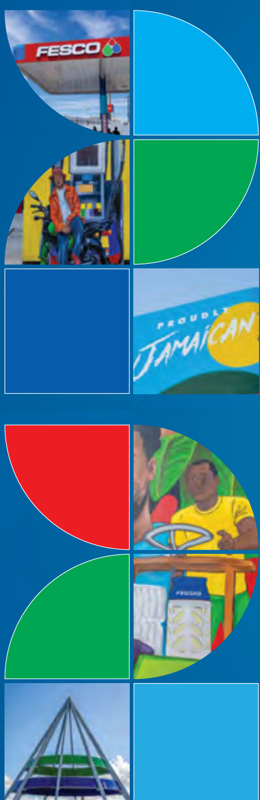


Fuelled by RESILIENCE

FESCO FESGAS

Future Energy Source Company Limited

ANNUAL REPORT

Our Products


FESGAS
FESGAS
876-454-0925
FESGASJA.COM
1-888-4FESGAS
PROPANE/BUTANE
NO SMOKING
NO OPEN FLAME
FESGAS
FESGASJA.COM
120 GALLON
FESGAS
FESGASJA.COM
45 KG
FESGAS
FESGAS
FESGASJA.COM
11 KG
FESGAS
FESGAS
FESGASJA.COM
14 KG

Table of Contents

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 2026 ANNUAL GENERAL MEETING of FUTURE ENERGY SOURCE COMPANY LIMITED ("the Company") will be held as a hybrid meeting (see Meeting Instructions below) at the AC Hotel by Marriott Kingston, 38-42 Lady Musgrave Road, Kingston 5, in the parish of Saint Andrew, Jamaica, and electronically via https://iteneri.com/fesco at 10:30am on Thursday, September 24, 2026 to transact business described, and to consider and if thought fit pass the resolutions, as follows:-

ORDINARY BUSINESS

Ordinary Resolutions

1. Audited Accounts for the Year Ended March 31, 2026

Resolution:

"**THAT** the Audited Accounts for the year ended March 31, 2026 **AND** the Reports of the Directors and the Auditors, circulated with the Notice convening this 2026 Annual General Meeting, be and are hereby adopted."

2. Election of Directors

In accordance with **Article 102** of the Company's Articles of Incorporation one-third of the Directors (not including the Managing Director – Article 120) are retiring by rotation and being eligible offer themselves for re-election (Article 104), they are: Mr. Eaton Parkins, Mr. Hugh Coore, Mr. Junior Williams and Mr. Errol McGaw.

Resolutions:

a) "**THAT** the Directors retiring by rotation and offering themselves for re-election be re-elected en bloc."

b) "**THAT** Mr. Eaton Parkins, Mr. Hugh Coore, Mr. Junior Williams and Mr. Errol McGaw retired by rotation, be and they are hereby re-elected Directors."

3. Re-Appointment of Auditors and their Remuneration

Resolution:

"**THAT** the Auditors, Baker Tilly Strachan Lafayette (t/a Bakertilly), having indicated their willingness to continue in office, be and are hereby re-appointed until the conclusion of the next annual general meeting, at a remuneration to be fixed by the Directors."

4. Remuneration of Directors

a) "**THAT** the Directors be and are hereby empowered to fix the remuneration of the Executive Director."

b) "**THAT** the total Director fees for Non-Executive Directors in the sum of $9,550,000.00 in the Accounts for the year ended March 31, 2026, be and is hereby approved."

5. Dividend Declaration

"**THAT** as recommended by the Directors, a dividend for the year ended March 31, 2026 at $0.056 per ordinary share of record date November 20, 2026, ex-dividend date November 19, 2026 and payable December 10, 2026, be and is hereby declared."

6. Resolutions in respect of any other competent business.

IMPORTANT NOTE FOR MEMBERS WHO ARE NOT ABLE TO ATTEND:

A Member of the Company entitled to attend and vote at this meeting is entitled to appoint another person as a Proxy to attend and vote on his/her behalf, and a Proxy need not be a Member. If you are not able to attend in-person or online, enclosed is a Proxy Form for your convenience. When completed, this Form must be deposited at the Registrar of the Company, the Jamaica Central Securities Depository Limited (JCSD), at 40 Harbour Street, Kingston, Jamaica at least **48** hours before the time appointed for this Meeting. The Proxy Form shall bear the stamp duty of $100.00 before being signed. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person signing the Proxy.

Dated this 27th day of July, 2026
BY ORDER OF THE BOARD OF DIRECTORS

KAYOLA MUIRHEAD
COMPANY SECRETARY

MEETING INSTRUCTIONS

1. Members (or their Proxies) and Non-Members of the Company are required to **register** to attend the Annual General Meeting (AGM) in-person or on-line.

REGISTRATION FOR IN-PERSON ATTENDANCE

2. Individuals attending in-person must **RSVP by email** with subject "**AGM Attendance**" indicating **name, membership status (member, proxy or non-member), and contact number by midnight on Tuesday, September 22, 2026** to investors@fescoja.com and await email confirmation.

REGISTRATION FOR ONLINE ATTENDANCE

3. During the period **September 07 – 23, 2026**, visit https://iteneri.com/fesco (Google Chrome browser is recommended) with your JCSD number to complete registration.
4. Your JCSD number may be confirmed by:
    a. Reviewing your dividend cheque or payment advice for "Account Number".
    b. Contacting the Registrar Services Unit of the Jamaica Central Securities Depository (JCSD) at (876)967-3271 or via e-mail at jcsdrs@jamstockex.com.
    c. Contacting your investment broker
5. On completion of registration and verification an electronic link and password will be sent to the same e-mail address that was used for registration. The link and password may be used by only one user and should not be shared with anyone.

IN-PERSON & ONLINE PARTICIPATION

6. Questions may be submitted by email to investors@fescoja.com up to 10:00am on the morning of the AGM, however questions related to the Audited Accounts may also be submitted using the Question and Answer option on the virtual platform. Questions will be addressed during the time allotted to Questions & Answers on the Agenda or as part of the presentations.
7. Only registered Members or their Proxies may vote on resolutions. Voting may be done prior to the start of the AGM.
8. Persons experiencing any problems in the registration process or who have any questions regarding the registration and participation in the AGM, should send an e-mail to our Registrar at jcsdrs@jamstockex.com.

FUTURE ENERGY SOURCE COMPANY LIMITED

Place J$100 adhesive stamp here

FORM OF PROXY

I/We, ...of

....being a

member/members of Future Energy Source Company Limited ("the Company"), hereby

appoint ....of

.... or

failing him/her .... of

.... as

my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on **Thursday, the 24th day of September, 2026 at 10:30am**, and at any adjournment thereof.

This form is to be used <u>in favour of/against</u> the resolution, by marking "X" in the box for the desired vote column. Unless otherwise instructed, the proxy will vote as he/she thinks fit.

RESOLUTION	FOR	AGAINST	RESOLUTION	FOR	AGAINST
1	☐	☐	4(a)	☐	☐
2(a)	☐	☐	4(b)	☐	☐
2(b)	☐	☐	5	☐	☐
3	☐	☐			

Dated this...........day of..,2026.

Signed:...

Notes:
1. This Form of Proxy must be deposited at the Registrar of the Company, the Jamaica Central Securities Depository Limited (JCSD), at 40 Harbour Street, Kingston, Jamaica at least **48** hours before the Meeting.
2. An adhesive stamp for $100.00 must be affixed to this Form of Proxy.
3. If the appointer is a Corporation this Form of Proxy must be executed under its Common Seal.

CORPORATE DATA

Board of Directors	Lyden Heaven - Chairman
	Jeremy Barnes - Managing Director
	Hugh Coore - Vice Chairman
	Eaton Parkins - Lead Independent Director
	Errol McGaw - Founding Director
	Junior Williams - Founding Director
	Gloria Declou - Independent Director
	Harry Campbell - Independent Director
	Vernon James - Non-Executive Director
	Belinda Williams - Independent Director
Company Secretary	Kayola Muirhead, Attorney-at-Law
Mentor	Lissant Mitchell
Registered Address	7-9 Beechwood Avenue, Kingston 5 Phone: 876-715-5941 , Email: investors@fescoja.com
Bankers & Financial Advisors	National Commercial Bank - 124 Constant Spring Road, Kingston 8
	Scotiabank - Corner of Duke & Port Royal Streets, Kingston
	Scotia Investments Jamaica Ltd. - Corner of Duke & Port Royal Streets, Kingston
	NCB Capital Markets - The Atrium, 32 Trafalgar Road, Kingston 5
	Barita Trust & Merchant Bank - 15 St. Lucia Way, Kingston 5
	Barita Investments Limited - 60 Knutsford Boulevard, Kingston 5
Auditors	Baker Tilly - 6 Collins Green Avenue, Kingston 5
Lawyers	Phillipson Partners, Attorneys-at-Law - 48 Constant Spring Road, Kingston 10
	Livingston Alexander & Levy, Attorneys-at-Law – 72 Harbour Street, Kingston
	Keith Chamberlin, Attorney-at-Law - Unit # 5, 80 Constant Spring Road, Kingston 10
Registrar	Jamaica Central Securities Depository Limited (JCSD), 40 Harbour Street, Kingston 10
Corporate Governance	Future Energy's Articles of Incorporation and Corporate Governance Policy are available on its website: https://www.fescoja.com/corporate-governance.php

get your FESCO Dividends DIRECT to your Account

To improve shareholder service and ensure the timely and secure delivery of dividend payments, in partnership with our Registrar and Paying Agent, Jamaica Central Securities Depository Limited (JCSD), we are transitioning from dividend cheque payments to direct deposits to shareholders' bank accounts.

- **Faster access to funds:** Dividends are credited directly to your bank account on the payment date
- **Enhanced security:** Eliminates the risk of lost, stolen, misplaced or fraudulent cheque transactions
- **Greater convenience:** No need to visit a financial institution to deposit dividend cheques
- **Improved payment tracking:** Funds can be easily verified through your bank statements and account records
- **Environmentally friendly:** Reduces paper usage

Submit your direct deposit instructions before the next Dividend Payment either:

1. electronically through the JCSD Client Portal. Shareholders may access the portal and complete the required registration by visiting: jcsdportal.jamstockex.com;

OR

2. using the JCSD's Investor Instruction form which is available on Future Energy's website fescoja.com or the Jamaica Stock Exchange's website jamstockex.com and submit to their stockbroker or directly to the JCSD.

If you have any questions, please contact our Registrar, the JCSD at 1(876)967-3271 or email jcsdrs@jamstockex.com.

Business Brief

Future Energy Source Company Limited (Future Energy) is a distributor of Petroleum products, including but not limited to transportation fuels and LPG {under the FESGAS™ brand}, Petroleum equipment and technologies, Lubricants, Chemicals and Purified drinking water. We distribute our products and services to a growing network of dealer owned service stations, dealer owned LPG filling plants and depots, commercial customers and retail customers.

OUR PRODUCTS

Petroleum Products

We supply and haul Gasoline, Diesel, LPG (Butane and Propane), Asphalt (Bitumen), Heavy Fuel Oil (HFO), and Kerosene.

Beverages

We distribute FYC drinking water.

Lubricant and Chemicals

We distribute our proprietary brand of API certified "FUTROIL" motor oils, "FUTRLUBE", CASTROL™ Lubricants, windscreen washes and coolants.

Petroleum Equipment

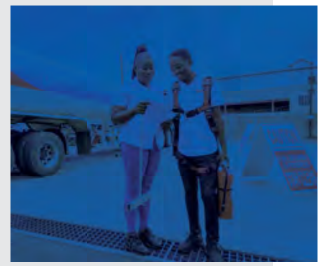
Fuel storage tanks, dispensers, service station management equipment, fleet management and tank gauging equipment and technology.

Our Mission

Our mission is to improve the experience of our customers by enabling convenient and seamless access to our goods and services, enhance the communities in which we operate and provide above-average returns to our shareholders as measured by return on invested capital (“ROIC”).

WE **OBSERVE**

the highest standards of integrity, safety & productivity in the conduct of our business.

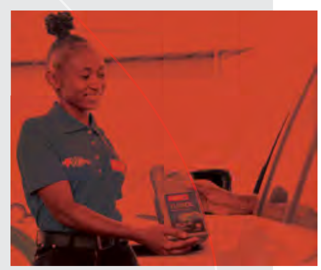


WE **UTILIZE**

the best technology available.

WE **ENHANCE**

customer value & customer experience.



WE **PURSUE**

and engender profitable & fair relationships with customers, dealers, staff & suppliers.

WE **FOSTER,**

develop and support the Jamaican economy through a program of local investment & reinvestment, charitable initiatives & employment enhancement.

Our Vision

TO BE
JAMAICA’S
MOST

fuel distribution marketing company, providing customers with a superior experience where value and convenience matters.

Performance Snapshot

for the Financial Year 2025-2026

Future Energy Source Company Limited ("Future Energy" or "The Company") delivered its strongest financial performance since its inception, during the financial year ended March 31, 2026.

The Company achieved record profitability across all key performance indicators, reflecting successful execution of its growth strategy, continued expansion of its retail network, disciplined cost management, and increasing returns from strategic investments.

The Board of Directors and Management remain confident that the investments made during the year have positioned the Company for sustained long-term growth and enhanced shareholder value.

GROSS PROFITS

28.9%

March 2025 J$1.665B » March 2026 J$2.145B

EBITDA

29.2%

March 2025 J$919M » March 2026 J$1.187B

OPERATING PROFIT (EBIT)

36.9%

March 2025 J$658M » March 2026 J$901M

PROFIT BEFORE TAXATION

50%

March 2025 J$481M » March 2026 J$722M

NET PROFIT

44.5%

March 2025 J$462M » March 2026 J$667M

During the year, the Company successfully delivered on several strategic priorities:

- Grew the FESCO branded service station network with the addition of company-operated and dealer-operated service stations.
- Increased fuel volumes sold and strengthened market share across the transportation fuels market.
- Continued development of the FESGAS distribution platform and LPG infrastructure.
- Expanded storage, distribution and dispensing capacity across key business segments.
- Declared and distributed a dividend whilst retaining earnings.
- Improved working capital and secured additional commercial banking facilities to support future growth.
- Boosted nationwide brand visibility for FESCO™, FESGAS™, FUTRON™ 90+, FUTROIL™, and FYC™ Water.

70+ community sponsorships

Future Energy delivered on more than seventy (70) community initiatives and sponsorship programmes supporting youth development, sports, health, education and entertainment across Jamaica.

Company Overview

Future Energy Source Company Limited was established in 2013 and has become one of Jamaica's leading fuel distributors.

As at March 31, 2026, the Company was:

- **The fourth-largest transportation fuel marketer in Jamaica (both by volume and number of service stations).**
- **The third-largest LPG distributor in Jamaica.**
- **An operator of LPG filling plants and distribution facilities.**
- **The largest Jamaican-owned fuel marketer by volume.**
- **A licensed petroleum haulage contractor.**
- **An operator of service stations and convenience retail outlets.**
- **The first fuel distribution company listed on the Jamaica Stock Exchange.**

Through its FESCO™ and FESGAS™ brands, the Company supplies transportation fuels, liquefied petroleum gas (LPG), heavy fuel oil, lubricants, fuel technologies, specialty chemical products and bottled water to:

Dealer-Owned Dealer-Operated ("DODO") service stations

LPG distributors and filling plants

Corporate, commercial and industrial customers

Consumers through Company-operated retail locations.

Since rebranding its first location in 2014, the Company's service station network has grown from three locations to twenty-three locations across Jamaica. During this period, Future Energy has successfully increased its estimated transportation fuel market share to approximately 11%, establishing itself as a significant participant in Jamaica's energy sector.

Ten Year Performance Review 2017-2022

	Audited	Audited	Audited	Audited	Audited	Audited
	2017	2018	2019	2020	2021	2022
Statement of Income Summary	$	$	$	$	$	$
Turnover/income	4,115,233,824	4,610,895,083	5,434,246,867	5,936,346,825	5,856,757,502	12,671,115,147
Cost of Goods Sold (COGS)	(4,083,070,607)	(4,538,638,076)	(5,348,995,804)	(5,758,006,328)	(5,661,937,112)	(12,281,766,124)
Gross profit	32,163,217	72,257,007	85,251,063	178,340,497	194,820,390	389,349,023
Other Income	-	1,838,886	257,511	-	-	1,867,217
Selling General & Admin Expenses	(13,718,204)	(28,665,902)	(37,764,007)	(54,042,768)	(59,373,022)	(133,942,251)
Impairment Losses	-	-	(2,539,346)	(487,423)	(755,574)	(2,324,990)
Operating Profit/(Loss) - [EBIT]	18,445,013	45,429,991	45,205,221	123,810,306	134,691,794	254,948,999
Finance (Costs)/Income	(633,174)	(1,033,277)	4,950,963	12,985,174	6,087,509	2,935,693
Profit Before Taxation	17,811,839	44,396,714	50,156,184	136,795,480	140,779,303	257,884,692
Taxation	(4,161,704)	(11,826,534)	(10,463,509)	(32,023,808)	(32,618,904)	(4,244,248)
Net Profit for the year	13,650,135	32,570,180	39,692,675	104,771,672	108,160,399	253,640,444
Surplus on Revaluation of Land & Buildings	-	-	-	-	-	-
Total Comprehensive Income	13,650,135	32,570,180	39,692,675	104,771,672	108,160,399	253,640,444
EBITDA	-	49,079,975	47,472,081	127,197,164	141,591,861	268,105,615
Statement of Financial Position	-	-	-	-	-	-
Non Current Assets	20,413,535	30,114,287	137,190,890	148,255,045	269,686,297	1,140,666,641
Current Assets	103,015,003	240,341,172	249,408,821	325,621,376	281,799,824	1,651,312,926
Current Liabilities	46,823,136	121,488,951	181,757,783	210,350,746	208,192,721	1,014,653,473
Net Current Assets	56,191,867	118,852,221	67,651,038	115,270,630	73,607,103	636,659,453
Equity	31,181,656	63,751,836	100,690,971	205,462,643	318,424,142	770,590,559
Non Current Liabilities	45,423,746	85,214,672	104,150,957	58,063,032	24,869,258	1,006,735,535
Long Term Liabilities	45,423,746	85,214,672	47,913,491	58,063,032	24,869,258	1,006,735,535
CPLTD	-	-	10,404,634	11,212,373	13,345,277	105,910,505
Ratio Statistics	-	-	-	-	-	-
Weighted Average # Stock Issued	900	900	900	900	681,096,512	2,493,424,658
EPS	15,166.82	36,189.09	44,102.97	116,412,97	0.15880	0.10172
Debt/Equity (Static)	1.4527	1.3129	0.5792	0.2330	0.1151	1.4422
Net Current Assets (Working Capital)	56,191,867	118,852,221	67,651,038	115,270,630	73,607,103	636,659,453
Current Ratio	2.20	1.98	1.37	1.55	1.35	1.63
EBITDA	20,854,361	49,078,975	47,472,081	127,197,164	141,591,861	268,105,615
ROE - average (Total Comp. Income)	56.0%	68.6%	48.3%	68.4%	41.3%	46.6%
Effective Tax Rate	23.4%	26.6%	20.9%	23.4%	23.2%	1.6%
Net Profit Margin	0.33%	0.71%	0.73%	1.76%	1.85%	2.00%
Gross Profit Margin	0.78%	1.57%	1.57%	3.00%	3.33%	3.07%
-	-	-	-	-	-	-
Year over Year growth:	-	-	-	-	-	-
Gross Profit	14.11%	124.66%	17.98%	109.19%	9.24%	99.85%
EBIT	9.66%	146.30%	-0.49%	173.88%	8.79%	89.28%
EBITDA	20.6%	135.3%	-3.3%	167.9%	11.3%	89.4%
Net Profit	12.3%	138.6%	21.9%	164.0%	3.2%	134.5%
Total Comprehensive Income	12.3%	138.6%	21.9%	164.0%	3.2%	134.5%
Book Value of Equity	77.9%	104.5%	57.9%	104.1%	55.0%	142.0%

