



CEO Message

Q2 2024-2025

The Board of Directors of *AML Foods Limited* today announced results for the second quarter ended October 31st, 2024. Sales for the period were \$43.9m, an increase of \$0.9m or 2.0%, compared to the same quarter last year. The company recorded a net loss of \$0.1m compared to a net loss of \$0.5m for the same quarter last year.

Sales for the period in certain stores were impacted by a slower than usual tourist season in comparison to recent years. We also continued to be affected by inflation within our expense base, however, our continuing improvements in shrink and margin management is helping to offset these expense pressures and increases. Historically, Q2 has been our weakest period, but we are encouraged by the progress we have made that position us to deliver improved operating results. As we move into our stronger quarters, the peak tourist season and the holidays, our team is well prepared and looking forward to a successful year's end.

On November 1st we celebrated the opening of Cost Right Nassau in its new location on the East West Highway and initial sales have been promising. The opening of the store marks the end of our store remodel program. During the quarter we also launched our new online food service portal, Chef Direct, in Exuma, Abaco and Eleuthera. Chef Direct has been well received by our customers and will launch in New Providence and Grand Bahama in early 2025. We are excited to enter the Eleuthera market in the new year and are looking forward to finalizing the purchase of Burrows One Stop Grocery Store in Governor's Harbour. Once the sale is finalized, the store will undergo a complete renovation and reopen as Eleuthera Markets.

Based on the quarter's performance the Board of Directors have approved an ordinary dividend payment of \$0.05 per share, payable on December 23, 2024, to shareholders on record as of December 20, 2024.

On behalf of the Board of Directors I would like to thank our dedicated and hard-working associates for your commitment to our company and our customers for your loyal support of our businesses. Season's Greetings, and best wishes for a Happy and Prosperous New Year.

Sincerely,

Gavin Watchorn
CEO & President

AML FOODS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 OCTOBER 2024

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

	As At October 31, 2024	As At April 30, 2024
Assets		
Current assets		
Cash and bank balances	\$ 8,150	\$ 9,200
Term deposits with original maturities greater than 90 days	289	289
Receivables, net of provision	793	819
Merchandise inventories, net of provisions	15,460	15,215
Other current assets	3,327	3,175
Total current assets	28,019	28,698
Non-current assets		
Other assets	4,088	4,088
Property, plant and equipment, net		
Land, land improvements and buildings	43,180	42,135
Equipment	11,954	7,070
Leasehold improvements	4,067	4,795
Work in progress	6,268	8,627
Total property, plant and equipment, net	65,469	62,627
Right of use asset	28,193	28,986
Goodwill	2,976	2,976
Total assets	\$ 128,745	\$ 127,375
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	16,646	16,272
Current portion of bank loan	2,255	2,544
Current portion of lease liability	1,211	1,892
Total current liabilities	20,112	20,708
Long-term liabilities		
Bank loan	18,747	16,624
Preference shares	6,801	6,801
Lease liability	30,856	30,787
Total liabilities	56,404	54,212
Shareholders' equity		
Ordinary share capital	7,378	7,378
Contributed surplus	2,231	2,231
Revaluation surplus	7,951	7,951
Retained earnings	34,669	34,895
	52,229	52,455
Total liabilities and shareholders' equity	\$ 128,745	\$ 127,375

AML FOODS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 OCTOBER 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
(Expressed In thousands of Bahamian dollars except share amounts)

	Quarter ended October 31, 2024	Quarter ended October 31, 2023
Sales	\$ 43,903	\$ 43,027
Cost of sales	(29,437)	(30,266)
Gross profit	14,466	12,761
Selling, general and administrative expenses	(13,988)	(13,021)
Other operating income	247	336
Net operating profit	725	76
Interest expense	(568)	(520)
Loss on disposal of property, plant & equipment	(201)	(1)
Dividends on preference shares	(102)	(102)
Net loss	\$ (146)	\$ (547)
Weighted average number of ordinary shares outstanding	15,008,048	15,008,048
Earnings per share	\$ (0.01)	\$ (0.04)

AML FOODS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 OCTOBER 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
(Expressed In thousands of Bahamian dollars except share amounts)

