QUALITY • VALUE • SERVICE

Annual Report 2023

Table of Contents

About AML Foods Limited

Mission:

Deliver the best grocery 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.

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

Our Company is built on a strong foundation of integrity, respect for all, corporate responsibility, and community giving. We seek to create a brighter future for the communities that we operate in by directing charitable giving toward our core areas of commitment - Hunger Prevention & Healthy Living, The Environment and Youth Empowerment.

At AML our mission is to deliver the best grocery experiences, fresh products, and great service to transform our company into the most valued and trusted retailer in The Bahamas. We are committed to driving operational efficiencies and running our businesses better, as well as providing our customers with value while remaining competitive. We are one team and lead by example, working every day to provide exceptional shopping experiences in all our stores. We do this for the benefit of our customers, our associates, and our shareholders.

AML Foods' Retail Distribution Division is comprised of six grocery store locations. In New Providence stores include Solomon's Super Center, Solomon's Yamacraw, Solomon's Fresh Market Old Fort Bay, and Solomon's Fresh Market Harbour Bay. Locations in Grand Bahama include Solomon's Lucaya and Solomon's Downtown, and in Exuma, Exuma Markets. These stores offer a wide range of consumer products from food items to general merchandise and clothing. Our team members work every day to ensure that each location offers affordable products of the highest quality standards. To make the retail experience more enjoyable for our customers, we challenge our associates to provide superior service.

Our Club Distribution Division includes two stores - Cost Right Wholesale Club Nassau and Cost Right Wholesale 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 convenient shopping. Our team members are dedicated to giving customers value on the products we supply, all while making shopping a pleasant 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 consists of www.dominos242.com. The web-based platform allows customers to purchase their pizza online for carryout, dine-in or delivery. Domino's Pizza Bahamas was the first pizza company on the island to offer this engaging ordering experience. In the fall of 2023, we will introduce E-Commerce into our Retail Distribution Division.

AML Foods Limited is a publicly traded company with 1,300 individual shareholders and is listed on the Bahamas International Stock Exchange. The Company employs 857 associates in New Providence, Grand Bahama and Exuma.

Message from the Chairman

Dear Shareholders,

It gives me great pleasure to update you on the status of your company's progress over the fiscal year 2022/2023. A year in which we have made substantial progress in our operations but also faced tremendous challenges managing inflation and maintaining our supply chain. As we close the fiscal year, we see some relief with prices of some items now starting to normalize. The inflationary impact of rising costs and our ability to make suitable and timely pricing adjustments were a material challenge and impacted our results. Even so, I am confident that we have learned the lessons and have fine-tuned our systems to avoid any similar margin erosion, if we ever find ourselves in the unlikely inflationary cycle which was triggered by the war in Ukraine, as well as an aggressive increase in Federal Reserve interest rates.

With the rising costs associated with inflation as well as our challenges with rising operating costs, particularly electricity, we have begun to see some impact on consumer spending habits as they continue to reduce basket size and look for greater value in our store brands over national brands. Our strategy remains to drive digital and to offer better value to all of our customers by understanding their needs through our Solomon's Smart Rewards and Cost Right Membership Programs, in conjunction with working with our vendors to negotiate special value buys and offers that will drive spend within our stores over the next 12 months. Our continued growth plans which include a full remodel and upgrade of several of our stores but most notably Cost Right Nassau and Solomon's Nassau, will also drive fiscal 2024 sales.

During the year, we opened our new Downtown Freeport store, which is performing as expected and from launch, has benefited from our new planograms. We will be using planograms to introduce greater variety and value products across all of our locations, which we believe will continue to improve consumer satisfaction with all of our brands. These planograms as well as our data analytics strategy are the results of our technology and IT journey we commenced several years ago, and we are beginning to unlock great value in terms of operational efficiency (specifically out of stocks) as well as marketing insights which we believe will continue to be positives for our business and customers.

In closing, I would like to thank our associates and executives for their continued commitment to AML Foods and its success. Our industry is dynamic and the last 18-24 months have probably been more dynamic than any other time in our recent history, yet still we managed to remain profitable and reward our shareholders with consistent dividends.

As we press toward financial year 2024, I am confident that our management team will continue to improve our operations and reward our shareholders with even stronger results as well as meaningfully impact our customer satisfaction scores, as we build upon the fundamentals and experience of the last year.

Franklyn Butler II
Chairman

Message from the Chief Executive Officer

It is my pleasure to write to you again as part of our 2023 Annual Report.

I wish to thank my team for their incredible work over the past year, our customers for their business and loyalty, and our board and shareholders for your support on our journey. This past year, our performance did not meet our expectations, as due to the highest inflation rate in generations, customers' shopping habits were affected by changes to the types and quantities of products that they bought. Consequently, this is having a short-term impact on our performance. Although our results have not reflected the efforts of our associates and team, we have made meaningful progress on our short-term objectives, and continue to produce strong cashflows. I am confident that the underlying strength required to deliver upon our long-term objectives is solid.

Each week, we process approximately 75,000 transactions throughout our 19 locations over 3 islands. We appreciate that our stores are an important part of our customers lives, and we aim to strengthen that relationship through providing great experiences, that will make us the first choice for our customers primary shop – whether that is for groceries or a quick service meal.

This focus on improving our customers' shopping experience is driving much of our short-term objectives – equipment upgrades and store resets in our Fresh Market brands, to the much larger project of a complete remodel of our Solomon's Nassau store and the relocation of Cost Right Nassau. The purchase of the property formerly leased by Solomon's Nassau provides us with greater strategic certainty for that business, as well as Cost Right Nassau, and will result in significant expense savings over the long term.

We expect to complete the remodels and resets in our existing stores within the next 24 months, and we will then shift our focus back to expansion. The opening of our Solomon's Downtown Freeport store has filled a void in the Grand Bahama market and has also allowed us to create a smaller store format that we can replicate in other locations. There are several areas that we have identified as targets for our long-term growth plans, and as part of this strategic planning, we recently purchased a property on Faith Avenue, near the intersection with Carmichael Road in New Providence. Our plans are to convert this property into a shopping center with a Solomon's neighborhood store as the anchor tenant.

