AML FOODS LIMITED

2025
ANNUAL REPORT

Mission:

Deliver the best shopping experiences, fresh products, and great service.

Vision:

To Transform AML Foods into the most valued and trusted retailer in The Bahamas.

Values:

We lead by example.

We WOW our customers.

We will always be our best.

We are one team.

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ABOUT US: AML FOODS LIMITED

AML Foods Limited ("AML") is an innovative Bahamian company with operations in New Providence, Grand Bahama, George Town Exuma and Governor's Harbour Eleuthera. Our brands – Solomon's, Solomon's Fresh Market, Cost Right Wholesale and Domino's Pizza – are known for quality and value and are well-recognized throughout The Bahamas.

AML is grounded in integrity, respect, corporate responsibility, and a deep commitment to community. We strive to build a brighter future in the communities we serve by focusing our charitable efforts on three core pillars: Food and Nutrition Security, Sustainability, and Youth Empowerment.

At AML, our mission is to deliver the best shopping experiences, fresh products, and great service - earning our place as the most valued and trusted retailer in The Bahamas. As one unified team we lead by example and are committed to operational excellence, striving each day to create meaningful value for our customers, empower our associates, and drive lasting success for our shareholders. Together, we're building something greater for today, and for the future.

AML recently launched its Food Service Distribution Division, Chef Direct, which currently serves the islands of Exuma, Abaco, Eleuthera, and New Providence. This online marketplace connects Bahamian restaurants, resorts, and chefs to a selection of over 9,000 food products shipped directly from the U.S. With convenient door-to-door delivery, the service ensures optimal freshness and quality. Expansion into Grand Bahama is planned for 2025.

The Retail Distribution Division of AML Foods operates eight grocery stores. In New Providence stores include Solomon's Old Trail (currently closed), Solomon's Yamacraw, Solomon's Fresh Market Old Fort Bay, and Solomon's Fresh Market Harbour Bay. The stores in Grand Bahama include Solomon's Lucaya and Solomon's Downtown. The locations in the Family Islands include Exuma Markets and Eleuthera Markets. These stores offer a wide range of consumer products from food items to kitchen accessories and household essentials. Our team members work every day to ensure that each location offers affordable products of the highest quality. To make the retail experience enjoyable for our customers, we challenge our associates to provide superior service.

Our Club Distribution Division includes two stores - Cost Right Warehouse Club Nassau (currently closed) and Cost Right Warehouse Club Freeport. Both locations offer a wide assortment of name-brand and club packed products at wholesale prices, from grocery to general merchandise and clothing. We cater to small businesses, offices, and the home, offering friendly service and convenience. Our team members are dedicated to giving customers value on the products we supply and providing a satisfying shopping experience.

Our Franchise Distribution Division operates ten Domino's Pizza stores – nine in New Providence and one in Grand Bahama. Domino's is an outstanding international brand with a well-earned reputation for value, quality products and exceptional service.

Our E-commerce Distribution Division spans multiple brands and islands, offering customers the ease of ordering their pizza and groceries online for delivery or in-store pickup. Services are available through Domino's, Solomon's (Nassau and Freeport) Solomon's Fresh Market, Exuma Markets and Cost Right (Nassau and Freeport). These user-friendly, web-based platforms feature real-time inventory visibility, digital payment options, and scheduled delivery windows to provide a seamless and efficient shopping experience. In addition to web access, mobile links are available for download. This enables customers to place and track orders directly from their phones and makes shopping even more convenient and accessible. E-commerce for Eleuthera Markets is set to launch by December 2025.

AML Foods Limited is a publicly traded company with 1,229 shareholders and is listed on the Bahamas International Stock Exchange. The company employs 869 associates in New Providence, Grand Bahama, Exuma, Eleuthera and Abaco.

MESSAGE FROM THE CHAIRMAN

Performance with Purpose

To Our Shareholders,

This past year has demonstrated the strength, resilience, and forward momentum of AML Foods Limited. Our improved performance is a clear reflection of our focused strategy and unwavering commitment to delivering results with purpose. These achievements underscore our team's dedication and the progress driven by the successful execution of our strategic decisions over the past several years.

We have continued to invest in technology and automation to enhance operational efficiency and grow customer engagement. These efforts are yielding measurable results. By leveraging data-driven insights, we have significantly improved our ability to serve customers more effectively. Notably, we have made strong progress in improving in-stock levels through the implementation of optimized store planograms and have advanced our efforts in personalizing our offerings to better align with individual customer needs. These enhancements are enabling us to build stronger customer relationships and operate with increased efficiency across our business.

During the year, we faced one of the most difficult events in our company's history—the loss of our Solomon's Old Trail and Cost Right Nassau locations due to a devastating fire. While this incident had short-term impacts on our operations, it does not alter our long-term objectives or growth trajectory. It is, and will remain, a temporary setback. What stands out most is the resilience and unity of our team. We are exceptionally proud of how our people responded—with strength, professionalism, and compassion. Importantly, we retained all team members from the impacted locations, reflecting our commitment to our people and our values.

Despite this challenge, our focus on growth remains unwavering. We were pleased to mark a key milestone with the opening of Eleuthera Markets in Governor's Harbour, further strengthening our presence and service to the Family Islands. We will continue to pursue strategic growth and acquisitions that align with our long-term vision and position AML Foods for sustained success.

Looking ahead, we remain confident in our strategy and in the strength of our team to continue delivering results. We are building a business that is agile, purpose-driven, customer-focused and well positioned for long-term value creation for our shareholders, employees, and communities.

Thank you for your continued support and trust.

Franklyn Butler II
Chairman

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

2025 was a milestone for AML Foods Limited, as we recorded revenues of $203m, a new record for our company and an important step along our path to becoming a $250m company by April 2030. Our investments in technology and data analytics, operational efficiencies and customer engagement are allowing us to continuously improve how we serve our customers and our communities, resulting in higher transaction counts, basket sizes and customer satisfaction ratings. Our targeted sales growth, along with our near 50% reduction in shrink, has allowed us to improve our net margins and record improved operational performance.

Our sales growth was aided by the remodeled Solomon's Old Trail and Cost Right Nassau locations, which opened in August and November of 2024. Unfortunately, these locations were destroyed by a fire in April 2025. As devastating as this fire was, it will not define us, nor will it disrupt our vision or long-term strategy. We expect to re-open our Old Trail facility by year-end 2026.

We have a very defined strategy for growth over the coming years – a mixture of continued focus on our current operations, targeted acquisitions like our acquisition of Eleuthera Markets in late 2024, and expansion of our B2B operations. We remain confident in our goal to record improved revenues and earnings.

Our results are driven by our core value of One Team – a unified commitment across all levels of the organization to a single purpose: delivering the best shopping experiences, fresh products and great service to our customers. I wish to thank our entire team – our associates, management, directors and partners for your efforts in allowing AML to achieve our goals. Your dedication and collective efforts have been instrumental in enabling AML Foods to succeed.

And finally, I extend my heartfelt thanks to our customers for their continued loyalty and support. We remain steadfast in our commitment to continuously improving how we serve you and the communities we are proud to be a part of.

> ***AML has had more than our share of adverse events – the fire of our former Golden Harvest store, hurricanes Floyd, Frances, Jeanne and Dorian, COVID and the resulting supply chain shortages – each time we have addressed these challenges head on, and each time we have returned a bigger, stronger more resilient company.***

Gavin Watchorn,
President and CEO

EXECUTIVE TEAM

Gavin Watchorn
President & CEO, Director

Joined Company in 2003

Davette Lightbourne
Chief Financial Officer & Corporate Secretary

Joined Company in 2018

Scott Miller
Chief Operating Officer

Joined Company in 2021

Kimberley Frazier
Head of Human Resources, Talent & Development

Joined Company in 2016

Renea Bastian
Vice President Marketing & Communications

Joined Company in 2010

Richard Jones
Vice President Facilities

Joined Company in 2011

Dave Forbes
Vice President Information Technology

Joined Company in 2020

Ben Brown
Vice President Purchasing

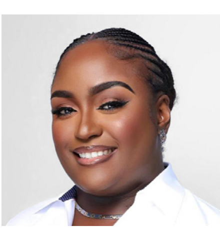
Joined Company in 2021

Vanessa Pinder
Vice President Operations

Joined Company in 2022

Indira Moss
Director Margin Control & Logistics

Joined Company in 2009



Alissa Martin
Director Purchasing

Joined Company in 2010

Gershwin Greene
Director E-Commerce

Joined Company in 2023

MANAGEMENT DISCUSSION & ANALYSIS

Management will use this report to provide an analysis of the movements in the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Equity of AML Foods Limited ("AML" or "the Company") for the fiscal year beginning May 1, 2024 to April 30, 2025, and to discuss significant results from operations for the year ended April 30, 2025.

This report should be read in conjunction with the audited consolidated financial statements and its accompanying notes. This report may include "forward-looking statements." While the Company believes that the expectations reflected in such statements are reasonable, it gives no assurance that such expectations will prove to be correct. Important factors that could cause actual results to differ materially from the Company's expectations include external economic conditions, changes in the marketplace, changes in interest rates, operating costs, and other unforeseen events or conditions that may affect performance.

FINANCIAL OVERVIEW

For the year ended April 30, 2025, the Company recorded a net profit of $14.6m, which was an increase of $9.7m or 66.3% compared to the prior year's net profit of $4.9m. Total comprehensive income increased from $6.5m to $14.6m. Prior year's comprehensive income included a $1.6m gain in other comprehensive income resulting from revaluations of land, land improvements and buildings. Sales improved by 6.3% or $12.1m, as both transaction count and average ticket size for our Food Distribution division increased by 7.3% and 6.5%, respectively. Gross profit dollars also improved by $6.8m due to improved shrink and margin performance. Selling, general and administrative expenses increased by $3.4m but remained relatively flat at 27.3% as a percentage of sales compared to 27.7% in the prior year. As a result of the fire that destroyed our Old Trail building on April 14, 2025, insurance proceeds of $24.2m and fire related losses of $21.1m had a net positive impact on net profit.