Ten Year Performance Review
2023-2026

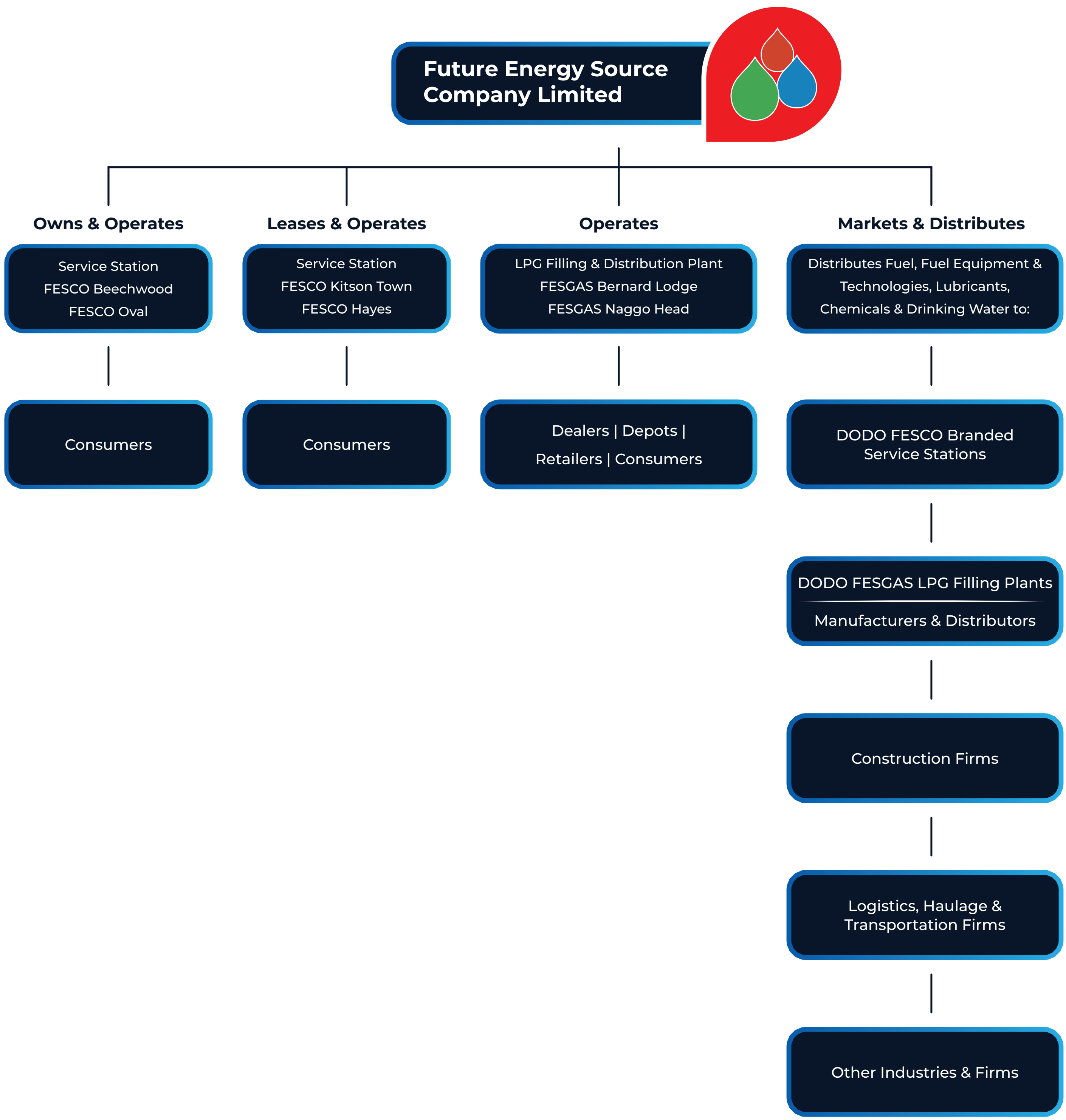
	Audited	Audited	Audited	Audited	-	-
	2023	2024	2025	2026	Change	Change
Statement of Income Summary	$	$	$	$	+/- %	$
Turnover/income	26,282,165,790	28,680,616,572	30,045,980,887	32,566,866,514	8.4%	2,520,885,627
Cost of Goods Sold (COGS)	(25,394,347,783)	(27,293,611,121)	(28,381,451,750)	(30,421,988,550)	7.2%	(2,040,536,800)
Gross profit	887,818,007	1,387,005,451	1,664,529,137	2,144,877,964	28.9%	480,348,827
Other Income	3,732,315	3,843,944	10,984,537	24,208,498	120.4%	13,223,961
Selling General & Admin Expenses	(307,287,423)	(791,173,235)	(1,006,857,740)	(1,230,855,739)	22.2%	(223,997,999)
Impairment Losses	(17,863,251)	(4,970,061)	(10,222,727)	(37,098,319)	262.9%	(26,875,592)
Operating Profit/(Loss) - [EBIT]	566,399,648	594,706,099	658,433,207	901,132,404	36.9%	242,699,197
Finance (Costs)/Income	8,115,292	(155,449,047)	(177,096,310)	(178,930,412)	1.0%	(1,834,102)
Profit Before Taxation	574,514,940	439,257,052	481,336,897	722,201,992	50.0%	240,865,095
Taxation	(3,248,187)	(28,440,112)	(19,786,912)	(55,392,323)	179.9%	(35,605,411)
Net Profit for the year	571,266,753	410,816,940	461,549,985	666,809,669	44.5%	205,259,684
Surplus on Revaluation of Land & Buildings	-	545,173,455	-	-	-	-
Total Comprehensive Income	571,266,753	955,990,395	461,549,985	666,809,669	44.5%	205,259,684
EBITDA	595,364,363	778,711,909	918,776,345	1,186,672,455	29.2%	267,896,110
Statement of Financial Position	-	-	-	-	-	-
Non Current Assets	2,771,328,826	3,813,022,592	4,309,964,421	4,767,682,792	10.6%	457,718,371
Current Assets	1,055,447,990	1,502,098,290	1,295,177,825	1,493,868,228	15.3%	198,690,403
Current Liabilities	753,495,827	1,347,725,659	1,079,952,201	1,358,469,063	25.8%	278,516,862
Net Current Assets	301,952,163	154,372,631	215,225,624	135,399,165	-37.1%	(79,826,459)
Equity	1,301,857,312	2,257,847,707	2,719,397,692	3,316,207,361	21.9%	596,809,669
Non Current Liabilities	1,771,423,677	1,709,547,516	1,802,457,454	1,586,874,596	-12.0%	(215,582,858)
Long Term Liabilities	1,771,423,677	1,541,369,589	1,558,133,458	1,311,199,361	15.8%	(246,934,097)
CPLTD	243,053,451	326,545,402	300,580,637	632,969,530	110.6%	332,388,893
Ratio Statistics	-	-	-	-	-	-
Weighted Average # Stock Issued	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000	-	-
EPS	0.22851	0.16433	0.18462	0.26672	44.5%	0.082104
Debt/Equity (Static)	1.5439	0.8273	0.6835	0 .6542	-	-
Net Current Assets (Working Capital)	301,952,163	154,372.631	215,225,624	135,399,165	-37.1%	(79,826,459)
Current Ratio	1.40	1.11	1.20	1.10	-	-
EBITDA	595,364,363	778,711,909	918,776,345	1,186,672,455	-	-
ROE - average (Total Comp. Income)	55.1%	53.7%	18.5%	22.10%	-	-
Effective Tax Rate	0.6%	6.5%	4.1%	7.7%	-	-
Net Profit Margin	2.17%	1.43%	1.54%	2.05%	-	-
Gross Profit Margin	3.38%	4.84%	5.54%	6.59%	-	-
-	-	-	-	-	-	-
Year over Year growth:	-	-	-	-	-	-
Gross Profit	128.03%	56.23%	20.01%	28.86%	-	-
EBIT	122.16%	5.00%	10.72%	36.86%	-	-
EBITDA	122.1%	30.8%	18.0%	29.2%	-	-
Net Profit	125.2%	-28.1%	12.3%	44.5%	-	-
Total Comprehensive Income	125.2%	67.3%	-51.7%	44.5%	-	-
Book Value of Equity	68.9%	73.4%	20.4%	21.9%	-	-

Corporate Structure

Future Energy Source Company Limited

10,500+ Shareholders

Operations & Services



FESCO LOCATIONS 2026

LEGEND

1. Beechwood Avenue
   CORPORATE OFFICE
2. Spanish Town Road
3. Stony Hill
4. Rock Hall
5. Ferry
6. Angels
7. Braeton
8. Naggo Head
9. Kitson Town
10. Bodles
11. Port Maria
12. May Pen
13. Hayes
14. Mandeville
15. Top Hill
16. Whitehall
17. Lacovia
18. Orange Bay
19. Montego Bay
20. Duncans
21. Golden Grove
22. Ocho Rios
23. Sheffield
    MAY 2026
24. Runaway Bay
    SEPTEMBER 30, 2026
25. Cinnamon Hill
    DECEMBER 31, 2026
26. Whithorn


now in
5
litres
THE CLEAR CHOICE
FYC
PURIFIED DRINKING WATER
Net 5L (169.07 fL oz.)

Chairman's Message

Dear Shareholders,

It is my honour to present the Annual Report of Future Energy Source Company Limited ("Future Energy" or the "Company") for the financial year April 1, 2025 to March 31, 2026.

Future Energy delivered a profitable performance with $2.1 Billion in gross profit and $667 Million in net profit, compared to the previous year's results which were $1.7 Billion and $461 Million, respectively. This year-over-year improvement in the financial performance comes despite having to function in one of the most challenging operating environments. During the financial year, our island was affected by a devastating natural disaster, Hurricane Melissa, that destroyed or compromised infrastructure. Additionally, our operations and the FESCO/FESGAS dealer network were tested by the consequences of international conflict that disrupted global energy and logistics markets. The Company and its network made every effort to maintain supplies at affordable prices amidst unpredictable market conditions.

These financial results as at March 31, 2026, not only reflect the resilience and adaptability of our business model, but the prudent planning of management, the dedication of our employees, the loyal commitment of our dealers and the confidence of our valued customers and stakeholders. Although the year was tough, we did not waiver in our commitment to being a responsible corporate citizen and trusted partner to the communities in which we have presence. We actively supported disaster relief efforts, assisted affected communities, and worked closely with stakeholders to restore fuel supplies in impacted areas. We made most of the opportunities to strengthen our relationships with suppliers, commercial customers, financial institutions, and government authorities, which enabled us to adjust our sails in changing market conditions.

Global energy markets are expected to remain dynamic in the coming financial year, influenced by geopolitical developments and economic conditions. However, whilst uncertainties are expected to persist, sound governance is a stabilizing cornerstone. The Company continues to pursue strategic goals by investing in infrastructure, staff, the dealer network, customer service, operational efficiency, and sustainable value creation across all segments.

On behalf of the Board of Directors, I extend sincere appreciation to our shareholders for their continued confidence and support. I also express heartfelt gratitude to the Company's management team, employees, dealers, customers, suppliers, financial institutions, government entities and all other stakeholders whose support have enabled us to overcome the serious challenges of the year.

We look forward to your participation at Future Energy's 2026 Annual General Meeting.

Yours sincerely,

LYDEN "TREVOR" HEAVEN
Chairman

Meet The Directors

Lyden “Trevor” Heaven - Chairman

Mr. Lyden “Trevor” Heaven is a graduate of The University of Reading and a Chartered Electrical Engineer by profession, with extensive experience in the bauxite/alumina industry. He has been in the petroleum industry as a franchise operator since 1988.

Mr. Heaven is currently the owner/operator of Heaven’s FESCO DODO in Mandeville. He is a two-time Past President of the Jamaica Gasoline Retailers Association (JGRA). Mr Heaven is a Justice of the Peace, serving currently as Vice President of The Lay Magistrates Association of Jamaica and a Rotary Past President and District Chair. He currently serves as Chairman of Cornerstone Trust and Merchant Bank (CTMB), Chairman of the Credit and Audit Committees for CTMB, President of the Lay Magistrate Association of Jamaica and several other corporate and school boards.

Hugh Coore - Vice Chairman

Mr. Hugh Coore has a very long and active career in the petroleum industry, being the owner & operator of service stations and a petroleum haulage contractor. Mr. Coore is the owner/operator of FESCO Angels in Spanish Town and FESCO Ferry (both FESCO DODO). In addition to being a Director of the JGRA for fifteen (15) years,

Mr. Coore is a Director of Cornerstone Financial Holdings Limited. Mr. Coore is also a Kiwanian.

Jeremy Barnes - Managing Director

Mr. Jeremy Barnes is a senior executive with extensive experience in operations management, financial analysis and financial management. He has over twenty (20) years of experience in the fuel trade, holding positions of dealer and managing director prior to his engagement at FESCO. He holds a Master of Business Administration from the Mona School of Business, University of the West Indies and a Bachelor of Business Administration in Finance from the Zicklin School of Business Baruch College in New York City, U.S.A where he graduated Summa Cum Laude and was the recipient of the Irvine Fromme academic Scholarship for International Finance.

Mr. Barnes is a former chief financial officer and chief operating officer of Marathon Insurance Brokers and Federal Capital Group Limited.

Eaton Parkins - Lead Independent Director

Mr. Eaton Parkins is a Certified Public Accountant. He has a BSc in Accounting from City University of New York and an MBA from the University of South Florida, Tampa. Mr. Parkins is a financial services professional with extensive experience in management consulting, regulatory reporting, financial and cash management, corporate finance, operations, cost analysis, auditing, internal controls, marketing and pricing strategy and new business development.

Mr. Parkins started his career at Price Waterhouse, Chartered Accountants, Kingston, Jamaica. He migrated to the United States in 1987 and has held senior management positions at several financial institutions.

Errol Mcgaw - Founding Director

Mr. Errol McGaw’s long, illustrious and diverse career in the petroleum industry qualifies him as a true professional having had the unique experience of working in all three sectors of the industry. His forty-six (46) years are divided into two (2) years as a refinery process technician, ten (10) years as a marketing executive at Esso Standard Oil(Exxon), and thirty-five (35) years as owner and operator of Petromac Servicentre Ltd. Stony Hill Square (FESCO’s DODO in Stony Hill). In addition to his extensive training while at Esso,

Mr. McGaw also holds a Bachelor of Science Degree with a major in Marketing from the University of Oregon, USA. He has served the Executive Committee of the JGRA in various positions over the years.

Meet The Directors

Junior Williams - Founding Director

Mr. Junior Williams has over forty (40) years of marketing experience, spanning the field as marketing representative, marketing consultant and marketing manager. In the public sector, he worked as a marketing consultant and in the private sector in the marketing and sales of consumer and industrial products at Esso Standard Oil.

Mr. Williams worked as a marketing representative and at Petcom as marketing manager, where he was instrumental in the establishment of the Petcom brand. He received extensive training in petrol retailing, site development and marketing at Petro-Canada.

Harry Campbell - Independent Director

Mr. Harry Campbell is a Co-Founder for Yassuh Jamaica Limited, an innovative technology company with a mission to deliver digital platforms to developing countries, where those platforms are transformative at a national infrastructure level.

He has 20+ years in the technology sector with expertise in Cybersecurity, Digital Transformation, Payments, and Strategy. Mr. Campbell was formerly the CTO for Cornerstone Trust and Merchant Bank and Director of Information Management at the Accountant General's Department. He also currently sits on the board of GiftMe, the local market leader in Digital Gift-Cards and Rewards.

Belinda Williams - Independent Director

A results-driven and transformational marketing leader with over 35 years of experience propelling business growth through innovative strategies and exceptional execution. Mrs. Williams is a seasoned executive with a distinguished track record of excellence, having served in senior roles at two prominent organisations: PROVEN Group – spearheading marketing efforts across the Caribbean and National Commercial Bank Jamaica Limited – driving marketing successes for brand building and strategic business outcomes.

Mrs. Williams has served on government and private sector boards with her expertise spanning strategic planning, team leadership, omnibus integrated marketing and campaign development with a consistent focus on delivering impacting marketing solutions.

Gloria Declou - Independent Director

Ms. Gloria DeClou is an Attorney-at-Law having been admitted to the bar in Trinidad, Dominica, Guyana & Jamaica. She is the Managing Director of Blenman DeClou & Co. and has a wealth of experience in civil law, criminal law, commercial law, banking law, public law, entertainment law and conveyancing. Ms. DeClou is also the legal advisor to the All-Island Jamaica Cane Farmers' Association on all legal matters with special focus in Employment Law and Labour Law.

Ms. DeClou has Bachelor of Laws (LL.B) and Bachelor of Science in Business Management Degrees from the University of Guyana, a Legal Education Certificate from the Hugh Wooding Law School and a Master of Law Degree (LL.M) from the University of Salford, UK.

Vernon James - Non-Executive Director

Mr. Vernon James has over two decades of expertise in banking and finance and brings a wealth of innovative leadership honed over years in banking and insurance. He oversees a substantial portfolio of real estate investments through his own company. Formerly at the helm as CEO of TFOB (2021) Limited, he spearheaded the pioneering digital venture, LYNK. Under his leadership, he expanded access to financial services for the unbanked population and the range of offeringsprovided by a financial institution. Prior to his eight-year tenure as CEO at NCB Insurance Company.

Mr. James led sales teams at NCB Capital Markets for four years, after joining the NCB Group in 2008. He served as a Director on the N.C.B. Foundation's Board demonstrating his commitment to corporate social responsibility and community development. He also managed investments and securities trading at Scotia Investments Jamaica Limited. Mr. James holds a Master of Science Degree in Financial Mathematics from Warwick University in England, and a Bachelor's Degree in Mathematics from the University of the West Indies.

Mentor

Lissant L. Mitchell - Mentor

Mr. Lissant L. Mitchell, is an experienced financial services professional with a successful career spanning over twenty-five years at the senior management and executive levels. With tenures at local institutions as well as regional and international financial groups, he has a proven track record in designing and executing long term sustainable strategic priorities, change management, divestitures, mergers, acquisitions and share ownership privatization. A former Senior Vice President of Wealth Management at Scotiabank Group Jamaica Limited & former Chief Executive Officer at Scotia Investments Jamaica Limited (SIJL).

Mr. Mitchell is currently serving as a director of the National Insurance Fund Advisory Board in the capacity of the Chair of its Investment and Real Estate Committees, Indies Pharma Jamaica Limited in the capacity of the Chair for its Audit and Finance Committee and Consolidated Bakeries Limited (PURITY). He is the Jamaica Stock Exchange Junior Market Mentor for the latter two entities. He has also held directorships with the Jamaica Stock Exchange, SIJL and a number of companies within the Scotiabank Group locally and regionally.

Mr. Mitchell has a Master's in Business Administration - Finance from the University of Manchester in the United Kingdom and a Bachelor of Science (Hons.) - Accounting with Economics from the University of the West Indies Mona, Jamaica.

Meet The Leadership Team

Jeremy Barnes - Managing Director

Mr. Jeremy Barnes is a senior executive with extensive experience in operations management, financial analysis and financial management. He has over twenty (20) years of experience in the fuel trade, holding positions of dealer and managing director prior to his engagement at FESCO. He holds a Master of Business Administration from the Mona School of Business, University of the West Indies and a Bachelor of Business Administration in Finance from the Zicklin School of Business Baruch College in New York City, U.S.A where he graduated Summa Cum Laude and was the recipient of the Irvine Fromme academic Scholarship for International Finance.

Mr. Barnes is a former chief financial officer and chief operating officer of Marathon Insurance Brokers and Federal Capital Group Limited.

Kayola Muirhead - Company Secretary & General Counsel

Admitted to the Jamaican bar in 2016, Mrs. Kayola Muirhead is a general civil practitioner whose experience includes corporate, commercial and litigation matters. Prior to law, Mrs. Muirhead worked for international private and not-for-profit entities in various roles that included research, administration, teaching children and professionals, and commercial deals negotiation in English and Spanish.

Mrs. Muirhead holds a Diploma in Corporate Governance and a Professional Certificate in AI Governance from The Corporate Governance Institute (Ireland), a Legal Education Certificate from the Norman Manley Law School, a Bachelor of Laws Degree and a Bachelor of Science Degree in International Relations with a minor in Spanish from the University of the West Indies, Cave Hill and Mona campuses, respectively.

Leneito Chambers - General Manager, FESGAS

Mr. Leneito Chambers was appointed General Manager of FESGAS in July 2024, having previously served as General Sales Manager, Edgechem Jamaica Limited from January 2021 to June 2024, prior to which he served as General Manager, United Petroleum Jamaica Ltd from 2015 to 2018. He served as Director of the Jamaica Association of Petroleum Marketers (JAPM) from 2016 to 2019 and was also a member of the committee that drafted the current National Petroleum Code.

Mr. Chambers possesses over Twenty-eight (28) years of progressive senior management experience in the areas of Business Development, Sales, Marketing operations and General Management having worked with Goodyear Jamaica Ltd, The Petroleum Company of Jamaica Limited and The Bank of Nova Scotia, Jamaica over different periods of his professional life.

Rowena Nelson, FCCA, BSc. - Accounting Manager

Miss Nelson is a member of the Association of Chartered and Certified Accountants, with over 18 years' experience spanning the areas of Auditing; Investment Fund Accounting; General Accounting; Systems implementation and Customer Service. Miss Nelson holds a Bachelor of Science in Applied Accounting (First Class Honours) from the ACCA/ Oxford Brooks University Partnership, as well as A Diploma in Business Administration (Accounts Major) from the University of Technology.