In February 2023, I was blessed to celebrate 20 years working for this great company. So much has changed during this time. AML is now a much larger, more resilient entity, remaining true to our roots of serving the communities that we operate in, but doing so a lot differently than in 2003. As a company, we have pivoted and changed as our needs dictated or as opportunities arose.

Looking ahead, I foresee continued change for our industry and our Company, especially given the uncertainty in the local and global markets. I am encouraging our team to embrace these changes and to focus on the challenge of meeting the evolving needs of our customers, while delivering upon the expectations of our shareholders. Our outlook on the success of our business remains unchanged, and we will continue to invest in technology and our people as we work to grow our Company to $250m in revenues by 2030. To continue growing our Company and improving shareholder value, we will remain committed to managing through the current industry conditions, while at the same time, pursuing opportunities to expand our retail footprint, integrate our supply chain network and provide complementary services to our customers.

Our team remains focused on executing our strategic and operational initiatives to ensure that we deliver improved results in 2023. We remain appreciative of your support as we continue our journey to transform AML Foods into the most valued and trusted retailer in The Bahamas.

Gavin Watchorn,
President and CEO

2023 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

Renea Bastian
Vice President Marketing & Communications, Business Development

Joined Company in 2010

Carlos Sands
Vice President Operations

Joined Company in 2005

Richard Jones
Vice President Facilities

Joined Company in 2011

Kimberley Bodie
Head of Human Resources, Talent & Development

Joined Company in 2016

Dave Forbes
Vice President Information Technology

Joined Company in 2020

Indira Moss
Director of Margin Control & Logistics

Joined Company in 2009

Ben Brown
Director of Purchasing

Joined Company in 2021

2023 Management Discussion & Analysis

Management will use this report to provide an analysis of the movements in balance sheet, cash flow statement and statement of equity of AML Food Limited ("AML" or "the Company") for the fiscal year beginning May 1, 2022, to April 30, 2023, and to discuss significant results from operations for the year ended April 30, 2023.

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, 2023, the Company recorded a net profit of $2.8m, which was down $1.2m or 30% compared to the prior year's net profit of $4.0m. Sales improved by 5.5% or $9.6m, however inflation pressures and shrink performance had a large impact on gross profit which decreased by $0.4m compared to the prior year. With uncertainty around the impact to sales and profits due to inflation, our teams executed various cost savings initiatives and overall, we were able to reduce Selling, General and Administrative ("SG&A") expenses as a percentage of sales from 27.4% to 26.9%.

Total assets increased by $5.1m or 4.75% largely in part from our investment in re-opening our Solomon's Freeport location. Overall, the Company's balance sheet remains strong with total assets of $111.9m at April 30, 2023, compared to $106.8m at April 30, 2022.

During the year, we declared and paid dividends of $2.9m representing 101.9% of the current year's net profit. Cumulatively, for the past three years, total ordinary and extraordinary dividends distributed totaled $9.0m or 50% of net income, down slightly from 54% for the three years ended April 30, 2022.

CASH AND BANK BALANCES

The Company's cash and bank balances decreased during the year by $1.0m from $9.1m at April 30, 2022, to $8.1m at April 30, 2023. In the current year, cash generated from operating activities decreased by $0.7m from net profit decreases attributed to a decline in gross profit. The Company invested a total of $6.6m in capital expenditure, of which $4.5m was funded from bank borrowings.

MERCHANDISE INVENTORIES

Merchandise inventory levels were flat during the year compared to the prior year. We have been able to reduce excess units of inventory on hand year over year however the increased cost of inventory has offset this and resulted in little overall change to total inventory on hand at April 30, 2023, compared to April 30, 2022.

PROPERTY, PLANT, AND EQUIPMENT

At April 30, 2023, net property, plant, and equipment was $45.5m compared to $42.8m in the prior year. The movement in the balance comprised of additions of $6.7m, depreciation of $3.9m and disposals of $1.9m. Additions were largely due to the build and outfit of our Downtown Freeport store ($2.3m), purchase of vacant land ($1.1m), deposit on the purchase of our Old Trail building ($1.0m) and various upgrades to fixtures and equipment within our Cost Right Freeport and Fresh Market locations.

For the year ended April 30, 2023, the Company did not perform any property revaluations, however Management is of the view that there have been no significant changes in the value of property that would warrant a revaluation outside of the normal revaluation cycle of 3 years.

GOODWILL

The Company conducted its annual impairment test by determining the net present value (NPV) of the operating units on which it carries goodwill. In determining the overall NPV of the operating units, the Company used the NPV of projected future cash flows, the NPV of terminal values discounted by the growth rate, and a discount factor based on the Company's weighted average cost of capital (WACC). 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.

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses totaled $16.2m at April 30, 2023, compared to $15.6m at April 30, 2022. Our A/P balances comprise mostly of balances due to inventory suppliers. As our inventory balances remained relatively flat year over year, we have not experienced any large movement within our overall accounts payable balance.

PREFERENCE SHARES

For the period ended April 30, 2023, the Company had a total of 6,801 outstanding preference shares compared to 8,958 outstanding shares at April 30, 2022. Preference shares attract an interest rate of 6% per annum. 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. Dividends of $0.5m were paid to preference shareholders during the year.

BANK LOANS

The Company has a total of four bank loans with RBC Royal Bank (Bahamas) Limited. Two of the loans originated during the year and the proceeds are being used to fund various upcoming capital expenditures. Total new borrowings entered into during the year were $21.7m of which the Company drew down $4.5m as at April 30, 2023. All four loans attract a blended interest rate of 3.6%. During the year, the Company made principal payments of $2.0m towards the principal outstanding on its bank loans during the year. At April 30, 2023, the total principal amount outstanding on bank loans was $8.1m.

SALES

While we are pleased that we have been able to grow sales year over year, sales increases were driven mostly from increases in average retail prices because of inflation. Sales increased by $9.6m or 5.5% for the year compared to $0.4m or 0.2% in the prior year. We experienced same store sales increases in both our Food Distribution and Franchise divisions and sales within Food Distribution further improved with the addition of Solomon's Downtown Freeport. Our Exuma store sales continue to greatly exceed projections and outpaced all other locations in total sales per square foot.