Our financial position remains strong with total assets of $144.9m at April 30, 2025 compared to $127.4m at April 30, 2024.

Total assets increased by $17.6m or 13.8%. This was primarily due to the fire-related destruction at Old Trail which resulted in an increase in cash in the amount of $3.5m, by way of insurance proceeds, and insurance claim receivables totalling $23.1m (which was partially offset by the write-off of fixed assets with a net book value of $15.8m and inventory valued at $4.1m).

During the year, the Company purchased the assets of Burrows One Stop Shop for $2.5 million, including the land and building valued at $0.5 million, which also contributed to the increase in total assets year over year.

For the period ended April 30, 2025, a total of $3.8m of dividends were declared and paid representing 26% of the current year's net profit or 33% before insurance claim income net of fire related losses. Cumulatively, for the past three years, total ordinary and extraordinary dividends distributed was $9.9m or 44.5% of net income.

CASH AND BANK BALANCES

The Company's cash and bank balances increased to $17.6m during the year, an increase of $8.4m from April 30, 2024. During the year, cash generated from operating activities before changes in working capital was $20.9m compared to $14.1m in the prior year and was largely due to the improved profit driven by net positive movements in sales, gross margin and shrink. The cash generated from operating activities was offset by $8.5m of cash used in investing activities primarily related to fixed asset additions and the acquisition of Burrow's One Stop Shop. Additionally,$4.0m was used in net financing activities. These investments position the company to strengthen its retail footprint and support long-term growth.

MERCHANDISE INVENTORIES

Compared to last year, merchandise inventory levels decreased by $2.5m which included a write off of $4.1m from fire related destruction and an increase of $1.8m in other inventories at other locations. Due to increased sales volumes in Grand Bahama as well as a new vendor relationship providing increased variety in club merchandise, inventory increases were mostly within the Grand Bahama market.

PROPERTY, PLANT, AND EQUIPMENT

At April 30, 2025, net property, plant, and equipment was $51.6m compared to $62.6m in the prior year. The movement comprised additions of $10.0m, less disposals of $16.0m and depreciation of $5.0m. Additions to property, plant and equipment were driven primarily by renovation costs incurred for the Cost Right Nassau and Eleuthera Market locations, and disposals were attributable to fire-related losses at Old Trail.

GOODWILL AND OTHER INTANGIBLE ASSETS

The Company conducted its annual impairment test by determining the net present value (NPV) of the operating units on which it carries goodwill. The NPV was compared to the operating units value in use, to determine whether an impairment existed. The results of the Company's annual impairment test indicated no impairment.

During the year, customer-relationship intangibles totaling $0.85m, and goodwill totaling $1.125m were recorded as a result of the purchase the assets of Burrow's One Stop Shop in Governors Harbour, Eleuthera.

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses totaled $20.7m at April 30, 2025 compared to $16.3m at April 30, 2024. Accounts payable balances generally comprise amounts due to inventory suppliers and year over year changes were relatively flat. During the current year, accruals increased from VAT payable on insurance proceeds in the amount of $2.4m and accrued demolition costs of $0.7m related to fire related destruction.

PREFERENCE SHARES

For the period ended April 30, 2025, the Company had a total of 6,801 outstanding preference shares. There was no movement during the current year of the outstanding principal balance of preference shares. In December 2022, the Company paid the remaining principal and interest due to Class C and D preference shareholders. The remaining Class E shares attract interest only payments through October 30, 2025 and will be repaid over five years beginning October 30, 2025. Preference shares attract an interest rate of 6.0% per annum. Dividends of $0.4m were paid to preference shareholders during the year compared to $0.4m in the prior year.

BANK LOANS

The Company has a total of five bank loans with RBC Royal Bank (Bahamas) Limited which all originated in previous years to fund various capital purchases. During the year, $6.3m was drawn down on the existing facilities and a new facility totaling $3.0m was secured and fully drawn down to complete the purchase of Burrow's One Stop Shop. All loans attract a blended interest rate of Bahamas Prime minus 0.65%. Currently, The Bahamas Prime rate is 4.25% . A total of $2.8m of principal payments were made on bank loans during the year. At April 30, 2025, the total principal amount outstanding on bank loans was $22.9m.

SALES

During the year, the Company exceeded $200m in annualized revenues and once again recorded consecutive sales growth and the highest sales performance in the Company's history. Sales increased by $12.1m or 6.3% for the year compared to $6.0 or 3.2% in the prior year. We experienced same store sales growth in both our Food Distribution and Franchise divisions.

Our Food Division sales grew by $11.3m or 6.2%. Sales increases within the Grand Bahama market were strong and drove most of the increases over the prior year as market share grew due to the exit of a competitor in the market. Food Distribution sales also included sales from our newly launched brand, Chef Direct, an online food service marketplace. Franchise sales continue to generate year-over-year sales growth and sales increased by 7.7% over the prior year, exceeding $11m in annualized revenues. This fiscal year represents the fourth consecutive year of growth for this division following a previous period of sales decline.

As a Group, AML Foods has enjoyed fourteen years of consecutive sales growth.

GROSS PROFIT

Gross profit increased during the year in dollars and as a percentage of sales. Both shrink, margin and supplies costs improved as a percentage of sales, and coupled with sales increases, gross profit was $9.9m higher than in the prior year. Our shrink performance was positive in most locations and our annual shrink target was achieved for the first time in several years. Overall, shrink reductions impacted net profit positively by $3.9m compared to the prior year.

EXPENSES

Total Selling, General, and Administrative expenses (SG&A) increased to $56.4m from $52.6m or by 7%, and similar to prior year, the increases are driven by higher payroll and related costs as a percentage of sales. For the current year, payroll and related costs as a percentage of sales increased to 12.1% from 11.7% in prior year. All locations with the exception of Solomon's Old Trail, which decreased due to removal of our general merchandise and clothing departments, experienced an increase in payroll dollars. Also, as our performance improved, performance-based incentives increased during the year.

2025-2026 OUTLOOK

OPPORTUNITIES AND INVESTMENTS

We are confident in our business model and the processes we have worked to put in place over the past few years to support sustained growth in the foreseeable future. As we look ahead to next year, we are keen to quickly recover the lost revenues from the fire that destroyed both Cost Right Nassau and Solomon's Old Trail. While the event was both devastating and unexpected, our established brand loyalty has supported the transfer of some business to Solomon's Yamacraw.

We are looking forward in 2025-26 to improved sales from our Eleuthera Markets location. Preliminary results following its opening in May 2025 already indicate that our investment will provide positive returns.

Additionally, as all stores earmarked for e-Commerce are now fully equipped and functioning using e-commerce, we are looking at ways to bring greater awareness to our ecommerce platform and have customers take advantage of ordering online. We have seen through our Domino's online business that an increase in the percentage of online shoppers has a direct and positive correlation to increased average basket size.

ECONOMIC CONDITIONS, CHALLENGES, AND RISKS

Consumer spending was stable in 2024, backed by tourism-led growth however certain markets were negatively impacted in 2024/25 and may remain stagnant in the short term. Our Exuma Markets store was impacted due to the closure of Sandals, a major resort on the island, which left many without a job on the island and negatively impacted comparative average ticket performance in that location.

In Grand Bahama, we have seen tremendous growth in market share, however with new investment opportunities on the island, staff retention has been impacted. The development, training and retention of our associates remain a top priority for our organization and our engagement scores have shown an improvement over prior years.

Our commitment to reaching annualized revenues of $250m remains. Despite the loss of two locations, we are committed to meet or exceed this goal by 2030.

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Chartered Accountants
and Management Consultants
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P.O. Box N-7120
Nassau, Bahamas

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of AML Foods Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of AML Foods Limited (the Company) and its subsidiaries collectively, (the Group), which comprise the consolidated statement of financial position as at April 30, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matter	Summary of the Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Old Trail Fire	On April 14, 2025, the Group experienced a fire at its Old Trail location (refer to note 23 to the consolidated financial statements). The Group recognized a Loss from fire-related destruction of $21,059,000 resulting from damage to Property, plant and equipment, and Merchandise inventories, and other ancillary expenses associated with the fire during the current year. The Group also recognized Insurance claim income of $24,234,000 from insurance policies during the current year. Management's recognition of income and losses, derecognition of assets, and presentation and disclosure of fire-related balances is considered to be a matter of key significance because of the significant estimates associated with the loss incurred and the judgment surrounding the timing of recognition of the insurance recoveries.	In assessing the recognition, presentation and disclosure of fire-related accounting matters, we performed various procedures, including the following: • Reviewed the accuracy and completeness of the carrying value of assets identified by management as impaired by the fire, including the associated valuation allowances. • Evaluated management's judgment of the insurance policies and the impact on the timing of recognition of the insurance claim income. • Assessed the insurance claims receivable and subsequent receipt of the balance. • Evaluated the presentation of the fire-related impact on the face of the consolidated financial statements and the disclosure of the nature of gains, losses, judgments and estimates in the notes.

Key Audit Matter	Summary of the Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Goodwill and Other Intangible Assets	At April 30, 2025, the Group carried Goodwill and other intangible assets of $4,951,000 in the consolidated statement of financial position (refer to Note 11 to the consolidated financial statements) which includes $1,975,000 recognized during the current year from a business combination. Management's allocation of the purchase price on the business combination and impairment assessment of the carrying value of Goodwill and other intangible assets are considered to be matters of key significance because the assessment process is complex, particularly around identifying and assigning value to Intangible assets not previously recognized in the business combination, and the determination of a discount rate, and reliance on significant estimates and assumptions in Goodwill and other intangible assets. Management estimates the discount rate and determines assumptions in forecasting future cash flows, particularly revenues and gross margin percentages in its Goodwill impairment assessment. Management's annual impairment assessment indicated no impairment during the year under audit.	In evaluating the allocation of Intangible assets and impairment of Goodwill, we performed various procedures, including the following: • Reviewed management's purchase price allocation on the business combination. • Involved fair value specialists to evaluate the methods and key assumptions used to identify and value intangible assets. • Reviewed the value in use calculations prepared by management. Assessed the design and implementation of controls surrounding the preparation of the impairment model. • Involved fair value specialists to support our assessment of key assumptions used by management in the goodwill impairment methodology, model inputs, discount rate and long-term growth rate testing. • Compared the growth rates used to historical data regarding economic growth rates, and assessed key inputs into the cash flow forecast against historical performance and in comparison to management's strategic plans. • Assessed the sufficiency and appropriateness of the disclosures given in respect of goodwill and its sensitivity.