Prior to joining FESCO, Miss Nelson has worked with several major private as well as public listed companies. She brings a wealth of knowledge in Regulatory and Corporate reporting, financial statements preparation, Stock Exchange Reporting and filings, and Money Management.

Stefan Ebanks - Head of Business Development, Sales, Marketing & Communication

Mr. Stefan Ebanks is a dealmaker and marketing leader with over a decade of experience driving sales, market expansion, and revenue growth across B2B, B2C, and C2C sectors. He holds MBAs in Commerce Management & Marketing and in Digital Marketing & Analytics, along with diplomas in Innovation & Project Management (ENEB) and Competitive Selling (IBM Global Sales School).

He began his career as an educator before transitioning into Technology at IBM where he led regional solution sales for clients in finance, fintech, and insurance across 12 countries. He later joined National Commercial Bank, leading the launch and merchant adoption of the Lynk Mobile Wallet. Mr. Ebanks now serves at FESCO, where he oversees business development, brand growth, and stakeholder engagement.

Meet The Leadership Team

Reneé Cole - Head of Human Resources

Ms. Reneé Cole brings over a decade of experience as an HR Practitioner. A graduate of the University of Technology, Jamaica, she holds a Bachelor of Business Administration Degree with a focus on Human Resource Management (HRM) and a minor in International Business. Additionally, she earned an MBA with Distinction, specializing in HRM, from the Mona School of Business & Management.

Ms. Cole is a results-driven Human Resources Professional, dedicated to optimizing organizational success through strategic HR initiatives. With a strong background in HR management, she possesses a unique blend of skills that contribute to fostering a positive workplace culture and driving employee engagement.

Jodi-Ann Baillie - IT & Information Security Manager

Miss Jodi-Ann Baillie is an accomplished technology leader with over 15 years of experience driving digital transformation and operational excellence within the financial services industry. Throughout her career, she has successfully led major technology initiatives, including infrastructure modernization and cloud migration programmes, delivering enhanced efficiency, scalability and service reliability. Prior to joining the company, she held key roles at the VM Group Limited and Jamaica Money Market Brokers Limited.

Miss Baillie holds a Master of Science in Digital Technology and a Bachelor of Science in Computer Science from the University of the West Indies, Mona, and is a certified Project Management Professional.

Stefan Lyn Shue - Engineering, Operations & Safety Manager

Mr. Stefan Lyn Shue is a dedicated and accomplished Operations Engineer with a strong background in operations management and industrial engineering. With a focus on optimizing business operations and driving productivity, he brings valuable expertise to his role at FESCO.

With years of experience in the manufacturing industry, Mr. Lyn Shue has developed a deep understanding of process requirements and the implementation of efficient operations management methods. His track record demonstrates his ability to resolve productivity issues, ensure product quality, and minimize operational costs. He holds an MBA in Banking and Finance from the University of the West Indies and a Bachelor of Science degree in Industrial and Systems Engineering from Rensselaer Polytechnic Institute.

Kevin Faulknor - Retail Operations Manager

Mr. Kevin Faulknor has over 20 years of experience across finance, construction, and property management. He brings expertise in financial planning, project and operations management, and team leadership, with a strong track record of driving business growth and operational efficiency. Throughout his career, Mr. Faulknor has held senior leadership roles, including General Manager at Acrux Construction Limited and Property Services Manager at HJ Property Management Ltd., where he successfully led multidisciplinary teams and oversaw complex projects and portfolios.

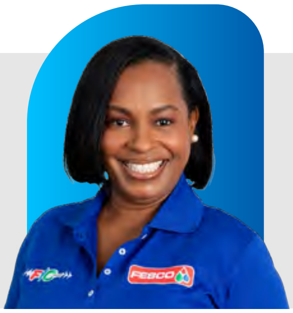
He is accredited by the Association of Chartered Certified Accountants (ACCA) and holds a Bachelor of Science degree in Accounting and Management Studies from the University of the West Indies.

Kareem Gordon - Commercial & Distribution Manager, FESGAS

Mr. Kareem Gordon has over fifteen (15) years of extensive experience in the petroleum industry, specializing in marketing and sales. Recognized for driving revenue growth and optimizing operations. He holds a BBA in General Management with a focus on Production and Operation from the University of Technology Jamaica, complemented by a diploma in Computer Systems Technology from Vector Technology Institute.

Mr. Gordon is a strategic thinker with a track record of developing and implementing effective business strategies, forging strategic partnerships, to obtain organizational goals. Adept at leveraging market insights and industry expertise to maximize profitability and achieve sustainable business outcomes. A visionary leader dedicated to fostering a culture of innovation, collaboration, and continuous improvement.

Meet The Leadership Team



Annette Lewis - Human Resources Manager

Ms. Annette Lewis is an experienced Human Resource Practitioner with a strong background in Human Resource Management. With over ten years of professional experience, she has expertise in various aspects of employee management, such as managing team dynamics, preparing analytical reports, drafting policies, and leading change initiatives. Her specialized areas include employee relations, conflict resolution, strategic management, staff welfare and employee engagement. Ms. Lewis strongly believes in investing in employees and fostering a positive work environment to achieve organizational success.

Ms. Lewis has numerous professional certifications from recognized institutions, pursued studies in Business Administration, Marketing and Public Relations and holds a BSc. in Human Resources Management from the Northern Caribbean University.

Howard Coxe - Business Development Manager

Mr. Howard Coxe is a sales and business development professional with over ten (10) years of international experience. He specializes in sales strategy, logistics and client relationship management in the public and private sectors. He joined the Company in 2021 with expertise in generating new accounts, managing high-value contracts, and providing cross-industry technical support.

Mr. Coxe holds a Bachelor of Science Degree from the University of the West Indies in Management Studies & Psychology and certifications in fire safety, first aid, hazardous waste management, and land conveyancing.

Rose Allen - Administrative Manager

Ms. Rose Allen is an Administrative professional with more than 25 years of experience. Prior to joining the Company, she worked for over ten (10) years in a large security company overseeing responsibilities related to payroll, human resources, collections and billing. Ms. Allen also worked for a medium-sized textile company for over nineteen (19) years where she was office manager with responsibilities related to general day-to-day activities that support the smooth operation of the business.

Ms. Allen has an Associate's Degree in Business Administration, Diploma in Management Studies and a Certificate from the Jamaica Stock Exchange in Jamaican Securities Course.

Consultant

Jodi Dunn - Project Consultant

Mrs. Jodi Dunn is an accomplished project consultant and strategic transformation leader with over 20 years of experience leading complex enterprise initiatives across governance, operations and organisational transformation. As Project Consultant to Future Energy, she provides project leadership and advisory oversight for the strategic transformation programme, supporting enterprise-wide initiatives including ERP implementation, digital transformation, enterprise risk management, data protection, corporate governance and business process optimization.

Mrs. Dunn holds a Master in Environmental Studies from York University (Canada), a Bachelor of Science (Honours) from The University of the West Indies, and has undertaken academic studies at the University of Southampton (UK). Her professional qualifications include Project Management, Contract Administration, Public Sector Procurement, and ISO 9001 Internal Auditing certifications.

CORPORATE SOCIAL RESPONSIBILITY

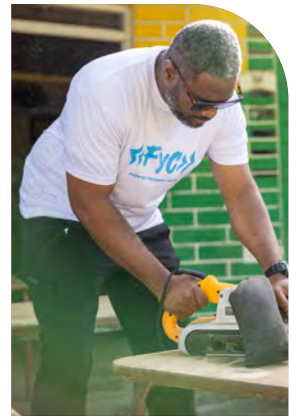
Building Communities
Fuelling Opportunities

At Future Energy, we believe our responsibility extends beyond supplying fuel. Our mission commits to enhancing the communities in which we operate while creating value for our customers, dealers, employees and shareholders. Guided by our vision to be Jamaica's most Customer-Centric, Dealer-Centric and Community-Centric fuel marketing company, we continue to invest in initiatives that create lasting opportunities and improve the quality of life for the people we serve.

During the financial year, we delivered more than 70 community and brand engagement initiatives across Jamaica, supporting youth and sports development, education, healthcare, road safety, disaster relief, cultural programmes and community partnerships. These initiatives reflect our belief that meaningful community engagement is not a single programme, but a continuous commitment to the people and communities we serve.

Our newest company-owned service station, FESCO Oval at 459 Spanish Town Road, represents the next chapter in that commitment. More than our newest retail location, it serves as our new corporate office and the home of our community projects—a Community Homework Centre and a Six-a-Side Football Turf. Together, these permanent community assets will provide supervised academic support, digital learning resources, free internet access, youth football programmes and safe recreational spaces that empower young people through education, sport and personal development.

By investing in education, sport and community infrastructure, we are creating opportunities that extend well beyond our forecourts and strengthening the communities in which we operate. These investments reflect who we are as a company and our commitment to leaving a lasting legacy for future generations.



FESCO OVAL FIELD

FESCO WATERHOUSE HOMEWORK CENTRE

Company History

A FRESH START
2013-2018

- Commenced Operations in 2013
- Added 12 Service Stations
- Secured multiple industrial clients

BEATING THE ODDS
2019-2022

- Added four (4) FESCO Branded Service Stations
- Introduced FUTRLUBE, FUTROIL & FYC Water
- Obtained LPG Licence
- Official Fuel Partner of Jamaica Tallawahs Cricket Team
- Opened FYC Supermarket in Bodles, St. Catherine
- **Successful IPO**
- Added FESCO Ferry
- Opened FESCO Beechwood (COCO)
- 1st and only service station network to offer Blend E10 87+
- Launched FESCO Fleet Card for Fleet Customers

ACCELERATED GROWTH
2023-2024

- Began LPG Distribution
- Officially launched Bulk Commercial & Retail Propane (LPG) Delivery
- Launched FESCO Futron 90+
- Raised J$700 million in debt via a partially secured bond issue
- Kickstarted several charitable initiatives

FUELLING RESILIENCE
2025-2026

- Added four (4) FESCO Service Stations including FESCO Oval
- Established an e-commerce channel through the 7krave Mobile App
- Donated to several charities and charitable initiatives
- Executed 70+ community initiatives & various entertainment & motorsports event sponsorships

2013-2018

In 2013, Lyden Heaven, Hugh Coore, Errol McGaw, Trevor Barnes and Junior Williams founded Future Energy and started operations with one (1) employee and made the Company's first (1st) delivery of fuel in December 2013. At that time, the board determined that to increase the Company's share of the market, brand recognition, market penetration and network growth were essential. Thusly FESCO embarked on a drive to add FESCO branded service stations to its network.

By the end of 2014 the Company had three (3) FESCO branded service stations and established an industrial/ commercial customers clientele.

During 2015/2016 the Company added two (2) FESCO branded service stations and continued servicing their commercial customers.

During 2017 the Company expanded its foot print again by adding two (2) FESCO branded service stations. And in 2018 the Company added a further five (5) FESCO branded service stations to its network.

2019-2020

In 2019 the Company decided that along with market penetration, diversification as a strategy for sustainability and growth was paramount in the short, medium, and long term. Accordingly the company:

1. Added one (1) FESCO branded service station
2. Expanded its offering to include Chemicals, Coolants, windscreen wash as well as Purified drinking water (FUTRLUBE™ and FYC Water™)
3. Acquired lands to build it first company owned company operated service station
4. Obtained a LPG distributor licence (to be utilised in the future)

Additionally, in 2019 the Company decided to strengthen its tradition of being a good citizen in the communities in which its dealers operate by incorporating national philanthropic, social and sporting endeavours in its community building program. That year the Company became the:

1. Official fuel partner of the Jamaica Tallawahs
2. Official title sponsor of JGRA's Road Safety Month
3. Official fuel sponsor of 'Long Walk to Freedom Tour"
4. Sponsor of various local football, cricket , chess and golf tournaments

In 2020, despite a Global pandemic, the company:

1. Added one (1) FESCO branded service station and FYC supermarket at Bodles.
2. Signalled to the market its intention to go public via initial public offering and listing on the Junior Market of the Jamaica Stock Exchange (JSE).

2021-2022

In 2021/2022, the Company executed on its intention to list by successfully launching its IPO in March 2021, and listing on the Junior Market of the Jamaica Stock Exchange (JSE) in April 2021.

The Company welcomed a fifteenth (15th) service station to the network, FESCO Ferry, in July 2021 and opened its sixteenth (16th) branded service station, FESCO Beechwood, the first (1st) Company-Owned Company-Operated station, in November 2021.

In January 2022 in order to satisfy and delight its growing list of commercial clients, FESCO launched its prepaid fleet card accessible at FESCO Beechwood only.

In March 2022 FESCO Beechwood became the first (1st) service station in Jamaica to blend fuel at the pump, and successfully introduced E10 88 Blend to the market.

Further, in March 2022, pursuant to its medium term goal of investing in and opening new service stations, as well as entry into the LPG industry, FESCO successfully raised J$1.0 billion in debt via a 7.5% fixed rate bond.

2023-2024

1. Launched FESCO FUTRON 90+ Performance Fuel
2. Official fuel Sponsor of Rebel Salute
3. FESCO Futron 90+ - Official Fuel Sponsor of Lost in Time Festival (Protoje and Friends)
4. Added FESCO White Hall and FESCO Ocho Rios
5. FESCO Futron 90+ Partnered with ATL Honda for the launch of the New Honda Type R
6. Donated to several charities and charitable initiatives throughout the year
7. FESCO launched its LPG brand, FESGAS™, distributing butane and propane to domestic, commercial and industrial customers.
8. Established two (2) LPG Filling Plants:
   a. Bernard Lodge
   b. Naggo Head
9. Three (3) new FESCO Service stations:
   a. FESCO May Pen
   b. FESCO Kitson Town
   c. FESCO Port Maria
10. Official Cooking Gas (LPG) Sponsor of The Observer Food Awards 2023
11. Social initiatives:
    a. SFP Foundation
    b. Strathmore Gardens Children's place of Safety – Mattresses, LPG
    c. St. Monica's Children's Home - Mattresses
    d. Numerous Youth Football Tournaments
    e. Numerous other civic initiatives
12. Commenced construction of COCO location, FESCO Oval
13. Increased its company-operated service station footprint (FESCO Hayes) and increased overall fuel sales measured in litres;

2025-MARCH 2026

1. Established additional filling plants to further enhance its LPG distribution:
    a. Discovery Bay
    b. Montego Bay
    c. Stony Hill
2. Refinanced and closed out its partially secured J$700 million (11.75%) bond; and ultimately consolidated and extended debt maturities at 9.0%;
3. Established an e-commerce channel through the 7krave Mobile App
4. Increased brand awareness
5. Supported 70+ community initiatives, including:
    a. Waterhouse FC Youth Football Club
    b. SFP Pocket Rocket Foundation
    c. Urban Knights Basketball Team
    d. Grace Mighty Malt Victory Cup
    e. I have a Heart - PINT for P.I.N.T Blood Drive
    f. Various Back-to-School Drives
    g. TODSS - Road Safety Initiatives
    h. Donation towards the New Church Hall at The Church of St. Margaret, Liguanea
6. Sponsorship of events including;
    a. Dover Raceway Heroes of Speed
    b. JRDC Circuit Racing Championship
    c. Gen X Carnival
    d. The Miss Jamaica Competition
    e. Jamaica Social Stock Exchange (JSSE) Car Raffle
    f. +other major events and executions
7. New station opened – FESCO Oval

APRIL 2026 & BEYOND

1. Adding of three (3) new service stations:
   a. FESCO Sheffield (open May 2026)
   b. FESCO Runaway Bay - St. Ann (open for fuel sales September 30, 2026)
   c. FESCO Cinnamon Hill - St. James (open for fuel sales December 31, 2026)
2. Establishing a charitable foundation.
3. Executing 50+ community initiatives and sponsorships of various entertainment and motor sports events.
4. Grand Opening of FESCO Oval, a commercial complex inclusive of a service station and:
   a. Convenience Store (open May 2026);
   b. Quick service restaurants (open May 2026);
   c. Administrative offices of Future Energy Source Company Limited (open July 2026);
   d. Pharmacy (open August 2026);
   e. Homework and recreation facilities (open August 2026).

DIRECTORS' REPORT

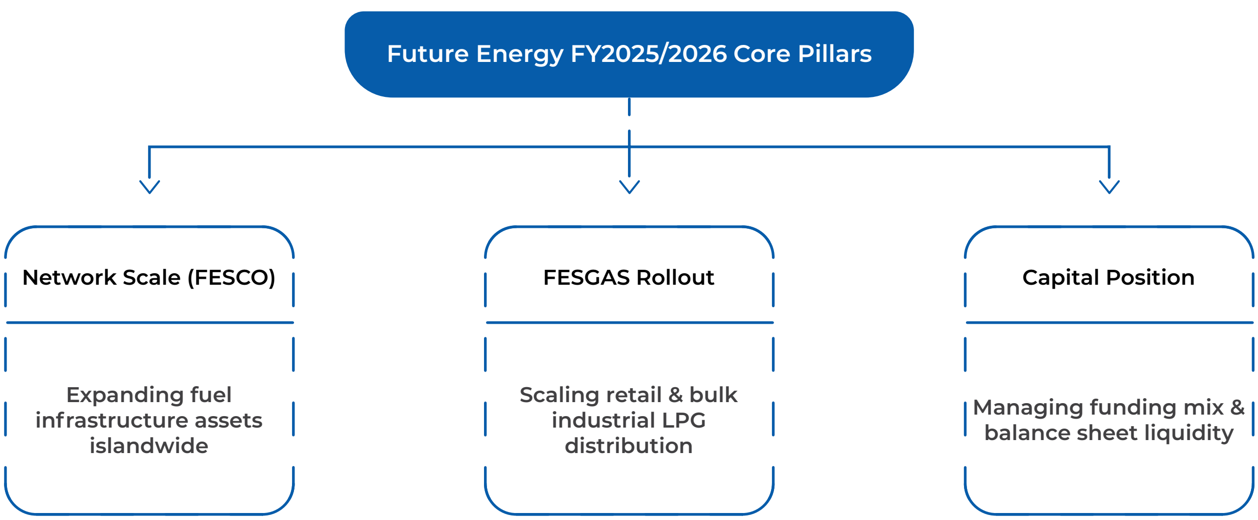
Managing Director’s Report

The Managing Director and the Board of Directors of Future Energy Source Company Limited (“Future Energy” or “the Company”) are pleased to present their report together with the Audited Financial Statements of the Company for the year ended March 31, 2026.

EXECUTIVE OVERVIEW & STRATEGIC MANDATE

During the financial year ended March 31, 2026, Future Energy delivered strong operational results by expanding its footprint across Jamaica while optimizing core fuel and retail channels. The Company successfully drove both top line and bottom-line growth, increased structural market share, and advanced its multi-year diversification strategy with liquefied petroleum gas (LPG) under the FESGAS brand.

The Company’s business model effectively combines company-operated locations with dealer-operated service stations. This flexible framework facilitated Future Energy’s ability to effectively withstand local competitive movements, significant meteorological events, shifting global crude markets and regional supply hurdles, throughout the financial year.



- **Turnover** reached a new peak of **J$32.57 Billion**, an increase of 8.4% compared to the J$30.05 Billion achieved in FY2025.
- **Gross Profit** crossed the two-billion-dollar line, expanding by 28.9% to **J$2.14 Billion.**
- **EBITDA for the Year** grew by 29.2%, reaching **J$1.19 Billion**, up from J$918.78 Million in the prior fiscal period FY2025.
- **Profit before Taxation (PBT) for the Year** grew by 50.0%, reaching **J$722.20 Million**, up from J$481.34 Million in the prior fiscal period FY2025.
- **Net Profit for the Year** grew by 44.47%, reaching **$666.81 Million**, up from $461.55 Million in the
- prior fiscal period FY2025.
- **Earnings Per Ordinary Stock Unit** rose steadily to **$0.27**, reflecting improved returns on our equity base).

