



**WE ARE GRACEKENNEDY.
SHAPING A STRONGER FUTURE TOGETHER.**

ANNUAL REPORT 2025



*104 years of
innovation,
excellence and
shared purpose.*


GraceKennedy

*The Don
Wehby
Building*

GraceKennedy
Headquarters
42 - 56 Harbour Street
Kingston, Jamaica



We are GraceKennedy. Shaping a Stronger Future Together.

Rooted in a proud legacy and guided by a shared purpose, we move forward as one GK team.

Through every challenge and opportunity, our strength lies in our unity and our firm belief in what we can achieve together. Grounded in our core values and fueled by our vision to be the number one Caribbean brand in the world, we look ahead with confidence to a future that reflects the very best of GraceKennedy.



About this year's Annual Report Design Concept

The design of this year's GraceKennedy Annual Report is inspired by our 2026 theme, ***We are GraceKennedy. Shaping a Stronger Future Together.*** It draws on visual language introduced at our Groupwide CEO's Forum earlier this year, where a series of distinct shapes were introduced by our Executive Committee to represent key elements of our strategy.

Each shape carries meaning. The star reflects clarity of purpose and direction, guiding us toward our vision. The upward arrow represents growth, momentum, and disciplined performance. The circle speaks to the global reach of our Food business, while the triangle reflects the strength and structure of our Financial Group. The diamond symbolises our people, who are our most valuable asset and remain at the centre of everything we do, while the heart embodies our *We Care* ethos, core values, and our commitment to the communities we serve around the world.

Together, the shape motif has been brought to life using our GraceKennedy colour palette and applied creatively throughout the report. More than a design choice, these shapes represent the different facets of our Group and how we are shaping a stronger future together.



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Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of GraceKennedy Limited will be held at The Don Wehby Building, 42-56 Harbour Street, Kingston, Jamaica and electronically via an online platform which can be accessed via our website at www.gracekennedy.com on Wednesday, 27 May 2026 at 2:00 p.m. for the following purposes:-

1. **To receive the Audited Group Accounts for the year ended 31 December 2025 and the reports of the Directors and Auditors circulated herewith.**

To consider and (if thought fit) pass the following resolution: -

RESOLUTION NO. 1

“THAT the Audited Group Accounts for the year ended 31 December 2025 and the reports of the Directors and Auditors circulated with the Notice convening the meeting be and are hereby adopted.”

2. **To declare the interim dividends paid on 7 April 2025, 20 June 2025, 22 September 2025 and 17 December 2025 as final for the year under review.**

To consider and (if thought fit) pass the following resolution: -

RESOLUTION NO. 2

“THAT as recommended by the Directors, the interim dividends paid on 7 April 2025, 20 June 2025, 22 September 2025 and 17 December 2025 be and they are hereby declared as final and no further dividend be paid in respect of the year under review.”

3. **To elect Directors.**

- (1) **In accordance with Article 108 of the Company's Articles of Incorporation, Ms. Jacky Wright, having been appointed to the Board of Directors since the last Annual General Meeting, will retire from office and, being eligible, offers herself for election.**

To consider and (if thought fit) pass the following resolution: -

RESOLUTION NO. 3 (A)

“THAT Ms. Jacky Wright be and is hereby elected a Director of the Company.”

- (2) **The Directors retiring from office by rotation pursuant to Article 102 of the Company's Articles of Incorporation are Mr. Andrew Messado, Dr. Indianna Minto-Coy and Mrs. Gina Phillipps Black who, being eligible, offer themselves for re-election.**

To consider and (if thought fit) pass the following resolutions: -

RESOLUTION NO. 3 (B)

“THAT the Directors retiring by rotation and offering themselves for re-election be re-elected en bloc.”

RESOLUTION NO. 3 (C)

“THAT Mr. Andrew Messado, Dr. Indianna Minto-Coy and Mrs. Gina Phillipps Black be and they are hereby re-elected Directors of the Company.”

4. To fix the fees of the Directors.

To consider and (if thought fit) pass the following resolution: -

RESOLUTION NO. 4

- a. "THAT the amount shown in the Accounts of the Company for the year ended 31 December 2025 as fees of the Directors for their services as Directors be and is hereby approved."
- b. "THAT the Compensation Sub-Committee, a Sub-Committee of the Corporate Governance & Nomination Committee of the Board of Directors is authorised until the conclusion of the next Annual General Meeting to fix the fees of the Directors."

5. To appoint Auditors and authorise the Directors to fix the remuneration of the Auditors.

To consider and (if thought fit) pass the following resolution: -

RESOLUTION NO. 5

"THAT PricewaterhouseCoopers, Chartered Accountants, having signified their willingness to serve, continue in office as Auditors of the Company pursuant to Section 154 of the Companies Act to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."