Other Information

Management and those charged with governance are responsible for the Other Information. The Other Information comprises all the information in the AML Foods Limited 2025 annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche

Nassau Bahamas
August 29, 2025

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2025
(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2025	April 30, 2024
Assets		
Current assets		
Cash and bank balances (Note 5)	$ 17,577	$ 9,200
Term deposits with original maturities greater than 90 days	292	289
Receivables, net of provisions (Note 6)	1,200	819
Insurance claim receivable (Note 23)	23,150	-
Merchandise inventories, net of provisions (Note 7)	12,678	15,215
Other current assets (Note 8)	3,120	3,175
Total current assets	58,017	28,698
Non-current assets		
Other assets (Note 9)	3,138	4,088
Property, plant and equipment, net (Note 10)		
Property, land improvements, and buildings	37,488	42,135
Equipment	8,268	7,070
Leasehold improvements	3,471	4,795
Work in progress	2,370	8,627
	51,597	62,627
Right-of-use asset (Note 15)	27,228	28,986
Goodwill and other intangible assets (Notes 11 and 22)	4,951	2,976
Total non-current assets	86,914	98,677
Total assets	$ 144,931	$ 127,375

(Continued)

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2025
(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2025	April 30, 2024
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued expenses (Note 13)	$ 20,673	$ 16,272
Current portion of bank loan (Note 12)	3,129	2,544
Current portion of preference shares (Note 14)	1,360	-
Current portion of lease liability (Note 15)	1,580	1,892
Total current liabilities	26,742	20,708
Long-term liabilities		
Bank loan (Note 12)	19,790	16,624
Preference shares (Note 14)	5,441	6,801
Lease liability (Note 15)	29,693	30,787
Total long-term liabilities	54,924	54,212
Total liabilities	81,666	74,920
Shareholders' equity		
Ordinary share capital (Note 16)	7,378	7,378
Contributed surplus	2,231	2,231
Revaluation surplus (Note 10)	7,951	7,951
Retained earnings	45,705	34,895
	63,265	52,455
Total liabilities and shareholders' equity	$ 144,931	$ 127,375

(Concluded)

See notes to consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors on August 29, 2025 and are signed on its behalf by:

Director

Director

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
YEAR ENDED APRIL 30, 2025
(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2025	April 30, 2024
Sales (Note 24)	$ 203,010	$ 190,955
Cost of sales	(133,839)	(131,653)
Gross profit (Note 24)	69,171	59,302
Selling, general and administrative expenses (Note 18)	(56,381)	(52,639)
Loss on property revaluation (Notes 10 and 24)	-	(237)
Other operating income (Note 17)	1,497	1,168
Loss on disposal of property, plant and equipment (Note 10)	(227)	(184)
Net operating profit	14,060	7,410
Interest expense (Notes 12, 15 and 24)	(2,265)	(2,100)
Dividends on preference shares (Notes 14 and 24)	(408)	(408)
Insurance claim income (Note 23)	24,234	-
Loss from fire-related destruction (Note 23)	(21,059)	-
Net profit	$ 14,562	$ 4,902

OTHER COMPREHENSIVE INCOME

	April 30, 2025	April 30, 2024
Gain on property revaluation that will not be reclassified subsequently to profit or loss (Note 10)	$ -	$ 1,597
Other comprehensive income	-	1,597
Total comprehensive income	$ 14,562	$ 6,499
Weighted average number of ordinary shares outstanding	15,008,048	15,008,048
Earnings per share (Note 19)	$ 0.97	$ 0.33

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED APRIL 30, 2025
(Expressed in thousands of Bahamian dollars except per share amounts)

	Number of Shares ('000s)	Ordinary Share Capital	Contributed Surplus	Revaluation Surplus	Retained Earnings	Total
Balance as of April 30, 2023	**15,008**	**$ 7,378**	**$ 2,231**	**$ 6,354**	**$ 33,295**	**$ 49,258**
Net profit from operations	-	-	-	-	4,902	4,902
Other comprehensive income	-	-	-	1,597	-	1,597
Dividends ($0.22 per share)	-	-	-	-	(3,302)	(3,302)
Balance as of April 30, 2024	**15,008**	**7,378**	**2,231**	**7,951**	**34,895**	**52,455**
Net profit from operations	-	-	-	-	14,562	14,562
Dividends ($0.25 per share)	-	-	-	-	(3,752)	(3,752)
Balance as of April 30, 2025	**15,008**	**$ 7,378**	**$ 2,231**	**$ 7,951**	**$ 45,705**	**$ 63,265**

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2025
(Expressed in thousands of Bahamian dollars except shares and per share amounts)

	April 30, 2025	April 30, 2024
Cash flows from operations		
Net profit	$ 14,562	$ 4,902
Adjustments for:		
Depreciation (Notes 10 and 15)	7,486	6,730
Dividends on preference shares (Note 14)	408	408
Increase in inventory provision (Note 7)	201	111
Increase in provision for doubtful debts (Note 6)	40	28
Loss on property revaluation (Note 10)	-	237
Loss on disposal of property, plant and equipment (Note 10)	227	184
Loss from fire-related destruction of property, plant, and equipment (Note 23)	15,812	-
Loss from fire-related destruction of inventory (Note 23)	4,133	-
Insurance claim income (Note 23)	(24,234)	-
Interest on lease liability (Note 15)	1,502	1,469
Operating cash flow before changes in working capital	20,137	14,069
Decrease / (Increase) in working capital source/(use):		
(Increase) / decrease in merchandise inventories (Note 7)	(1,797)	4,709
Increase in receivables (Note 6)	(421)	(58)
Decrease / (increase) in other current assets (Note 8)	55	(116)
Decrease / (increase) in other assets (Note 9)	950	(950)
Increase / (decrease) in accounts payable and accrued expenses (Note 13)	1,986	(21)
Net cash provided from operating activities	20,910	17,633
Cash flows from investing activities		
Movement in term deposits with original maturities greater than 90 days	(3)	(3)
Additions to property, plant and equipment (Note 10)	(9,509)	(20,258)
Proceeds from insurance recovery for property, plant & equipment (Note 23)	3,500	-
Proceeds from sale of property, plant and equipment	-	8
Acquisition of business (Note 22)	(2,515)	-
Net cash used in investing activities	(8,527)	(20,253)

(Continued)

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2025
(Expressed in thousands of Bahamian dollars except shares and per share amounts)

	April 30, 2025	April 30, 2024
Cash flows from financing activities		
Dividends paid on ordinary shares	$ (3,752)	$ (3,302)
Dividends paid on preference shares (Note 14)	(408)	(408)
Proceeds from bank loans (Note 12)	6,277	13,923
Repayment of bank loan (Note 12)	(2,526)	(2,840)
Payment of lease liabilities (Note 15)	(3,597)	(3,629)
Net cash (used in) /provided by financing activities	(4,006)	3,744
Net increase in cash and cash equivalents	8,377	1,124
Cash, beginning of period	9,200	8,076
Cash, end of period (Note 5)	$ 17,577	$ 9,200
Supplemental information:		
Interest received	$ 2	$ 3
Interest paid	$ 1,178	$ 1,031

(Concluded)

See notes to consolidated financial statements.

1. GENERAL INFORMATION

AML Foods Limited ("the Company") is incorporated under the laws of The Commonwealth of The Bahamas and its shares are listed on the Bahamas International Securities Exchange. The registered office of the Company is at One Millars Court, off Shirley Street, Nassau, New Providence, Bahamas and the corporate office is at #20 University Drive, New Providence, Bahamas.

The Company and its wholly owned subsidiaries (together, referred to as "the Group") are primarily engaged in the operations of retail and club stores offering dry and perishable food items and other consumer products, and the operation of a food franchise business.

The Company has eight (8) subsidiaries that management deems to be significant to the operations of the Company for the year ended April 30, 2025. The Company holds 100% of the voting rights in all subsidiaries. The significant operating entities are all incorporated in The Commonwealth of The Bahamas. These are separated into two operating segments as listed below:

Food Distribution

- Solomon's Supercentre (Nassau) Limited
- Cost Right Nassau Limited
- Solomon's Club (Freeport) Limited
- Thompson Wholesale Limited
- Solomon's Fresh Market Limited
- Solomon's Exuma Limited
- Chef Direct Limited

Food Franchise

- Caribbean Franchise Holdings Limited

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, there were several new and amended Standards and Interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB effective for annual reporting periods beginning on or after May 1, 2024. The adoption of these standards, amendments and interpretations were not relevant or not significant to the Company's operations and therefore did not have a material impact on the consolidated financial statements.

a. Standards and Interpretations effective but not affecting the reported results or financial position

IFRS 7 Financial Instruments: Disclosures (Amended)
IFRS 16 Leases (Amended)
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2 Climate-related Disclosures
IAS 1 Presentation of Financial Statements (Amended)
IAS 7 Statement of Cash Flows (Amended)

The above standards have not led to any material changes in the consolidated financial statements of the Company during the current year.

b. Standards and Interpretations in issue but not yet effective

IFRS 9 Financial Instruments (Amended)
IFRS 18 Presentation and Disclosures in Financial Statements
IFRS 19 Subsidiaries without Public Accountability: Disclosures
IAS 21 The Effects of Changes in Foreign Exchange Rates (Amended)

Management is currently reviewing the potential impact of these new standards and interpretations.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance - The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

Basis of preparation **-** The consolidated financial statements have been prepared on the historical cost basis except for certain land, land improvements and buildings which are carried at revalued amounts.