AUDITED FINANCIAL STATEMENTS - HIGHLIGHTS

The audited financial numbers for the year ended March 31, 2026, highlight an expanded balance sheet alongside disciplined cost control:

Statement of Comprehensive Income

- **Turnover:** J$32,566,866,514 (FY2025: J$30,045,980,887)
- **Cost of Sales:** J$30,421,988,550) (FY2025: J$28,381,451,750)
- **Gross Profit:** J$2,144,877,964 (FY2025: J$1,664,529,137)
- **Other Income:** J$24,208,498 (FY2025: J$10,984,537)
- **Operating & Administrative Expenses:** (J$1,230,855,739) (FY2025: J$1,006,857,740)
- **Impairment Losses on Financial Assets:** (J$37,098,319) (FY2025: J$10,222,727)
- **Operating Profit (EBIT):** J$901,132,404 (FY2025: J$658,433,207)
- **Finance Costs (Net):** (J$178,930,412) (FY2025: J$177,096,310)
- **Profit Before Taxation:** J$722,201,992 (FY2025: J$481,336,897)
- **Taxation:** (J$55,392,323) (FY2025: J$19,786,912); effective tax rate FY 2026: 7.7% vs FY 2025: 4.1%
- **Net Profit for the Year:** J$666,809,669 (FY2025: J$461,549,985)

Statement of Financial Position (JMD)

- **Property, Plant & Equipment:** J$4,467,747,528 (FY2025: J$4,009,800,093)
- **Other Non-Current Assets:** J$299,935,264 (FY2025: J$296,829,429)
- **Total Non-Current Assets:** J$4,767,682,792 (FY2025: J$4,306,629,522)
- **Inventories:** J$239,940,592 (FY2025: J$248,918,373)
- **Trade & Other Receivables:** J$980,717,124 (FY2025: J$770,361,783)
- **Cash & Cash Equivalents:** J$257,519,715 (FY2025: J$256,070,541)
- **Other Current Assets:** J$15,690,797 (FY2025: J$19,827,128)
- **Total Current Assets:** J$1,493,868,228 (FY2025: J$1,295,177,825)
- **Total Assets:** J$6,261,551,020 (FY2025: J$5,601,807,347)
- **Current Liabilities:** J$1,358,469,063 (FY2025: J$1,079,952,201)
- **Non-Current Liabilities:** J$1,586,874,596 (FY2025: J$1,802,457,454)
- **Total Shareholders' Equity:** J$3,316,207,361 (FY2025: J$2,719,397,692)

PROFITABILITY & LIQUIDITY TREND ANALYSIS

Future Energy's operational choices are evaluated using key performance and capital strength indicators:

Performance Ratio Metric	FY Ended March 31, 2026	FY Ended March 31, 2025	Strategic Performance Analysis
Gross Profit Margin	**6.59%**	5.54%	Up 105 bps due to strategic sourcing, retail network optimization, and product diversification.
Net Profit Margin	**2.05%**	1.54%	Up 51 bps, proving that higher volumes were accretive and safely absorbed our overhead costs.
Operating Efficiency Ratio	**57.39%**	60.49%	Improved by 310 bps; keeping administrative costs lower relative to our gross profit gains.
Return on Equity (ROE)-Average	**22.10%**	18.55%	Up 355 bps, highlighting better bottom-line extraction from total book value.
Current Ratio	**1.10x**	1.20x	Down slightly because a larger portion of long-term debt matured into short-term.
Debt/Equity Ratio	**0.654x**	0.684x	Maintained an optimal capital balance; utilizing safe levels of long-term debt.
Trade Receivables (net of ECL) Turnaround Cycle	**6.65 days**	6.09 days	Slightly longer due to growing commercial bulk distributor networks.

SHAREHOLDER RETURNS AND VALUE CREATION

One of Future Energy's primary objectives is the creation of sustainable long-term value for shareholders. During FY2026, the Company delivered significant improvements across all key shareholder return metrics, reflecting strong growth of earnings and effective capital deployment.

Return on Equity (ROE)

Average Return on Equity increased to **22.1%**, compared with **18.6%** in FY2025. This represents an improvement of approximately 355 basis points and demonstrates the Company's ability to generate higher earnings from shareholders' invested capital.

The improvement was driven primarily by:

- Record net profit of **J$666.8 million**, an increase of 44.5% year over year.
- Improved operating margins and gross profit expansion.
- Continued growth in fuel volumes and market share.
- Efficient utilization of infrastructure and retail assets.

An ROE above 20% places Future Energy among the stronger-performing listed companies within the Junior Market and reflects management's continued focus on generating attractive returns while maintaining prudent financial leverage higher earnings from shareholders' invested capital.

Earnings Per Share (EPS)

Earnings Per Share increased to **J$0.2667 per ordinary share**, compared with **J$0.1846** in the prior financial year, representing growth of approximately **44.5%**.

The increase in EPS was consistent with the strong growth in net earnings and demonstrates that profit growth continued to outpace growth in the Company's share capital base. As a result, shareholders benefited directly from improved earnings generation on a per-share basis.

The Company's EPS performance reflects:

- Expansion of the retail service station network.
- Improved contribution from higher-margin business segments.
- Effective expense management despite continued investments in growth initiatives.
- Disciplined execution of the Company's long-term strategic plan.

Growth in Shareholders' Equity

Book value attributable to shareholders increased to **J$3.32 billion**, up from **J$2.72 billion** in FY2025, representing growth of approximately **21.9%**.

This increase was principally driven by retained earnings generated during the year and demonstrates the Company's ability to organically strengthen its balance sheet while continuing to invest in new infrastructure, service station developments, and LPG assets.

Management Commentary

The combination of a **22.1% ROE, 44.5% EPS growth**, and a **21.9% increase in shareholders' equity** underscores the effectiveness of Future Energy's growth strategy and capital allocation framework. These metrics indicate that the Company is not only expanding, but doing so in a manner that enhances shareholder value and generates increasingly productive returns on invested capital.

Management remains committed to maintaining an appropriate balance between reinvesting earnings for future growth, strengthening the Company's financial position, and maximizing long-term shareholder returns.

CORPORATE ENVIRONMENTAL RESPONSIBILITY

Future Energy's operations are environmentally conscious and intentional efforts are made to ensure products are handled in accordance with safety procedures that also improve efficiency and reduce greenhouse gas emissions. Equipment selection and maintenance are carried out to ensure proper storage of petroleum products and staff are trained in spill prevention and emergency response procedures. Infrastructure design incorporate the use of solar panels, and support hazardous waste management. The Company also maintains licences with the National Environment and Planning Agency (NEPA) where required for operations and construction developments being undertaken.

FINANCIAL YEAR 2027 OUTLOOK

Future Energy actively tracks local and international market variables to defend its ongoing profit margins:

- **Global Commodity Pricing & Volatility:** Instability in world oil reserves changes local refinery billing prices and margins. The Company applies a dynamic pass-through pricing mechanism to mitigate and insulate operational capital.
- **Credit Quality and Default Trends:** Growing bulk wholesale volumes requires steady credit provisions. The Company tracks historical credit behaviours using an updated lifetime expected loss system, adjusting internal credit caps to head off bad debts.
- **Balance Sheet Liquidity Transitions:** Near-term commitments grew this year due to current portions of long-term debts. The Company addressed this in June 2026 in a transaction subsequent to its FY March 2026, by replacing single lump-sum debt (J$1.0 billion Bond) with an amortized, multi-year payment arrangement to keep working capital liquid (J$600 million Bond arranged by NCB Capital Markets Limited).

OPERATIONAL OPPORTUNITIES & CAPITAL PLANS

Management focus for the next twelve (12) months is built around structural assets, real estate integration, and market share growth.

Corporate Risk Profile & Market Exposures

The Company will direct cash resources toward completing service station projects currently labelled as construction work-in-progress, which stood at $896.86 Million at the end of March. Bringing these high-traffic retail properties online expands geographical reach and builds lasting volume security. The Company expects to add three(3) new DODO service stations to its network:

1. FESCO Sheffield (Opened May 2026)
2. FESCO Runaway Bay (September 30, 2026)
3. FESCO Cinnamon Hill (December 31, 2026)

Complementary Income Development

The Company plans to extract extra value from its primary real estate assets—including flagship properties at Beechwood Avenue and Spanish Town Road—by leasing storefront space. This strategy establishes recurring income streams that help stabilize results when fuel margins soften.

FESGAS Expansion Strategy

We are expanding our **FESGAS** footprint by deploying more commercial LPG tanks and distribution assets across Jamaica. Focusing on commercial customers allows Future Energy to enter steady, higher asset utilization and higher margin segments outside classic automotive transport fuels.

Capital Structure Balance

Future Energy continues to rebalance its funding mix. Operating under the Junior Market platform helps support growth by keeping profits available for direct reinvestment into our energy infrastructure.

RECONCILIATION MATRIX

The table below outlines how Future Energy responds to market pressures and converts operational risks into long-term strategic opportunities:

Identified Risk Factor	Financial & Operational Impact	Tactical Mitigation Strategy
Global Crude Squeezes	Restricts downstream distribution spreads and increases working capital pressure.	Maintain rapid inventory turns and expand higher-margin fuel.
Rising Credit Demands	Increases potential for uncollectible accounts within commercial channels.	Track customer accounts via an aged provision matrix.
Short-Term Debt Maturities	Increases current liabilities and alters near-term liquidity metrics.	Refinance bullet-payment structures into multi-year amortizing debt plans.

In summary, Future Energy is optimistic about its prospects and anticipates further growth for the financial year to end March 2027. The Company continues to monitor economic and political factors, including escalating trade tensions, threats of increased global tariffs, international armed conflicts, fuel supply shocks, fuel price volatility, moderating inflationary forces indicative of reduction of interest rates in the short to medium term, Hurricane Melissa recovery efforts, and the near full employment in many sectors of the economy.

The Company is selective in its allocation of investment capital but remains mindful of opportunities for growth and further investment.

Finally, the Company will continue to make investments in real assets and equipment to support expanding its service station network, industrial client base, and LPG business.

Management Discussion & Analysis
for the Financial Year Ended March 31, 2026

The following Management Discussion and Analysis ("MD&A") should be read with the audited financial statements of Future Energy Source Company Limited ("Future Energy" or "the Company") for the financial year ended March 31, 2026. This MD&A, the audited financials and accompanying notes together provide an integrated view of the Company's operational strategy and financial performance. All values are expressed in Jamaican Dollars (J$) unless stated otherwise.

EXECUTIVE SUMMARY & STRATEGY EXECUTION

Financial Performance Highlights

Future Energy delivered the strongest financial performance in its corporate history for the fiscal year ended March 31, 2026. This milestone was achieved despite a complex macroeconomic backdrop, including a post-Hurricane Melissa cooling period in late 2025 and severe downstream fuel margin compression starting in February 2026.

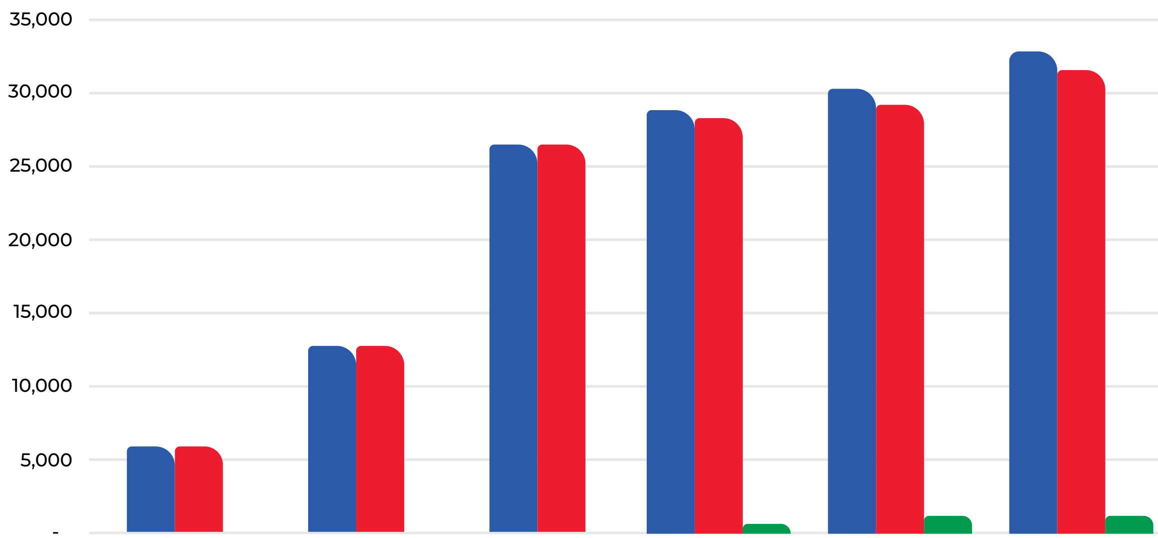
FY 2026 KEY PERFORMANCE INDICATORS

Metric	FY2026	FY2025	Change
Revenue (Turnover)	J$32.57B	J$30.05B	+8.4%
Gross Profit	J$2.145B	J$1.665B	+28.9%
EBITDA	J$1.187B	J$0.919B	+29.2%
Operating Profit (EBIT)	J$901.1M	J$658.4M	+36.9%
Profit Before Tax	J$722.2M	J$481.3M	+50.0%
Net Profit	J$666.8M	J$461.5M	+44.5%
Earnings Per Share	J$0.2667	J$0.1846	+44.5%
Shareholders' Equity	J$3.316B	J$2.719B	+21.9%

Strategic Objectives Met

- **Asset & Capital Expansion:** Successfully expanded our service station footprint by opening our flagship Company-Owned, Company-Operated (COCO) location, **"FESCO Oval"** on Spanish Town Road.
- **Dealer-Owned, Dealer-Operated (DODO) Pipeline:** Commissioned the Sheffield location (May 2026). Runaway Bay and Cinnamon Hill remain on track to commence fuel sales by September 30, 2026, and December 31, 2026, respectively.
- **Liquidity & Debt Optimization:** Secured new commercial bank lines of credit and generated healthy retained earnings to comfortably prepare for a J$300 million bond principal repayment due in March 2027.
- **Brand & Community Equity:** Advanced market awareness for our proprietary brands—FESCO™, FESGAS™, FYC™ Water, FUTRON™ 90+, and FUTROIL™. This was reinforced by executing over 70 community initiatives and marquee sponsorships, including Waterhouse FC Youth Team, the SFP Pocket Rocket Foundation, the Urban Knights Basketball team, and the Heart Foundation of Jamaica's Vic Higgs Memorial Golf Tournament.

SEGMENT PERFORMANCE REVIEW



	FY March 2021	FY March 2022	FY March 2023	FY March 2024	FY March 2025	FY March 2026
Turnover/Revenue (J$Millions)	5,857	12,671	26,282	28,681	30,046	32,567
Wholesale & Retail Fuel	5,857	12,671	26,282	28,091	28,944	31,410
LPG	-	-	-	590	1,102	1,157

Wholesale & Retail Fuel Segment (Non-LPG)

- **Volume Growth:** Achieved a 12.8% year-over-year expansion in total gasoline and diesel liters sold.
- **Profitability:** Generated a record operating profit (EBIT) of **J$1.046 billion** for the segment.
- **Outlook:** Backed by a dedicated network of staff, dealers, and contractors, the division enters the next fiscal year positioned to integrate three additional DODO service stations, driving further localized volume growth.

LPG Segment (FESGAS™)

Future Energy remains strategically committed to scaling its Liquified Petroleum Gas business into a premier market contender. The segment remains **cash accretive and EBITDA positive** for the period.

- **Operational Financials:** The division recorded an operating loss (EBIT) of **J$145.7 million** (representing a year-over-year compression of J$43.7 million), driven primarily by aggressive depreciation and amortization schedules tied to asset deployment.
- **Network Footprint:** As of March 2026, there are five (5) FESGAS-branded LPG filling plants/storage facilities (three (3) operated by the Company).
- **Path to Profitability:** LPG distribution requires structural scale. Having achieved its internal physical deployment targets, the division is projected to achieve full operational profitability (EBIT positive) in the financial year ending March 2027. Continued capital investment will focus on high-capacity storage, cylinder bottling assets, and distribution logistics.

Segment Reporting	FY	Wholesale & Retail Fuel	LPG	Total
Revenue for external customers	**2026**	31,409,865,103	1,157,001,411	32,566,866,514
growth (%)	**2026 vs 2025**	**8.5%**	**5.0%**	**8.4%**
growth ($)	2026 vs 2025	2,465,800,681	55,084,946	2,520,885,627
Operating profit/(loss)	**2026**	1,046,800,451	(145,668,047)	901,132,404
growth (%)	**2026 vs 2025**	**37.7%**	**-42.8%**	**36.9%**
growth ($)	2026 vs 2025	286,355,119	(43,655,922)	242,699,197
Depreciation	**2026**	71,957,432	181,683,743	253,641,175
growth (%)	**2026 vs 2025**	21.8%	7.3%	11.0%
growth ($)	2026 vs 2025	12,883,058	12,313,855	25,196,913

Revenue for external customers	**2025**	28,944,064,422	1,101,916,465	30,045,980,887
Operating profit/(loss)	**2025**	760,445,332	(102,012,125)	658,433,207
Depreciation	**2025**	59,074,374	169,369,888	228,444,262

FINANCIAL REVIEW

Turnover & Revenues

Turnover rose by **8.4% (or J$2.52 billion)** to close at **J$32.57 billion**. Because refinery-gate fuel prices are highly volatile and largely outside of Future Energy's control, top-line turnover remains a secondary metric. Management continues to prioritize volumetric throughput (litres sold) and gross profit optimization.

Q1 Petrojam Fuel Prices (Kingston)

	Start of Q1	End of Q1	Q1 June 2025 Average Price	Start of Q1	End of Q1	Q1 June 2025 Average Price	Average Price Change vs Previous Year
	April 1, 2025	June 30, 2025	J$	April 1, 2025	June 30, 2025	J$	Change J$
87	152.64	160.86	156.75	172.39	174.16	173.28	(16.53)
90	160.66	168.01	164.33	178.50	182.15	180.32	(15.99)
ADO	156.58	166.21	161.40	179.55	176.16	177.86	(16.46)
ULSD	164.94	172.21	168.57	185.55	184.67	185.11	(16.54)

Q2 Petrojam Fuel Prices (Kingston)

	Start of Q1	End of Q1	Q1 June 2025 Average Price	Start of Q1	End of Q1	Q1 June 2025 Average Price	Average Price Change vs Previous Year
	April 1, 2025	June 30, 2025	J$	April 1, 2025	June 30, 2025	J$	Change J$
87	160.86	158.81	159.84	174.16	166.96	170.56	(10.73)
90	168.01	165.83	166.92	182.15	175.99	179.07	(12.15)
ADO	166.21	167.47	166.84	176.16	163.40	169.78	(2.94)
ULSD	172.21	173.74	172.97	184.67	171.48	178.07	(5.10)

Q3 Petrojam Fuel Prices (Kingston)

	Start of Q1	End of Q1	Q1 June 2025 Average Price	Start of Q1	End of Q1	Q1 June 2025 Average Price	Average Price Change vs Previous Year
	April 1, 2025	June 30, 2025	J$	April 1, 2025	June 30, 2025	J$	Change J$
87	158.81	148.59	153.70	166.96	151.78	159.37	(5.67)
90	165.83	155.19	160.51	175.99	160.75	168.37	(7.86)
ADO	167.47	159.35	163.41	163.40	159.20	161.30	2.11
ULSD	173.74	165.36	169.55	171.48	166.94	169.21	(0.34)

Q3 Petrojam Fuel Prices (Kingston)

	Start of Q1	End of Q1	Q1 June 2025 Average Price	Start of Q1	End of Q1	Q1 June 2025 Average Price	Average Price Change vs Previous Year
	April 1, 2025	June 30, 2025	J$	April 1, 2025	June 30, 2025	J$	Change J$
87	149.57	167.88	158.73	151.78	152.64	152.21	6.51
90	156.17	175.33	165.75	160.75	160.66	160.70	5.04
ADO	159.71	180.25	169.98	159.20	156.58	157.89	12.09
ULSD	165.72	187.10	176.41	166.94	164.94	165.94	10.47

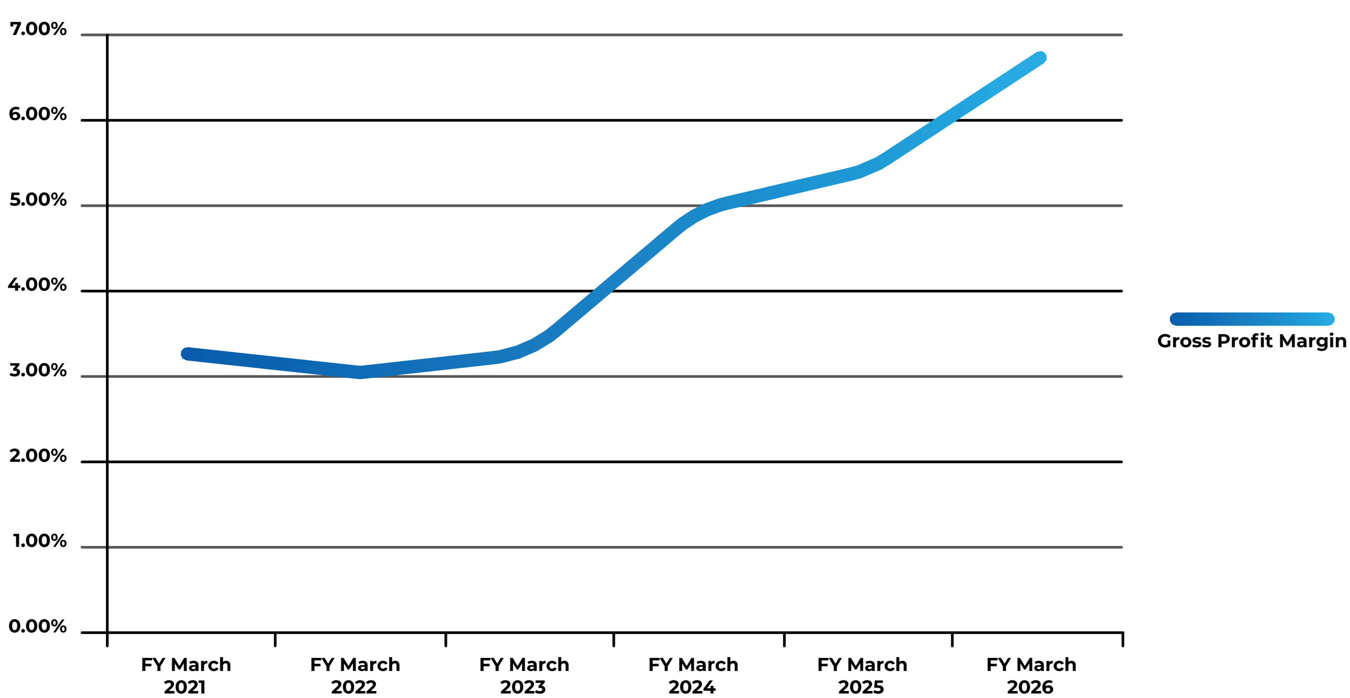
FINANCIAL REVIEW CT'D

Gross Profit & Margin Expansion

Gross Profit surged **28.9% (or J$480.3 million)** to **J$2.15 billion**, up from J$1.66 billion in FY 2025. This outpaced revenue growth, driving a **105 basis point expansion** in the Gross Profit Margin from **5.54%** to **6.59%**. This efficiency gain was driven primarily by an optimized sales mix and enhanced distribution margins across our retail network.

