



## CEO Message

Q1 2024-2025

The Board of Directors of *AML Foods Limited* today announced results for the first quarter ended July 31<sup>st</sup>, 2024. Sales for the period were \$45.4m, a decrease of \$1.6m or 3.5%, compared to the same quarter last year. Net profit for the quarter was \$1.7m, compared to \$0.7m for the same period in the prior year.

Except for Solomon's Old Trail, we recorded continued increases in transactions in our first quarter, underlying the value, variety and overall customer experience that we strive to deliver to our customers throughout our various formats and locations. In particular, we continue to grow our transaction count in our Grand Bahama market. As expected, our sales at Solomon's Old Trail declined significantly as we downsized the store and completed our remodel. With the completion of the remodel in late July, our customers are returning, and we expect sales at this location to continue to rebound over the coming quarters.

This time last year, we were grappling with significant increases in our shrink expenses, which materially impacted our operating profits. Our team has diligently focused on this issue, and I am pleased to report that our shrink expense has decreased back to budgeted levels. We continue to utilize our investments in technology and data to drive improved consistency in product availability and selection, and overall efficiencies in inventory management. These two successes have driven our improvements in profits, offsetting increased expense pressures, particularly in utilities, insurance and security costs. We continue to invest in payroll to assist our teams in meeting our customers' expectations.

Now that the remodel of Solomon's has been concluded, we have now shifted our attention to completing the relocation of Cost Right Nassau to the East West Highway, adjacent to the new Old Trail store and preparing for a busy holiday season.

Based on the quarter's performance the Board of Directors has approved an ordinary dividend payment of \$0.05 per share, payable on September 25, 2024, to shareholders on record as of September 20, 2024.

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

Sincerely,

Gavin Watchorn  
CEO & President

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 31st JULY 2024**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*(Expressed In thousands of Bahamian dollars)*

	<b>As At July 31, 2024</b>	<b>As At April 30, 2024</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 8,779	\$ 9,200
Term deposits with original maturities greater than 90 days	289	289
Receivables, net of provision	619	819
Merchandise inventories, net of provisions	15,120	15,215
Other current assets	4,198	3,175
<b>Total current assets</b>	<b>29,005</b>	<b>28,698</b>
<b>Non-current assets</b>		
Other assets	4,088	4,088
<b>Property, plant and equipment, net</b>		
Land, land improvements and buildings	43,260	42,135
Equipment	6,884	7,070
Leasehold improvements	4,510	4,795
Work in progress	10,571	8,627
<b>Total property, plant and equipment, net</b>	<b>65,225</b>	<b>62,627</b>
Right of use asset	28,374	28,986
Goodwill	2,976	2,976
<b>Total assets</b>	<b>\$ 129,668</b>	<b>\$ 127,375</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	17,696	16,272
Current portion of bank loan	2,641	2,544
Current portion of lease liability	1,698	1,892
<b>Total current liabilities</b>	<b>22,035</b>	<b>20,708</b>
<b>Long-term liabilities</b>		
Bank loan	17,254	16,624
Preference shares	6,801	6,801
Lease liability	30,453	30,787
<b>Total liabilities</b>	<b>54,508</b>	<b>54,212</b>
<b>Shareholders' equity</b>		
Ordinary share capital	7,378	7,378
Contributed surplus	2,231	2,231
Revaluation surplus	7,951	7,951
Retained earnings	35,565	34,895
	53,125	52,455
<b>Total liabilities and shareholders' equity</b>	<b>\$ 129,668</b>	<b>\$ 127,375</b>

**AML FOODS LIMITED**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 31st JULY 2024**

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

	<b>Quarter ended July 31, 2024</b>	<b>Quarter ended July 31, 2023</b>
Sales	\$ 45,395	\$ 47,020
Cost of sales	(29,588)	(32,630)
<b>Gross profit</b>	<b>15,807</b>	<b>14,390</b>
Selling, general and administrative expenses	(13,704)	(13,377)
Other operating income	272	286
<b>Net operating profit</b>	<b>2,375</b>	<b>1,299</b>
Interest expense	(552)	(495)
Loss on disposal of property, plant & equipment	-	(12)
Dividends on preference shares	(102)	(102)
<b>Net profit</b>	<b>\$ 1,721</b>	<b>\$ 690</b>
Weighted average number of ordinary shares outstanding	<hr/> 15,008,048	<hr/> 15,008,048
Earnings per share	<hr/> \$ 0.11	<hr/> \$ 0.05

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

*(Expressed In thousands of Bahamian dollars)*

	<b>No. of Shares ('000s)</b>	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Revaluation Surplus</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance as of April 30, 2023	15,008	7,378	2,231	6,354	33,295	49,258
Net profit		-	-	-	690	690
Dividends (\$0.07 per share)		-	-	-	(1,051)	(1,051)
Balance as of July 31, 2023	15,008	\$ 7,378	\$ 2,231	\$ 6,354	\$ 32,934	\$ 48,897