Basis of consolidation **-** The consolidated financial statements include the assets, liabilities, equity, income, expenses, and cash flows of the Company and its subsidiaries and are presented as those of a single economic entity. Subsidiaries are all entities controlled by the Company. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. Accounting policies of subsidiaries are consistent with the policies adopted by the Company. All significant inter-company balances and transactions are eliminated on consolidation.

The following is a summary of the significant accounting policies:

a. Revenue recognition **-** Revenues comprise the fair value of the consideration received or receivable in the ordinary course of the Company's activities. Revenues are presented net of returns and discounts. The Company derives revenues from two types of operations:

i. Retail sales, which include grocery, appliances and household items
ii. Food Franchise sales, which comprise prepared food

IFRS 15 introduces a five-step approach to the timing of revenue recognition based on performance obligations in customer contracts. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company recognizes revenue from the principal activities as described above. Retail sales in both food distribution and food franchise are usually settled by cash or by credit card at the time of sale.

In May 2022, the Company introduced a 'MySmart Rewards' loyalty program through which retail customers accumulate points on purchases of goods sold within its Solomon's and Fresh Market brands that entitle them to discounts on future purchases. These points provide a discount to customers that they would not receive without purchasing the goods (i.e. a material right). The promise to provide the discount to the customer is therefore a separate performance obligation and the transaction price is allocated between the product and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer and the likelihood of redemption. A contract liability is recognized for revenue relating to the loyalty points at the time of the initial sales transaction and is included in Accounts Payable and Accrued Expenses in the Consolidated Statement of Financial Position. Revenue from the loyalty points is recognized when the points are redeemed by the customer. If unredeemed, loyalty points expire two years from the date earned. Loyalty points expired are not material compared to the contract liability recognized at the time of sale.

b. ***Cost of sales*** **-** Cost of sales consists of the purchase price of inventory sold, shipping charges, import duties and other costs. Cost of sales also includes supplies, shrink, and loss and damage. For the Food Franchise segment, cost of sales also comprises all cost associated with the operations of the commissaries including salaries, facilities cost, office costs, motor, and depreciation charges.

Vendor discounts, wherever applicable, are factored into the total landed cost of the inventory.

c. ***Cash and cash equivalents*** - Cash and cash equivalents comprise unrestricted cash on hand and in banks that are available for use in operations and capital expenditures. In the consolidated statement of cash flows, bank overdraft is deducted from cash and cash equivalents to present a net cash position. Cash and cash equivalents also include term deposits with original maturity dates of less than 90 days.

d. ***Term deposits*** - Term deposits with original maturity dates greater than 90 days are shown separate and apart from cash and bank balances. Term deposits may be established for a specific purpose and / or for a certain period of time.

e. ***Receivables*** - Under IFRS 9, financial assets should be classified and measured at fair value, with changes in fair value recognized in profit and loss as they arise ("FVPL"), unless restrictive criteria are met for classifying and measuring the asset at either Amortized Cost or Fair Value through Other Comprehensive Income ("FVOCI").

IFRS 9 establishes an "expected credit loss" ("ECL") model for loans and receivables, including trade receivables that focuses on the risk that a loan or receivable will default or become uncollectible rather than whether a loss has been incurred. Under the ECL model, an entity calculates the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

The Company's trade receivables are not material and do not have a significant financing component and in accordance with IFRS 9 are allowed to be measured at undiscounted invoice price rather than fair value. Based on this treatment, there was no material impact on the treatment of the Company's receivables balance.

f. ***Merchandise inventories*** **-** Food distribution and food franchise inventories are stated at the lower of weighted average cost, less provisions and net realizable value.

Provisions for shrinkage are made for differences between book value and the last physical inventory count based on percentage of sales. Provisions are also made for slow moving and obsolete inventory by applying a range of percentages to inventory aging reports. Losses and damages incurred during the normal course of business are recognized in the consolidated statement of profit or loss and comprehensive income at the time that such impairment is known. These are made in order to estimate the amount by which inventory needs to be reduced to estimated net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to conclude the sale.

g. ***Property, plant and equipment*** – Land, land improvements and buildings are carried at fair value based on independent appraisals that are performed every 3 years unless a significant event occurs earlier which may materially impact property values. Any increase in the carrying value of an asset as a result of a revaluation is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case the reversal is credited to the profit or loss to the extent of the decrease previously expensed. However, a revaluation decrease is charged directly against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of the same asset. No depreciation is provided on land.

Properties in the course of construction are carried at cost and included in work in progress, less any recognized impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets commences when the assets are ready for their intended use, on the same basis as the other property assets.

Equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is provided on a straight-line basis on cost or revalued amounts less estimated residual values (if applicable) over the estimated useful lives of the assets as follows:

Land improvements	10 - 15 years
Buildings	40 years
Equipment	2 - 15 years
Motor vehicles	4 years
Leasehold improvements	Lesser of 7 years or the life of the relevant lease where renewal is not expected

At the time assets are retired or otherwise disposed of, the cost and related accumulated depreciation and revaluation surplus are eliminated from the accounts and any gain or loss on the transaction is recognized in the consolidated statement of profit or loss and comprehensive income.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

All other costs are classified as repairs and maintenance and are charged to the consolidated statement of profit or loss and comprehensive income during the financial period in which they are incurred.

h. ***Business combinations*** - The Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

i. ***Goodwill*** - Goodwill represents the excess of the acquisition cost of subsidiaries over the fair value of net identifiable assets acquired at the date of acquisition. Goodwill is stated at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The Company performs an impairment assessment annually or earlier if indications of impairment exist. An impairment loss for a business unit arises when the assets in use, including goodwill, exceed the recoverable amount, which is calculated as the higher of net selling price and value in use.

j. ***Impairment of intangible and tangible assets other than goodwill*** - At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible 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). When 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. Impairment losses are recognized in profit or loss when the recoverable amount of the asset is less than its carrying amount.

k. ***Dividends*** - Dividends on ordinary shares are paid out of net profits at the discretion of the Board of Directors. Dividends declared and paid are recognized in the period declared in the consolidated statement of changes in equity.

l. ***Preference shares*** - Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognized in the consolidated statement of profit or loss and comprehensive income.

m. ***Treasury shares*** - Shares purchased under the Company's share buyback plan are recorded at cost plus applicable fees. Dividends received on these shares are offset against total dividends paid.

n. ***Employee benefits*** **-** Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

o. ***Defined contribution pension plan*** **-** The Company maintains a defined contribution pension plan. The Company's contribution to the defined contribution pension plan is limited to 5% of a participant's annual base salary. All funds are held together in trust by an independent third party.

The Company's contributions to the plan are recognized as an expense in the consolidated statement of profit or loss and comprehensive income as incurred. The Company does not manage or administer the plan, and its obligation is limited to the amount of its contribution. The funds are remitted to a third-party manager.

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

q. ***Foreign currency translation*** **-** Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency").

The consolidated financial statements are presented in Bahamian dollars, which is the Company's functional and reporting currency.

Monetary assets and liabilities denominated in foreign currencies other than the Bahamian dollar are translated at the exchange rates in effect at the year-end date. Income and expenses in foreign currencies are translated at the rates in effect at the transaction dates.

r. ***Leases*** **-** Leases are recognized as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company. The right of use asset is presented separately in the statement of financial position. At the commencement date, lease liabilities are measured at an amount equal to the present value of the following lease payments for the underlying right-of-use asset during the lease term:

- Fixed payments
- Variable lease payments that are based on an index or rate

The lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. Lease liabilities are subsequently measured using the effective interest method. The carrying amount of the liability is remeasured to reflect any re-assessment, lease modification or revised in-substance fixed payments.

The lease term is a non-cancellable period of lease. Periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated.

Right-of-use assets are measured initially at the amount of the initial measurement of the lease liability. Subsequently, the right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses are adjusted for remeasurement of the lease liability due to reassessment or lease modifications.

The right-of-use assets are depreciated over the shorter of the assets' useful life and the lease term on a straight-line basis. The amortization period for the right-of-use assets are as follows:

Buildings	2 - 40 years

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

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

t. ***Selling, general and administrative expenses*** - Selling, general and administrative expenses include all operating costs of the Company except the cost of sales, as described above.

u. ***Equity instruments*** - An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are detailed in Note 3, management is required to make judgments and estimates about the carrying amounts of certain assets and liabilities. Those judgments and estimates are based on historical experience and other relevant industry standards. Actual results may vary from management's judgments and estimates.

These judgments and estimates are periodically reviewed and revised when necessary. Revisions are recognized in the applicable accounting periods.