Performance Metric	FY2026	FY2025	Movement
Gross Profit Margin	6.59%	5.54%	+105 bps
Net Profit Margin	2.05%	1.54%	+51 bps
Operating Expense Ratio	57.39%	60.49%	-310 bps
Return on Equity	22.10%	18.55%	+355 bps
EBITDA Margin	3.64%	3.06%	+58 bps

Gross ProfitMargin



Gross Profit & Margin Expansion

	Audited			Audited				
	12 Months			12 Months				
	Year ended March 31, 2025			Year ended March 31, 2026				
Gross Profits (GP)	1,664,529,137			2,144,877,964				
Expenses	**Year Ended March 2025**	**% of Total Exp**	**% of GP**	**Year Ended March 2026**	**% of Total Exp**	**% of GP**	**Growth ($)**	**Growth (%)**
Advertising and Promotion	23,500,853	2.3%	1.4%	31,969,693	2.6%	1.5%	8,468,840	36.0%
Audit fees	9,100,000	0.9%	0.5%	9,550,000	0.8%	0.4%	450,000	4.9%
Bank Charges	28,615,620	2.8%	1.7%	38,843,611	3.2%	0.4%	10,227,991	35.7%
Depreciation	228,444,262	22.7%	13.7%	253,641,175	20.6%	1.8%	25,196,913	11.0%
Amortisation of Right of Use Asset	31,898,876	3.2%	1.9%	31,898,876	2.6%	11.8%	-	0.0%
Director fees	8,880,000	0.9%	0.5%	9,550,000	0.8%	1.5%	670,000	7.5%
Donations	5,675,230	0.6%	0.3%	21,178,058	1.7%	0.4%	15,502,828	273.2%
Office Expenses	50,072,611	5.0%	3.0%	49,224,324	4.0%	1.0%	(848,287)	-1.7%
Legal & Professional fees	48,850,303	4.9%	2.9%	59,297,644	4.8%	2.8%	10,447,341	21.4%
Loss on Disposal of PPE	5,850,769	0.6%	0.4%	1,979,242	0.2%	0.1%	(3,871,527)	-66.2%
Motor Vehicle Expenses	57,967,107	5.8%	3.5%	58,313,510	4.7%	2.7%	346,403	0.6%
Insurance	22,619,347	2.2%	1.4%	28,581,198	2.3%	1.3%	5,961,851	26.4%
Repairs and Maintenance	8,549,421	0.8%	0.5%	14,787,308	1.2%	0.7%	6,237,887	73.0%
Security	53,017,681	5.3%	3.2%	90,173,534	7.3%	4.2%		70.1%
Staff Costs	373,328,299	37.1%	22.4%	455,805,160	37.0%	21.3%	82,476,861	22.1%
Utilities	28,546,894	2.8%	1.7%	41,279,791	3.4%	1.9%	12,732,897	44.6%
Other Expenses	21,940,467	2.2%	1.3%	34,782,615	2.8%	1.6%	12,842,148	58.5%
Subtotal	1,006,857,740	100%	60.5%	1,230,855,739	100.0%	57.4%	223,997,999	22.2%
Impairment Losses	10,222,727	-	0.6%	37,098,319		1.7%	26,875,592	262.9%
Total Expenses	1,017,080,467	-	61.1%	1,267,954,058		59.1%	250,873,591	24.7%
Total Expenses Excluding Depreciation	778,413,478	-	46.8%	977,214,564		45.6%	198,801,086	25.5%

Total Operating Expenses grew by **24.7% to J$1.27 billion**. This expansion was expected and directly tracks our physical footprint expansion and business integration costs:

Staff Costs	**J$455.8 M**	**+22.1%**	Staff additions for deeper managerial layers.
Security	**J$37.2 M**	**+70.1%**	Minimum wage changes and new site security.
Advertising	**J$32.0 M**	**+36.0%**	Strategic brand-building campaigns.
Utilities	**J$12.7 M**	**+44.6%**	Incremental power for active retail hubs.
Depreciation	**J$253.6 M**	**+11%**	Increased fixed asset base (PP&E).

Efficiency Metrics: Despite the absolute increase in OPEX, structural efficiency improved. Staff costs fell as a percentage of Gross Profit to **21.3%** (down from 22.4% in FY 2025). Total operating expenses (excluding Expected Credit Losses) fell to **57.4% of Gross Profit**, compared to 60.5% in the prior year.

Credit Risk: Impairment losses under Expected Credit Losses (ECL) came in at J$37.1 million. While up year-over-year, this represents a negligible **0.11% of total Turnover**, remaining strictly within internal risk parameters.

FINANCIAL REVIEW CT'D

Liquidity & Capital Structure

Future Energy strengthened its balance sheet to support long-term capital investments while maintaining short-term agility.

- **Shareholders' Equity:** Book value grew **21.9% to J$3.32 billion** (FY 2025: J$2.72 billion), driven by record net profit retention, offset only by a J$70.0 million dividend payout.
- **Solvency:** The long-term static Debt-to-Equity (D/E) ratio improved notably to **0.5863**, down from 0.6835 in March 2025. This deleveraging reflects scheduled debt amortization alongside equity expansion.
- **Working Capital:** Net current assets stood at J$135.4 million. The treasury remains well-capitalized to fulfill the upcoming J$300 million bond maturity in March 2027. This position is further insulated by refinancing and closing out the bond maturing March 2027. This was executed post-year end in June 2026 to extend debt maturities.

Financial Strength Indicator	FY2026	FY2025	Assessment
Current Ratio	1.10x	1.20x	Adequate liquidity maintained
Debt-to-Equity Ratio	0.654x	0.68x	Lower leverage and stronger capitalization
Trade Receivable Days	6.65 Days	6.09 Days	Collection cycle remains efficient
Net Current Assets	J$135.4M	J$215.2M	Positive working capital position
Interest Coverage (EBIT/Net Finance Cost)	5.0x	3.7x	Enhanced debt-servicing capacity

Liquidity & Capital Structure

	Audited	Audited	-	-
	2025	2026	Change	Change
Statement of Income Summary	$	$	+/- %	$
Turnover/income	30,045,980,887	32,566,866,514	8.4%	2,520,885,627
Cost of Goods Sold (COGS)	(28,381,451,750)	(30,421,988,550)	7.2%	(2,040,536,800)
Gross profit	1,664,529,137	2,144,877,964	28.9%	480,348,827
Other Income	10,984,537	24,208,498	120.4%	13,223,961
Selling General & Admin Expenses	(1,006,857,740)	(1,230,855,739)	22.2%	(223,997,999)
Impairment Losses	(10,222,727)	(37,098,319)	262.9%	(26,875,592)
Operating Profit/(Loss) - [EBIT]	658,433,207	901,132,404	36.9%	242,699,197
Finance (Costs)/Income	(177,096,310)	(178,930,412)	1.0%	(1,834,102)
Profit Before Taxation	481,336,897	722,201,992	50.0%	240,865,095
Taxation	(19,786,912)	(55,392,323)	179.9%	(35,605,411)
Net Profit for the year	461,549,985	666,809,669	44.5%	205,259,684
Surplus on Revaluation of Land & Buildings	-	-	-	-
Total Comprehensive Income	461,549,985	666,809,669	44.5%	205,259,684
EBITDA	918,776,345	1,186,672,455	29.2%	267,896,110
Statement of Financial Position	-	-	-	-
Non Current Assets	4,309,964,421	4,767,682,792	10.6%	457,718,371
Current Assets	1,295,177,825	1,493,868,228	15.3%	198,690,403
Current Liabilities	1,079,952,201	1,358,469,063	25.8%	278,516,862
Net Current Assets	215,225,624	135,399,165	-37.1%	(79,826,459)
Equity	2,719,397,692	3,316,207,361	21.9%	596,809,669
Non Current Liabilities	1,802,457,454	1,586,874,596	-12.0%	(215,582,858)
Long Term Liabilities	1,558,133,458	1,311,199,361	15.8%	(246,934,097)
CPLTD	300,580,637	632,969,530	110.6%	332,388,893
Ratio Statistics	-	-	-	-
Weighted Average # Stock Issued	2,500,000,000	2,500,000,000	-	-
EPS	0.18462	0.26672	44.5%	0.082104
Debt/Equity (Static)	0.6835	0 .6542	-	-
Net Current Assets (Working Capital)	215,225,624	135,399,165	-37.1%	(79,826,459)
Current Ratio	1.20	1.10	-	-
EBITDA	918,776,345	1,186,672,455	-	-
ROE - average (Total Comp. Income)	18.5%	22.10%	-	-
Effective Tax Rate	4.1%	7.7%	-	-
Net Profit Margin	1.54%	2.05%	-	-
Gross Profit Margin	5.54%	6.59%	-	-
-	-	-	-	-
Year over Year growth:	-	-	-	-
Gross Profit	20.01%	28.86%	-	-
EBIT	10.72%	36.86%	-	-
EBITDA	18.0%	29.2%	-	-
Net Profit	12.3%	44.5%	-	-
Total Comprehensive Income	-51.7%	44.5%	-	-
Book Value of Equity	20.4%	21.9%	-	-

OUTLOOK & FORWARD STRATEGY

Future Energy is well-positioned for continued growth heading into the 2027 fiscal year. Management remains vigilant of global and domestic macroeconomic indicators that influence our operating environment, including:

1. Volatile fuel supply pricing and international trade/tariff policies.
2. Ongoing post-Hurricane Melissa infrastructural recovery and the upcoming 2026 hurricane season.
3. Near-full employment levels across key Jamaican economic sectors.
4. Softening inflationary pressures that hint at a near-term downward shift in interest rates.

Our approach to deploying investment capital remains disciplined, targeted, and focused on maximizing shareholder value. We will continue to expand our retail fuel network, capture the operational scale needed to make FESGAS fully profitable, and look for strategic opportunities to build out our energy infrastructure across Jamaica.

you thought it was
just a gas station? 😂
FESCO
COME & EXPERIENCE
FESCO OVAL
459 Spanish Town Road, St. Andrew

Corporate Governance Report

The Board of Directors of Future Energy Source Company Limited ("Future Energy" or the "Company") for the financial year ended March 31, 2026 placed significant emphasis on ensuring that the Company's governance framework is indeed positively influencing culture as operations expand. For the long-term health of the Company, it is important that its core values are clearly embedded into the culture and evident among internal stakeholders and to external stakeholders.

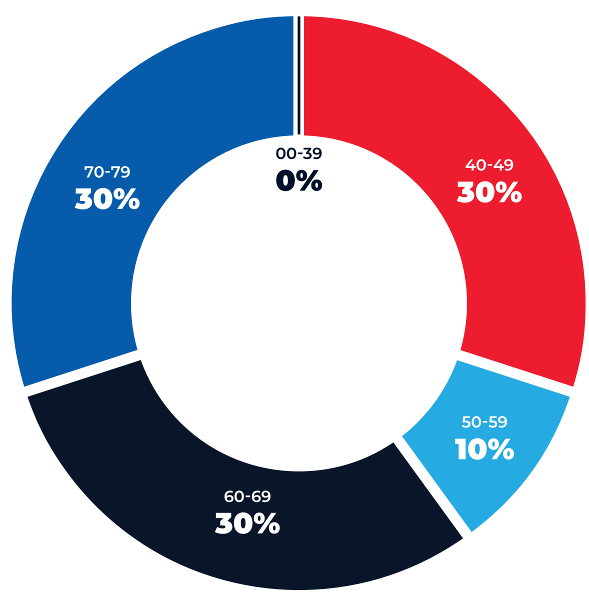
The ethical tone of the Company is set by the Board, which ensures there is effective impact on the Company as a whole, through management's alignment of business strategies, operational activities and human resource management policies with the Company's mission, vision, and core values. The directors agreed that the core values of integrity, safety, continuous improvement, agility and an ownership mentality support the Company's corporate governance framework and long-term success. The Board remains dedicated to ensuring the Company's mission, vision, and core values are meaningfully translated into the fabric of the Company to secure lasting value for all stakeholders.

Board Composition & Diversity

The Board of Directors is made up of ten (10) directors, two (2) of whom are female. One (1) director is executive and four (4) directors are independent based on the Company's definition of independence in its Governance Policy. Under the Policy, at least one (1) of every three (3) directors appointed should be an independent director, which is a director who is not –

a. Executive, that is an employee of FESCO; or
b. A former employee of the Company for the past three (3) years;
c. An immediate relative, as defined by the Securities Act, a dependent or cohabitant of a Director or member of staff;
d. A business associate (including but not limited to service station dealers and other bulk fuel customers) of Future Energy, a director or a member of the Company's management team within the past three (3) years; and
e. A shareholder or beneficiary of more than 10% interest in the Company.

Age Diversity of Directors



BOARD COMPOSITION	Sex	Director Tenure	Independent	Executive	Experience/Expertise
1. Belinda Williams	F	≥ 5 Years	Yes	-	Integrated Marketing, Brand Management, Communications & Investor Relations
2. Eaton Parkins	M	≥ 5 Years	Yes	-	Accounting, Auditing & Regulatory Reporting
3. Errol McGaw	M	>10 Years	-	-	Petroleum Industry, Marketing & Finance
4. Gloria DeClou	F	≥ 5 Years	Yes	-	Law, International Commercial Law, Corporate Governance, Business Administration & Management
5. Harry Campbell	M	≥ 5 Years	Yes	-	Information Technology, Business Development & Sales
6. Hugh Coore	M	>10 Years	-	-	Petroleum Industry, Stakeholder Engagement & Entrepreneurship
7. Jeremy Barnes	M	≥ 5 Years	-	Yes	Petroleum Industry, Finance, Insurance, General Management & Procurement
8. Junior Williams	M	>10 Years	-	-	Petroleum Industry, Marketing, Market Research, Sales & General Management
9. Lyden "Trevor" Heaven	M	>10 Years	-	-	Petroleum Industry, Engineering, Stakeholder Engagement & Philanthropy
10. Vernon James	M	≥ 5 Years	-	-	Investment Banking, Insurance, Finance & Executive Leadership

DIRECTOR MEETINGS & ATTENDANCE

There were a total of five (5) Board meetings and two (2) round robin resolutions to address time-sensitive matters. The four (4) main committees include the Audit Committee which had five (5) meetings, the Human Resources and Remuneration Committee which had two (2) meetings, the Corporate Governance Committee which had one (1) meeting and the Executive Committee which had nine (9) meetings. The Company's annual general meeting was held on September 25, 2025 at the S Hotel and online.

The table below reflects how many directors were present at the meetings held during the year.

DIRECTORS' MEETING ATTENDANCE	Board Total Meetings - 5 Total Directors - 10	Corporate Governance Committee Total Meetings - 1 Membership - 7	Audit Committee Total Meetings - 5 Membership - 7	Human Resources & Remuneration Committee Total Meetings - 2 Total Directors - 7	Executive Committee Total Meetings - 9 Membership - 5	AGM Total Meetings - 1 Total Directors - 10
1. Belinda Williams	5	-	-	Committee Chair 2	-	1
2. Eaton Parkins	Lead Independent Director 3	1	Committee Chair 4	2	9	1
3. Errol McGaw	5	-	5	1	7	1
4. Gloria DeClou	4	Committee Chair 1	3	2	-	1
5. Harry Campbell	4	1	4	-	Committee Chair 9	1
6. Hugh Coore	Vice Chairman 5	1	5	2	9	1
7. Jeremy Barnes	Managing Director 5	Invitee 1	Invitee 5	Invitee 1	Invitee 9	1
8. Junior Williams	5	1	4	-	Invitee 4	1
9. Lyden "Trevor" Heaven	Chairman 5	1	-	2	8	1
10. Vernon James	5	1	5	2	9	1

DIRECTORS' REMUNERATION

Non-executive directors' remuneration for the year was based on the board role of the director and comprised of a fixed retainer plus a per meeting fee, the total of which was J$9,550,000.

Board Committee Reports

AUDIT COMMITTEE REPORT

Composition

The Audit Committee's membership includes a majority of independent directors, one of whom is the Committee Chair.

Members: Eaton Parkins (Chair), Harry Campbell, Hugh Coore, Gloria De Clou, Vernon James, Errol McGaw and Junior Williams.

Some functions of the Audit Committee include –

1. Reviewing the quarterly unaudited and the annual audited financial statements and reporting to the Board on any financial reporting issues.
2. First assessing material information related to matters for deliberation by the Board against FESCO's financial information where practicable, to communicate its views and make recommendations to the Board.
3. Requesting and reviewing Management reports on operational and compliance controls.
4. Assessing the adequacy of the internal audit system and overseeing its effectiveness in managing risks and to regularly review the need for an internal audit function..
5. Putting in place procedures to receive and proportionately handle complaints concerning financial, audit and accounting issues including for anonymous submissions by employees. Such procedures must allow independent investigation and appropriate follow-up.

2025/2026 Highlights of the Audit Committee –

1. Reviewed and considered for recommendation the unaudited quarterly reports scheduled for disclosure during the financial year and the audited financial statements for the year ended March 31, 2025, for board approval and disclosure.
2. Assessed internal control procedures for adequacy in supporting the integrity of the control system.
3. Examined management reports to assess collection risks.
4. Considered and recommended a dividend payment.

HUMAN RESOURCES & REMUNERATION COMMITTEE REPORT

Composition

The Human Resources & Remuneration Committee's membership includes a majority of independent directors, one of whom is the Committee Chair.

Members: Belinda Williams (Chair), Vernon James, Lyden Heaven, Errol McGaw, Gloria DeClou, Eaton Parkins, Hugh Coore.

Some functions of the Human Resources & Remuneration Committee include –

1. Reviewing from time to time the Company's compensation and incentive structure.
2. Giving support to the Company's Human Resource Management function.
3. Reviewing the remuneration arrangements of the directors, officers, and senior managers of the Company and making recommendations to the Board.
4. Ensuring the Company has an effective succession plan.

2025/2026 Highlights of the Human Resources & Remuneration Committee –

1. Recommended further buildout of the Human Resources Department.
2. Recommended to the full Board consultancy services to assist the Company with its culture review and Human Resource Department buildout.
3. Supported the Board's corporate culture-related efforts and oversaw the professional development plan for senior management.
4. Reviewed management reports and made recommendations to Management to improve effectiveness of the Company's Code of Conduct.

CORPORATE GOVERNANCE COMMITTEE REPORT

Composition

The Corporate Governance Committee is chaired by an independent director.

Members: Gloria Blenman DeClou (Chair), Junior Williams, Eaton Parkins, Hugh Coore, Vernon James, Lyden Heaven, Harry Campbell.

Some functions of the Corporate Governance Committee include –

1. Reviewing or preparing governance policies and practices of FESCO from time-to-time to ensure they satisfy regulatory requirements and reflect current best practices.
2. Reviewing the composition of the board as it relates to the ratio of independent and non-independent directors and making recommendations to the Board in the event of change to a director's independence status.
3. Assessing the effectiveness of the composition of the Board and reviewing the nomination, selection and appointment procedure for directors.
4. Overseeing the evaluation of the Board, its committees, and their respective chairpersons.