Franchise sales from Domino's Pizza continue to improve and for the second year in a row, our Franchise division realized double digit percentage increases year over year. Total Franchise sales grew to $9.7m, an increase of 13% over the prior year.

As a Company, we have experienced twelve years of consecutive sales growth.

GROSS PROFIT

For the 12 months ended April 30, 2023, we experienced a decline in gross margin dollars of $0.4m despite sales increases. Gross profit as a percentage of sales fell to 29.0% compared to 30.8% for the year ended April 30, 2022. This year we were challenged with both our gross margin and shrink performance. Our margin performance did not increase during the year as expected as challenges continued with increased vendor costs. During this inflationary period, consumers have a heightened sense of price sensitivity, and many are not able to absorb further price increases which will continue to impact margin performance. Additionally, the improvements we realized with shrink within our perishable departments were overshadowed by excess shrink in other departments.

EXPENSES

Our team's agility allowed us to reduce any further erosion of net profit through consistent management of expenses lending to an overall reduction in expenses as a percentage of sales despite inflation challenges. During the year, Selling, General, and Administrative expenses (SG&A) represented 26.9% of sales compared to 27.4% in the prior year. Although expenses increased by $1.7m, most of the increase was attributed to the added cost of running our new Downtown Freeport store as well as variable sales costs.

2023-2024 OUTLOOK

OPPORTUNITIES AND INVESTMENTS

The use of data and technology to drive our business forward will remain key to our growth and position as the premier grocery retailer in The Bahamas. Our 100% digital loyalty program, MySolomon's Smart Rewards, which launched in May 2022 has grown to almost forty-thousand active members and we are excited about the opportunity to service our customers with our improved product variety and upcoming personalized offers.

Just over 50% of our stores have been reset to our new planograms and we have already begun to see improved sales results in these locations. The use of planograms is expected to improve customer shopping experience through improved variety and stock levels.

Our implementation of Electronic Data Interface (EDI) commenced and key suppliers who provided over one one-third of our purchased inventory during the year are now using EDI. This has resulted in enhanced quality of data, a reduction in human error and improved ordering cycle speeds. We will continue to invest in EDI where possible.

The culmination of our efforts of the past few years to launch our E-Commerce division is near. We expect to launch E-Commerce in Exuma Markets within the upcoming months and roll out the platform to other locations shortly after. Our plan is to reach existing customers through online shopping but also customers on islands where we do not have a store presence.

The success of our Exuma Markets location has solidified that running smaller footprint locations, with less overhead, will be the future of our organization's Food Distribution division. Not 12 months after the opening of our Solomon's Downtown Freeport location under the new footprint, we have already secured the site for our highly anticipated entrance into the Southwestern area of New Providence. Our opening date is not yet confirmed but we remain committed to serving customers in the area.

Additionally, in May 2023, we closed on the sale to acquire the building that currently houses our Solomon's Supercenter store. Plans for construction are in progress and the building will be the future home for our existing Cost Right Nassau store and as well as a new Solomon's neighborhood store. The building purchase and relocation is expected to aid in the reduction of high and increasing rental costs.

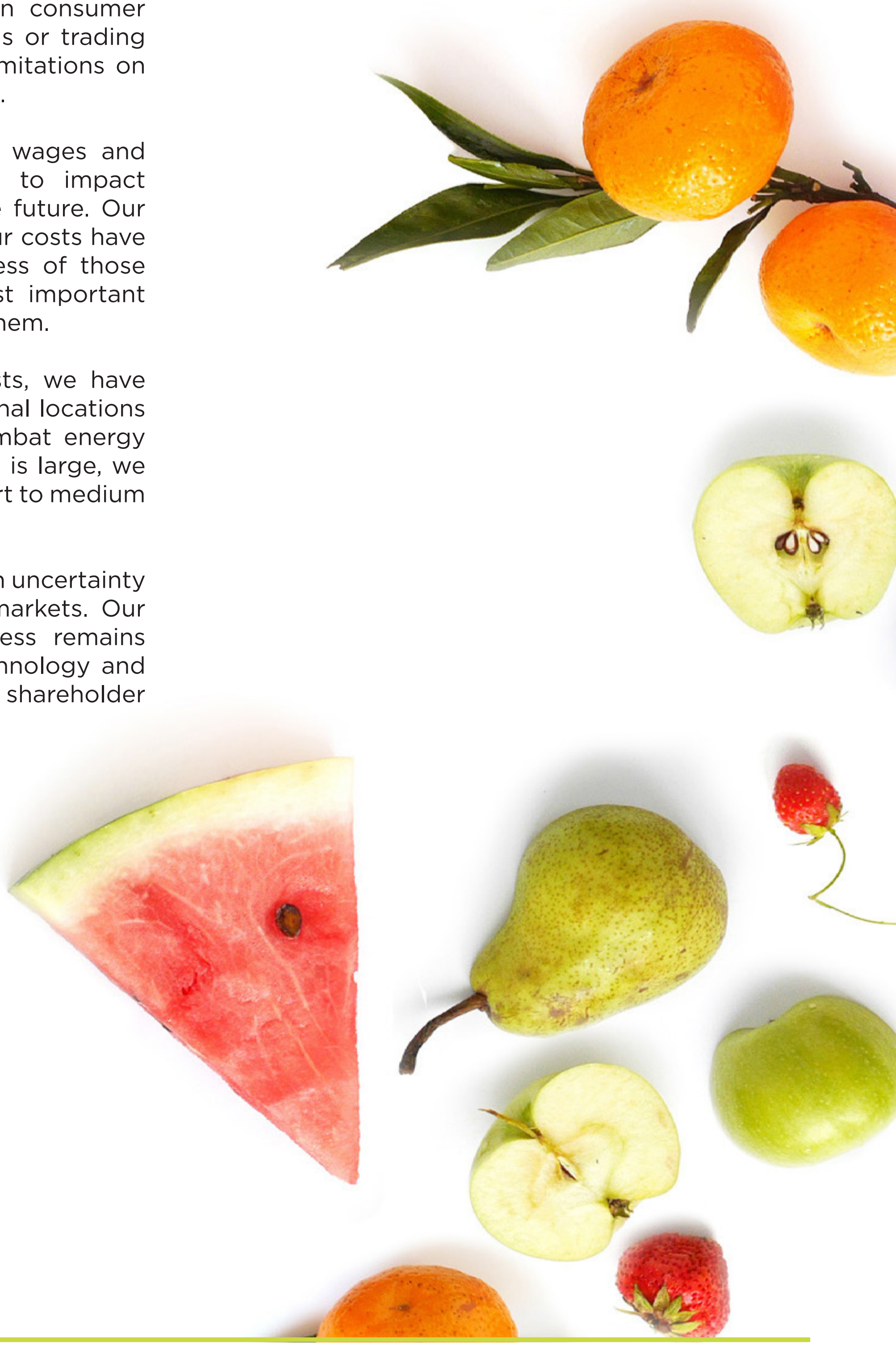
ECONOMIC CONDITIONS, CHALLENGES AND RISKS