The following are judgements and estimates that management has made when applying the Company's accounting policies, which have the most significant impact on the consolidated financial statements.

a. **Goodwill -** Goodwill is initially measured at cost, being the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Management uses estimates to determine the fair value of assets at purchase. The Company performs an annual test to determine if any impairment has occurred to the carrying value of goodwill. In carrying out this test, management uses estimates and projections to determine the net present value (NPV) of the cash generating units by calculating the NPV of projected cash flows and the NPV of terminal values by applying an estimated growth rate and a discount factor based on the Company's weighted average cost of capital (WACC). These estimates are based on government prime rate, estimated internal growth rate, and calculating cost of equity and debt to determine the Company's WACC.

b. **Inventory -** The Company's gross inventory is calculated using weighted average cost. In order to assess net inventory values, the Company makes a provision for shrink (difference between book value and periodic physical counts). A series of estimates are used for each category of product based on historical performance and U.S. industry norms adjusted for the Bahamian market. The Company makes a further provision for obsolescence by applying defined discounts based on an inventory aging report.

c. **Leases -** The Company is unable to readily determine the interest rate implicit in the leases, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

d. **Land, land improvements and buildings -** The Company measures its land, land improvements and buildings at revalued amounts every three years with changes being recognized in the revaluation surplus in the consolidated statement of financial position. The valuation techniques are based on a blended approach of the cost and income methods and consider comparable data for similar properties, performed by an independent appraiser to determine the fair values. The fair values consider specific market factors such as the location and condition of the respective properties. Management considers that the valuation methodologies and assumptions utilized are appropriate for determining the fair value of the Company's land, land improvements and buildings.

e. **Insurance claim income –** The Company records insurance claim income when an event occurs where there are losses that are insured. In determining when a loss gives rise to an insurance claim, Management considers whether a receivable from insurers is warranted and the amount to be paid by insurers are virtually certain.

f. **Business combinations** - During the current year the Company acquired the assets of Burrow's One Stop Grocery store in Governor's Harbour, Eleuthera, The Bahamas. The acquisition comprised all key tangible and intangible assets of Burrows, including all remaining inventory, fixed assets (land, building and equipment), use of the trade name and a non-compete agreement. Management concluded that the acquisition met the requirements of a business combination under IFRS 3 as the acquisition possessed the critical elements—inputs and processes—that can generate outputs in the form of revenue from ordinary activities. Due to the acquisition, the Company gained exposure to variable returns, and the ability to influence returns of Burrow's One Stop Shop. The transaction was accounted for as a Business Combination under IFRS 3 whereby identifiable assets and liabilities were measured at their fair values at the acquisition date and goodwill recognized for the excess consideration above the fair value of net assets acquired.

g. **Customer loyalty program -** The Company's Food Distribution division operates a customer loyalty program, *'My Smart Rewards'* where for each $1 spent, customers obtain $0.01 in loyalty points which they can redeem to receive discounts on future purchases. Loyalty points are considered to be a separate performance obligation as they provide customers with a material right they would not have received otherwise. Unused points expire if not used within one year. The Company allocates the transaction price between the material right and other performance obligations identified in a contract on a relative stand-alone selling price basis. The amount allocated to the material right is initially recorded as a contract liability and is later recognised in revenue when the points are redeemed by the customer. The Company's experience is that an immaterial portion of the loyalty points will expire without being used and during the year, management assumed at the time of being earned, that 100% of the points accumulated during the year would be redeemed in future periods. The Company has assessed it is highly improbable a significant reversal of revenue will arise if actual experience differs from expectations and therefore no further revenue constraint is needed.

5. CASH, BANK BALANCES AND BANK OVERDRAFT

The Company was in compliance with all of its debt covenants as of April 30, 2025. These covenants are in relation to the overall credit arrangements with the Company's bankers.

The credit arrangements with RBC Royal Bank (Bahamas) Ltd. were renegotiated with effect from July 15, 2024. The credit facilities are secured with guarantees and postponement of claims, by fixed and floating debentures over all the Company's assets and by the assignment of insurance policies pertaining to loss of profits, and damage to buildings, equipment and inventories. At April 30, 2025, the Company maintained an overdraft facility of $1,500 (2024: $3,000) bearing an interest rate of Bahamian Prime 4.25% minus 0.65% (2024: 4.25% minus 0.65%). The total overdraft amount utilized at April 30, 2025, was $nil (2024: $nil).

6. RECEIVABLES, NET OF PROVISIONS

Receivables consist of the following:

	2025	2024
Trade receivables	$ 1,353	$ 932
Less: Provision for doubtful accounts	(153)	(113)
Total	$ 1,200	$ 819

The aging of receivables is as follows:

	2025	2024
0 to 30 days	$ 1,007	$ 784
31 to 60 days	100	23
61 to 90 days	51	14
91 days and over	195	111
Total	$ 1,353	$ 932

(Continued)

Movement in the provision for doubtful accounts	2025	2024
Balance at beginning of the year	$ (113)	$ (85)
Impairment losses recognized on receivables	(41)	(37)
Amounts written off during the year as uncollectible	1	9
Balance at end of the year	$ (153)	$ (113)

Management has deemed $193 (2024: $35) of the receivables to be past due, but not impaired.

As at April 30, 2025, the total amount of all receivables deemed uncollectible was $83 (2024: $51). These amounts are included as a provision in the total receivables balance.

(Concluded)

7. MERCHANDISE INVENTORIES, NET OF PROVISIONS

Merchandise inventories consist of the following:

	2025	2024
Food distribution	$ 13,029	$ 15,451
Franchise	636	550
	13,665	16,001
Less: Provisions	(987)	(786)
Total	$ 12,678	$ 15,215

8. OTHER CURRENT ASSETS

Other current assets consist of the following:

	2025	2024
Prepayments	$ 2,063	$ 2,098
Security deposits	1,057	1,077
Total	$ 3,120	$ 3,175

(Continued)

On November 21, 2023, the Company was issued a formal and final levy from the Department of Inland Revenue (DIR) concerning alleged unpaid taxes totaling $950 which related to VAT outstanding for items sold VAT Free in Grand Bahama during the period of January 1, 2019 through December 31, 2021 under the SERZ order.

On December 20, 2023, the Company, with the assistance of legal counsel, initiated a formal dispute against the DIR related to this assessment. To comply with the appeal process, the Company was required to provide full payment of the assessment, which the Company also made on December 20, 2023. This payment was made without waiving any rights in the ongoing dispute.

During the year, the Company reclassified the full payment of $950 from Other Assets to Other Current Assets in the Company's Statement of Financial Position as at April 30, 2025.

Subsequent to April 30, 2025, the final levy from DIR was agreed and settled at $75.

(Concluded)

9. OTHER ASSETS

On September 21, 2016, the Company signed an agreement to purchase a building located at Soldier Road Industrial Site for $3,359. Subsequent to the payment of the final purchase price in July 2017, a dispute arose as to the ability of the vendors to provide good title to the property. This dispute is currently before the Supreme Court and the total payment of $3,138 (2024: $3,138) which excludes value added taxes is included in Other Assets in the Consolidated Statement of Financial Position.

10. PROPERTY, PLANT AND EQUIPMENT, NET

The movement in property, plant and equipment for the year is as follows:

	Land, Land Improvements and Buildings	Equipment and Motor Vehicles	Leasehold Improvements	Work in Progress	Total
Cost/revalued amount:					
At April 30, 2024	$ 42,369	$ 26,547	$ 18,353	$ 8,627	$ 95,896
Additions	1,676	14,630	-	(6,257)	10,049
Disposals	(5,725)	(16,446)	(3,887)	-	(26,058)
At April 30, 2025	$ 38,320	$ 24,731	$ 14,466	$ 2,370	$ 79,887
Accumulated depreciation:					
At April 30, 2024	$ 234	$ 19,477	$ 13,558	$ -	$ 33,269
Depreciation	911	3,020	1,109	-	5,040
Elimination on disposal	(313)	(6,034)	(3,672)	-	(10,019)
At April 30, 2025	$ 832	$ 16,463	$ 10,995	$ -	$ 28,290
Net book value:					
At April 30, 2025	$ 37,488	$ 8,268	$ 3,471	$ 2,370	$ 51,597

(Continued)

	Land, Land Improvements and Buildings	Equipment and Motor Vehicles	Leasehold Improvements	Work in Progress	Total
Cost/revalued amount:					
At April 30, 2023	$ 34,647	$ 24,089	$ 19,514	$ 1,846	$ 80,096
Additions	9,103	2,505	135	8,515	20,258
Disposals	-	(819)	(1,308)	-	(2,127)
Transfers	950	772	12	(1,734)	-
Revaluations	(2,331)	-	-	-	(2,331)
At April 30, 2024	$ 42,369	$ 26,547	$ 18,353	$ 8,627	$ 95,896
Accumulated depreciation:					
At April 30, 2023	$ 3,009	$ 18,002	$ 13,628	$ -	$ 34,639
Depreciation	915	2,150	1,190	-	4,255
Elimination on disposal	-	(675)	(1,260)	-	(1,935)
Revaluations	(3,690)	-	-	-	(3,690)
At April 30, 2024	$ 234	$ 19,477	$ 13,558	$ -	$ 33,269
Net book value:					
At April 30, 2024	$ 42,135	$ 7,070	$ 4,795	$ 8,627	$ 62,627

On April 14, 2025, the Company's Old Trail building which housed two of its grocery locations, Solomon's Old Trail and Cost Right Nassau was damaged due to a fire. As a result of the fire, the Company disposed of assets with a net book value of $15,812.

The Company's accounting policy is to revalue land, land improvements, and buildings, which comprise retail store locations and a food franchise commissary. Because of the size and nature of these properties, and the fact that these properties are in markets that have little or no comparable real estate transactions, the majority of the appraisals are valued using a blend of the cost and income capitalization methods. As at April 30, 2024, the Company obtained independent appraisals and recorded adjustments for all land, land improvements and buildings except the land on Faith Avenue and the recently purchased Solomon's Supercenter property on Old Trail Road. Due to the decrease in the fair market value of one of the Company's properties beyond its original cost, $0.2m was included in the Statement of Profit or Loss and Comprehensive Income as a loss on property revaluation for the year ended April 30, 2024. The values of all other properties increased in total by $1.6m, which is reported as a property revaluation surplus in the Statement of Equity and as other comprehensive income in the Statement of Profit or Loss and Comprehensive Income for the year ended April 30, 2024.

The net book value of land, land improvements and buildings that would have been included in the consolidated financial statements had the Company not adopted a revaluation policy is $32,406 (2024: $33,941).

The fair value measurement of the Company's land, land improvements and buildings is categorized in Level 3 in the fair value hierarchy. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). There were no transfers between the levels during the year.

11. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and Other Intangible assets comprise goodwill and customer relationships as shown below:

	2025		
	Goodwill	Customer-related intangibles	Total
Balance, beginning of period	$ 2,976	$ -	$ 2,976
Additions	1,125	850	1,975
Balance, end of period	$ 4,101	$ 850	$ 4,951

	2024		
	Goodwill	Customer-related intangibles	Total
Balance, beginning of period	$ 2,976	$ -	$ 2,976
Additions	-	-	-
Balance, end of period	$ 2,976	$ -	$ 2,976

During the current year, the Company acquired the assets of Burrow's One Stop Grocery store in Governor's Harbour, Eleuthera, The Bahamas. Due to the transaction, the Company recorded intangible assets totaling $1,975 which comprise goodwill and customer-related intangibles.