2025/2026 Highlights of the Corporate Governance Committee –

1. Reviewed the Board's nomination procedure.
2. Reviewed the draft Whistleblower Policy and assessed its practicality for implementation.
3. Discussed the previous governance training session and emphasized key takeaways for a healthy Board culture.
4. Identified goals of the next evaluation exercise.

EXECUTIVE COMMITTEE REPORT

Composition

The Executive Committee's is chaired by an independent director.

Members: Harry Campbell (Chair), Vernon James, Hugh Coore, Lyden "Trevor" Heaven, Errol McGaw and Eaton Parkins.

Some functions of the Executive Committee include –

1. Assessing strategic opportunities and making recommendations to Management and the full Board.
2. Overseeing transactions or potential transactions as delegated by the Board of Directors.
3. Making decisions on matters requiring urgent or short notice action on behalf of the full Board in between board meetings and reporting such decisions at the next meeting of the Board of Directors.

2025/2026 Highlights of the Executive Committee –

1. Act as a sound board for Management, challenged and provided guidance consistent with the agreed strategic direction of the Board for budget preparation.
2. Preliminarily reviewed proposed investments, strategic partnerships and financing opportunities for recommendations to the Board.
3. Considered Management's proposed actions concerning urgent matters for Board approval in between Board meetings.

OTHER BOARD COMMITTEES

The **Special Projects Committee** supports the Board's oversight of Management's development of the LPG business segment. The members include: Messrs. Eaton Parkins (Chair), Lyden "Trevor" Heaven, Errol McGaw, Jeremy Barnes, Vernon James and Hugh Coore.

All members were present at the single meeting for the year, during which the Committee acted as a sounding board for the General Manager.

The **Information & Communications Technology Committee** provides strategic oversight, guidance, and support to the company's technology initiatives. The members include: Messrs. Vernon James (Chair) and Harry Campbell.

All members and Dir. Jeremy Barnes, as invitee, were present at all three (3) meetings held during the year. The meetings addressed the Company's current IT framework, digital transformation plans and execution management, change in the IT department's leadership and interim engagement as needed.

WEEKEND BOARD RETREAT

Board members participated in a two (2)-day strategic retreat March 6-7, 2026. Eight of the Ten directors were in attendance as follows:

Board Members	Belinda Williams	Eaton Parkins	Errol McGaw	Gloria DeClou	Harry Campbell	Hugh Coore	Jeremy Barnes	Junior Williams	Lyden Heaven	Vernon James
No. of Days Attendance	2	0	1	1	0	2	2	1	2	2

TRAINING & DEVELOPMENT

There were three (3) training and development sessions conducted by external consultants for the year.

1. A Corporate Culture Workshop on June 17, 2025 – eight of the ten (8/10) directors were present, Directors Eaton Parkins and Gloria De Clou were absent.
2. A Corporate Governance and Risk Management Workshop on July 11, 2025 – eight of the ten (8/10) directors were present, Directors Vernon James and Eaton Parkins were absent.
3. A Board Culture Session on November 20, 2025 as part of a board meeting – eight of the ten (8/10) directors attended the session, Directors Eaton Parkins and Gloria De Clou were absent.

Attendance at Training & Development Sessions	Belinda Williams	Eaton Parkins	Errol McGaw	Gloria DeClou	Harry Campbell	Hugh Coore	Jeremy Barnes	Junior Williams	Lyden Heaven	Vernon James
Corporate Culture Workshop – June 17, 2025	✓	✗	✓	✗	✓	✓	✓	✓	✓	✓
Corporate Governance and Risk Management Workshop – July 11, 2025	✓	✗	✓	✓	✓	✓	✓	✓	✓	✗
Board Culture Session – November 20, 2025	✓	✗	✓	✗	✓	✓	✓	✓	✓	✓

EVALUATIONS

On the final meeting day of the 2-Day Board Retreat on March 7, 2026, the closing session on the agenda facilitated directors' reflection on the effectiveness of the Board. There were frank and open discussions among the board members and the mentor on boardroom best practices as it relates to composition, independence and the key elements for maintaining healthy board dynamics. The session also included discussions on succession and effective reporting by Management to the Board as well as from Board Committees to the full Board.

Additionally, as a follow-up to the company-wide evaluation in February 2025, there was a human resources audit and diagnostic review by a different external consultant for the Board in September 2025. This provided greater insight to the Board and Management of the Company's culture to aid in identifying opportunities to boost staff morale and confirming performance indicators for executive leaders and discerning necessary improvements to the code of conduct.

Shareholder Information

DIRECTORS & CONNECTED PARTIES SHAREHOLDINGS

DIRECTORS	Personal Shareholdings	Connected Parties' Shareholdings	Total	% of Issued Shares
Jeremy Barnes	92,995,856	284,475	93,280,331	3.7312%
Harry Campbell	1,239,510	-	1,239,510	0.0496%
Hugh Coore	39,355,606	244,639,443	283,995,049	11.3598%
Gloria DeClou	270,000	-	270,000	0.0108%
Lyden Heaven	10,094,770	248,954,642	259,049,412	10.3620%
Vernon James	100,000	-	100,000	0.0040%
Errol McGaw	351,756,658	29,525,558	381,282,216	15.2513%
Eaton Parkins	13,603,038	11,867	13,614,905	0.5446%
Belinda Williams	250,000	-	250,000	0.0100%
Junior Williams	134,738,750	28,419,139	163,157,889	6.5263%
COMPANY SECRETARY	-	-	-	**% of Issued Shares**
Kayola Muirhead	-	-	-	0.0323%
SENIOR MANAGERS	-	-	-	-
Rowena Nelson	378,063	-	-	0.0151%
Kareem Gordon	13,428	-	-	0.0005%
Stefan Lynshue	-	-	-	0.0000%
Annette Lewis	8,299	-	-	0.0000%
Leneito Chambers	-	-	-	0.0000%
Howard Coxe	-	-	-	0.0000%
Rose Allen	-	-	-	0.0000%
Stefan Ebanks	-	-	-	0.0000%
-	-	-	-	0.0000%
Issued Shares	**2,500,000,000**	-	-	-

TOP 10 SHAREHOLDERS

	Shareholder	Number of Shares	% of Issued Shares
1	Errol McGaw	351,756,658	14.0703%
2	Trevor Barnes & Arva Barnes	351,712,348	14.0685%
3	Barita Investment Ltd - Long A/C	293,295,737	11.7318%
4	Trevor Heaven Holdings Ltd.	219,768,155	8.7907%
5	Tweedside Holdings	215,862,436	8.6345%
6	Junior Williams	134,738,750	5.3896%
7	Neville Allen	134,645,561	5.3858%
8	Jeremy Barnes	92,995,856	3.7198%
9	Anna Williams -Bacchus	63,305,028	2.5322%
10	Roy Davidson	57,000,000	2.2800%
		1,915,080,529	**76.6032%**

	Issued Shares	**2,500,000,000**

NOTES


KEEP MOVING FORWARD
FUTROIL
FESCO
FUTROIL
SAE 15W40
CI-4 HEAVY DUTY VEHICLES
FOR DIESEL ENGINES
MOTOR OIL
FESCO
FUTROIL
BETTER FUEL ECONOMY, CLEANER ENGINE
SAE 5W-40
CK-4
FULL SYNTHETIC
FOR DIESEL ENGINES
MOTOR OIL
FESCO
FUTROIL
SAE 20W-50
SN GF-5
FOR GASOLINE ENGINES
MOTOR OIL

FUTURE ENERGY SOURCE COMPANY LIMITED
(FESCO)

FESCO

FESGAS

AUDITED FINANCIAL STATEMENTS
for the Financial Year Ended March 31, 2026

Future Energy Source Company Limited

Financial Statements
31 March 2026

Future Energy Source Company Limited

Index
31 March 2026

bakertilly

6 Collins Green Avenue
Kingston 5
Jamaica

T: 876 906 1658-9
F: 876 920 3226

admin@bakertilly.com.jm
www.bakertilly.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
Future Energy Source Company Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Future Energy Source Company Limited as at 31 March 2026, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the requirements of the Jamaican Companies Act.

What we have audited

Future Energy Source Company Limited financial statements comprise:
- the statement of financial position as at 31 March 2026;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, which include a summary of material accounting policies.

Basis for opinion

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

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

…/2

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
Future Energy Source Company Limited
Page 2

Report on the audit of the financial statements (continued)

Our audit approach

Audit scope
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our Company audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Our 2026 audit was planned and executed having regard to the fact that the operations of the Company remain largely unchanged from the prior year.

The Company's businesses are organised into two primary segments being wholesale and retail petroleum products and liquefied petroleum gas. These segments maintain their own accounting records and report to the Company through the completion of reporting packages.

In establishing the overall Company's audit strategy and plan, we determined the type of work that was needed to be performed on the components by the engagement team.

Key audit matters

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

…/3

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
Future Energy Source Company Limited
Page 3

Report on the audit of the financial statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
IFRS 9 Financial Instruments, is complex and requires the Company to recognise expected credit losses ('ECL') on financial assets. The determination of ECL is highly subjective and requires management to make significant judgement and estimates, particularly regarding significant increase in credit risk and forward-looking information. The combination of significant management estimates and judgement increases the risk that management estimates could be materially misstated. See notes 4(a), 5(i) and 11 of the financial statements.	We performed the following procedures: ➢ Obtained an understanding of the model used by management for the calculation of expected credit losses on receivables. ➢ Test the completeness and accuracy of the data used in the models to the underlying accounting records on a sample basis. ➢ Involved our financial risk modelling specialists to evaluate the appropriateness of the Company's impairment methodologies, including the criteria used for determining significant increase in credit risk and independently assessed the assumptions and compliance with the requirements of IFRS 9, Financial Instruments. ➢ Involved our financial risk modelling specialists to evaluate the appropriateness of the economic parameter, including the use of forward-looking information. ➢ Tested the Company's recording and ageing of trade receivables. ➢ Assessed the adequacy of the disclosures of the key assumptions and judgements as well as compliance with IFRS 9. Based on audit procedures performed, no adjustments to the financial statements were deemed necessary.

…/4

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
Future Energy Source Company Limited
Page 4

Report on the audit of the financial statements (continued)

Key audit matters (continued)

Key audit matter	How the matter was addressed in our audit
Revenue recognition The main activities of the Company comprise retail and wholesale trading activities in petroleum and automotive products. This includes the sale of fuel, lubricants and leasing fuel equipment. It also utilizes its FESCO trademark and allows dealers to use its trademark in exchange for direct compensation. Revenue is posted to the general ledger by means of monthly manual journal entries and a significant volume of numerous small value items are invoiced, therefore we assessed there to be a higher risk of material misstatement associated with the timing and amount of revenue recognised.	Our audit procedures in response to this matter included: ➢ Assessed the revenue recognition policy applied by the Company and for compliance with IFRS 15 Revenue from Contracts with Customers. ➢ Tested the design and implementation and operating effectiveness of relevant controls such as the review of the monthly sales journal and the daily sales reconciliation. ➢ Evaluated whether sales transactions on either side of the financial position date as well as credit notes issued after the financial position date are recognised in the correct period. ➢ Compared a sample of items to supporting documentation to verify that the sales transactions are recorded appropriately. ➢ Performed a cash to revenue reconciliation by using the cash receipts from the monthly bank statements and the opening and closing receivables for the year. ➢ Evaluated the completeness of the sales listing by agreeing to the general ledger.

…/5

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
Future Energy Source Company Limited
Page 5

Report on the audit of the financial statements (continued)

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditors' report thereon), which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

…/6

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
Future Energy Source Company Limited
Page 6

Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

…/7

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
Future Energy Source Company Limited
Page 7

Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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

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

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

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

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

…/8

bakertilly

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
Future Energy Source Company Limited
Page 8

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this Independent Auditors' Report is Wayne Strachan.

Baker Tilly

Chartered Accountants
Kingston, Jamaica
30 June 2026

Future Energy Source Company Limited

Statement of Financial Position
As at 31 March 2026

	Note	2026 $	2025 $
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	4,467,747,528	4,009,800,093
Right-of-use assets	7	156,113,472	188,012,348
Investment securities	8	68,005,050	28,005,050
Finance lease receivables	9	75,816,742	80,812,031
		4,767,682,792	4,306,629,522
Current Assets			
Inventories	10	239,940,592	248,918,373
Trade and other receivables	11	980,717,124	770,361,783
Taxation recoverable		6,460,445	10,249,531
Current portion of finance lease receivables	9	9,230,352	9,577,597
Cash and cash equivalents	12	257,519,715	256,070,541
		1,493,868,228	1,295,177,825
TOTAL ASSETS		6,261,551,020	5,601,807,347
EQUITY AND LIABILITIES			
Stockholders' Equity			
Share capital	13	228,327,973	228,327,973
Capital reserves	14	545,173,455	545,173,455
Retained earnings		2,542,705,933	1,945,896,264
		3,316,207,361	2,719,397,692
Non-Current Liabilities			
Long term liabilities	15	1,311,199,361	1,558,133,458
Lease liabilities	7	166,336,963	190,378,047
Deferred tax liabilities	16	109,338,272	53,945,949
		1,586,874,596	1,802,457,454
Current Liabilities			
Trade and other payables	17	473,392,956	758,127,096
Short term loan	18	21,162,836	-
Current portion of long term liabilities	15	632,969,530	300,580,637
Current portion of lease liabilities	7	26,713,126	21,244,468
Bank overdraft	19	204,230,615	-
		1,358,469,063	1,079,952,201
TOTAL EQUITY AND LIABILITIES		6,261,551,020	5,601,807,347

Approved for issue by the Board of Directors on 30 June 2026 and signed on its behalf by:

______________ Director
Lyden Heaven

______________ Director
Jeremy Barnes

Future Energy Source Company Limited

Statement of Comprehensive Income
Year ended 31 March 2026

	Note	2026	2025
		$	$
Turnover	20	32,566,866,514	30,045,980,887
Cost of sales		(30,421,988,550)	(28,381,451,750)
Gross profit		2,144,877,964	1,664,529,137
Other income	21	24,208,498	10,984,537
Operating and administrative expenses	22	(1,230,855,739)	(1,006,857,740)
Impairment losses on financial assets	4(a)	(37,098,319)	(10,222,727)
Operating profit	23	901,132,404	658,433,207
Finance costs, net	24	(178,930,412)	(177,096,310)
Profit before taxation		722,201,992	481,336,897
Taxation	26	(55,392,323)	(19,786,912)
Net profit for the year, being total comprehensive income		666,809,669	461,549,985
Earnings per ordinary stock unit attributable to stockholders of the company	28	$0.27	$0.18

Future Energy Source Company Limited

Statement of Changes in Equity
Year ended 31 March 2026

	Share Capital	Capital Reserves	Retained Earnings	Total
	$	$	$	$
Balances at 1 April 2024	228,327,973	545,173,455	1,484,346,279	2,257,847,707
Net profit for the year, being total comprehensive income	-	-	461,549,985	461,549,985
Balances at 31 March 2025	228,327,973	545,173,455	1,945,896,264	2,719,397,692
Net profit for the year, being total comprehensive income	-	-	666,809,669	666,809,669
Transactions with owners				
Dividends (Note 29)	-	-	(70,000,000)	(70,000,000)
Balances at 31 March 2026	228,327,973	545,173,455	2,542,705,933	3,316,207,361

Future Energy Source Company Limited

Statement of Cash Flows
Year ended 31 March 2026

	Note	2026 $	2025 $
CASH RESOURCES WERE PROVIDED BY/(USED IN):			
Cash Flows from Operating Activities			
Profit before taxation		722,201,992	481,336,897
Adjustments for:			
Depreciation	6	253,641,175	228,444,262
Amortization on right-of-use assets	7	31,898,876	31,898,876
Impairment losses on financial assets	4(a)	37,098,319	10,222,727
Property, plant and equipment transferred (from)/to inventories		(22,269,868)	21,819,211
Foreign exchange gains		2,784,179	(2,376,112)
Lease interest expense		15,809,590	17,324,735
Loss on disposal of property, plant and equipment		1,979,242	5,850,769
Interest income		(11,571,418)	(16,745,830)
Interest expense		171,908,061	178,893,517
		1,203,480,148	956,669,052
Changes in operating assets and liabilities:			
Decrease/(increase) in inventories		8,977,781	(46,525,588)
(Increase)/decrease in receivables		(247,631,752)	189,438,752
Decrease in payables		(284,719,448)	(251,731,646)
Increase in restricted cash and cash equivalents	12	(18,175,664)	(7,282,467)
		661,931,065	840,568,103
Income tax recovered/(paid)		3,789,086	(1,271,629)
Interest received		11,749,510	15,698,810
Interest paid		(187,732,343)	(184,628,163)
Cash provided by operating activities		489,737,318	670,367,121
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	6	(701,597,088)	(774,227,042)
Proceeds from disposal of property, plant and equipment		10,299,104	72,741,309
Finance lease receivable, net		5,342,534	6,820,000
Purchase of investment securities		(40,000,000)	(5,000,000)
Cash used in investing activities		(725,955,450)	(699,665,455)
Balance carried forward		(236,218,132)	(29,298,334)

Future Energy Source Company Limited

Statement of Cash Flows (continued)
Year ended 31 March 2026

	Note	2026 $	2025 $
Balance brought forward		(236,218,132)	(29,298,334)
Cash Flows from Financing Activities			
Proceeds from long term loans		435,286,982	-
Repayment of long term loans		(349,832,186)	(9,200,896)
Short term loan, net		21,162,836	-
Lease principal payments		(18,572,426)	(14,567,797)
Dividends paid	29	(70,000,000)	-
Cash provided by/(used in) financing activities		18,045,206	(23,768,693)
Net decrease in cash and cash equivalents		(218,172,926)	(53,067,027)
Net effect of foreign currency translation on cash and cash equivalents		(2,784,179)	2,376,112
Cash and cash equivalents at the beginning of the year		126,555,023	177,245,938
CASH AND CASH EQUIVALENTS AT END OF YEAR		(94,402,082)	126,555,023
Represented by:			
Cash and cash equivalents (Note 12)		109,828,533	126,555,023
Bank overdraft (Note 19)		(204,230,615)	-
		(94,402,082)	126,555,023

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

1. Identification and principal activities

Future Energy Source Company Limited was incorporated under the provisions of the Companies Act on February 4, 2013, and is domiciled in Jamaica with registered office and primary place of business at 7-9 Beechwood Avenue, Kingston 5.

The Company, a petroleum marketer licensed to operate as a petroleum bulk distributor and the owner of the FESCO and FESGAS trademarks, listed on the Junior Market of the Jamaica Stock Exchange on April 23, 2021.

The Company supplies wholesale and retail petroleum products and Liquefied Petroleum Gas (LPG) to customers, including dealer operations. The Company also operates LPG plants located in Bernard Lodge and Naggo Head, St. Catherine. It owns and operates the service station at Beechwood Avenue and Spanish Town Road in Kingston and leases and operates the stations at Kitson Town in St. Catherine and Hayes in Clarendon.

These financial statements are presented in Jamaican dollars, which is the functional currency.

2. Basis of preparation

Basis of measurement and statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention, as modified by the valuation of certain items. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgement in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in note 5.

Where necessary, comparative figures have been reclassified to conform with the presentation adopted in the current year's financial statements. Such reclassifications did not affect the previously reported profit for the year, total comprehensive income, total assets, total liabilities, equity or cash flows.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

2. Basis of preparation (continued)

Basis of measurement and statement of compliance (continued)

Standards, interpretations and amendments to existing standards effective in the current year that are relevant to the Company's operations

There were no new standards, interpretations, or amendments to existing standards that became effective during the current financial year which had a material impact on the Company's operations.

Standards and amendments to published standards that are not yet effective and have not been early adopted by the company

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

Amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures* – Classification and Measurement of Financial Instruments. The amendments are effective for annual reporting periods beginning on or after 1 January 2026. The amendments clarify certain requirements relating to the classification, recognition and derecognition of financial assets and financial liabilities, including liabilities settled through electronic payment systems. The amendments also introduce additional disclosure requirements for certain financial instruments.

IFRS 18, *Presentation and Disclosure in Financial Statements*. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and will replace IAS 1, *Presentation of Financial Statements*. The standard introduces new requirements for the presentation of financial performance, including specified categories and subtotals in the statement of profit or loss, enhanced aggregation and disaggregation principles, and disclosures relating to management-defined performance measures.

Amendments to IAS 7, Statement of Cash Flows. The amendments are effective for annual reporting periods beginning on or after 1 January 2027 and arise from the introduction of IFRS 18, Presentation and Disclosure in Financial Statements. The amendments require entities applying the indirect method to use operating profit or loss as the starting point for the reconciliation of cash flows from operating activities and revise certain classification requirements relating to interest and dividend cash flows.