By Order of the Board
27 February 2026
Gail Moss-Solomon
Corporate Secretary

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint one or more proxies to attend and vote in his/her stead. Such proxies need not be members of the Company. Instruments appointing proxies (a specimen of which has been circulated to members along with the Company's Annual Report) must be deposited with the Corporate Secretary of the Company, at 73 Harbour Street, Kingston, Jamaica, not less than forty-eight (48) hours before the meeting.

Further information on how to participate in this meeting is available on our website at www.gracekennedy.com

Directors & Corporate Data

As at December 31, 2025

DIRECTORS

Prof. Gordon V. Shirley, OJ
Chairman

Frank A. R. James
Group Chief Executive Officer

Dr. Parris A. R. Lyew Ayee, Jr

Andrew R. Messado
Group Chief Financial Officer

Dr. Indianna D. Minto-Coy

Gina M. Phillipps Black

Vanessa N. Rizzioli

Peter E. Williams

Jacky M. Wright

Gail A. Moss-Solomon
Corporate Secretary

AUDITORS

PricewaterhouseCoopers
Scotiabank Centre
Duke Street
Kingston
Jamaica

ATTORNEYS

Myers, Fletcher & Gordon
21 East Street
Kingston
Jamaica

BANKERS

The Bank of Nova Scotia Jamaica Limited

Citibank N.A.

**CIBC FirstCaribbean International Bank
(Jamaica) Limited**

First Global Bank Limited

National Commercial Bank Jamaica Limited

Sagicor Bank Limited

REGISTERED OFFICE

73 Harbour Street
Kingston
Jamaica

REGISTRAR & TRANSFER OFFICE

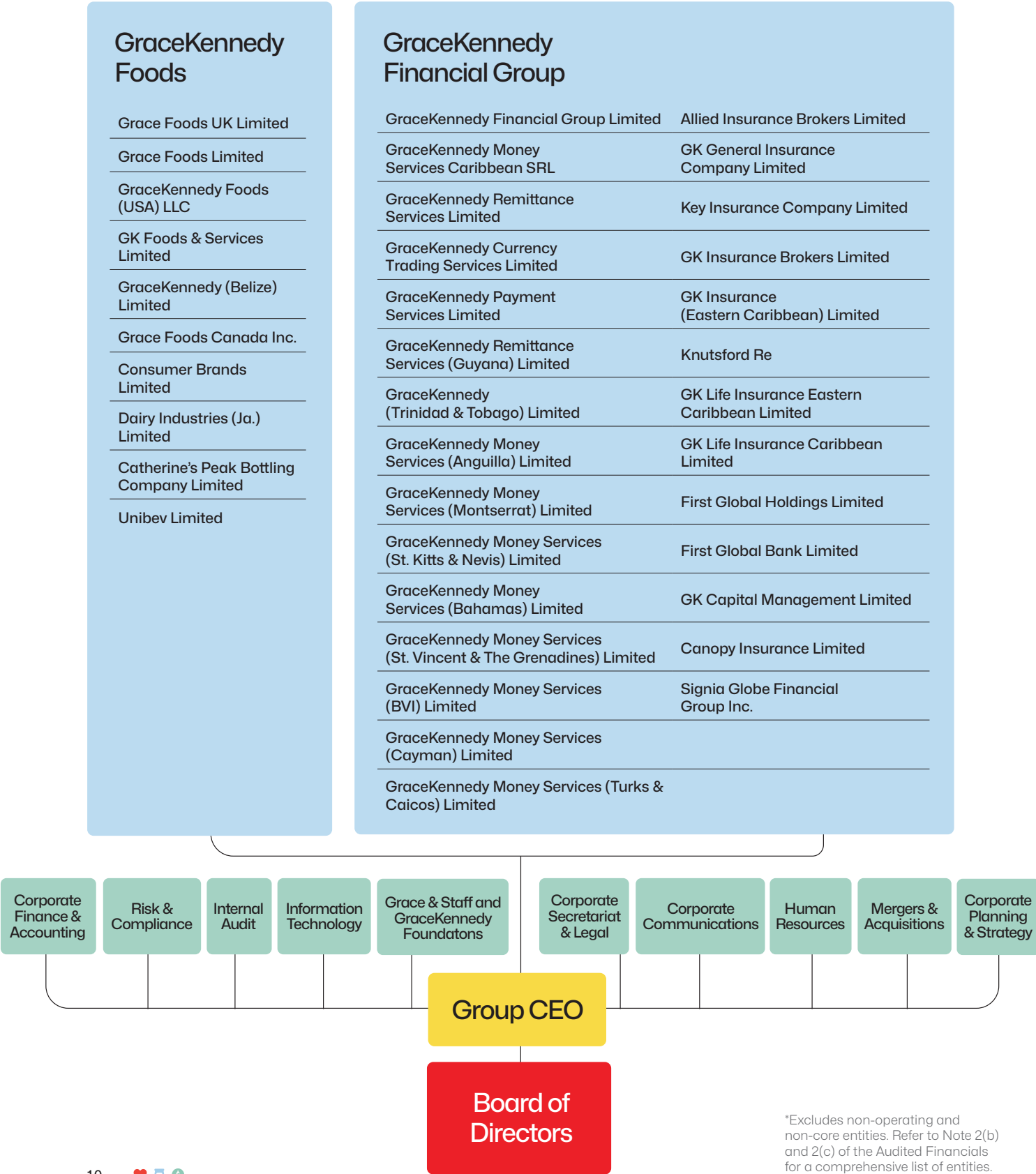
GraceKennedy Limited
73 Harbour Street
Kingston
Jamaica