Customer-related intangibles, which are initially carried at their fair value at the acquisition date, have an estimated finite life of seven years and are amortized on a straight-line basis. The total amount amortized as at April 30, 2025 was $0 (2024: $0).

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

- Cost Right Freeport
- Exuma Markets
- Domino's
- Eleuthera Markets

The Company's annual impairment exercise indicated no impairment on the remaining goodwill as of April 30, 2025 (2024: $Nil). The Company based its valuation of the cash generating units to which Goodwill has been assigned using a total of NPV (net present value) of projected cash flows and NPV of terminal values. The NPV of projected cash flows were based on cash flows for five (5) years using the Company's estimated growth rates discounted by the weighted average cost of capital ("WACC") less perpetual growth rate.

The Company used a WACC between 11.8% to 12.8% (2024: 12.2% to 13.2%) and revenue growth rate assumptions of 1.8% to 16.8% (2024: 4.2% to 6.3%) in its valuation. The NPV of the terminal value was determined by multiplying the annual cash flows by the discount factor.

12. BANK LOAN

The Company's credit arrangement with RBC Royal Bank (Bahamas) Limited dated July 15, 2024, includes five Reducing Demand Loans totaling $24,930 (2024: $25,474) repayable over 10 years at a blended rate of Nassau Prime - 0.65%. During the year, $6,277 (2024: $13,923) was drawn down on the existing facilities. A new loan was secured during the year in the amount of $3,000. As of April 30, 2025, a total of $0 (2024: $3,277) remained available for draw down.

The credit facilities are secured with guarantees and postponement of claims, by fixed and floating debentures over certain Company assets and by the assignment of insurance policies pertaining to loss of profits, and damage to buildings, equipment, and inventories.

	2025	2024
Due within 1 year	$ 3,129	$ 2,544
Due within 2 to 5 years	10,633	9,647
Due > 5 years	9,157	6,977
Total	$ 22,919	$ 19,168

13. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable, taxes payable and accrued expenses consist of the following:

	2025	2024
Accounts payable - trade	$ 11,054	$ 9,913
Taxes payable, net	2,910	1,275
Accrued expenses	6,709	5,084
Total	$ 20,673	$ 16,272

14. PREFERENCE SHARES

The Company's authorized preference share capital consists of 150,000 Redeemable Non-Voting Cumulative Preference Shares.

Preference shares are entitled to cumulative preferential dividends at a rate of 6% per annum, and are redeemable at the issue price. The Company may redeem the shares, in whole or in part, earlier than scheduled by giving the shareholders 90 days' written notice. During the year ending April 30, 2025, dividends totaling $408 (2024: $408) were paid to preference shareholders.

During 2022, the Company restructured its existing preference debt to allow for an interest only period until 2025. Preference shareholders who participated in the restructuring were moved to a newly formed Preference Share Class E and repayment of principal payments was deferred to begin in October 2025.

(Continued)

As of April 30, 2025, the following classes of preference shares were issued and outstanding at $1,000 per share:

Class	Authorized	Issued and Outstanding	
		2025	**2024**
E	25,000	6,801	6,801

They are redeemable as follows:

	2025	**2024**
Due within 1 year	$ 1,360	$ -
Due within 2 to 5 years	5,441	5,441
Due > 5 years	-	1,360
Total	$ 6,801	$ 6,801

(Concluded)

15. LEASES

The Company and its subsidiaries lease certain retail and office space under non-cancellable operating leases. As of April 30, 2025, 16 leases (2024: 15) are in effect. Four of these leases include variable lease terms where rent is paid on three of the leases at a minimum of $500 annually and on one at a minimum of $280 annually or a range of 3% to 3.5% of sales. Additionally, 12 of the leases include lease extension options that allow the Company to extend for periods from 2 years to 18 years. The leases do not provide for any restrictions that could impact the current nature of the operations.

Right-of-use assets

The statement of financial position shows a separate line for the right-of-use assets, which comprises the following:

	2025	**2024**
Right-of-use asset		
Land improvements and buildings	$ 27,228	$ 28,986

Movement in right-of-use assets are as follows:

	2025	**2024**
Beginning balance	$ 28,986	$ 28,094
Additions - new lease contracts	769	3,478
Adjustments to leases during the year	(81)	(111)
Depreciation for the year	(2,446)	(2,475)
Ending balance	**$ 27,228**	**$ 28,986**

(Continued)

The following amounts are recognized in the consolidated statement of profit or loss and comprehensive income:

	2025	2024
Depreciation charge for right-of-use assets	$ 2,446	$ 2,475
Interest expense on lease liabilities (included in interest expense)	1,502	1,469
Expense relating to variable lease payments not included in lease liabilities (included in selling, general and administrative expenses)	2,103	2,107
Total expenses related to leases	**$ 6,051**	**$ 6,051**

Cashflows

The following amounts are recognized in the statement of cash flows related to leases:

	2025	2024
Cash outflows for leases - financing activities		
Principal	$ 2,095	$ 2,160
Interest	1,502	1,469
	3,597	**3,629**
Cash outflow for leases - operating activities	**2,103**	**2,107**
Total cash outflows	**$ 5,700**	**$ 5,736**

The maturity analysis for the undiscounted lease payments to be made after April 30, 2025 in relation to non-cancellable operating leases are as follows:

	2025	2024
Due within 1 year	$ 2,990	$ 3,368
Due within 2 to 5 years	4,376	6,886
Total	**$ 7,366**	**$ 10,254**

(Concluded)

16. ORDINARY SHARE CAPITAL AND TREASURY SHARES

As of April 30, 2025, 15,008,048 (2024: 15,008,048) ordinary shares of par value of $0.50 each were issued and fully paid.

In June 2014, the Company re-instated a share buy-back plan. This program is to be reviewed annually by the Board of Directors. During the year ended April 30, 2025, no shares (2024:0) had been repurchased at an aggregate cost of $0 (2024: $0). The total amount of treasury shares at April 30, 2025, was 0 (2024: 0) with an aggregate cost of $0 (2024: $0).

17. OTHER OPERATING INCOME

Other operating income comprises the following:

	2025	2024
Membership income	$ 728	$ 636
Unredeemed and expired loyalty points	291	-
Credit card rewards	227	209
Rent and commissions from kiosks and ATMs	118	65
Unredeemed and expired gift cards	44	84
Other miscellaneous income	44	60
Rental income	42	111
Interest income	3	3
Total	**$ 1,497**	**$ 1,168**

18. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Included in selling, general and administrative expenses are the following items:

	2025	2024
Payroll and related costs	$ 24,647	$ 22,265
Facilities and rent	9,730	10,264
Sales and marketing expenses	8,298	7,829
Depreciation	7,486	6,730
Other costs	3,714	3,177
Office and computer costs	1,975	1,931
Pension contributions	292	246
Directors' fees	239	197
Total	**$ 56,381**	**$ 52,639**

Included in payroll and related costs is $2,489 (2024: $2,104) representing compensation for key members of management. This amount includes salaries and other employee benefits.

19. EARNINGS PER SHARE

Earnings per share are calculated by dividing the results for the period by the weighted average number of ordinary shares in issue less treasury shares during the respective periods. There were no dilutive transactions during the period that would have an impact on earnings per share.

Earnings per share have been calculated based on the following:

	2025	2024
Net profit applicable to continuing operations	$ 14,562	$ 4,902
Weighted average number of ordinary shares outstanding ('000s)	15,008	15,008

20. COMMMITMENTS AND CONTINGENCIES

Capital commitments amounting to $203 were outstanding as of April 30, 2025 (2024: $1,696).

Legal contingencies - The Company and its subsidiaries are involved in various claims and legal actions arising in the ordinary course of business, in which it is a defendant. Based on legal advice, Management has assessed the likelihood of loss, made accruals where deemed necessary, and do not expect the final outcomes of the legal actions to have a material effect on the Company's consolidated financial position.

The Company has letters of credit and guarantees of $5,100 outstanding as of April 30, 2025 (2024: $4,380).

21. RELATED PARTY TRANSACTIONS

Related party balances and transactions not disclosed elsewhere in these consolidated financial statements are disclosed below:

The Company has leases with companies in which a director is a related party as follows:

- A five-year lease term renewable for five subsequent periods of five years each with rent totaling $855 (2024: $743) is included in Selling, General and Administrative expenses in the Consolidated Statement of Profit or Loss and Comprehensive Income. The total amount payable as of April 30, 2025, was $36 (2024: $20) and is included in Accounts Payable and Accrued Expenses in the Consolidated Statement of Financial Position. The minimum lease payments over the non-cancellable period of this lease at April 30, 2025, were $2,407 (2024: $1,773).

- A five-year lease term renewable for five subsequent periods of five years each with rent totaling $516 (2024: $365) is included in Selling, General and Administrative expenses in the Consolidated Statement of Profit or Loss and Comprehensive Income. The total amount payable as of April 30, 2025, was $27 (2024: $7) and is included in Accounts Payable and Accrued Expenses in the Consolidated Statement of Financial Position. The minimum lease payments over the non-cancellable period of this lease at April 30, 2025, were $922 (2024: $1,382).

(Continued)

- The Company has also leased space to a company in which a director is a related party. The Company recorded a total of $34 (2024: $34) in rental income which is included in Other Operating Income in the Consolidated Statement of Profit or Loss and Comprehensive Income. The total amount receivable as of April 30, 2025, was $8 (2024: $8) and is recorded in Receivables, net of provisions in the Consolidated Statement of Financial Position.

In 2025, total remuneration of Directors was $239 (2024: $197) and is included in Selling, General and Administrative expenses in the Consolidated Statement of Profit or Loss and Comprehensive Income. Unamortized amounts related to annual retainers to Directors totaled $85 (2024: $60) and are included in Other Current Assets in the Consolidated Statement of Financial Position.