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

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

3. Material accounting policies

(a) Property, plant and equipment

Property, plant and equipment are stated at cost/valuation less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis at rates to write off the carrying values of the assets over their expected useful lives. The rates used to write off the cost of assets are as follows:

Furniture, fixtures & equipment	10%
Buildings	2.5%
Signage	10%
Computers, equipment & software	20%
Motor vehicle	10%-20%
Machinery & equipment	3%-15%
Right-of-use assets	over the period of the lease term
Leasehold improvements	over the period of the lease term

Land is not depreciated as it is deemed to have an infinite life. Construction work-in-progress is not depreciated unless the asset is completed, reclassified and ready for use. The assets' residual values and useful lives are revised and adjusted if appropriate, at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

(b) Right-of-use assets and related lease liabilities

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

(i) Leases of low value assets; and
(ii) Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

3. Material accounting policies (continued)

(b) Right-of-use assets and related lease liabilities (continued)

On initial recognition, the carrying value of the lease liability also includes:

(i) amounts expected to be payable under any residual value guarantee;
(ii) the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
(iii) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

To determine the incremental borrowing rate, the Company:

(i) since it does not have recent third-party financing, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, and
(ii) makes adjustments specific to the lease, e.g. term, currency and security.

Right of use assets are initially measured at the amount of the lease liabilities, reduced for any lease incentives received, and increased for:

(i) lease payments made at or before commencement of the lease;
(ii) initial direct costs incurred; and
(iii) the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets valued as US$5,000 or less when new. The Company has no short-term leases or leases for low valued assets at this time.

Extension and termination options
Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company' operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

3. Material accounting policies (continued)

(b) Right-of-use assets and related lease liabilities (continued)

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

3. Material accounting policies (continued)

(c) Financial Instruments

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Equity investments designated at fair value through other comprehensive income (FVOCI) are subsequently measured at fair value. For certain unquoted equity investments, cost may represent an appropriate estimate of fair value where insufficient recent information is available to determine fair value and management concludes that cost approximates fair value.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

3. Material accounting policies (continued)

(c) Financial Instruments (continued)

Debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment
The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(d) Inventories
Inventories are stated at the lower of cost and net realizable value, cost being determined on a first in first out basis. Net realizable value is the estimate of the selling price in the ordinary course of the business, less selling expenses.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

3. Material accounting policies (continued)

(e) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. For trade receivables impairment provisions, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

Under the simplified approach within IFRS 9, the impairment provision is assessed using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

(f) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, short-term investments and bank overdraft (excluding restricted cash). Short-term investments that are included in cash and cash equivalents comprise highly liquid investments with maturities ranging between one and three months from the date of deposit or acquisition, and which are readily convertible to known amounts of cash without significant risk of change in value and which are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(g) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(h) Dividends

Dividends on ordinary shares are recognized in shareholder’s equity in the period in which they become legally payable. Interim dividends are due when declared and approved by the directors while shareholders approve final dividends at the Annual General Meeting. Dividends for the year that are declared after the reporting date are disclosed in the subsequent events note.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

3. Material accounting policies (continued)

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) Payables

Payables, including provisions, are stated at their nominal value. A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

(k) Revenue recognition

Revenue comprises the sale of petroleum products, liquefied petroleum gas (LPG), lubricants, convenience store items, equipment-related services and other related products. Revenue is measured based on the consideration specified in contracts with customers, net of General Consumption Tax, discounts, rebates and returns.

Revenue is recognised when control of the promised goods or services transfers to the customer, in an amount that reflects the consideration to which the Company expects to be entitled. For retail sales, control generally transfers at the point of sale. For wholesale sales, control generally transfers on delivery or when the customer obtains control in accordance with the agreed delivery terms. Trademark, rental, commission and other service income are recognised as the related services are provided or when the Company's right to consideration is established.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

3. Material accounting policies (continued)

(l) Income taxes

Where applicable, taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

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

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

(m) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rate prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Jamaican dollars at the exchange rate prevailing at the date of the statement of financial position, that is, in the case of each currency, the Bank of Jamaica weighted average buying and selling rates at that date. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of comprehensive income.

3. Material accounting policies (continued)

(n) Related party transactions

A party is related to the Company, if:

(i) directly, or indirectly through one or more intermediaries, the party, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the Company that gives it significant influence over the Company; or has joint control over the Company;

(ii) the party is an associate of the Company;

(iii) the party is a joint venture in which the Company is a venturer;

(iv) the party is a member of the key management personnel of the Company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv)

(vi) the party is the Company that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party has a post-employment benefit plan for the benefit of employees of the Company, or of any Company that is a related party of the Company.

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

(o) Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

3. Material accounting policies (continued)

(p) Segment report

A segment is a distinguishable component of the Company that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Company's activities were traditionally limited to the retail and wholesale trading activities in petroleum and automotive products and related products to Jamaican consumers, which was previously deemed to be a single segment. During the prior year the
Company commissioned its LPG plant. The Company has therefore identified the following two (2) operating segments:

i. Wholesale and retail distribution of fuel
ii. Distribution of liquefied petroleum gas

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

4. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk, liquidity risk and capital management. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.

The Board of Directors is ultimately responsible for the establishment and oversight of the Company's risk management framework. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

Audit Committee

The Board of Directors has also established an Audit Committee to assist in managing the Company's risk profile. This Committee oversees how management monitors compliance with the Company's risk management policies and reviews the adequacy of the risk management framework. This committee is also assisted by Internal Audit that reports to the Audit Committee after it undertakes regular and ad hoc reviews of risk management controls and procedures.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and short-term investments at financial institutions, as well as outstanding receivables from credit sales.

Investment securities

The Company limits its exposure to credit risk by investing mainly in highly liquid securities, with counterparties that have credit quality and in Government of Jamaica securities.

Accordingly, management does not expect any counterparty to fail to meet its obligations.

Cash and bank balances

Cash transactions are limited to high credit quality financial institutions. The Company has policies to limit the amount of credit exposure to any financial institutions.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

4. Financial risk management (continued)

(a) Credit risk (continued)

Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management.

Management determines concentrations of credit risk by monitoring the credit-worthiness rating of existing customers and through a monthly review of the trade receivables ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are graded as "high risk" are placed on a restricted customer list, and future credit sales are made only with approval.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Company does not hold any collateral as security.

Impairment of financial assets
The Company has two types of financial asset that is subject to the expected credit loss model:

- Trade receivables for sale of petroleum and automotive products and liquefied petroleum gas.
- Investment securities

While due from/(to) related parties and cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables
The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 March 2026 and 31 March 2025 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP, inflation and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

4. Financial risk management (continued)

(a) Credit risk (continued)

On that basis, the loss allowance as at 31 March 2026 and 31 March 2025 was determined as follows for trade receivables:

31 March 2026	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	$	$	$	$	$
Expected loss rate	2.76%	13.87%	66.56%	41.30%	11.74%
Gross carrying amount – trade receivables	463,662,072	92,790,661	21,039,744	95,280,489	672,772,966
Loss allowance	12,788,191	12,867,493	14,004,964	39,354,583	79,015,231

31 March 2025	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	$	$	$	$	$
Expected loss rate	1.11%	15.72%	60.46%	76.04%	38.33%
Gross carrying amount – trade receivables	483,913,501	12,898,298	3,453,541	42,667,154	542,932,494
Loss allowance	5,357,069	2,027,320	2,088,092	32,444,431	41,916,912

The closing loss allowances for trade receivables as at 31 March 2026 and 31 March 2025 reconcile to the opening loss allowances as follows:

	Trade receivables 2026	Trade receivables 2025
	$	$
Opening expected credit loss allowance	41,916,912	31,694,185
Increase in loss allowance recognised in profit or loss during the year	37,098,319	10,222,727
Closing expected credit loss allowance (Note 11)	79,015,231	41,916,912

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 90 days past due.

4. Financial risk management (continued)

(a) Credit risk (continued)

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

As at 31 March 2026, there were $39,354,583 (2025: $32,444,431) lifetime expected credit losses of the full value of the receivables.

Other financial assets at amortised cost
Other financial assets at amortised cost include due from/(to) related parties, investment securities and key other receivables.

While the other financial assets at amortised cost are subject to the impairment requirements of IFRS 9, the identified impairment loss was considered immaterial.

At the statement of financial position date, except for trade receivables, there were no significant concentration of expected credit losses on related parties balances and investment securities that were considered material.

4. Financial risk management (continued)

(a) Credit risk (continued)

Net impairment losses on financial assets recognised in profit or loss
During the year, the following losses were recognised in profit or loss in relation to impaired financial assets:

	2026	2025
	$	$
Impairment losses		
- movement in loss allowance for trade receivables	37,098,319	10,222,727
Net impairment losses on trade receivables	37,098,319	10,222,727

(b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions quickly at, or close to its fair value.

Liquidity risk management process
The Company's liquidity management process includes:

(i) Monitoring future cash flows and liquidity on a daily basis;

(ii) Maintaining marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Maintaining a committed line of credit.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

4. Financial risk management (continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities
The maturity profile of the Company's financial liabilities at year end on contractual undiscounted payments was as follows:

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total	Carrying amount
	$	$	$	$	$	$	$
				2026			
Long term liabilities	37,044,421	73,527,190	734,694,742	1,616,877,053	-	2,462,143,406	1,944,168,891
Lease liabilities	3,371,378	6,742,756	30,342,407	127,544,676	60,787,631	228,788,848	193,050,089
Short term loan	11,216,303	11,216,303	-	-	-	22,432,606	21,162,836
Trade and other payables	473,392,956	-	-	-	-	473,392,956	473,392,956
Bank overdraft	204,230,615	-	-	-	-	204,230,615	204,230,615
	729,255,673	91,486,249	765,037,149	1,744,421,729	60,787,631	3,390,988,431	2,836,005,387
				2025			
Long term liabilities	40,720,501	81,217,230	354,977,879	1,609,585,767	-	2,086,501,377	1,858,714,095
Lease liabilities	2,698,785	7,039,758	32,453,001	109,877,748	70,351,311	222,420,603	211,622,515
Trade and other payables	758,127,096	-	-	-	-	758,127,096	758,127,096
	801,546,382	88,256,988	387,430,880	3,463,887,269	70,351,311	3,067,049,076	2,828,463,706

Assets available to meet all of the liabilities and to cover financial liabilities include cash and cash equivalents.

(c) Market risk

The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in interest rates (4(c)(i)) and foreign currency risk (4(c)(ii)). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk exposures are measured using sensitivity analysis. There has been no significant change in exposure to market risks or the manner in which the Company manages and measures the risk.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

4. Financial risk management (continued)

(c) Market risk (continued)

(i) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

The following table summarizes the Company's exposure to interest rate risk. It includes the Company's financial instruments at carrying amounts, categorized by earlier of the contractual re-pricing or maturity dates.

2026

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
	$	$	$	$	$	$	$
Assets							
Investment securities	-	-	-	68,005,050	-	-	68,005,050
Finance lease receivables	500,277	1,000,554	4,502,493	79,043,770	-	-	85,047,094
Trade and other receivables	-	-	-	-	-	980,717,124	980,717,124
Cash and cash equivalents	-	8,948,230	34,627,270	-	-	213,944,215	257,519,715
Total financial assets	500,277	9,948,784	39,129,763	147,048,820	-	1,194,661,339	1,391,288,983
Liabilities							
Lease liabilities	2,226,093	4,452,186	20,034,847	115,155,648	51,181,315	-	193,050,089
Long term liabilities	22,749,999	45,499,999	564,719,532	1,311,199,361	-	-	1,944,168,891
Trade and other payables	-	-	-	-	-	473,392,956	473,392,956
Short term loan	-	21,162,836	-	-	-	-	21,162,836
Bank overdraft	204,230,615	-	-	-	-	-	204,230,615
Total financial liabilities	229,206,707	71,115,021	584,754,379	1,426,355,009	51,181,315	473,392,956	2,836,005,387
Total interest re- pricing gap	(228,706,430)	(61,166,237)	(545,624,616)	(1,279,306,189)	(51,181,315)	721,268,383	(1,444,716,404)

4. Financial risk management (continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

	2025						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
	$	$	$	$	$	$	$
Assets							
Investment securities	-	-	-	28,005,050	-	-	28,005,050
Finance lease receivables	520,225	1,040,450	4,682,023	84,146,930	-	-	90,389,628
Trade and other receivables	-	-	-	-	-	770,361,783	770,361,783
Cash and cash equivalents	-	8,809,129	32,609,477	-	-	214,651,935	256,070,541
Total financial assets	520,225	9,849,579	37,291,500	112,151,980	-	985,013,718	1,144,827,002
Liabilities							
Lease liabilities	1,770,372	3,540,444	15,933,652	67,391,971	122,986,076	-	211,622,515
Long term liabilities	25,048,386	50,096,773	225,435,478	1,558,133,458	-	-	1,858,714,095
Trade and other payables	-	-	-	-	-	758,127,096	758,127,096
Total financial liabilities	26,818,758	53,637,217	241,369,130	1,625,525,429	122,986,076	758,127,096	2,828,463,706
Total interest re-pricing gap	(26,298,533)	(43,787,638)	(204,077,630)	(1,513,373,449)	(122,986,076)	226,886,622	(1,683,636,704)

4. Financial risk management (continued)

(c) Market risk (continued)

(ii) Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from currency exposure primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Company undertakes certain transactions denominated in currencies other than the Jamaican dollar resulting in exposures to exchange rate fluctuations.

Financial assets/(liabilities) denominated in foreign currency are as follows: -

	2026	2025
	$	$
Cash and cash equivalents	11,097,104	9,579,386
Trade receivables	535,365	535,365
Trade payables	(16,269,273)	(16,946,000)
Lease liabilities	(150,744,455)	(167,565,206)
Long term loans	(89,251,995)	(142,160,970)
	(244,633,254)	(316,557,425)

	2026	2025
Currency		
USD	$1,542,648	$1,998,973
Rate of exchange	JMD158.58	JMD158.36

The following table demonstrates the sensitivity to a reasonably possible change in the following exchange rates of the Company before tax with all other variables held constant.

Currency	**Change in exchange rate**	**2026**	**2025**
		$	$
Revaluation	1% (2025 – 1%)	2,446,332	3,165,574
Devaluation	1.50% (2025 – 3.5%)	(3,669,498)	(11,079,509)

4. Financial risk management (continued)

(d) Fair value estimates

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognized stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

The amount included in the financial statements for cash and cash equivalents, trade and other receivables, trade and other payables reflect their approximates fair values because of the short-term maturity of these instruments. Long term liabilities, finance lease, and lease liabilities approximates amortized costs.

(e) Capital management

The policy of the Board of Directors is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business and ensure it continues as a going concern.

The Company considers its capital to be its total equity as reported on the statement of financial position, which currently comprises share capital, capital reserves and retained earnings. The Company's financial objective is to generate a targeted operating surplus in order to strengthen its capital and provide for the future continuity of the Company as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Directors regularly review the financial position of the Company at meetings and monitor the return on capital and the level of dividends to the ordinary shareholders. They seek to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

4. Financial risk management (continued)

(e) Capital management (continued)

Consistent with others in the industry, the Company monitors capital based on the gearing ratio. This ratio is calculated as total borrowings divided by capital as defined above. Total borrowings is calculated as current and non-current borrowings, as shown in the statement of financial position, includes bank overdraft but excludes working capital items and non-finance lease liabilities. The management of the Company remains deliberate in the way it funds its growth strategy and given the present economic environment and the general reduction in the cost of capital in the market; management continues to adjust major debts from a bullet repayment structure to that of amortization and lengthening of tenure.

	2026	2025
	$	$
Total borrowings	2,169,562,342	1,858,714,095
Equity and total borrowings	5,306,539,088	4,578,111,787
Gearing ratio	40.88%	40.60%

5. Critical accounting estimates and judgments in applying accounting policies

The Company makes estimates, assumptions and judgements that affect the reported amounts of, and disclosures relating to, assets, liabilities, income and expenses reported in these financial statements. Amounts and disclosures based on these estimates assumptions and judgements may be different from actual outcomes, and these differences may be reported in the financial statements of the next financial year. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

(i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Credit risk note.

(ii) Income taxes

Estimates and judgements are required in determining the provision for income taxes. The tax liability or asset arising from certain transactions or events may be uncertain in the ordinary course of business. In cases of such uncertainty, the Company recognises liabilities for possible additional taxes based on its judgement. Where, on the basis of a subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

(iii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

5. Critical accounting estimates and judgments in applying accounting policies (continued)

(iv) Valuation of financial instruments

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates.

Considerable judgment is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

(v) Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For leases of warehouses, retail stores and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in offices and vehicles leases have not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

6. Property, plant and equipment

	Land	Buildings	Leasehold improvement	Signage	Furniture, fixtures & equipment	Machinery & equipment	Computer equipment & software	Motor vehicle	Construction work-in-progress	Total
	$	$	$	$	$	$	$	$	$	$
Cost /valuation-										
1 April 2024	656,986,415	825,801,201	19,795,131	44,950,355	256,192,627	1,666,125,669	76,699,030	187,927,616	16,960,589	3,751,438,633
Additions	-	13,508,388	6,097,113	4,324,600	12,066,910	169,957,673	2,275,342	6,349,347	559,647,669	774,227,042
Disposal	-	(79,807)	-	-	(68,581,687)	(1,535,071)	(16,332,412)	(2,102,757)	-	(88,631,734)
Transfer	-	-	-	-	-	6,863,439	262,600	-	(7,126,039)	-
Transfer to Inventory	-	-	-	-	-	(22,299,845)	-	-	-	(22,299,845)
31 March 2025	656,986,415	839,229,782	25,892,244	49,274,955	199,677,850	1,819,111,865	62,904,560	192,174,206	569,482,219	4,414,734,096
Additions	-	-	1,147,786	3,869,277	25,878,341	98,138,879	3,989,039	29,389,845	539,183,921	701,597,088
Disposal	-	(611,817)	-	(3,450,210)	(9,738,729)	-	-	(5,512,500)	-	(19,313,256)
Transfer	-	99,060,409	-	5,669,862	99,568,099	2,467,237	1,611,192	424,315	(208,801,114)	-
Transfer from Inventory	-	-	-	-	11,364,766	13,905,637	-	-	(3,000,535)	22,269,868
31 March 2026	656,986,415	937,678,374	27,040,030	55,363,884	326,750,327	1,933,623,618	68,504,791	216,475,866	896,864,491	5,119,287,796
Depreciation -										
1 April 2024	-	-	1,649,594	8,826,813	47,655,328	100,132,161	14,159,959	14,586,176	-	187,010,031
Charge for year	-	20,783,659	1,760,181	4,760,279	18,397,032	141,356,863	13,053,681	28,332,567	-	228,444,262
Relieved on disposal	-	-	-	-	(5,361,999)	(54,989)	(4,094,783)	(527,885)	-	(10,039,656)
Eliminated upon transfer to inventory	-	-	-	-	-	(480,634)	-	-	-	(480,634)
31 March 2025	-	20,783,659	3,409,775	13,587,092	60,690,361	240,953,401	23,118,857	42,390,858	-	404,934,003
Charge for year	-	22,831,754	2,245,739	5,416,033	28,588,326	151,335,219	12,949,643	30,274,461	-	253,641,175
Relieved on disposal	-	(24,218)	-	(1,085,439)	(3,444,628)	-	-	(2,480,625)	-	(7,034,910)
31 March 2026	-	43,591,195	5,655,514	17,917,686	85,834,059	392,288,620	36,068,500	70,184,694	-	651,540,268
Net Book Value -										
31 March 2026	656,986,415	894,087,179	21,384,516	37,446,198	240,916,268	1,541,334,998	32,436,291	146,291,172	896,864,491	4,467,747,528
31 March 2025	656,986,415	818,446,123	22,482,469	35,687,863	138,987,489	1,578,158,464	39,785,703	149,783,348	569,482,219	4,009,800,093

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

6. Property, plant and equipment (continued)

The properties located at 7-9 Beechwood Avenue, Kingston 5, and the land located at Lot # 459 Spanish Town Road, Kingston 11, Saint Andrew was valued using the income capitalization approach and the sales comparable approach, respectively, as at March 26, 2024, by I.G Powell Valuation & Property Consultants Ltd, Chartered Valuation Surveyor.

The property located at 56 Cookson Avenue, Cookson Pen, Portmore, Saint Catherine was valued at current market value as at March 25, 2024 by E. Maitland Realty, Licensed Real Estate Dealer.

The surplus arising on the valuation was credited to capital reserves. See Note 14.