WEBSITES

www.gracekennedy.com
www.gracefoods.com
www.gracekennedyfinancialgroup.com



Organisational Chart*



Our Strategic Pillars for Growth

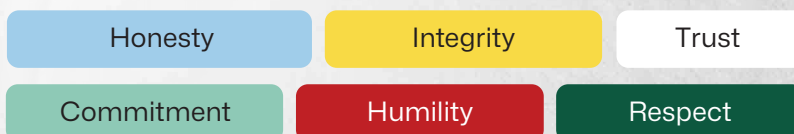
VISION & PURPOSE

To be the #1 Caribbean brand in the world

Enriching lives through trusted food and financial services



CORE VALUES



Chairman's Message

2025 will be remembered at GraceKennedy as a year that tested our resilience, called for steady leadership, and ultimately reaffirmed the enduring strength of our Company.

Set against an increasingly complex global environment, and compounded by the devastation caused by Hurricane Melissa, the year demanded focus, discipline, and sound judgement. In navigating these challenges, **GraceKennedy remained grounded in strong governance, prudent risk management, and an unwavering commitment to the long-term interests of all of our stakeholders.**

The events of the year underscored the importance of preparedness and resilience. Established business continuity frameworks, combined with decisive and coordinated action, enabled the GK team to respond swiftly and maintain operational stability in the aftermath of the hurricane. These efforts not only supported recovery in the immediate term but also reinforced GK's capacity to withstand future shocks.

Throughout the year, careful attention was given to **strategic direction, capital allocation, and investment priorities, ensuring alignment with long-term ambitions.** Important initiatives included increasing ownership in key subsidiaries, strengthening regional partnerships, expanding into new markets, and advancing our M&A and digital transformation strategies. Collectively, these actions reflect a disciplined approach to growth and a continued focus on sustainable value creation.

The year also marked an important leadership transition.

Following the retirement of Senator the Honourable Don Wehby, Frank James assumed the role of Group CEO of GraceKennedy Limited. This leadership transition was well supported by the strength of our governance framework and succession planning. Frank has brought clear focus, energy, and a strong sense of purpose to the role, and our Board is confident in his leadership as he guides GraceKennedy into its next phase of growth.

I take this opportunity to congratulate Frank on his first year as GraceKennedy's Group CEO and to thank him, the GK Executive and Senior Management team, my fellow Directors and the hundreds of team members across the Group for their commitment and hard work during what was a challenging year.



Our diversified business model, strong team, and disciplined approach position us well to navigate future challenges and pursue opportunities for growth.

As I reflect on the period, I also pause to reflect on the life and legacy of Don Wehby, who passed away in July. Don's contribution to GraceKennedy and to Jamaica was profound. He led with integrity and a deep belief in the potential of our people. His legacy remains firmly embedded in GraceKennedy's vision and will continue to guide us in the years to come.

GraceKennedy remains **committed to upholding the highest standards of governance, ethical leadership, and accountability.** Continued focus is being placed on strengthening oversight of our sustainability agenda, recognising its importance to long-term resilience, stakeholder trust, and responsible corporate citizenship.



As we look ahead, we do so with confidence.

While uncertainty remains in the global economy, our diversified business model, strong team, and disciplined approach position us well to navigate future challenges and pursue opportunities for growth.

On behalf of the GraceKennedy Limited Board of Directors, I extend sincere appreciation to all our shareholders, customers, partners, and the dedicated GK team.

Prof. Gordon Shirley, OJ

**Chairman,
GraceKennedy
Limited**

CEO's Message

At GraceKennedy, we have always believed that our greatest strength lies in our people.

In 2025, that belief was tested in ways we could not have fully anticipated. Hurricane Melissa, a Category 5 storm which struck Jamaica in October, disrupted lives, communities, and businesses across the island, including our own operations. Yet in the face of that challenge, one truth became clear - ***the power of togetherness is a force stronger than any hurricane.***

That spirit defined our response.