(Concluded)

22. ACQUISITION OF BURROWS ONE STOP SHOP GROCERY STORE

During the year, the Company entered into an Asset Purchase Agreement to acquire the assets of Burrows One Stop Shop Grocery Store located at Queen's Highway, Governor's Harbour, Eleuthera, The Bahamas in the amount of One Million Nine Hundred and Seventy-Five Thousand Dollars ($1,975). Simultaneously, the Company also entered into a Land Purchase Agreement to purchase the Land and Building of Burrows One Stop Shop Grocery Store for Five Hundred and Twenty Five Thousand Dollars ($525).

The completion of the transaction resulted in an increase in Goodwill of $1,175 and an increase in customer-related intangibles of $800 which are included in Goodwill and Other Intangibles in the Consolidated Statement of Financial Position.

23. OLD TRAIL FIRE

On April 14, 2025, the Company's Old Trail building which housed two of its grocery locations, Solomon's Old Trail and Cost Right Nassau was damaged due to a fire. As a result of the fire, the Company recorded losses totaling $21,059 which is comprised of $15,812 from write off of property, plant and equipment, $4,133 from inventory damaged, and $1,137 from other fire related expenses which are included in Loss from Fire-Related Destruction in the Consolidated Statement of Profit or Loss and Comprehensive Income.

The Company's assets at these locations were insured and as a result of the losses, the Company recorded insurance income of $24,234 net of value-added-tax ("VAT") comprising $20,438 for property, plant & equipment losses and $3,796 for inventory losses which are recorded in Insurance Claim Income in the Consolidated Statement of Profit or Loss and Comprehensive Income. As of April 30, 2025, the Company received $3,500 of the sums insured inclusive of VAT from insurers. Total receivables from insurers of $23,150 inclusive of VAT are included in Insurance Claim Receivable on the Consolidated Statement of Financial Position.

The Company also has various insurance policies which cover business interruption losses related to net profit, payroll and various inter-Company charges. Any insurance proceeds received from claims on these policies will be reported in the period they relate to subsequent to April 30, 2025.

24. SEGMENT REPORTING

Segment reporting is presented based on the Company's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Geographical segments - The Company and its subsidiaries operated on four Islands within The Bahamas during the fiscal year: Grand Bahama, Exuma, Abaco, and New Providence.

The Company considers the economic environment in the four Bahamian Islands to be similar in terms of risks and returns and therefore concludes that it operates in one geographic segment.

Business segments - The Company and its subsidiaries operate principally in three business segments: Food Distribution, Food Franchise and Corporate. The Food Distribution segment consists of the retail and club distribution of consumer and food products and food services distribution in Grand Bahama, Exuma, Abaco, and New Providence. The Food Franchise segment consists of the manufacturing and delivery of pizza in Grand Bahama and New Providence. The Corporate segment consists of the Company's real estate and corporate management.

(Continued)

	Food Distribution		Food Franchise		Corporate		Consolidation	
	2025	2024	2025	2024	2025	2024	2025	2024
Sales	$ 191,920	$ 180,661	$ 11,090	$ 10,294	$ -	$ -	$ 203,010	$ 190,955
Gross profit	61,698	52,389	7,473	6,913	-	-	69,171	59,302
Gross profit %	32.1	29.0	67.4	67.2	-	-	34.1	31.1
Net operating profit / (loss)	27,120	19,174	1,087	1,055	(14,147)	(12,819)	14,060	7,410
Dividends on preference shares	-	-	-	-	(408)	(408)	(408)	(408)
Interest expense	(1,444)	(1,431)	(58)	(38)	(763)	(631)	(2,265)	(2,100)
Insurance claim income	12,622	-	-	-	11,612	-	24,234	-
Loss from fire-related destruction	(13,248)	-	-	-	(7,811)	-	(21,059)	-
Net profit from continuing operations	**$ 25,050**	**$ 17,743**	**$ 1,029**	**$ 1,017**	**$(11,517)**	**$ (13,858)**	**$ 14,562**	**$ 4,902**

(Concluded)

25. FINANCIAL INSTRUMENTS

The Company, in the normal course of business, uses various types of financial instruments. Information on financial risks and fair value of these financial instruments is set out below.

a. Interest rate risk - The Company is exposed to interest rate risk on term deposits and long-term debt, except preference shares which have a fixed interest rate. Management monitors interest bearing assets and liabilities to minimize the gap between interest rates.

   If interest rates had been 1% higher/lower, net profit for the year ended April 30, 2025, would decrease/increase by $222 (2024: $178) as a result of the change in interest rate.

b. Credit risk - The Company is exposed to credit risk in respect of losses that will have to be recognized if counterparties fail to perform as contracted.

   The Company's exposure to credit risk is primarily in respect of accounts receivable, bank balances, and short-term deposits. Credit risk on bank balances and short-term deposits is limited because counterparties are reputable and well-established financial institutions. The Company's credit risk is thus primarily limited to accounts receivable, which is shown net of provision for doubtful accounts. The Company has no significant concentration of credit risk.

c. Liquidity risk - The Company is exposed to liquidity risk if it encounters difficulty in raising funds to meet commitments associated with financial instruments.

   Prudent liquidity risk management implies maintaining sufficient cash. The Company monitors and maintains a level of bank balances deemed adequate to finance its operations. The Company deposits cash with financial institutions of good standing and maintains an overdraft facility as described in Note 5.

d. Capital risk management - The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from the year ended April 30, 2024.

   The capital structure of the Company includes debt and equity comprised of issued capital, revaluation surplus, and retained earnings.

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

   In management's opinion, except for its leases, the estimated fair value of financial assets and financial liabilities at April 30, 2025 were not materially different from their carrying values.

   The fair values of the Company's short-term financial instruments comprising accounts receivable, bank balances, other assets and accounts payable and accrued expenses, are not considered to be materially different from their carrying values due to their short-term nature.

(Continued)

The fair values of the Company's non-current financial instruments, comprising primarily bank loan and preference shares, are estimated to approximate their carrying value as they bear interest rates which are approximate market rates. For purposes of the fair value hierarchy, these instruments are classified as Level 2, whereby fair value is estimated using inputs, other than quoted prices, that are observable either directly (that is, as prices) or indirectly (that is, derived as prices).

(Concluded)

26. SUBSEQUENT EVENTS

Subsequent to April 30, 2025, the Company received cash totaling $25,094, inclusive of VAT from insurers related to the Old Trail Fire.

On May 21, 2025, the Company's Eleuthera Markets location, formerly Burrows One Stop Shop commenced operations.

On June 30, 2025, the Company entered into a new lease agreement for a temporary location for its Cost Right Nassau business. The lease terms are for 18 months with an option to renew for a further 12 months. The total monthly payment associated with the lease is $36, exclusive of VAT. The lessor is with a company in which a Director is a related party.

On July 3, 2025, the Company declared an ordinary dividend of $0.05 per share and an extraordinary dividend of $0.03 per share payable on July 21, 2025, to shareholders of record on July 16, 2025.

* * * * * *

CORPORATE GOVERNANCE

Duties of the Board

The Board of Directors of the Company has the obligation to oversee the conduct of the business of the Company and to supervise the Executive Management that is responsible for the day-to-day conduct of the business. Any responsibility that is not delegated to a committee of the Board or Executive Management remains with the full Board. The Board of Directors deals with all matters that materially impact the Company, including but not limited to divestments, acquisitions, new financings, and share transactions. The Board of Directors of the Company will comprise of a maximum of ten members who are elected at the Annual General Meeting. Of these Directors, only Mr. Gavin Watchorn is an executive of the Company.

The Board of Directors has established a written Code of Conduct to serve as a guideline for good business practices and ethical standards of behavior. Each Director and Officer of the Company has confirmed their compliance with the Code of Conduct in the year ended April 30, 2025.

Board Nominations

The Corporate Governance Committee is responsible for identifying potential new Directors and recommending selected nominees to the Board. The Board then considers Director nominees for election at the next annual meeting of members. The Board also has the authority to appoint a Director to a casual vacancy, which may arise during the year. In making its candidacy recommendations, the Committee will consider the competencies and skills that the Board considers to be beneficial to the ongoing function of the Board and the ability of the candidates to commit the necessary time to perform their duties.

Committees of the Board of Directors

The Board of Directors has delegated certain of its responsibilities to sub-committees of the Board. Such committees are generally responsible for reviewing matters specified in their mandates and making recommendations to the Board, which retains ultimate decision-making authority. The Board of Directors has constituted the following committees:

- Audit Committee
- Personnel Committee
- Corporate Governance Committee

Audit Committee

The Audit Committee, which is comprised of Directors who are neither paid officers nor employees of the Company or any of its subsidiaries, is responsible for the oversight of the financial reporting and internal controls of the Company, which includes the review and evaluation of the appropriate accounting principles and practices to be observed in the preparation of the accounts of the Company and its subsidiaries. The operations of the Audit Committee are governed by the Audit Committee mandate which is approved by the Board of Directors. The Audit Committee mandate addresses all of the required functions as set out by the Securities Industry (Corporate Governance) (Amendment) Rules, 2020. .

The Audit Committee has responsibility for reviewing practices and procedures with a view to ensuring compliance with reporting and disclosure requirements of applicable securities laws, related to financial performance and material undertakings and activities of the Company and its subsidiaries. The Audit Committee also has initial responsibility for reviewing, when appropriate, public disclosure documents containing material financial information, including registration statements and prospectuses pertaining to the issue of securities in the Company prior to their submission to the Board. During the fiscal year, the Audit Committee members consisted of Mr. Juan Lopez (Chair), Mr. Sunil Chatrani, Mr. Franklyn Butler II, Mrs. Meike de Vaere-Hoorn, Mr.

Jeff Gordman, and Mr. Robert Sands. During the year Mr. Juan Lopez replaced Mr. Sunil Chatrani as Audit Committee Chair. Also during the year, Mr. Robert Sands joined the Audit Committee and Mr. Jeff Gordman and Mrs. Meike de Vaere-Hoorn left the Audit Committee.