There are indications to suggest that the spending capacity of customers remains limited. Depending on how long this persists and the severity, it could have a significant impact on our revenue growth and overall expenses. As we improve our product variety and in-stock levels, we expect to offset any negative impact on profitability from inflation. However, we have already begun to see changes in consumer habits with customers buying less items or trading down to substitute brands indicating limitations on their capacity to increase their spending.

Unfortunately, significant pressures on wages and increased energy costs will continue to impact operating expenses for the foreseeable future. Our efforts to remain competitive with labour costs have required investments in payroll in excess of those initially planned. Our team is our most important asset, and we will continue to invest in them.

To combat the increase in energy costs, we have started work on solarizing three additional locations in New Providence which will help combat energy increases. While the upfront investment is large, we expect to get a positive return in the short to medium term.

Challenges are no doubt ahead of us with uncertainty still lingering in the local and global markets. Our outlook on the success of our business remains unchanged and our investments in technology and labour will continue to improve overall shareholder value.



Deloitte & Touche
Chartered Accountants
and Management Consultants
2nd Terrace, Centreville,
P.O. Box N-7120
Nassau, Bahamas

Tel: +1 (242) 302 4800
Fax: +1 (242) 322 3101
www.deloitte.com/bs

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 of April 30, 2023, 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 a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of April 30, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (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
Impairment of Goodwill	At April 30, 2023, the Group carried Goodwill of $2,976,000 in the consolidated statement of financial position (refer to Note 11 to the consolidated financial statements) which is subject to an annual impairment test. Management's annual impairment assessment is considered to be a matter of key significance because the assessment process is complex and relies on significant estimates and assumptions. Management estimates the discount rate and determines assumptions in forecasting future cash flows. Management's annual impairment assessment indicated no impairment during the year under audit.	In evaluating the impairment of Goodwill, we performed various procedures, including the following: • 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 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.

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 2023 annual report, but does not include the consolidated financial statements and our auditors' report thereon ("the Other Information").

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 identified above when it becomes available 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. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Talia Sweeting-Albury.

Deloitte & Touche

Nassau Bahamas
August 28, 2023

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2023

(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2023	April 30, 2022
Assets		
Current assets		
Cash and bank balances (Note 5)	$ 8,076	$ 9,063
Term deposits with original maturities greater than 90 days	286	284
Receivables, net of provisions (Note 6)	789	903
Merchandise inventories, net of provisions (Note 7)	20,035	20,075
Other current assets (Note 8)	3,059	3,321
Total current assets	32,245	33,646
Non-current assets		
Other assets (Note 9)	3,138	3,138
Property, plant and equipment, net (Note 10)		
Property, land improvements, and buildings	31,638	31,203
Equipment	6,087	5,393
Leasehold improvements	5,886	3,938
Work in progress	1,846	2,228
	45,457	42,762
Right-of-use asset (Note 15)	28,094	24,304
Goodwill (Note 11)	2,976	2,976
Total non-current assets	79,665	73,180
Total assets	$ 111,910	$ 106,826

(Continued)

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2023
(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2023	April 30, 2022
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued expenses (Note 13)	$ 16,293	$ 15,586
Current portion of bank loan (Note 12)	1,871	1,645
Current portion of preference shares (Note 14)	-	626
Current portion of lease liability (Note 15)	2,150	2,583
Total current liabilities	20,314	20,440
Long-term liabilities		
Bank loan (Note 12)	6,214	3,983
Preference shares (Note 14)	6,801	8,332
Lease liability (Note 15)	29,323	24,760
Total long-term liabilities	42,338	37,075
Total liabilities	62,652	57,515
Shareholders' equity		
Ordinary share capital (Note 16)	7,378	7,524
Treasury shares (Note 16)	-	(146)
Contributed surplus	2,231	2,231
Revaluation surplus (Note 10)	6,354	6,354
Retained earnings	33,295	33,348
	49,258	49,311
Total liabilities and shareholders' equity	$ 111,910	$ 106,826

(Concluded)

See notes to consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors as of August 25th, 2023, 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, 2023
(Expressed in thousands of Bahamian dollars except per share amounts)

	April 30, 2023	April 30, 2022
Sales (Note 22)	$ 184,951	$ 175,300
Cost of sales	(131,260)	(121,218)
Gross profit (Note 22)	53,691	54,082
Selling, general and administrative expenses (Note 18)	(49,918)	(48,156)
Other operating income (Note 17)	1,506	1,418
Net operating profit	5,279	7,344
Dividends on preference shares (Notes 14 and 22)	(486)	(556)
Interest expense (Notes 15 and 22)	(1,741)	(1,761)
Pre-opening expenses	(215)	(134)
Loss on disposal of fixed assets (Note 10)	(34)	(890)
Net profit	$ 2,803	$ 4,003
Earnings per share from continuing operations (Note 19)	$ 0.19	$ 0.27