Guided by our **We Care** ethos, we moved quickly to support 681 team members in affected areas, restore critical services across our operations, and deliver meaningful assistance to communities. Through a coordinated relief and recovery programme valued at over J\$200 million, we played our part in national recovery efforts, while ensuring continuity of service to our customers locally and across the region.

2025 was also a year of transition for our Group. On GK's 103rd anniversary on February 14, I assumed the role of Group CEO following the retirement of The Honourable Don Wehby, OJ.

Sadly, Don passed away later in the year. Don was not only a remarkable leader, but to me he was also a mentor and a friend. He had a genuine way of connecting with people across our Group, making everyone feel seen and valued. His belief that our greatest asset is our people was not just something he said, it was how he led every day. His leadership helped shape the GraceKennedy we know today. As we move forward, we carry that with

us as we continue to build on his legacy.

In a year characterised by change and perseverance, our GK leadership team took the opportunity to reflect, sharpen our focus, and ensure that our business is positioned not just to grow, but to lead in a rapidly evolving global landscape.

Our vision is clear and ambitious - **to be the number one Caribbean brand in the world.** Our purpose, **enriching lives through trusted food and financial services,** grounds us in what matters most and guides how we serve our customers and communities.

To deliver on this, we have repositioned our strategy around four key pillars: **customer centricity and innovation, operational excellence, a purpose-driven organisation,**

and sustainability. These pillars are shaping how we operate, how we pursue growth, and how we create long-term value for all our stakeholders.

Across our Group, our GK team is driving this momentum and executing on our strategic priorities with clarity and determination.

Despite the challenges of the year, GraceKennedy delivered solid revenue growth, with revenue increasing by 6.4% to J\$177.8 billion. Profitability was impacted by the effects of Hurricane Melissa and other operational pressures, but the underlying performance of our businesses remained strong.

Our Food division continued to drive growth, supported by strong demand for our brands, innovation across our product portfolio, and expanded distribution in key markets. Within our Financial Group,



Our business is positioned not just to grow, but to lead in a rapidly evolving global landscape.

Insurance delivered strong revenue growth, while Banking and Investments also delivered revenue growth notwithstanding a constrained financial environment. Across both divisions, we continued to focus on improving efficiency, strengthening margins, and enhancing customer experience.

Looking ahead, our priorities are clear.

We are expanding the reach of our Grace and Grace-owned brands into new markets, strengthening our supply chain and manufacturing capabilities, and accelerating our digital transformation. The continued growth in digital transactions and the expansion of our GK One app is a key example of how we are evolving to meet changing customer needs and positioning for growth across borders.

At the same time, we are investing in the systems, processes, and data capabilities required to drive operational efficiency and support long-term scalability across our Group.

And none of this is possible without our people.

We remain committed to building a high-performing, purpose-driven organisation, where our team members are empowered to grow, contribute, and lead. Our **T.E.A.M.** philosophy - Togetherness, Excellence, Accountability and Mettle - defines how we work and how we achieve success as one GraceKennedy.

***We are GraceKennedy.
Shaping a Stronger Future Together.***

To our GK team, Board of Directors, customers, shareholders, business partners and the communities we serve around the world - thank you for being part of our GraceKennedy Family, and our journey.

I look forward to the journey that lies ahead. The future is very bright!



A stylized handwritten signature in black ink on a light beige, textured background that resembles a folded piece of paper.

**Frank
James**

**Group Chief
Executive Officer,
GraceKennedy
Limited**



GraceKennedy honours the life and legacy of our retired Group CEO, Don Wehby

Don's leadership, vision, and unwavering commitment helped shape GraceKennedy into the strong and respected Group we are today.

His impact extended far beyond our financial performance. He championed growth, strengthened our culture, and inspired excellence across our business. Don gave of himself fully to both GraceKennedy and Jamaica, leading with integrity, clarity, and purpose, and always placing people at the heart of everything he did. His belief in the

potential of our people, and his deep commitment to nation-building, will continue to impact our company and country for generations to come.

Don passed away in July 2025. His legacy lives on in the values we uphold, the excellence we pursue, and the stronger future we are building together.

Rest in peace, Don.



Honouring Don

**The Honourable
Don G. Wehby, OJ, CD**

Group CEO,
GraceKennedy Limited
2011 – 2025





JSE CEO of the Year

Stephanie Wehby (centre) receives the Jamaica Stock Exchange (JSE) CEO of the Year Award and citation, awarded posthumously to her father at the JSE's 2024 Best Practices Awards in December 2025. Presenting the award are Livingstone Morrison (right), Managing Director of the JSE, and Steven Whittingham (left), Chairman of the JSE and CEO of GraceKennedy Financial Group.