	For the Six Months Ended October 31, 2024	For the Six Months Ended October 31, 2023
Sales	\$ 89,298	\$ 90,047
Cost of sales	(59,025)	(62,896)
Gross profit	30,273	27,151
Selling, general and administrative expenses	(27,692)	(26,399)
Other operating income	519	622
Net operating profit	3,100	1,374
Interest expense	(1,120)	(1,014)
Dividends on preference shares	(204)	(204)
Loss on disposal of property, plant & equipment	(201)	(13)
Net profit	\$ 1,575	\$ 143
Weighted average number of ordinary shares outstanding	<u>15,008,048</u>	<u>15,008,048</u>
Earnings per share	<u>\$ 0.10</u>	<u>\$ 0.01</u>

AML FOODS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed In thousands of Bahamian dollars)

	No. of Shares ('000s)	Share Capital	Contributed Surplus	Revaluation Surplus	Retained Earnings	Total
Balance as of April 30, 2023	15,008	7,378	2,231	6,354	33,295	49,258
Net profit		-	-	-	143	143
Dividends (\$0.11 per share)		-	-	-	(1,651)	(1,651)
Balance as of October 31, 2023	15,008	\$ 7,378	\$ 2,231	\$ 6,354	\$ 31,787	\$ 47,750

	No. of Shares ('000s)	Share Capital	Contributed Surplus	Revaluation Surplus	Retained Earnings	Total
Balance as of April 30, 2024	15,008	\$ 7,378	\$ 2,231	\$ 7,951	\$ 34,895	\$ 52,455
Net profit	-	-	-	-	1,575	1,575
Dividends (\$0.12 per share)	-	-	-	-	(1,801)	(1,801)
Balance as of October 31, 2024	15,008	\$ 7,378	\$ 2,231	\$ 7,951	\$ 34,669	\$ 52,229

AML FOODS LIMITED
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2024
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed In thousands of Bahamian dollars)

	For the Six Months Ended October 31, 2024	For the Six Months Ended October 31, 2023
Cash flows from operating activities		
Net profit	1,576	143
Depreciation and amortization	3,586	3,347
Dividends on preference shares	204	204
(Decrease) / increase in provision for doubtful debts	(20)	30
(Decrease) / increase in inventory provision	(182)	470
Loss on disposal of property, plant and equipment	201	13
Interest on lease liability	761	721
Operating cash flow before changes in working capital	6,126	4,928
Working capital source / (use)		
Accounts receivable	46	(252)
Merchandising inventories	(63)	625
Other current assets	(152)	151
Accounts payable and accrued expenses	373	468
Net cash provided by operating activities	6,330	5,920
Investing activities source / (use)		
Additions to property, plant and equipment	(5,346)	(11,771)
Proceeds from disposal of property, plant & equipment	-	6
Net cash used in investing activities	(5,346)	(11,765)
Financing activities source / (use)		
Dividends paid on ordinary shares	(1,801)	(1,651)
Dividends paid on preference shares	(204)	(204)
Repayment of bank loan	(1,160)	(1,449)
Proceeds from bank loan	2,994	11,119
Payment of lease liability	(1,863)	(1,811)
Net cash (used in) / provided by financing activities	(2,034)	6,004
(Decrease) / increase in cash and bank balances	(1,050)	159
Cash and bank balances, beginning of period	9,200	8,076
Cash and bank balances, end of period	8,150	8,235

AML FOODS LIMITED
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED OCTOBER 31, 2024

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.

Three Months Ended	Food Distribution		Food Franchise		Corporate		Consolidated	
	31-Oct-24	31-Oct-23	31-Oct-24	31-Oct-23	31-Oct-24	31-Oct-23	31-Oct-24	31-Oct-23
Sales	\$ 41,163	\$ 40,643	\$ 2,740	\$ 2,384	\$ -	\$ -	\$ 43,903	\$ 43,027
Cost of sales	(28,502)	(29,459)	(935)	(807)	-	-	(29,437)	(30,266)
Gross Profit	12,661	11,184	1,805	1,577	-	-	14,466	12,761
Selling, general and administrative expenses	(8,643)	(8,596)	(1,641)	(1,462)	(3,704)	(2,963)	(13,988)	(13,021)
Other operating income	194	180	1	16	52	140	247	336
Loss on disposal of fixed assets	(201)	(1)	-	-	-	-	(201)	(1)
Interest expense	(363)	(348)	(19)	(9)	(186)	(163)	(568)	(520)
Dividends on preference shares	-	-	-	-	(102)	(102)	(102)	(102)
Net profit / (loss)	\$ 3,648	\$ 2,419	\$ 146	\$ 122	\$ (3,940)	\$ (3,088)	\$ (146)	\$ (547)