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED APRIL 30, 2023
(Expressed in thousands of Bahamian dollars except per share amounts)

	Number of Shares ('000s)	Ordinary Share Capital	Treasury Shares	Contributed Surplus	Revaluation Surplus	Retained Earnings	Total
Balance as of April 30, 2021	**15,049**	**$ 7,524**	**$ (146)**	**$ 2,231**	**$ 6,354**	**$ 32,656**	**$ 48,619**
Net profit from continuing operations	-	-	-	-	-	4,003	4,003
Declared dividends ($0.22 per share)	-	-	-	-	-	(3,311)	(3,311)
Balance as of April 30, 2022	**15,049**	**7,524**	**(146)**	**2,231**	**6,354**	**33,348**	**49,311**
Cancellation of treasury shares (Note 16)	(41)	(146)	146	-	-	-	-
Net profit from operations	-	-	-	-	-	2,803	2,803
Declared dividends ($0.19 per share)	-	-	-	-	-	(2,856)	(2,856)
Balance as of April 30, 2023	**15,008**	**$ 7,378**	**$ -**	**$ 2,231**	**$ 6,354**	**$ 33,295**	**$ 49,258**

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2023
(Expressed in thousands of Bahamian dollars except shares and per share amounts)

	April 30, 2023	April 30, 2022
Cash flows from operations		
Net profit	$ 2,803	$ 4,003
Adjustments for:		
Depreciation (Notes 10 and 15)	6,814	8,276
Dividends on preference shares (Note 14)	486	556
(Decrease) / increase in inventory provision (Note 7)	(924)	1,129
Decrease in provision for doubtful debts (Note 6)	(3)	(73)
Loss on disposal of property, plant and equipment (Note 10)	34	890
Interest on lease liability (Note 15)	1,416	1,454
Operating cash flow before changes in working capital	10,626	16,235
Decrease / (increase) in working capital source/(use):		
Decrease / (increase) in merchandise inventories (Note 7)	964	(3,747)
Decrease in receivables (Note 6)	117	186
Decrease in other current assets (Note 8)	263	1,284
Decrease in other assets (Note 9)	-	175
Increase / (decrease) in accounts payable and accrued expenses (Note 13)	707	(764)
Net cash provided from operating activities	12,677	13,369
Cash flows from investing activities		
Movement in term deposits with original maturities greater than 90 days	(2)	(3)
Additions to property, plant and equipment (Note 10)	(6,654)	(5,509)
Proceeds from sale of property, plant and equipment	6	165
Purchase of Exuma Markets Limited	-	(1,738)
Net cash used in investing activities	(6,650)	(7,085)

(Continued)

See notes to consolidated financial statements.

AML FOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2023
(Expressed in thousands of Bahamian dollars except shares and per share amounts)

	April 30, 2023	April 30, 2022
Cash flows from financing activities		
Dividends paid on ordinary shares (Note 16)	$ (2,856)	$ (3,311)
Dividends paid on preference shares (Note 14)	(486)	(556)
Repayment of preference shares (Note 14)	(2,157)	(626)
Proceeds from bank loans (Note 12)	4,500	-
Repayment of bank loan (Note 12)	(2,043)	(1,451)
Payment of lease liabilities (Note 15)	(3,971)	(5,058)
Net cash used in financing activities	(7,013)	(11,002)
Net decrease in cash and cash equivalents	(987)	(4,718)
Cash, beginning of period	9,063	13,781
Cash, end of period (Note 5)	$ 8,076	$ 9,063
Supplemental information:		
Interest received	$ 3	$ 5
Interest paid	$ 325	$ 307

(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 seven (7) subsidiaries that management deems to be significant to the operations of the Company for the year ended April 30, 2023. 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
- Bahamas Traders Limited

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, 2022. 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***
IAS 16 Property, Plant and Equipment (amended)
IAS 37 Provisions, Contingent Liabilities and Contingent Assets
IFRS 3 Business Combinations (amended)

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

b. ***Standards and Interpretations in issue but not yet effective***
IAS 1 Presentation of Financial Statements (amended)
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (amended)
IAS 12 Income Taxes
IFRS 16 Leases
IFRS 17 Insurance Contracts (amended)

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 the revaluation of certain land, land improvements and buildings.

Basis of consolidation - The consolidated financial statements include the assets, liabilities, equity, income, expenses, and cash flows of the parent 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. 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.

During the year, 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. During the year, management assumed that 100% of the points accumulated during the year would be redeemed in future periods. A contract liability is recognized for revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognized when the points are redeemed by the customer. Revenue for points that are not expected to be redeemed is recognized in proportion to the pattern of rights exercised by customers.

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 Franchise Distribution, 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 less than 90 days.

d. ***Term deposits*** – Term deposits with original maturity dates greater than 90 days are shown separate and apart from unrestricted funds. 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" 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 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 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*** – Property and buildings are stated at fair value as determined by the Board of Directors. The Directors obtain independent valuations every three 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, 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 over the estimated useful lives of the assets as follows:

Land improvements	10 years
Buildings	40 years
Furniture, fixtures and equipment	2 - 10 years
Motor vehicles	4 years
Computer equipment and software costs	3 - 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 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 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 exercise 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.

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 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. ***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 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.

o. ***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.

p. ***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.

q. ***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 and 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

r. ***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 owned by the individuals described in (iv) and (v).

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

t. ***Pre-opening costs*** - The cost of start-up activities, including organization costs, related to new store openings. Store remodels, expansions, and relocations are expensed as incurred.

u. ***Equity instruments*** - An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of 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.

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. **Business combinations** – In the prior year, the Company acquired the assets of Exuma Markets Limited during the year. In its purchase price allocation, Management used estimates to determine the fair value of the assets acquired which comprised of merchandise inventories, equipment and motor vehicles. Additionally, Management used judgment in determining the allocation of the excess of the purchase price over the fair value of assets acquired as Goodwill.

b. **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 determined 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 net present value (NPV) of the cash generating units goodwill by calculating NPV of projected cash flows and NPV of terminal values discounted by discounted 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.

c. **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 loss and damage (inventory that is found to be non-sellable) and 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.

d. **Leases -** The Company is unable to readily determine the interest rate implicit in the lease, 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).

