends", "will", "could", "projected", "forecast", "estimate" and similar expressions, as they relate to the Issuer, are intended to identify those forward-looking statements. These forward-looking statements are subject to various risks and uncertainties. On approval and publication of the Research Report, the Issuer undertakes no obligation to update publicly or revise any of the forward-looking statements considering new information or future events, including changes in the Issuer's financial position and Offeror, or to reflect the occurrence of unanticipated events (subject to any legal or regulatory requirements for such disclosure to be made). There are important factors that could cause actual results to differ or differ materially from those in the forward-looking statements, some of which are beyond the Issuer's control. These factors include, without limitation, economic, social, and other conditions prevailing both within and outside of Antigua and Barbuda, including:

- The economic impact of the COVID19 pandemic on the aviation, travel and tourism sectors which significantly affects recovery of the economy of Antigua & Barbuda.
- interest rates or exchange rates volatility.
- adverse climatic events and natural disasters.
- changes and fluctuations in commodity prices.
- changes in any legislation or policy adversely affecting the revenues or expenses of the WIOC or taxes in Antigua and Barbuda.
- any other factor that may have an adverse impact on the key assumptions on which the Company's financial projections are based.
- other factors identified in this Research Report; and
- factors yet unknown to the Company.

THE WEST INDIES OIL COMPANY LIMITED

Consolidated Statement of Financial Position

(Expressed in '000 Eastern Caribbean Dollars EC$1.00 = US$0.37)

	Unaudited Dec 31, 2021	**Forecast Dec 31, 2022**	**Forecast Dec 31, 2023**	**Forecast Dec 31, 2024**	**Forecast Dec 31, 2025**
Assets					
Current Assets					
Cash and cash equivalents	64,548	47,334	34,375	22,043	26,858
Trade and other receivables	96,880	94,786	94,683	93,092	92,653
Inventories	13,500	13,040	13,020	13,296	13,617
	174,928	155,161	142,078	128,432	133,127
Non-current Assets					
Property, plant and equipment	235,260	257,815	269,772	280,063	284,816
Other assets	9,198	9,103	9,103	9,103	9,103
	244,459	266,918	278,874	289,166	293,919
Total Assets	**419,386**	**422,078**	**420,953**	**417,598**	**427,046**
Liabilities					
Current Liabilities					
Trade and other payables	142,782	142,992	142,753	127,574	124,228
Tax payable		2,008	2,237	2,465	2,698
	142,782	**145,000**	**144,990**	**130,039**	**126,926**
Long Term Liabilities					
Long term loan	**23,513**	**11,813**	**-**	**-**	**-**
Shareholders' Equity	**253,092**	**265,265**	**275,963**	**287,559**	**300,120**
Total Liabilities and Shareholders' Equity	**419,386**	**422,078**	**420,953**	**417,598**	**427,046**

THE WEST INDIES OIL COMPANY LIMITED

THE WEST INDIES OIL COMPANY LIMITED

Consolidated Statement of Profit and Other Comprehensive Income

(Expressed in '000 Eastern Caribbean Dollars EC$1.00 = US$0.37)

	Unaudited Year ended Dec 31, 2021	Forecast Year ended Dec 31, 2022	Forecast Year ended Dec 31, 2023	Forecast Year ended Dec 31, 2024	Forecast Year ended Dec 31, 2025
Sales	332,196	344,352	344,309	352,367	361,609
Cost of sales	-286,973	-297,486	-297,011	-303,316	-310,638
Gross profit	45,223	46,866	47,297	49,051	50,971
Other operating income	27,445	31,702	35,466	38,193	40,989
Net sales and other operating income	**72,668**	**78,569**	**82,763**	**87,244**	**91,960**
Operating expenses					
Selling, general and administrative	-39,075	-35,282	-36,239	-37,042	-37,678
Depreciation on property, plant and equipment	-7,773	-9,347	-9,847	-10,413	-11,071
Net operating income	**25,821**	**33,939**	**36,676**	**39,790**	**43,211**
Finance income (cost)					
Interest expense	-1,840	-1,804	-882	-346	-36
Net income for the year before taxation	**23,981**	**32,135**	**35,795**	**39,443**	**43,175**
Taxation	-6,178	-8,034	-8,949	-9,861	-10,794
Net income for the year	**17,803**	**24,102**	**26,846**	**29,583**	**32,381**
Total profit and other comprehensive income for the year	**17,803**	**24,102**	**26,846**	**29,583**	**32,381**