7. Right-of-use assets and related lease obligations

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases: -

Right-of-use assets

	Property	Total
	$	$
1 April 2024	135,598,332	135,598,332
Addition	84,312,892	84,312,892
Amortization	(31,898,876)	(31,898,876)
31 March 2025	188,012,348	188,012,348
Amortization	(31,898,876)	(31,898,876)
31 March 2026	156,113,472	156,113,472

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

7. Right-of-use assets and related lease obligations (continued)

(i) Amounts recognised in the statement of financial position (continued)

Lease liabilities

	2026	2025
	$	$
Balance as at beginning of year	211,622,515	141,877,420
Addition	-	84,312,892
Less total payment	(37,054,059)	(36,131,515)
Add interest expense	15,809,590	17,324,735
Foreign exchange	2,672,043	4,238,983
Balance as at end of year	193,050,089	211,622,515

	2026	2025
	$	$
Current portion	26,713,126	21,244,468
Non-current portion	166,336,963	190,378,047
Balance as at end of year	193,050,089	211,622,515

(ii) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	2026	2025
	$	$
Amortization of right-of-use assets (included in administrative expenses)	31,898,876	31,898,876
Interest expense (included in finance costs)	15,809,590	17,324,735
Effect of foreign exchange	2,672,043	4,238,983

(iii) Amounts recognized in the statement of cash flows

	2026	2025
	$	$
Total cash outflow for leases	37,054,059	36,131,515

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

8. Investment securities

	2026	2025
	$	$
Security measured at FVOCI		
Unquoted equity securities:		
Balance at beginning of year	28,005,050	23,005,050
Additions during year	40,000,000	5,000,000
Balance at end of year	68,005,050	28,005,050

At the year end, as the investment is not traded in an active market and there have been no recent observable transactions, management has determined that cost represents the best estimate of fair value.

9. Finance lease receivables

	2026	2025
	$	$
Gross investment in finance leases:		
Current portion	9,892,662	8,081,378
Non-current portion	80,935,993	88,455,619
	90,828,655	96,536,997
Less: Unearned finance income	(5,781,561)	(6,147,369)
	85,047,094	90,389,628
Represented by: -		
Current portion	9,230,352	9,577,597
Non-current portion	75,816,742	80,812,031
	85,047,094	90,389,628

This finance lease receivable relates to pumps and equipment leased to dealers and operators at various service station locations under finance lease arrangements. The leases have varying commencement dates and terms, with lease rentals payable in accordance with the respective lease agreements. Finance income is recognised over the lease term using the effective interest method so as to produce a constant periodic rate of return on the net investment in the leases. Upon settlement of all lease obligations, ownership of the leased assets is transferred to the lessee.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

9. Finance lease receivables (continued)

	2026	2025
	$	$
Balance as at beginning of year	90,389,628	97,209,628
Additions	-	95,000
Less: Payments	(5,342,534)	(6,915,000)
Balance as at end of year	85,047,094	90,389,628

10. Inventories

	2026	2025
	$	$
Parts and equipment	109,375,150	134,824,361
Fuel	70,756,768	33,448,252
Lubricants and other	59,808,674	60,438,227
Goods in transit	-	20,207,533
	239,940,592	248,918,373

For the years ended 31 March 2026 and 2025, inventories of Nil (2025: Nil) were written off during the year.

11. Trade and other receivables

		2026	2025
		$	$
Trade receivables	(a)	672,772,966	542,932,494
Prepayments		131,326,236	50,191,157
Interest receivables		1,603,983	1,782,075
General Consumption Tax recoverable		57,271,018	131,796,290
Other		196,758,152	85,576,679
		1,059,732,355	812,278,695
Less: Impairment losses on financial assets (Note 4(a))		(79,015,231)	(41,916,912)
		980,717,124	770,361,783

(a) Included in trade receivables are amounts totalling $228,383,476 (2025: $163,642,978) due from related parties in the ordinary course of business. The companies are related by way of common shareholders and directors. These balances are trading balances and are in line with the Company's credit terms.

12. Cash and cash equivalents

	2026	2025
Short-term investments	$	$
Barita Investments Limited	8,948,230	8,809,129
NCB Capital Markets Limited	34,627,270	32,609,477
Barita Merchant Bank Limited	6,419,044	6,493,887
	49,994,544	47,912,493
Cash at bank	207,181,621	208,023,046
Cash in hand	343,550	135,002
	207,525,171	208,158,048
	257,519,715	256,070,541

i. Short-term investments are held at licensed financial institutions and attract interest at 3-6% (2025: 3-8%) per annum. They all have remaining maturities of less than three months, substantially comprise Reverse Repurchase Agreements or Certificates of Participation, consisting of an interest in, or is collaterised by mainly Government of Jamaica and Bank of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. The risk is managed primarily by reviews of the financial status of the counterparty.

ii. Cash at bank comprise savings and non-interest-bearing current and savings accounts at licensed deposit-taking institutions in Jamaica. The rate of interest earned on the Company's savings accounts range from 0 to 0.5% (2025: 0.01% to 0.50%) for accounts that are denominated in United States Dollars, and 0.05% (2025:0.005%) for those that are denominated in Jamaican Dollars.

iii. Cash at bank include an amount of $147,691,182 (2025: $129,515,518) which is held as a Debt Service Reserve, under the terms of various borrowing facilities (see Note 15). The amount has been charged as security for the repayment of principal and interest due under the bond, and accordingly, cannot be used for any other purposes.

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2026	2025
	$	$
Cash and cash equivalents	257,519,715	256,070,541
Less: Restricted cash	(147,691,182)	(129,515,518)
	109,828,533	126,555,023

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

13. Share capital

	2026	2025
	No. of shares	No. of shares
Authorised ordinary shares at no par value	Unlimited	Unlimited

	2026	2025
	$	$
Issued and fully paid-		
Share capital at beginning and end of year -		
2,500,000,000 ordinary stock units at no par value	228,327,973	228,327,973

14. Capital reserves

	2026	2025
	$	$
The movements during the year were as follows:		
Balance at the beginning and end of the year	545,173,455	545,173,455

	2026	2025
	$	$
The balance at the end of the year comprises:		
Surplus arising from the revaluation of land and building (Note 6)	545,173,455	545,173,455

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

15. Long term liabilities

		2026	2025
		$	$
J$1.0B Unsecured Fixed Rate Corporate Bond	(a)	466,866,666	639,566,666
Fesco Founders Pool Limited	(b)	66,136,200	74,545,500
Bank of Nova Scotia Jamaica Limited	(c)	5,810,000	14,000,000
Bank of Nova Scotia Jamaica Limited	(d)	1,405,356,025	1,062,986,459
Portmore LPG Supplies Limited	(e)	-	67,615,470
		1,944,168,891	1,858,714,095
Less: Current portion		(632,969,530)	(300,580,637)
		1,311,199,361	1,558,133,458

(a) The Unsecured Fixed Rate Corporate Bond, which is denominated in Jamaican dollars, was issued in February 2022 and will mature in February 2027. The bond attracts interest at 7.5% per annum. There is a moratorium on principal repayment for one year following the issue date, after which principal will be repaid in fifteen (15) equal consecutive quarterly instalments of $43.75M with a balloon payment $343.75M being due and payable on the maturity date.

(b) This loan was obtained on March 31, 2023, to provide working capital support. The facility attracts interest at 9% (2025:11.75%) per annum on the Jamaican dollar portion and 4% per annum on the United States dollar portion. Interest is payable annually on the anniversary of the respective disbursement dates. The loan is unsecured and had an original tenure of 24 months. During the year, the maturity date was extended by a further 24 months and now expires on March 31, 2027.

(c) This loan amounting to $16,481,250 represents two drawdowns of $11,576,700 and $4,904,550 in September and October 2023 respectively, attracts interest of 8.25% per annum and is repayable over 60 months. Interest and principal is paid monthly.

(d) This non-revolving term loan facilities represents multiple drawdowns made between December 2024 and November 2025. The facilities attract interest at 9% per annum, calculated on the outstanding principal balance. Facility 4A was obtained to refinance and consolidate external borrowings and is repayable over a five-year term, with 59 equal monthly principal payments followed by a balloon payment of the outstanding balance. Interest is calculated daily and payable monthly in arrears. Facility 3A was obtained to finance 62% of the total construction cost of the petrol service station and commercial buildings at Lot 459 Spanish Town Road ("FESCO Oval") and is repayable in full upon maturity, being 18 months from the initial disbursement date or upon the issuance of the Certificate of Practical Completion, whichever occurs first.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

15. Long term liabilities (continued)

(e) This represents a balance of US$512,820 owing to Portmore LPG Supplies Limited upon the purchase of the LPG plant. The loan attracted interest at 7% per annum and was repayable over twelve (12) consecutive quarterly payments with maturity on April 28, 2027. This amount was repaid during the year.

The borrowings are secured as follows: -

(i) The loan (c) is secured by Bill of Sale over certain motor vehicles.

(ii) The loan (d) is secured by Demand Debenture stamped in the amount of J$1,686,013,000.00 creating a fixed charge over the fixed and floating assets of the Borrower supported by the following legal mortgages:

- First Legal Mortgage over commercial property located at Part of Penwood on Spanish Town Road, known as Lot 459 Spanish Town Road, Kingston11, registered at Volume 1577 Folio 335 in the name of Future Energy Source Company.
- First Legal Mortgage over commercial property located at 7-9 Beechwood Avenue, Kingston, registered at Volume 1532 Folio 239 in the name of Future Energy Source Company.
- First Legal Mortgage over commercial property located at 56 Cookson Avenue, St. Catherine, registered at Volume 1261 Folio 316 in the name of Future Energy Source Company Limited.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

16. Deferred income taxes

Deferred income taxes are calculated in full on all temporary differences under the liability method using a tax rate of 25%. Assets and liabilities recognised on the statement of financial position are as follows:

	2026	2025
	$	$
Deferred income tax liabilities	109,338,272	53,945,949
Balance at end of year	109,338,272	53,945,949

The movement on the net deferred income tax balance is as follows:

	2026	2025
	$	$
Balance at beginning of year	53,945,949	32,955,723
Deferred income charged to the statement of comprehensive income (Note 26)	55,392,323	20,990,226
Balance at end of year	109,338,272	53,945,949

Deferred income tax liabilities are attributable to the following items:

	2026	2025
	$	$
Deferred income liabilities/(assets):		
Property, plant and equipment	118,572,428	59,848,492
Rights-of-use assets, net	(9,234,156)	(5,902,543)
Net liabilities at end of year	109,338,272	53,945,949

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

	2026	2025
	$	$
Deferred tax liabilities to be settled:		
- after more than 12 months	109,338,272	53,945,949
- within 12 months	-	-
	109,338,272	53,945,949

17. Trade and other payables

	2026	2025
	$	$
Trade payables	418,592,032	680,532,992
Accruals	40,660,709	62,478,090
Interest payable	14,072,988	14,087,680
Dividend payable	67,227	1,028,334
	473,392,956	758,127,096

18. Short term loan

	2026	2025
	$	$
Petromac Servicentre Limited	21,162,836	-

This unsecured loan of US$134,221.24 represents advances received from Petromac Servicentre Limited in August 2025 under a Product Prepayment Agreement. The facility attracts interest at 6% per annum, calculated on the outstanding principal balance on a daily basis, and has a term of six months. The proceeds were advanced in two tranches during August 2025. Upon maturity, the obligation is settled either through the delivery of LPG products equivalent in value to the principal and accrued interest or by repayment of the principal and accrued interest, in accordance with the terms of the agreement.

19. Bank overdraft

		2026	2025
		$	$
National Commercial Bank Jamaica Limited	(a)	26,958,189	-
Bank of Nova Scotia Jamaica Limited	(b)	177,272,426	-
		204,230,615	-

(a) The Company has approved overdraft limits totalling $30,000,000 with National Commercial Bank Jamaica Limited. The rate of interest applicable to these overdraft accounts is 13% per annum.

(b) The Company has approved overdraft limits totalling $200,000,000 with Bank of Nova Scotia Jamaica Limited. The rate of interest applicable to these overdraft accounts is 9% per annum.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

20. Turnover

Turnover represents the invoiced value of goods and services, net of discounts and General Consumption Tax.

21. Other income

	2026	2025
	$	$
Rental income	3,744,122	2,299,269
Commission	8,545,523	5,900,963
Gain on recovery of repossessed collateral	6,686,566	-
Other income	5,232,287	2,784,305
	24,208,498	10,984,537

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

22. Expenses by nature

	2026	2025
	$	$
Operating and administrative expenses:		
Advertising and promotion	31,969,693	23,500,853
Amortization of right-of-use assets	31,898,876	31,898,876
Audit fee	9,550,000	9,100,000
Bank charges	38,843,611	28,615,620
Depreciation	253,641,175	228,444,262
Directors' fees	9,550,000	8,880,000
Donations	21,178,058	5,675,230
Insurance	28,581,198	22,619,347
Legal and professional fees	59,297,644	48,850,303
Loss on disposal of property, plant and equipment	1,979,242	5,850,769
Motor vehicle expenses	58,313,510	57,967,107
Office expenses	49,224,324	50,072,611
Repairs and maintenance	14,787,308	8,549,421
Security	90,173,534	53,017,681
Staff costs (Note 25)	455,805,160	373,328,299
Utilities	41,279,791	28,546,894
Other expenses	34,782,615	21,940,467
	1,230,855,739	1,006,857,740
Impairment losses on financial assets (Note 4a)	37,098,319	10,222,727
Cost of inventories recognised as expense	30,421,988,550	28,381,451,750
Finance costs, net (Note 24)	178,930,412	177,096,310
	31,868,873,020	29,575,628,527

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

23. Operating profit

In arriving at the operating profit, the following have been charged:

	2026	2025
	$	$
Auditors' remuneration	9,550,000	9,100,000
Depreciation	253,641,175	228,444,262
Amortization of right-of-use assets	31,898,876	31,898,876
Directors' emoluments		
Fees	9,550,000	8,880,000
Management remuneration (included in staff costs)	21,359,336	26,565,280
Loss on disposal of property, plant and equipment	1,979,242	5,850,769
Impairment losses on financial assets	37,098,319	10,222,727
Staff costs (Note 25)	455,805,160	373,328,299

24. Finance costs, net

	2026	2025
	$	$
Foreign exchange gain, net	-	(2,376,112)
Interest income	(11,571,418)	(16,745,830)
	(11,571,418)	(19,121,942)
Lease interest expense	15,809,590	17,324,735
Interest expense	171,908,061	178,893,517
Foreign exchange loss, net	2,784,179	-
	178,930,412	177,096,310

25. Staff costs

	2026	2025
	$	$
Salaries and wages	375,835,912	308,068,042
Statutory contributions	45,919,389	38,078,063
Staff welfare	33,942,129	26,643,744
Casual labour	107,730	538,450
	455,805,160	373,328,299
Number of persons employed at the end of the year:		
Full time	192	157

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

26. Taxation

(a) Taxation is computed on the operating profit for the year adjusted for taxation purposes and comprises:

	2026	2025
	$	$
Income tax-prior year	-	(1,203,314)
Deferred income taxes (Note 16)	55,392,323	20,990,226
	55,392,323	19,786,912

(b) The taxation charge in the statement of comprehensive income account differs from the theoretical amount that would arise using the income tax rate of 25%, as follows:

	2026	2025
	$	$
Profit before taxation	722,201,992	481,336,897
Tax calculated at a tax rate of 25%	180,550,498	120,334,224
Adjusted for the effects of:		
Expenses not allowable for tax purposes	3,645,648	1,464,670
Remission of income tax	(143,402,403)	(111,270,684)
Deferred tax not recognized	2,610,127	10,462,016
Other charges and allowances	11,988,453	-
Prior year adjustment	-	(1,203,314)
	55,392,323	19,786,912

Deferred tax not recognized relates to accrued vacation leave, interest receivable and payable, unrealized foreign exchange gain and provision for ECL.

(c) The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange (JSE) on April 23, 2021. Consequently, the Company is eligible for remission of income taxes for a period of ten years, provided the following conditions are met:

(i) The Company's shares remain listed for at least 15 years and is not suspended from the JSE for any breaches of its rules.

(ii) The subscribed participating voting share capital of the Company does not exceed $500 million.

The remission will apply in the following proportions:
(a) Years 1 to 5 (April 23, 2021 – April 22, 2026) – 100%
(b) Years 6 to 10 (April 23, 2026 – April 22, 2031) – 50%

The financial statements have been prepared on the basis that the Company will have the full benefit of the tax remissions.

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

27. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transactions and balances are recognised and disclosed below for the following:

(a) Enterprises over which a substantial interest in the voting power is owned by key management personnel, including directors and officers and close members of families; or

(b) Enterprises over which such a person, in (a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the Company.

	2026	**2025**
	$	**$**
At the statement of financial position date: -		
Due from related parties-Trade receivables (Note 11):		
Coore's Limited	74,579,148	72,744,972
Mackville Car Rentals Limited	57,180,617	57,248,996
Braeton Oil Company Limited	43,441,073	-
Alwil Company Limited	19,727,249	4,540,010
Petromac Servicentre Limited	25,244,457	16,376,848
T.M.&T. Associates Limited	8,210,932	12,732,152
	228,383,476	163,642,978
Due to related party-long term loan (Note 15)		
Fesco Founders Pool Limited	(66,136,200)	(74,545,500)
	162,247,276	89,097,478
Charged/(credited) to statement of comprehensive income: -		
Directors' fees	9,550,000	8,880,000
Management remuneration	21,359,336	26,565,280
Sales to related parties	(10,461,834,548)	(10,424,922,275)

28. Earnings per stock unit

	2026	2025
	$	$
Net profit attributable to stockholders of the Company	666,809,669	461,549,985
Weighted average number of stock units	2,500,000,000	2,500,000,000
Basic earnings per stock unit	$0.27	$0.18

Earnings per stock unit ("EPS") is computed by dividing the net profit attributable to stockholders of $666,809,669; (2025: $461,549,985) by the weighted average number of ordinary stock units in issue during the year, numbering 2,500,000,000 (2025: 2,500,000,000).

29. Dividends

	2026	2025
	$	$
Declared at $0.028 (2025: Nil) per stock	70,000,000	-
Total dividends to stockholders	70,000,000	-

At the Annual General Meeting held on September 25, 2025, it was resolved and declared that a final dividend of $0.028 per ordinary stock unit for the year ended March 31, 2025, payable to shareholders on record as at November 26, 2025 (ex-dividend date: November 25, 2025), be paid on December 18, 2025.

30. Contingent liabilities and commitments

In the normal course of business, the Company is subject to various claims, disputes and legal proceedings, which occur as part of the normal course of business. Provision is made for such matters when, in the opinion of management and its legal advisors, it is probable that a payment will be made by the Company and the amount can be reasonably estimated. In respect of claims asserted against the Company, which, according to the principles outlined above, have not been provided for, management is of the opinion that as at 31 March 2026, there were no significant legal claims threatened against the Company.

For the year ended 31 March 2026, management reported that the Company had capital commitments of $120 million (2025: $100 million).

Future Energy Source Company Limited

Notes to the Financial Statements
31 March 2026

31. Segment financial reporting

Management determines the operating segments based on the reports reviewed by the Managing Director that are used to make strategic decisions.

The Company operates two (2) segments which are exposed to similar risks as they operate wholesale and retail petroleum products and Liquefied Petroleum Gas (LPG). The principal divisions are:

(i) Wholesale and retail distribution of petroleum products, including gasoline, diesel, ultra-low sulfur, asphalt and heavy fuel oil to customers.

(ii) Liquefied Petroleum Gas – Distribution of Liquefied Petroleum Gas (LPG) to customers.

	2026		
	Wholesale and Retail Fuel	**LPG**	**Total**
	$	**$**	**$**
Revenue from external customers	31,409,865,103	1,157,001,411	32,566,866,514
Operating profit/(loss)	1,046,800,451	(145,668,047)	901,132,404
Assets	4,578,208,023	1,683,342,997	6,261,551,020
Liabilities	2,827,529,912	117,813,747	2,945,343,659
Capital expenditure	584,734,214	140,090,983	724,825,197
Depreciation	71,957,432	181,683,743	253,641,175
Finance costs, net	171,773,196	7,157,216	178,930,412

	2025		
	Wholesale and Retail Fuel	**LPG**	**Total**
	$	**$**	**$**
Revenue from external customers	28,944,064,422	1,101,916,465	30,045,980,887
Operating profit/(loss)	760,445,332	(102,012,125)	658,433,207
Assets	3,664,812,606	1,936,994,741	5,601,807,347
Liabilities	2,827,527,977	54,881,678	2,882,409,655
Capital expenditure	154,861,144	93,077,882	247,939,026
Depreciation	59,074,374	169,369,888	228,444,262
Finance costs, net	115,859,891	61,236,419	177,096,310

7-9 Beechwood Avenue, Kingston, Jamaica

(876) 715-5941

fescoja.com