5. CASH, BANK BALANCES AND BANK OVERDRAFT

The Company was in compliance with all of its covenants as of April 30, 2023. 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 April 6, 2023. The credit facilities are secured with guarantees and postponement of claims, by fixed and floating debentures over all of 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, 2023, the Company maintained an overdraft facility of $3 million bearing an interest rate of Bahamian Prime 4.25% plus 0.5%.

6. RECEIVABLES, NET OF PROVISIONS

Receivables consist of the following:

	2023	2022
Trade receivables	$ 874	$ 991
Less: Provision for doubtful accounts	(85)	(88)
Total	$ 789	$ 903

The aging of receivables is as follows:

	2023	2022
0 to 30 days	$ 702	$ 804
31 to 60 days	66	50
61 to 90 days	18	52
91 days and over	88	85
Total	$ 874	$ 991

Movement in the provision for doubtful accounts	**2023**	**2022**
Balance at beginning of the year	$ (88)	$ (161)
Impairment losses recognized on receivables	1	23
Amounts written off during the year as uncollectible	2	50
Balance at end of the period	$ (85)	$ (88)

Management has deemed $86 (2022: $99) of the receivables to be past due, but not impaired.

As at April 30, 2023, the total amount of all receivables deemed uncollectible was $51 (2022: $59). These amounts are included in the total receivables balance and are fully provided for.

7. MERCHANDISE INVENTORIES, NET OF PROVISIONS

Merchandise inventories consist of the following:

	2023	2022
Food distribution	$ 20,248	$ 21,167
Franchise	462	507
	20,710	21,674
Less: Provisions	(675)	(1,599)
Total	$ 20,035	$ 20,075

8. OTHER CURRENT ASSETS

Other current assets consist of the following:

	2023	2022
Prepayments	$ 2,081	$ 2,266
Security deposits	978	1,055
Total	$ 3,059	$ 3,321

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. Included in other assets is $3,138 which excludes value added taxes.

10. PROPERTY, PLANT AND EQUIPMENT, NET

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

	Property, Land Improvements and Buildings	Equipment and Motor Vehicles	Leasehold Improvements	Work in Progress	Total
Cost/revalued amount:					
At April 30, 2022	$ 33,531	$ 22,787	$ 16,767	$ 2,228	$ 75,313
Additions	1,116	1,846	1,873	1,819	6,654
Disposals	-	(1,553)	(317)	-	(1,870)
Transfers	-	1,009	1,191	(2,201)	(1)
At April 30, 2023	$ 34,647	$ 24,089	$ 19,514	$ 1,846	$ 80,096
Accumulated depreciation:					
At April 30, 2022	$ 2,328	$ 17,394	$ 12,829	$ -	$ 32,551
Depreciation	681	2,125	1,113	-	3,919
Elimination on disposal	-	(1,517)	(314)	-	(1,831)
At April 30, 2023	$ 3,009	$ 18,002	$ 13,628	$ -	$ 34,639
Net book value:					
At April 30, 2023	$ 31,638	$ 6,087	$ 5,886	$ 1,846	$ 45,457

	Property, Land Improvements and Buildings	Equipment and Motor Vehicles	Leasehold Improvements	Work in Progress	Total
Cost/revalued amount:					
At April 30, 2021	$ 32,347	$ 28,115	$ 17,901	$ 763	$ 79,126
Additions	-	2,520	1,029	2,187	5,736
Disposals	-	(8,041)	(2,657)	-	(10,698)
Transfers	8	220	494	(722)	-
At April 30, 2022	$ 32,355	$ 22,814	$ 16,767	$ 2,228	$ 74,164
Accumulated depreciation:					
At April 30, 2021	$ 471	$ 21,755	$ 14,201	$ -	$ 36,427
Depreciation	681	2,718	1,219	-	4,618
Elimination on disposal	-	(7,052)	(2,591)	-	(9,643)
At April 30, 2022	$ 1,152	$ 17,421	$ 12,829	$ -	$ 31,402
Net book value:					
At April 30, 2022	$ 31,203	$ 5,393	$ 3,938	$ 2,228	$ 42,762

(Continued)

The Company's accounting policy is to revalue land, property and buildings, which comprise of 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 the income capitalization method. During 2021, the Company obtained independent appraisals and recorded adjustments, based on the results, at April 30, 2021 for all land, property and buildings except its Queen's Highway location. Based on the appraisals, the value of land, property and buildings were increased by $2.5 million which is included in the revaluation surplus in the statements of Other Comprehensive Income and Changes in Equity. During the current year, a total of $1.1 million was reclassified from accumulated depreciation to the opening cost of property, plant & equipment. The change to the net book value of property, plant & equipment was $nil.

In April 2023, the Company purchased a parcel of land located on Faith Avenue, Nassau, Bahamas for $1.1 million.

The net book value of property and buildings that would have been included in the consolidated financial statements had the Company not adopted a revaluation policy is $24,546 (2022: $23,789).

The fair value measurement of the Company's property and buildings is categorized in Level 3 in the fair value hierarchy. There were no transfers between the levels during the year.

(Concluded)

11. GOODWILL

Goodwill on business acquisitions is as follows:

	2023	2022
Balance, beginning of period	$ 2,976	$ 1,654
Impairment	-	1,322
Balance, end of period	$ 2,976	$ 2,976

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

- Cost Right Freeport
- Exuma Markets
- Domino's

The Company's annual impairment exercise indicated no impairment on the remaining goodwill as of April 30, 2023 (2022: $Nil). The Company based its valuation of the units to which Goodwill has been assigned using a total of NPV (net present value) of projected cash flows and NPV of terminal values. NPV of projected cash flows were based on cash flows for five (5) years using the Company's base growth rate multiplied by discounted WACC (weighted average cost of capital) less perpetual growth rate. The Company used a WACC between 13.5% to 14.5% (2022: 12.2% to 13.3%) and growth rate assumptions of -5.7% to 8.1% (2022: -5.4% to 10%) in its valuation. 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 includes four Reducing Demand Loans totaling $34,250 (2022: $14,250), repayable over 10 years at a blended rate of Nassau Prime + 0.5%. As of April 30, 2023, two loans were fully drawn down and the two loans secured during the current year were drawn down by $4,500 (2022: $nil).