AML FOODS LIMITED
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2024

SEGMENT REPORTING

(Expressed in thousands of Bahamian Dollars)

6 Months Ended	Food Distribution		Food Franchise		Corporate		Consolidated	
	31-Oct-24	31-Oct-23	31-Oct-24	31-Oct-23	31-Oct-24	31-Oct-23	31-Oct-24	31-Oct-23
Sales	\$ 83,670	\$ 85,001	\$ 5,628	\$ 5,046	\$ -	\$ -	\$ 89,298	\$ 90,047
Cost of sales	(57,150)	(61,206)	(1,875)	(1,690)	-	-	(59,025)	(62,896)
Gross Profit	26,520	23,795	3,753	3,356	-	-	30,273	27,151
Selling, general and administrative expenses	(17,190)	(17,083)	(3,289)	(2,959)	(7,213)	(6,357)	(27,692)	(26,399)
Other operating income	385	342	1	18	133	262	519	622
Loss on disposal of fixed assets	(201)	(13)	-	-	-	-	(201)	(13)
Interest expense	(733)	(702)	(28)	(19)	(359)	(293)	(1,120)	(1,014)
Dividends on preference shares	-	-	-	-	(204)	(204)	(204)	(204)
Net profit / (loss)	\$ 8,781	\$ 6,339	\$ 437	\$ 396	\$ (7,643)	\$ (6,592)	\$ 1,575	\$ 143

AML FOODS LIMITED
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED OCTOBER 31, 2024

EXPLANATORY NOTES

1. ACCOUNTING POLICIES

These consolidated 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 for the year ended April 30, 2024 included in the 2024 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, Solomon's Exuma Limited, Chef Direct Food Service Limited.

2. DIVIDENDS

The Company paid an ordinary dividend of \$0.05 per share on September 25, 2024 to shareholders of record on September 20, 2024.

3. ACQUISITION OF BURROWS ONE STOP SHOP GROCERY STORE

During the quarter, the Company entered into an Asset Purchase Agreement to acquire the assets of Burrows One Stop Shop Grocery Store located at Queen's Highway, Governor's Harbour, Eleuthera, The Bahamas in the amount of One Million Nine Hundred and Seventy-Five Thousand Dollars (\$1,975,000).

Simultaneously, the Company also entered into a Land Purchase Agreement to purchase the Land and Building of Burrows One Stop Shop Grocery Store for Five Hundred Twenty Five Thousand Dollars (\$525,000).

The completion of both transactions is subject to due diligence and the final price may be adjusted based on closing procedures. A total deposit of Two Hundred Fifty Thousand Dollars was paid and is being held in escrow pending completion of due diligence. The deposit is included in Other Current Assets in the Consolidated Statement of Financial Position.

4. BANK LOANS

During the quarter, the Company entered into a new credit facility with RBC Royal Bank (Bahamas) Limited to borrow \$3 million to fund the asset purchase and renovations of Burrows One Stop. As at October 31, 2024, the full amount of the facility remains available for draw down.

The Company has a total of five bank loans with RBC Royal Bank (Bahamas) Limited which each bear a blended interest rate of 3.60% per annum. During the quarter, \$1.6m was drawn down on the outstanding available credit. The total remaining principal amount outstanding on the Company's loans was \$21.0m as at October 31, 2024. A total of \$3.3m remains to be drawn down under these existing credit facilities.

5. SUBSEQUENT EVENTS

On December 4, 2024, the Board of Directors approved an ordinary dividend of \$0.05 per share and payable on December 23, 2024 to shareholders of record on December 20, 2024.

AML FOODS LIMITED

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DIRECTORS

Franklyn Butler, II (Chairman)
Robert L. Sands
Meike de Vaere
Tara Cooper Burnside
Jeff Gordman
Sunil Chatrani
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AML FOODS LIMITED

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