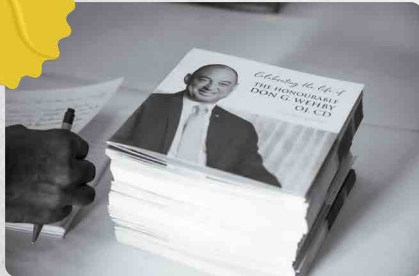
The Don Wehby Scholarship

Justin Preddie (second right), recipient of the inaugural GraceKennedy/Don Wehby Scholarship, receives his award from Stephanie Wehby (second left) during the GraceKennedy Foundation's Scholars' Awards Ceremony in October 2025. Also pictured are Suzette Mullings-Douglas (far left), Vice Principal of St George's College, and Radcliffe Daley (far right), President and CEO of First Global Bank and a Director of the GraceKennedy Foundation.



The Don Wehby Sportsmanship Award

Daniel Clarke, Kingston College student and athlete (left), receives the inaugural ISSA/GraceKennedy Don Wehby Sportsmanship Award from GraceKennedy Group CEO Frank James in June. The award recognised Clarke's outstanding display of grace, discipline and character at Champs 2025.



Celebrating a Champs Icon

Camile Mundell Barrett (right), Don's Executive Assistant of 23 years, accepts the GraceKennedy Money Services/Western Union Champs Icon Award on his behalf at Champs 2025. The award was presented by Grace Burnett, now retired CEO of GraceKennedy Financial Group, recognising Don's instrumental role in the growth of Champs and the development of sport in Jamaica.



Honouring a Lifetime of Impact at Champs 2025

Don's daughter, Stephanie Wehby (second right), proudly displays the Lifetime Achievement Award she accepted on his behalf at the 2025 Inter-Secondary Schools Sports Association (ISSA)/GraceKennedy Boys' and Girls' Athletics Championships (Champs). The award was presented by the Minister of Culture, Gender, Entertainment & Sport, The Hon. Olivia 'Babsy' Grange, CD, MP (second left), on behalf of the Government and People of Jamaica, in recognition of his outstanding contributions to youth and sports development. Also pictured are Frank James (left), Group CEO of GraceKennedy, and Keith Wellington, President of ISSA.



Induction into the PSOJ Hall of Fame

Metry Seaga (right), past President of the Private Sector Organisation of Jamaica (PSOJ), presents the Hall of Fame citation to members of the Wehby family: (L-R) Dorothea Ziadie (sister), and Stephanie and Abigail Wehby (daughters) at a ceremony in December 2025 which honoured Don's enduring contribution to Jamaica's private sector.



Unveiling of The Don Wehby Building

Members of the Wehby family joined the GraceKennedy Executive Committee and Board of Directors in February 2026, for the ceremonial unveiling of the company's headquarters as The Don Wehby Building. Pictured (L-R) are members of the Wehby family Dorothea Ziadie (sister); Hilary Wehby (wife); and Stephanie Wehby (daughter); alongside Andrew Messado, Group CFO; Gail Moss-Solomon, General Counsel & Chief Corporate Secretary; Frank James, Group CEO; Annette Morrison, Group Chief HR Officer; Steven Whittingham, CEO, GKFG; Gina Philipps-Black, Director; Dr Indianna Minto-Coy, Director; and Professor Gordon Shirley, Chairman.





Board of Directors

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GraceKennedy Limited Board of Directors

As at February 27, 2026

Prof. Gordon V. Shirley, OJ

Chairman

President & Chief Executive Officer of the Port Authority of Jamaica. Chairman, GraceKennedy's Compensation Sub-Committee and a member of GraceKennedy's Corporate Governance & Nomination Committee. Chairman, GraceKennedy Foods (USA) LLC.



Frank A. R. James

Group Chief Executive Officer

Finance and Investment Professional. Chairman, GraceKennedy Financial Group Limited, GK Foods & Services Limited, GraceKennedy Money Services (Caribbean) SRL and GK Life Insurance Caribbean Limited.



Andrew R. Messado

Group Chief Financial Officer

Finance and Accounting professional.



Gina M. Phillipps Black

**Chairman, Corporate Governance
& Nomination Committee**

Attorney-at-law and Partner in the law firm,
Myers, Fletcher & Gordon.
Chairman, GK General Insurance Company
Limited.



Dr. Parris A. R. Lyew-Ayee, Jr

Managing Director of PAMAS Ltd. Chief Strategy Officer at The LEAP Company Ltd. A member of GraceKennedy's Audit, Risk & Compliance Committee, Corporate Governance & Nomination Committee, and Compensation Sub-Committee. Chairman, Dairy Industries (Jamaica) Limited.



Dr. Indianna D. Minto-Coy

Deputy Executive Director and Senior Lecturer at the Mona School of Business & Management at The University of the West Indies, Jamaica. A member of GraceKennedy's Audit, Risk & Compliance Committee and Corporate Governance & Nomination Committee.