	<b>No. of Shares ('000s)</b>	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Revaluation Surplus</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance as of April 30, 2024	15,008	7,378	2,231	7,951	34,895	52,455
Net profit		-	-	-	1,721	1,721
Dividends (\$0.07 per share)		-	-	-	(1,051)	(1,051)
Balance as of July 31, 2024	15,008	\$ 7,378	\$ 2,231	\$ 7,951	\$ 35,565	\$ 53,125

**AML FOODS LIMITED**  
**UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE YEAR to DATE ENDED 31st JULY 2024**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
*(Expressed In thousands of Bahamian dollars)*

	<b>Year To Date Ended July 31, 2024</b>	<b>Year To Date Ended July 31, 2023</b>
<b>Cash flows from operating activities</b>		
Net profit	1,721	690
Depreciation and amortization	1,680	1,669
Dividends on preference shares	102	102
(Decrease) / increase in provision for doubtful debts	(10)	23
Increase in inventory provision	36	220
Loss on disposal of property, plant and equipment	-	12
Interest on lease liability	378	364
Operating cash flow before changes in working capital	3,907	3,080
Working capital source / (use)		
Accounts receivable	210	(8)
Merchandising inventories	59	1,695
Other current assets	(1,022)	(832)
Accounts payable and accrued expenses	1,424	(825)
Net cash provided by operating activities	4,578	3,110
<b>Investing activities source / (use)</b>		
Movement on term deposit	(1)	-
Additions to property, plant and equipment	(3,666)	(9,995)
Proceeds from disposal of property, plant & equipment	-	6
Net cash used in investing activities	(3,667)	(9,989)
<b>Financing activities source / (use)</b>		
Dividends paid on ordinary shares	(1,051)	(1,051)
Dividends paid on preference shares	(102)	(102)
Repayment of bank loan	(595)	(770)
Proceeds from bank loan	1,323	10,844
Payment of lease liability	(907)	(899)
Net cash (used in) / provided by financing activities	(1,332)	8,022
(Decrease) / increase in cash and bank balances	(421)	1,143
Cash and bank balances, beginning of period	9,200	8,076
Cash and bank balances, end of period	8,779	9,219

**Supplemental information:**

Interest received	-	-
Interest paid	174	233

**AML FOODS LIMITED**  
**UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 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.

<b>3 Months Ended</b>	<b>Food Distribution</b>		<b>Food Franchise</b>		<b>Corporate</b>		<b>Consolidated</b>	
	<b>31-Jul-24</b>	<b>31-Jul-23</b>	<b>31-Jul-24</b>	<b>31-Jul-23</b>	<b>31-Jul-24</b>	<b>31-Jul-23</b>	<b>31-Jul-24</b>	<b>31-Jul-23</b>
Sales	\$ 42,507	\$ 44,359	\$ 2,888	\$ 2,661	\$ -	\$ -	\$ 45,395	\$ 47,020
Cost of sales	(28,648)	(31,747)	(940)	(883)	-	-	(29,588)	(32,630)
Gross Profit	13,859	12,612	1,948	1,778	-	-	15,807	14,390
Selling, general and administrative expenses	(8,547)	(8,487)	(1,648)	(1,496)	(3,509)	(3,394)	(13,704)	(13,377)
Other operating income	191	162	-	1	81	123	272	286
Loss on disposal of fixed assets	-	(12)	-	-	-	-	-	(12)
Interest expense	(369)	(354)	(9)	(10)	(174)	(131)	(552)	(495)
Dividends on preference shares	-	-	-	-	(102)	(102)	(102)	(102)
<b>Net profit / (loss)</b>	<b>\$ 5,134</b>	<b>\$ 3,921</b>	<b>\$ 291</b>	<b>\$ 273</b>	<b>\$ (3,704)</b>	<b>\$ (3,504)</b>	<b>\$ 1,721</b>	<b>\$ 690</b>

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

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**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, and Solomon's Exuma Limited.

**2. DIVIDENDS**

The Company paid an ordinary dividend of \$0.04 per share and an extraordinary dividend of \$0.03 per share on June 26, 2024 to shareholders of record on June 21, 2024.

**3. BANK LOANS**

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, \$1.3m was drawn down on the outstanding available credit. Additionally, one of the five loans was fully paid off during the month of July 2024, reducing the total number of outstanding loans at July 31, 2024 to four. The total remaining principal amount outstanding on the Company's loans was \$19.9m as at July 31, 2024. A total of \$1.9m remains to be drawn down under these existing credit facilities.

**4. SUBSEQUENT EVENTS**

On September 4, 2024, the Board of Directors approved an ordinary dividend of \$0.05 per share and payable on September 25, 2024 to shareholders of record on September 20, 2024.

## AML FOODS LIMITED

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### **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  
Meike de Vaere  
Tara Cooper Burnside  
Jeff Gordman  
Sunil Chatrani  
Juan Lopez  
Gavin Watchorn

### **AML FOODS LIMITED**

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