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.

	2023	2022
Due within 1 year	$ 1,871	$ 1,645
Due within 2 to 5 years	4,135	3,983
Due > 5 years	2,079	-
Total	$ 8,085	$ 5,628

13. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

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

	2023	2022
Accounts payable - trade	$ 10,518	$ 9,355
Taxes payable	693	491
Accrued expenses	5,082	5,740
Total	$ 16,293	$ 15,586

14. PREFERENCE SHARES

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

Preference shares are entitled to cumulative preferential dividends 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, 2023, dividends totaling $486 (2022: $556) were paid to preference shareholders.

During the prior year, the Company restructured its existing preference debt to allow for an interest only period until 2025. Preference shareholders who participated in the restructure were moved to a newly formed Preference Share Class E. A total of $1.1m preference shares were restructured and transferred to class E. Preference shareholders who opted not to participate in the restructuring continued to receive annual principal payments in accordance with their Class C or Class D terms up until October 2022. During the year all Class C and Class D shares were fully redeemed in November and December 2022 at a cost of $1.5m.

(Continued)

As of April 30, 2023, the following classes of preference shares were issued and outstanding at $1,000 per share:

Class	Authorized	Issued and Outstanding **2023**	**2022**
C	25,000	-	1,069
D	25,000	-	1,089
E	25,000	6,801	6,800
	75,000	6,801	8,958

They are redeemable as follows:

	2023	**2022**
Due within 1 year	$ -	$ 626
Due within 2 to 5 years	5,441	4,802
Due > 5 years	1,360	3,530
Total	$ 6,801	$ 8,958

(Concluded)

15. LEASES

The Company and its subsidiaries lease certain retail and office space under non-cancellable operating leases. As of April 30, 2023, 14 leases (2022: 14) 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, 11 of the leases include lease extension options that allow the Company to extend for periods from 2 years to 19 years. The leases do not provide for any restrictions that could impact the current nature of the operations. During the year, the Company entered into a new lease for its Solomon's Downtown Freeport location. The lease has a non-cancellable period of five years with five options to renew for a further five years each.

Right-of-use assets

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

	2023	**2022**
Right-of-use asset		
Property, land improvements and buildings	$ 28,094	$ 24,304

Movement in right-of-use asset is as follows:

	2023	2022
Beginning balance	$ 24,304	$ 23,797
Additions - new lease contracts	6,753	4,165
Adjustments to leases during the year	(68)	(78)
Depreciation for the year	(2,895)	(3,580)
Ending balance	**$ 28,094**	**$ 24,304**

The following amounts are recognized in the statement of profit or loss:

	2023	2022
Depreciation charge for right-of-use assets	$ 2,895	$ 3,580
Interest expense on lease liabilities (included in interest expense)	1,416	1,454
Expense relating to variable lease payments not included in lease liabilities (included in selling, general and administrative expenses)	3,127	1,830
Total expenses related to leases	**$ 7,438**	**$ 6,864**

`Cashflows

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

	2023	2022
Cash outflows for leases (IFRS 16) - financing activities		
Principal	$ 2,555	$ 3,604
Interest	1,416	1,454
	3,971	**5,058**
Cash outflow for leases (IAS 18) - operating activities	**3,127**	**1,830**
Total cash outflows	**$ 7,098**	**$ 6,888**

The maturity analysis for the undiscounted lease payments to be made after April 30, 2023 in relation to non-cancellable operating leases are as follows:

	2023	2022
Due within 1 year	$ 3,567	$ 2,322
Due within 2 to 5 years	8,770	3,703
Total	**$ 12,337**	**$ 6,025**

(Concluded)

16. ORDINARY SHARE CAPITAL AND TREASURY SHARES

As of April 30, 2023, 15,008,048 (2022: 15,049,346) 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, 2023, no shares (2022:0) had been repurchased at an aggregate cost of $0 (2022: $0). The total amount of treasury shares at April 30, 2023 was 0 (2022: 41,298) with an aggregate cost of $0 (2022: $146). The shares are listed on the Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity as treasury shares.

17. OTHER OPERATING INCOME

Other operating income comprises rental income, interest income, and other miscellaneous income such as refund from concessions, club membership, sale of gift cards and certificates, commissions from ATMs, vending machines, phone cards, and purchasing rebates.

	2023	**2022**
Miscellaneous income	$ 1,281	$ 1,223
Rental income	222	190
Interest income	3	5
Total	**$ 1,506**	**$ 1,418**

18. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

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

	2023	**2022**
Payroll and related costs	$ 20,768	$ 20,362
Facilities and rent	10,251	8,373
Sales and marketing expenses	7,218	6,555
Depreciation	6,814	8,197
Other costs	2,580	2,534
Office and computer costs	1,932	1,769
Pension contributions	229	164
Directors' fees	126	202
Total	**$ 49,918**	**$ 48,156**

Included in payroll and related costs is $1,857 (2022: $1,986) 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:

	2023	2022
Net profit applicable to continuing operations	$ 2,803	$ 4,003
Weighted average number of ordinary shares outstanding ('000s)	15,008	15,008

20. COMMMITMENTS AND CONTINGENCIES

Capital commitments amounting to $8,550 were outstanding as of April 30, 2023 (2022: $910).

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 $4,320 outstanding as of April 30, 2023 (2022: $3,720).

21. RELATED PARTY TRANSACTIONS

The Company has leases with companies in which a Director had a significant influence as follows:

- A five-year lease term renewable for five subsequent periods of five years each with rent totaling $754 (2022: $734). The minimum lease payments over the non-cancellable period of this lease at April 30, 2023 was $2,380 (2022: $2,988).