Peter E. Williams

Chairman, Audit, Risk and Compliance Committee

Retired partner of PricewaterhouseCoopers Jamaica's assurance practice. Finance and Accounting Professional.

A member of GraceKennedy's Corporate Governance & Nomination Committee and Compensation Sub-Committee. Chairman, Grace Foods Canada Inc.



Vanessa N. H. Rizzioli

Director, Cranwicke Consulting, United Kingdom.

A member of GraceKennedy's Audit, Risk & Compliance Committee and Corporate Governance & Nomination Committee.



Jacky M. Wright

Independent Board Director. Information
Technology Professional.
A member of GraceKennedy's Corporate
Governance & Nomination Committee.





Executive Committee

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Executive Committee

As at February 27, 2026

**Frank
James**

**Group Chief
Executive Officer**
GraceKennedy Limited



**Andrew
Messado**

**Group Chief
Financial Officer**
GraceKennedy Limited



**Andrea
Coy**

Chief Executive Officer
GraceKennedy Foods



Executive Committee

As at February 27, 2026

Annette Morrison

**Group Chief Human
Resources Officer**
GraceKennedy Limited



Gail Moss-Solomon

**General Counsel & Chief
Corporate Secretary**
GraceKennedy Limited



Steven Whittingham

Chief Executive Officer
GraceKennedy
Financial Group





Senior Management

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Executive Office

As at February 27, 2026



Frank James

Group Chief Executive Officer

Andrew Messado

Group Chief Financial Officer

Annette Morrison

Group Chief Human Resources Officer

Gail Moss-Solomon

General Counsel & Chief Corporate Secretary

Judith Chung

Group Chief Compliance Officer
& Senior Legal Counsel

Deidre Cousins

Chief Information Officer

Tawana Gray

Group Comptroller

Andrew Leo-Rhynie

Head of Mergers & Acquisitions

Greig Lindo

Head of Treasury & Corporate Finance

Maria Love

Group Chief Security Manager

Suzanne Nam

Head of Corporate Communications

Durval Williams

Chief Audit Executive

GRACEKENNEDY FOUNDATION

Caroline Mahfood

Chief Executive Officer

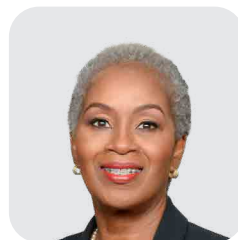
GRACE & STAFF COMMUNITY DEVELOPMENT FOUNDATION

Sandrina Davis

Chief Executive Officer

GraceKennedy Financial Group

As at February 27, 2026



Steven Whittingham

Chief Executive Officer

Debra Dodd

Divisional Chief Financial Officer

Kerry-Ann Heavens

Chief Legal Counsel & Corporate Secretary

Marcia Henry Lawrence

Chief Human Resource Officer

Nichole Case

Chief Information Officer

Fiona Briscoe

Chief Compliance Officer

ALLIED INSURANCE BROKERS LIMITED

Amanda Beepat

Managing Director

FIRST GLOBAL BANK LIMITED

Radcliffe Daley

President and Chief Executive Officer

GK CAPITAL MANAGEMENT LIMITED

Kareem Tomlinson

Managing Director

GK GENERAL INSURANCE COMPANY LIMITED

KEY INSURANCE COMPANY LIMITED

GK INSURANCE (EASTERN CARIBBEAN) LIMITED

Tammara Graves Hucey

Head of General Insurance Business

GK LIFE INSURANCE CARIBBEAN LIMITED

GK LIFE INSURANCE EASTERN

CARIBBEAN LIMITED

Chaluk Richards

Head of Life and Health Insurance Business

GRACEKENNEDY MONEY SERVICES (CARIBBEAN) SRL

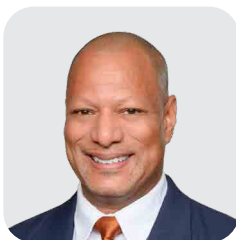
GRACEKENNEDY REMITTANCE SERVICES LIMITED

Margaret Campbell

Chief Executive Officer

GraceKennedy Foods

As at February 27, 2026



Andrea Coy
Chief Executive Officer

Kerry-Ann Lincoln
Chief Financial Officer

Carl Barnett
Senior General Manager – Manufacturing

Shaun Lawson-Freeman
Chief Legal Counsel & Corporate Secretary

Zak Mars
Head of Global Sourcing & Supply Chain

Orlean Mears
Chief Human Resources Officer

CONSUMER BRANDS LIMITED
GRACE FOODS & SERVICES
Tamara Thompson
General Manager

GRACE FOODS CANADA INC.
Nimal Amitirigala
President

GRACE FOODS LIMITED
Dave DaCosta
Managing Director

GRACE FOODS UK
Brian Mitchell
Managing Director

GRACEKENNEDY (BELIZE) LIMITED
GRACE FOODS LATIN AMERICAN AND
CARIBBEAN (GF LACA)
Danielle Longman
Managing Director / General Manager

