



**CEO Message**  
**Q3 2022-2023**

The Board of Directors at *AML Foods Limited* today announced results for the third quarter ended January 31st, 2023. Sales for the period were \$50.8m, an improvement of \$3.9m or 8.3%, for the same quarter in the prior year. Net profit for the period was \$0.6m, compared to \$1.5m for the same quarter in the previous year.

Although sales improved, quarterly and year to date gross margins have been impacted by inflationary pressures at supplier, customer, and regulatory levels. Our teams continue their efforts to find value and savings for our customers and we are expecting a gradual decline in inflationary pressures throughout 2023.

Our team continued to manage expenses well to mitigate increased costs, and Selling, General and Administrative expenses were 24.7% of sales compared to 26.5% in the prior year. Additionally, we remained focus on supporting optimal inventory levels in our stores, to maintain desired levels of stock to meet customer demand, while simultaneously managing costs. Current in-stock levels are close to or at pre-covid levels.

Our new store in Downtown Freeport has been well received by the community and initial sales have exceeded our expectations, growing our overall market share in the Grand Bahama market. We also continued to record improved sales and profitability in our franchise division.

During the quarter, \$1.5m was drawn down from the Company's RBC credit facility and was used to early redeem our Class C and D preference shareholders, allowing for further improvements to our overall interest costs.

On behalf of the Board of Directors I would like to say thank you to our team of dedicated associates and to our loyal customers for your continued commitment and support of our company and businesses.

Sincerely,

Gavin Watchorn  
CEO & President

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 31st JANUARY 2023**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*(Expressed In thousands of Bahamian dollars)*

	As At January 31, 2023	As At April 30, 2022 Restated
<b>Assets</b>		
<b>Current assets</b>		
Cash and bank balances	\$ 7,476	\$ 9,063
Term deposits with original maturities greater than 90 days	286	284
Receivables, net of provision	572	903
Merchandise inventories, net of provisions	18,771	20,075
Other current assets	3,937	3,321
<b>Total current assets</b>	<b>31,042</b>	<b>33,646</b>
<b>Non-current assets</b>		
Other assets	3,138	3,138
<b>Property, plant and equipment, net</b>		
Property, land improvements, and buildings	30,692	31,203
Equipment	6,211	5,393
Leasehold improvements	5,975	3,938
Work in progress	2,007	2,228
	44,885	42,762
Right of use asset	28,598	24,304
Goodwill	2,976	2,976
<b>Total assets</b>	<b>\$ 110,639</b>	<b>\$ 106,826</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	14,584	15,586
Current portion of preference shares	-	626
Current portion of bank loan	1,771	1,645
Current portion of lease liability	2,020	2,583
<b>Total current liabilities</b>	<b>18,375</b>	<b>20,440</b>
<b>Longterm liabilities</b>		
Preference shares	6,801	8,332
Bank loan	7,003	3,983
Lease liability	29,818	24,760
	43,622	37,075
<b>Shareholders' equity</b>		
Ordinary share capital	7,378	7,524
Treasury shares	-	(146)
Contributed surplus	2,231	2,231
Revaluation surplus	6,354	6,354
Retained earnings	32,679	33,348
	48,642	49,311
<b>Total liabilities and shareholders' equity</b>	<b>\$ 110,639</b>	<b>\$ 106,826</b>

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 31st JANUARY 2023**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
*(Expressed In thousands of Bahamian dollars except per share amounts)*

	<b>Quarter ended January 31, 2023</b>	<b>Quarter ended January 31, 2022</b>
Sales	\$ 50,812	\$ 46,904
Cost of sales	(37,209)	(32,627)
Gross profit	13,603	14,277
Selling, general and administrative expenses	(12,527)	(12,413)
Other operating income	312	212
Net operating profit	1,388	2,076
Interest expense	(511)	(411)
Dividends on preference shares	(115)	(134)
Net profit before extraordinary expenses	762	1,531
Pre-opening expenses	(162)	-
Profit / (Loss) on disposal of property, plant & equipment	1	(10)
Net profit	\$ 601	\$ 1,521
Earnings per share	<u>\$ 0.04</u>	<u>\$ 0.10</u>

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR YEAR TO DATE 31st JANUARY 2023**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
*(Expressed In thousands of Bahamian dollars except per share amounts)*