THE WEST INDIES OIL COMPANY LIMITED

Consolidated Statement of Cash Flows

(Expressed in '000 Eastern Caribbean Dollars EC$1.00 = US$0.37)

	Unaudited Year ended Dec 31, 2021	Forecast Year ended Dec 31, 2022	Forecast Year ended Dec 31, 2023	Forecast Year ended Dec 31, 2024	Forecast Year ended Dec 31, 2025
Net operating income	23,981	33,939	36,676	39,790	43,211
Adjustments for:					
Depreciation and other non-cash items	10,617	9,347	9,847	10,413	11,071
Operating income before changes in working capital	34,597	43,287	46,524	50,202	54,282
Change in trade and other receivables	-7,755	2,117	103	1,591	440
Change in inventories	4,183	459	20	-276	-321
Change in trade and other payables	33,142	-5,835	-240	-15,178	-3,346
Tax Paid	-8,400	-6,025	-8,720	-9,633	-10,561
Net cash generated from operating activities	55,767	34,003	37,687	26,706	40,495
Cash flows from investing activities					
Purchase of property, plant and equipment	-18,992	-31,902	-21,954	-20,704	-15,974
Proceeds from disposal of property, plant and equipment	18		150		150
Net cash used in investing activities	-18,973	-31,902	-21,804	-20,704	-15,824
Cash flows from financing activities					
Dividends paid	-19,446	-12,628	-16,148	-17,987	-19,820
New Equity Issues/ Share purchases	-6,818	6,818			
Loan fund receipts	32,400				
Loan re payments	-9,675	-11,700	-11,813	-	-
Interest paid	-1,605	-1,804	-882	-346	-36
Net cash from financing activities	-5,143	-19,315	-28,843	-18,333	-19,856
(Decrease)/Increase in CCE during the year	31,651	-17,213	-12,960	-12,331	4,814
Cash and cash equivalents, beginning of year	32,897	64,548	47,334	34,375	22,043
Cash and cash equivalents, end of year	64,548	47,334	34,375	22,043	26,858
Represented by:					
Cash and cash equivalents	64,548	47,334	34,375	22,043	26,858

ASSUMPTIONS TO PROJECTED FINANCIAL STATEMENTS

BASIS OF COMPILATION

The projected financial statements for the years ending December 31st, 2022, to December 31st, 2025, have been prepared by the management of WIOC for inclusion in this Research Report for the guidance of prospective investors. The statements have been prepared in accordance with the International Financial Reporting Standards. They reflect management's best considered estimate given current available information of the most probable set of future events, the regional and international economic landscape as well as the planned strategic direction of WIOC.
The forecasts may vary from reality and therefore these projected statements may not be relevant for use outside of this Research Report.

Key assumptions of the financial projections:

ECONOMIC CLIMATE

The company's projections assume a return to pre-COVID 19 level of economic activity between 2024-2025. WIOC anticipates that there would be a significant increase in the hotel room stock over this period. This increase along with accompanying growth in restaurant and entertainment will drive an increase in LPG consumption.

The increased activity is also expected to drive an increased demand for diesel sales to the hotel and construction sectors resulting in sales volumes at higher margins than the EC$1.00 wholesale margin (2016-2019 average margin) to consumers at the service station pumps.