GRACEKENNEDY FOODS (USA) LLC
Derrick Reckord
President & CEO

HI-LO FOOD STORES DIVISION
Cathrine Kennedy
General Manager

WORLD BRANDS SERVICES DIVISION
Renee Nathan
General Manager



Ten Year Financial Review

	'000 2025	'000 2024	'000 2023	'000 2022
Number of Shares (including treasury shares)	988,884	988,835	994,388	995,129
Stockholders' Equity	92,872,006	86,982,821	79,075,571	72,631,931
Percentage change over prior year	6.8%	10.0%	8.9%	6.5%
Market Capitalisation	70,705,206	78,058,635	78,974,295	82,814,635
Total Borrowings	35,340,379	31,095,924	32,436,957	28,318,585

PROFIT AND LOSS ACCOUNT

Revenues	177,792,753	167,042,935	155,001,024	141,605,669
Percentage change over prior year	6.4%	7.8%	9.5%	9.5%
Profit before Taxation	10,286,547	12,344,447	11,368,397	10,241,577
Percentage change over prior year	-16.7%	8.6%	11.0%	-12.3%
Profit after Taxation	7,249,521	8,863,828	8,378,997	7,615,157
Percentage change over prior year	-18.2%	5.8%	10.0%	-14.8%
Net Profit Attributable to Stockholders	6,890,328	8,414,018	7,780,931	7,047,748
Percentage change over prior year	-18.1%	8.1%	10.4%	-14.0%
Dividends paid to Stockholders	2,345,523	2,349,750	2,152,110	2,001,741
Percentage change over prior year	-0.2%	9.2%	7.5%	4.7%

IMPORTANT RATIOS

Return on Equity	7.7%	10.1%	10.3%	10.0%
Profit before Taxation / Sales	5.8%	7.4%	7.3%	7.2%
Profit after Taxation / Sales	4.1%	5.3%	5.4%	5.4%
Dividend Payout Ratio	34.0%	27.9%	27.7%	28.4%
Earnings per Stock Unit - basic (\$)	7.00	8.52	7.86	7.11
Productivity per Employee (US\$'000)	20.19	25.83	25.26	23.01
Number of Employees	2,145	2,086	2,003	2,001
Debt to Equity Ratio	38.1%	35.7%	41.0%	39.0%
Shareholders Equity per Stock Unit (excluding treasury shares) : JA\$	94.32	88.34	79.94	73.31
Closing Stock Price - JSE : JA\$	71.50	78.94	79.42	83.22
Closing Stock Price - TTSE : TT\$	3.47	3.70	4.38	4.49
Price-Earnings Ratio	10.21	9.27	10.10	11.70

	'000 2021	'000 2020	'000 2019	'000 2018	'000 2017	'000 2016
	995,070	995,013	995,005	994,887	994,887	994,887
	68,221,622	59,910,259	52,326,410	44,614,427	45,222,812	42,063,925
	13.9%	14.5%	17.3%	-1.3%	7.5%	10.6%
	99,526,901	62,367,415	69,083,197	63,175,325	43,615,846	40,083,997
	27,988,518	25,233,708	24,032,254	16,529,313	16,515,615	13,242,037
	129,309,871	115,437,341	103,089,893	97,544,731	92,475,652	88,267,589
	12.0%	12.0%	5.7%	5.5%	4.8%	10.7%
	11,676,117	9,708,975	6,127,595	6,963,025	5,819,562	6,103,330
	20.3%	58.4%	-12.0%	19.6%	-4.6%	41.8%
	8,940,309	6,856,926	5,099,916	5,643,577	4,772,100	4,534,862
	30.4%	34.5%	-9.6%	18.3%	5.2%	39.4%
	8,191,519	6,218,055	4,487,389	5,005,915	4,116,101	4,004,539
	31.7%	38.6%	-10.4%	21.6%	2.8%	45.1%
	1,911,882	1,585,604	1,539,049	1,339,783	1,121,519	1,010,423
	20.6%	3.0%	14.9%	19.5%	11.0%	23.2%
	12.8%	11.1%	9.3%	11.1%	9.4%	10.0%
	9.0%	8.4%	5.9%	7.1%	6.3%	6.9%
	6.9%	5.9%	4.9%	5.8%	5.2%	5.1%
	23.3%	25.5%	34.3%	26.8%	27.2%	25.2%
	8.27	6.28	4.52	5.05	4.15	4.04
	27.39	22.63	18.45	21.74	17.01	16.46
	1,984	1,934	1,828	1,789	1,894	1,940
	41.0%	42.1%	45.9%	37.0%	36.5%	31.5%
	68.91	60.54	52.74	44.98	45.56	42.39
	100.02	62.68	69.43	63.50	43.84	40.29
	6.10	3.85	3.95	2.90	3.00	2.67
	12.09	9.98	15.36	12.57	10.56	9.97



Management Discussion & Analysis

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Disclosures

The management of GraceKennedy Limited ("GK" or "the Company") is responsible for the integrity and objectivity of the information contained in the Management Discussion and Analysis (MD&A). The information presented herein has been reviewed by our Audit, Risk and Compliance Committee on behalf of our Board of Directors. Management believes this information represents an objective review of our Group's past performance and future prospects.