	Year to Date January 31, 2023	Year to Date January 31, 2022
Sales	\$ 136,336	\$ 130,473
Cost of sales	(96,617)	(90,125)
Gross profit	39,719	40,348
Selling, general and administrative expenses	(37,363)	(36,596)
Other operating income	1,113	606
Net operating profit	3,469	4,358
Interest expense	(1,277)	(1,366)
Dividends on preference shares	(384)	(422)
Net profit before extraordinary expenses	1,808	2,570
Pre-opening expenses	(215)	(133)
(Loss) / Profit on disposal of property, plant & equipment	(6)	100
Net profit	\$ 1,587	\$ 2,537
Earnings per share	<u>\$ 0.11</u>	<u>\$ 0.17</u>

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**AT QUARTER ENDED 31st January 2023**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*(Expressed In thousands of Bahamian dollars)*

	No. of Shares ('000s)	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 operations		-	-	-	-	4,003	4,003
Dividends (\$0.22 per share)		-	-	-	-	(3,311)	(3,311)
Balance as of April 30, 2022 (Restated)	15,049	7,524	(146)	2,231	6,354	33,348	49,311
Cancellation Treasury shares	(41)	(146)	146	-	-	-	-
Net profit from operations		-	-	-	-	1,587	1,587
Dividends (\$0.15 per share)		-	-	-	-	(2,256)	(2,256)
Balance as of January 31, 2023	15,008	\$ 7,378	\$ -	\$ 2,231	\$ 6,354	\$ 32,679	\$ 48,642

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR YEAR TO DATE 31st JANUARY 2023**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
*(Expressed In thousands of Bahamian dollars)*

	Year to Date January 31, 2023	Year to Date January 31, 2022
<b>Cash flows from operating activities</b>		
Net profit	\$ 1,587	\$ 2,537
Adjustments for:		
Depreciation and amortization	5,138	6,320
Dividends on preference shares	384	422
Decrease in provision for doubtful debts	(1)	(74)
(Decrease) / Increase in inventory provision	(562)	118
Loss / (Gain) on disposal of property, plant and equipment	6	(99)
Interest on lease liability	1,040	1,128
Operating cash flow before changes in working capital	7,592	10,352
Working capital source / (use)		
Accounts receivable	331	108
Merchandising inventories	1,850	466
Other current assets	(600)	1,666
Increase in other assets	-	175
Accounts payable and accrued expenses	(1,002)	(2,069)
Net cash provided by operating activities	8,171	10,698
<b>Investing activities source / (use)</b>		
Movement on Term Deposit	(2)	(2)
Additions to property, plant and equipment	(5,064)	(4,307)
Proceeds from disposal of property & equipment	2	165
Investment in Exuma Markets	-	(1,322)
Net cash used in investing activities	(5,064)	(5,466)
<b>Financing activities source / (use)</b>		
Dividends paid on ordinary shares	(2,256)	(2,709)
Dividends paid on preference shares	(384)	(422)
Repayment of bank loan	(1,353)	(1,125)
Repayment of preference shares	(2,158)	(626)
Proceeds from loan	4,500	-
Payment of lease liability	(3,044)	(3,743)
Net cash used in financing activities	(4,695)	(8,625)
Decrease in cash	(1,588)	(3,393)
Cash, beginning of period	9,064	13,781
Cash, end of period	7,476	10,388

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 31<sup>ST</sup> JANUARY 2023**

**SEGMENT REPORTING**

*(Expressed in thousands of Bahamian Dollars)*

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.

<b>3 Months Ended</b>	Food Distribution		Food Franchise		Corporate		Consolidation	
	31-Jan-23	31-Jan-22	31-Jan-23	31-Jan-22	31-Jan-23	31-Jan-22	31-Jan-23	31-Jan-22
Sales	\$ 48,342	\$ 44,677	\$ 2,470	\$ 2,227	\$ -	\$ -	\$ 50,812	\$ 46,904
Cost of sales	(36,378)	(31,909)	(831)	(718)	-	-	(37,209)	(32,627)
Gross Profit	11,964	12,768	1,639	1,509	-	-	13,603	14,277
Selling, general and administrative expenses	(8,259)	(7,710)	(1,331)	(1,261)	(2,937)	(3,442)	(12,527)	(12,413)
Other operating income	132	166	-	1	180	45	312	212
Profit on disposal of fixed assets	-	(16)	1	-	-	6	1	(10)
Interest expense	(412)	(328)	(11)	(9)	(88)	(74)	(511)	(411)
Dividends on preference shares	-	-	-	-	(115)	(134)	(115)	(134)
Pre-opening expenses	-	-	-	-	(162)	-	(162)	-
<b>Net profit</b>	<b>\$ 3,425</b>	<b>\$ 4,880</b>	<b>\$ 298</b>	<b>\$ 240</b>	<b>\$ (3,122)</b>	<b>\$ (3,599)</b>	<b>\$ 601</b>	<b>\$ 1,521</b>