- A five-year lease term renewable for five subsequent periods of five years each with rent totaling $43 (2022: $0). The minimum lease payments over the non-cancellable period of this lease at April 30, 2023 was $1,778 (2022: $0).

- The Company has also leased space to a company in which a Director is the principal and received $48 (2022: $51) in rental payments. As at April 30, 2023, $11 (2022: $9) was included in receivables related to this lease.

22. SEGMENT REPORTING

Segment reporting is presented in 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 three Islands within The Bahamas during the fiscal year: Grand Bahama, Exuma, and New Providence.

The Company considers the economic environment in the three 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 in Grand Bahama, Exuma, 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	
	2023	2022	2023	2022	2023	2022	2023	2022
Sales	$ 175,282	$ 166,740	$ 9,669	$ 8,560	$ -	$ -	$ 184,951	$ 175,300
Gross profit	47,261	48,329	6,430	5,753	-	-	53,691	54,082
Gross profit %	27.0	29.0	66.5	67.2	-	-	29.0	30.9
Operating profit / (loss)	20,055	24,272	1,586	1,110	(9,582)	(10,731)	12,059	14,651
Depreciation and amortisation of franchise fees	(5,072)	(5,951)	(400)	(427)	(1,342)	(1,819)	(6,814)	(8,197)
Dividends on preference shares	-	-	-	-	-	-	(486)	(556)
Interest expense	-	-	-	-	-	-	(1,741)	(1,761)
Pre-opening expenses	-	-	-	-	-	-	(215)	(134)
Net profit from continuing operations	**$ 14,983**	**$ 18,321**	**$ 1,186**	**$ 683**	**$ (10,924)**	**$(12,550)**	**$ 2,803**	**$ 4,003**

(Concluded)

23. 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, comprehensive income for the year ended April 30, 2023 would decrease/increase by $106 (2022: $78) as a result of the change in interest rate.

b. Credit risk - The Company is exposed to credit risk in respect of losses that would 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, 2022.

   The capital structure of the Company includes debt and equity comprised of issued capital, reserves, 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, the estimated fair value of financial assets and financial liabilities at April 30, 2023 were not materially different from their carrying values.

   The fair values of accounts receivable, bank balances, inventories, 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.

24. SUBSEQUENT EVENTS

In May 2023, the Company completed the purchase of the Old Trail Building where its current Solomon's Supercenter store resides. A total of $10.5M was drawn down from the credit facility to complete the purchase and fund renovations on the building. A total of $6.7M remains to be drawn down on the credit facility.

Further, in May 2023, the interest rate on all of the Company's existing bank loans were reduced to prime minus 0.65% in accordance with the terms of the new credit facility dated April 6, 2023.

On June 7, 2023, the Company declared an ordinary dividend of $0.04 per share and an extraordinary dividend of $0.03 per share payable on June 21, 2023 shareholders of record on June 16, 2023.

* * * * * *

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, 2023.

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) Rules, 2019.

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 Ms. Alison Treco (Chair), Mr. Franklyn Butler II, Mrs. Meike de Vaere-Hoorn, Mr. Jeff Gordman and Mr. Sunil Chatrani.

Personnel Committee

The Personnel Committee provides advice and direction to the Board and Chief Executive Officer on policy 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, where appropriate, and for making recommendations for approval by the Board 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), Ms. Alison Treco, Mr. Franklyn Butler, 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, 2023:

Director	Number of Board Meeting Invitations	Number of Board Meetings Attended	Number of Committee Meeting Invitations	Number of Committee Meetings Attended
Franklyn Butler II	5	4	6	5
Robert Sands	5	4	4	4
Alison Treco	5	4	6	6
Meike de Vaere-Hoorn	5	3	6	4
Tara Cooper Burnside KC	5	5	6	4
Jeff Gordman	5	5	4	3
Sunil Chatrani	5	5	6	6
Gavin Watchorn	5	5	8	8

Compensation of Directors

Each Director who is not a salaried employee of the Company or of any of its subsidiaries is paid an annual retainer of $15,000 per annum (2022: $15,000 per annum) except for the Chairman of the Board who receives an annual retainer of $20,000 (2022: $20,000). In addition, a fee of $1,250 per meeting of the main board or sub-committee is paid to each Director, contingent upon attendance. A Director who is the chairperson of a subcommittee receives an additional annual fee of $1,500. 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 $Nil for the year ended April 30, 2023. Total fees, including retainers, for the year ended April 30, 2023 were $193,500 (2022: 202,444).

Director's Interest in Transactions

Mr. Franklyn Butler II, is the Chairman 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. The Company exercised its option to renew this lease.

Mr. Franklyn Butler II is also the Chairman 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.

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

There are no material contracts with related parties. In accordance with the Securities Industry (Corporate Governance) Rules, 2019, a material contract is a contract that has a transaction value of more than two percent of the revenues of a company.

2023
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

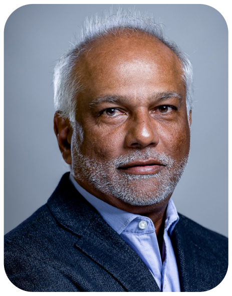
Director since 2003
Senior Vice President
Government & External Affairs,
Baha Mar Resorts Ltd.
New Providence, The Bahamas

Jeff Gordman
Director

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

Alison Treco
Director

Director since 2017
Director & Shareholder
FT Consultants Ltd.
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
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

Making a Difference

In Our Community Last year, the AML Foods Limited family of companies provided $100,000 in cash and in-kind to support programs that align with our core areas of commitment – Hunger Prevention & Healthy Living, The Environment and Youth Empowerment. Through our advocacy programs we are committed to leveraging our voice and strengths to support the people and neighbourhoods that we serve. Every day, we want to nurture positive change and partner with the community to create opportunities for everyone to live better, healthier lives.

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

Callenders & Co.
One Millars Court
Shirley Street
P.O. Box N-7117
Nassau, The Bahamas
Tel: 242.322.2511

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 Supercentre
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

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
Town Centre Mall

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 Shopping Plaza
Mall at Marathon
Sea Grapes Shopping Center
South Beach Shopping Center

GRAND BAHAMA

RND Plaza