Personnel Committee

The Personnel Committee provides advice and direction to the Board and Chief Executive Officer on policies related to human resource management, generally. It reviews and assesses in conjunction with the Board the performance of the Chief Executive Officer and, with the Chief Executive Officer, all other key members of Senior Management who report to the Chief Executive Officer. It also reviews and recommends for approval by the Board, the performance targets and the creation, amendment or termination of benefit and compensation plans and major organizational changes affecting the Company. It monitors human resources policies and programs, establishes a methodology or process for Senior Management succession planning and reviews successor plans for key members of Senior Management.

Its primary responsibility is the approval of, or recommendation for approval by the Board where appropriate, with respect to matters related to human resource management, compensation and benefit programs, Senior Management succession planning, the appointment and compensation of key members of Senior Management and the appointment of officers of the Company. During the fiscal year, the Personnel Committee members consisted of Mr. Robert Sands (Chair), Mrs. Meike de Vaere-Hoorn, Mrs. Tara Cooper Burnside, and Mr. Sunil Chatrani.

Corporate Governance Committee

The purpose of the Corporate Governance Committee is to develop, recommend and administer the corporate governance guidelines of the Company. The Committee assists the Board by identifying individuals qualified to become board members and to recommend to the Board the Director nominees for election at the next annual general meeting. During the fiscal year, the Corporate Governance Committee members consisted of Mrs. Tara Cooper Burnside (Chair), Mr. Franklyn Butler, Mr. Juan Lopez and Mr. Gavin Watchorn.

Meetings of Board of Directors

The Board of Directors aim to meet formally at least four times per year. The table below shows Director attendance of meetings held during the fiscal year ended April 30, 2025:

Director	Number of Board Meetings Invitationas	Number of Board Meetings Attended	Number of Committee Meetings Invitations	Number of Committee Meetings Attended
Franklyn Butler II	6	6	7	7
Robert Sands	6	5	4	4
Meike de Vaere-Hoorn	6	6	4	4
Tara Cooper Burnside	6	6	5	5
Jeff Gordman	6	5	2	2
Sunil Chatrani	6	5	6	5
Juan Lopez	6	6	7	7
Gavin Watchorn	6	6	9	9

Compensation of Directors

Each director who was not a salaried employee of the Company or of any of its subsidiaries was paid an annual retainer of $20,000 per annum (2024: $15,000 per annum) except for the Chairman of the Board who received an annual retainer of $25,000 (2024: $20,000) In addition, a fee of $1,250 per meeting (increased to $1,500 per meeting during the fiscal year) of the main board or sub-committee was paid to each director, contingent upon attendance. A Director who was the chairperson of a subcommittee received an additional annual fee of $1,500 (increased to $2,000 during the fiscal year). Directors are also entitled to reimbursement for reasonable travel and living expenses incurred by them in attending any Board of Directors or committee meetings, which amounted to $22,826 for the year ended April 30, 2025 (2024: $23,536). Total fees, including retainers, for the year ended April 30, 2025 were $238,704 (2024 :$200,366)

Director's Interest in Transactions

Mr. Franklyn Butler II, is a Director of Milo B. Butler and Sons Investment Co., Ltd. The Company entered into a lease agreement with Milo B. Butler and Sons Investment Co., Ltd. on April 1, 2012 for an initial term of five years with options to renew for five consecutive terms of five years each. During the year, the Company exercised its option to renew this lease and has extended the lease to include an initial 5 year term plus the option to renew for five consecutive five year terms.

Mr. Franklyn Butler II is also a related party of Milo B. Butler and Sons Limited. The Company entered into an agreement on February 1, 2018 to lease space to Milo B. Butler and Sons Limited commencing on April 1, 2018 for an initial term of five years with an option to renew for an additional five years. The lease is currently operating on a month-to month basis.

On July 1, 2021, the Company, as a lessee, entered into a separate lease agreement with Milo B. Butler and Sons Investment Co., Ltd. commencing on September 1, 2021. The lease has an initial term of five years with five options to renew for five successive years each.

Subsequent to year end, on June 30, 2025, the Company entered into a new lease agreement with Milo Butler Corporation for a temporary location for its Cost Right Nassau business. The lease terms are for 18 months with an option to renew for a further 12 months. The lessor is with a company in which Mr. Franklyn Butler is a related party.

There are no material contracts with related parties. In accordance with the Securities Industry (Corporate Governance) (Amendment) Rules, 2020, a material contract is a contract that has a transaction value of more than two percent of the revenues of a company.

BOARD OF DIRECTORS

Franklyn Butler II
Chairman

Director since 2011
President & Group CEO
Cable Bahamas
New Providence, The Bahamas

Tara Cooper Burnside KC
Director

Director since 2019
Attorney & Partner
Higgs & Johnson
New Providence, The Bahamas

Robert Sands
Director

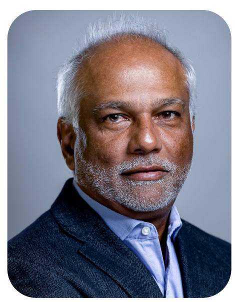
Director since 2003
Senior Vice President
Government & External Affairs,
Baha Mar Resorts Ltd.
New Providence, The Bahamas

Jeff Gordman
Director

Director since 2020
Principal
Jeff Gordman Advisory LLC
Nebraska, United States

Juan Lopez
Director

Director since 2024
Chartered Accountant
New Providence, The Bahamas



Sunil Chatrani
Director

Director since 2020
Executive Chairman
Apes Hill Barbados Inc.
St. Michael, Barbados

Meike de Vaere-Hoorn
Director

Director since 2017
Senior Vice President
Partnerships & Business
Development,
WildBrain CPLG
Amsterdam, Netherlands

Gavin Watchorn
President & CEO, Director

Director since 2006
President & CEO
AML Foods Limited
New Providence, The Bahamas

Supporting Our Communities
Leveraging Our Strengths for Meaningful Impact

At AML Foods Limited, corporate social responsibility is a core pillar of our business strategy. We are committed to leveraging our voice, resources, and capabilities to support the people and communities we serve. Through purposeful partnerships and sustained engagement, we aim to foster lasting, positive change across The Bahamas.

In the past fiscal year, AML Foods contributed almost $200k in cash and in-kind donations to programs aligned with our core areas of commitment: Food and Nutrition Security, Sustainability, and Youth Empowerment.

As part of our continued focus on food security, we work to improve access to nutritious food while raising awareness of hunger-related issues. We actively support local initiatives and organizations that share our mission of promoting healthy living and reducing food insecurity within our communities.

Environmental stewardship remains a priority for our organization. We continue to adopt sustainable practices and enhance supply chain efficiencies to reduce our environmental impact. AML Foods is committed to establishing itself as a leader in sustainable food retail.

Furthermore, we recognize the importance of economic inclusion and youth development. By supporting programs focused on skills training, job readiness, and workforce development, we strive to empower the next generation and contribute to long-term community resilience and growth.

As we look ahead, AML Foods remains dedicated to advancing these priorities through meaningful action, strategic partnerships, and a deep-rooted commitment to social impact.










CORPORATE SUPPORT CENTRE

#20 University Boulevard
P.O. Box SS-6322
Nassau, The Bahamas
Tel: 242.677.7200

AUDITORS

Deloitte & Touche
Collins Avenue
2nd Terrace West
P.O. Box N-7120
Nassau, The Bahamas
Tel: 242.302.4800

REGISTRAR & TRANSFER AGENTS

Bahamas Central Securities Depository
310 Cotton Tree Plaza, Unit #4
East Bay Street
P.O. Box N-9307
Nassau, The Bahamas
Tel: 242.322.5522/3

REGISTERED OFFICE

Harley James Corp. Limited
No 9 Pineapple Grove
Western Road, Old Fort Bay
P.O. Box SP-63858
Nassau, The Bahamas
Tel: 242.327-7275

LEGAL COUNSEL

Higgs & Johnson
Ocean Centre, Montagu Foreshore
East Bay Street
P.O. Box N-3247
Nassau, The Bahamas
Tel: 242.502.5200

BANKERS

RBC Royal Bank (Bahamas) Limited
Royal Bank House
East Hill Street
P.O. Box N-7459
Nassau, The Bahamas
Tel: 242.322.8700

FINANCIAL ADVISORS

Providence Advisors Limited
2nd Floor, Goodman's Bay
Corporate Center
P.O. Box AP-59223
West Bay Street
Nassau, The Bahamas
Tel: 242.328.7115

STORES DIRECTORY

RETAIL DIVISION SOLOMON'S

NEW PROVIDENCE

Solomon's Old Trail (**Closed**)
East West Hwy & Old Trail Road

Solomon's Yamacraw
Yamacraw Hill Road

GRAND BAHAMA

Solomon's Lucaya
Sea Horse Shopping Plaza

Solomon's Downtown
Downtown, Freeport

EXUMA

Exuma Markets
George Town

ELEUTHERA

Eleuthera Markets
Governor's Harbour

RETAIL DIVISION SOLOMON'S FRESH MARKET

NEW PROVIDENCE

Solomon's Fresh Market
Old Fort Bay Town Centre

Solomon's Fresh Market
Harbour Bay Shopping Plaza

WAREHOUSE CLUB DIVISION COST RIGHT

NEW PROVIDENCE

Cost Right Wholesale Club (**Closed**)
East West Hwy & Old Trail Road

GRAND BAHAMA

Cost Right Wholesale Club Freeport
The Mall Drive

FRANCHISE DIVISION DOMINO'S PIZZA

NEW PROVIDENCE

Blue Hill Road
Cable Beach Shopping Center
Carmichael Road
Coral Harbour Shopping Center
Golden Gates Shopping Center
Harbour Bay Sh opping Plaza
Mall at Marathon
Sea Grapes Shopping Center
South Beach Shopping Center

GRAND BAHAMA

RND Plaza

FOOD SERVICE DIVISION CHEF DIRECT

Exuma
Abaco
Eleuthera
New Providence