<b>9 Months</b>	Food Distribution		Food Franchise		Corporate		Consolidation	
	31-Jan-23	31-Jan-22	31-Jan-23	31-Jan-22	31-Jan-23	31-Jan-22	31-Jan-23	31-Jan-22
Sales	\$ 129,075	\$ 124,062	\$ 7,261	\$ 6,411	\$ -	\$ -	\$ 136,336	\$ 130,473
Cost of sales	(94,173)	(88,051)	(2,444)	(2,074)	-	-	(96,617)	(90,125)
Gross Profit	34,902	36,011	4,817	4,337	-	-	39,719	40,348
Selling, general and administrative expenses	(24,375)	(23,048)	(3,982)	(3,857)	(9,006)	(9,691)	(37,363)	(36,596)
Other operating income	389	487	-	1	724	118	1,113	606
Gain/(Loss) on disposal of fixed assets	-	100	(6)	-	-	-	(6)	100
Interest expense	(1,014)	(996)	(26)	(132)	(237)	(238)	(1,277)	(1,366)
Dividends on preference shares	-	-	-	-	(384)	(422)	(384)	(422)
Pre-opening expenses	-	-	-	-	(215)	(133)	(215)	(133)
<b>Net profit (loss)</b>	<b>\$ 9,902</b>	<b>\$ 12,554</b>	<b>\$ 803</b>	<b>\$ 349</b>	<b>\$ (9,118)</b>	<b>\$ (10,366)</b>	<b>\$ 1,587</b>	<b>\$ 2,537</b>



**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED JANUARY 31, 2023**

---

**EXPLANATORY NOTES**

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards using the same accounting policies and methods of computation as the Consolidated Financial Statements included in the 2022 Annual Report.

The consolidated financial statements include the accounts of AML Foods Limited, formerly Abaco Markets Limited, ("the Company") and its significant wholly owned subsidiaries: Solomon's Supercentre (Nassau) Limited, Cost Right Nassau Limited, Solomon's Club (Freeport) Limited, Thompson Wholesale Limited, Caribbean Franchise Holdings Limited, Solomon's Fresh Market Limited, and Solomon's Exuma.

2. DIVIDENDS

The Company paid an ordinary dividend of \$0.04 per share on December 29, 2022 to shareholders of record on December 28, 2022.

3. BANK LOANS

In July 2022, the Company signed a new credit facility letter with RBC providing for an additional \$20 million in financing and an increase of \$1 million of its overdraft facility. The agreement stipulates a floating interest rate of Bahamian Prime of 4.25% less 0.65% on all new and existing loan and overdraft facilities.

During the period, the Company received \$1.5M as a drawdown on its credit facility.

At January 31, 2023, the Company had a total of four bank loans with RBC Royal Bank (Bahamas) Limited which bear a blended interest rate of 3.65% each. The total principal amount outstanding on the Company's loans was \$8.8m. The company has as additional \$15.5m left to drawn down on its new facilities.

## **AML FOODS LIMITED**

---

### **AUDITORS**

Deloitte & Touche  
2<sup>nd</sup> Terrace West, Centreville  
P.O. Box N-7120  
Nassau, The Bahamas

### **BANKERS**

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

### **LEGAL COUNSEL**

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

### **REGISTRAR & TRANSFER AGENTS**

Bahamas Central Securities Depository  
2<sup>nd</sup> Floor, Fort Nassau Centre  
Hilton British Colonial, Suite 202  
Bay Street  
P.O. Box EE-15672  
Nassau, The Bahamas

### **DIRECTORS**

Franklyn Butler, II (Chairman)  
Robert L. Sands  
Alison Treco  
Meike de Vaere  
Tara Cooper Burnside  
Jeff Gordman  
Sunil Chatrani  
Gavin Watchorn

### **AML FOODS LIMITED**

Corporate Offices  
#20 University Drive  
P.O. Box SS-6322  
Nassau, The Bahamas  
Tel: (242) 677-7200  
Fax: (242) 356-7855