GROSS MARGINS

The overall gross margin per imperial gallon averages around $1.05 per gallon (2016-2019). The outlook for volume growth 2022 – 2023 is modest with a return to 2019 levels of volume being forecasted for 2024.
The company plans to promote the increased consumption of bulk LPG and LPG in general over the forecast period. This is the most profitable product in the company's product mix. The effect of the increased bulk LPG sales in the product mix will be to increase the total gross margin per barrel to $1.16 by 2025. This assumption is based on the following:

a) The current average monthly sales year to date as of August 31, 2020, is 5,600 barrels. The total propane and butane capacity at the WIOC terminal is 15,500 barrels.
b) There is an increasing migration by customers to the use of propane powered appliances and equipment in addition to the traditional use for cooking.
c) The rebound in Antigua and Barbuda's economy and gradual return to pre COVID19 levels of economic activity which will see a revitalization if domestic demand for oil and natural gas composites.

OTHER INCOME -CLIENT SERVICES

Income from Client Services is forecasted to grow by 33% from EC$27.45 million at December 31, 2021 to EC$40.99 million by 2025. The main drivers for this growth are expected to be as follows:

a) Three new business opportunities are expected to generate an average of EC$4.2 million per year over the forecast period. They are:
   i) The WIOC business park which is planned for commencement in 2021.
   ii) A new aviation joint venture with Rubis Aviation; and
   iii) A joint venture in Dominica to supply fuel to the Dominica Electricity Services Limited.
b) The company plans to resume bunkering of marine vessels in a modest way in 2022 and growing that business segment continuously throughout the forecast period.
c) The aviation transmission fees and freight income as well as lab services are forecast to return to pre-pandemic levels in 2024 and grow thereafter as the economy resumes normal levels of growth.
d) In addition, the company anticipates a significant increase in rental and convenience store income over the forecast period following a significant investment in the rental income and convenience store fees following investment in the upgrade of its company-owned service station locations. This is included in the capital expenditure program for 2022.
e) Finally, it is important to note that the other client services revenue stream is anchored by the company's tank storage business. This segment accounts for over 57% of client services revenue. In addition, it drives the additional marine services income from port charges, berthing fees, and agency fees. WIOC's management is cognizant of the critical nature of this segment of the business. Therefore, all necessary investment in operations excellence will be made to protect it. Further management will carefully monitor the contractual relationships from which the revenues earned from storage fees and on which the attendant ancillary income is dependent are preserved.

It should be noted also that WIOC's management has pursued additional business opportunities to diversify the company's revenue base. Over the last three years, the company has pursued the following:

1) Won a joint bid to supply Dominica Electricity Services with diesel.
2) Finalised a joint operation memorandum of agreement to supply jet fuel at the VC Bird International Airport.
3) Submitted a bid to build and operate and aviation fueling facility into -plane delivery services at the BVI Airport Authority in Tortola, British Virgin Islands; and

OPERATING EXPENSES (EXCLUDING DEPRECIATION)

Over the period 2015 -2019, operating expenses excluding depreciation increased cumulatively by 0.85%. The year 2015 was unusual in that there were several one-off items which arose from the purchase of the business by the majority shareholder the GOAB. Excluding 2015, operating expenses excluding depreciation expenses grew by an average of 6.78% per annum. This growth includes several one-off items for employee separation and asset impairments. In addition, expense growth was driven by higher insurance expense caused by higher premiums following hurricanes

Maria and Irma, and variable items such as product transportation to customers and port charges which are directly correlated with the growth in business activity.
WIOC Management is confident that the recent restructuring of its workforce as well as the capital spent to replace older plant and equipment which required a higher level of maintenance will allow it to manage expense growth to around an average annual rate of 2%.
The company's target is to maintain operating expenses at 54% of operating earnings before expenses.

DEPRECIATION

The depreciation expense is based on the existing depreciation rates. They are assumed to be constant over the forecast period. The additional depreciation expense derives from the forecast capital expenditure of $116 million.

FINANCE AND CAPITAL STRUCTURE

The company has total long-term loan with a balance of $29,362,500 outstanding on May 31, 2022, following payment of principal in January and April 2022. To fund the capital project expenditure over the forecast period, the Company intends to raise in a combination of new equity and loan funding. Management will determine the optimal combination of debt and equity funding which optimises the net present value of its capital projects and the amount of gearing on its Balance Sheet. It should be noted also, that the WIOC has a relatively low debt to equity ratio as well as access to funding at historically low interest rates. Therefore, additional loan funding is available to the company.