All monetary figures are presented in Jamaican dollars, unless otherwise stated.

Who We Are

GraceKennedy Limited is a publicly listed company on the stock exchanges of Jamaica and the Republic of Trinidad & Tobago. The Company was founded on February 14, 1922, and is the parent company of a group of subsidiaries operating mainly in the food and financial services sectors - the GraceKennedy Group ("GK Group" or "Group").

Our Group's operations are structured into two divisions:

FOOD (GK Foods)

Our Food Division is engaged in manufacturing, distribution, and retail. We manufacture Grace and Grace-owned brands, as well as third-party brands at our manufacturing facilities in Jamaica and internationally. We distribute our Grace and Grace-owned brands and several major international brands throughout Jamaica and the wider Caribbean, including Trinidad & Tobago, Belize and Guyana, and across the United States (US), Canada, the United Kingdom (UK) and Europe. In Jamaica, we are also engaged in retail through our supermarket chain.

FINANCIAL SERVICES (GraceKennedy Financial Group)

Our Financial Services Division offers a range of services and products for businesses and individuals across the Caribbean and the Caribbean diaspora within three segments - Banking & Investments, Insurance, and Money Services. It includes commercial and merchant banking; investment and advisory services; general, creditor life, and health insurance; insurance brokerage; and money services, including remittance, cambio and bill payment services.

Promoting Literacy and Learning

GK's leadership team uses the Balanced Scorecard tool to evaluate and monitor our Group's performance. The Balanced Scorecard focuses on learning and growth, internal processes, customer, and financial objectives.

- **Learning and Growth:** Our team is critical to our success. We monitor our relationship with our team by tracking employee engagement, retention, and development.

- **Internal Processes:** By monitoring the efficiency of our internal processes and the effectiveness of our risk management strategies, we ensure smooth operations, proactively identify, and address potential issues, and consistently improve the value we deliver.
- **Customer:** Maintaining focus on our customers and consumers is central to the delivery of our products and services. We monitor customer experience and service levels to ensure that our customers' needs are anticipated and met across all segments of our business.
- **Financial:** Key metrics linked to our revenue strategy and productivity levels are assessed to measure how well the implementation of our strategy has maximised shareholder value. We monitor revenue earned through existing and new markets, our ability to translate revenue into profit, and our allocation of capital. This is in keeping with our long-term vision to provide our investors with a competitive return on equity.

Key Expectations for 2025

Status Report

2025 was a pivotal year for GraceKennedy, defined by significant changes and notable challenges, and also by resilience, progress, and continued growth.

During the period, we welcomed new leadership. Following the retirement of the Honourable Don Wehby, OJ, Frank James was appointed Group CEO of GraceKennedy Limited. This transition was complemented by other key appointments, including Andrea Coy, who assumed the role of CEO of GraceKennedy Foods, unifying the domestic and international segments of our Food Division; and Steven Whittingham, who was appointed CEO of the GraceKennedy Financial Group (GKFG) upon the retirement of Grace Burnett.

Together with the wider Executive and Senior Management team, these leaders provided clear direction and steady stewardship as our Group navigated a dynamic global landscape, compounded by the significant impact of Hurricane Melissa, a Category 5 hurricane which made landfall in Jamaica in October.

Throughout the year our GK team remained committed to executing our strategic priorities, driving growth, and strengthening resilience as we continued to advance towards our vision of becoming the number one Caribbean brand in the world.

A summary of our 2025 status is below.

2025 REPORT CARD

GOAL

Ensuring growth of our Grace and Grace-owned brands in Jamaica and internationally.

STATUS

Innovation and strategic partnerships continued to fuel growth of our Grace and Grace-owned brands locally and internationally.

In Jamaica, our food sales and distribution businesses saw several key brands delivering strong performances supported by targeted promotions and enhanced customer engagement.



GOAL

Building our digital business by driving our GK One mobile app in Jamaica and expanding to other countries in the region.

Grace Foods and Services (GFS) launched new products under our Grace brand, including Grace Tropical Rhythms Sparkling, Grace Zesti, Grace Jamaican Green Seasoning and Grace Basmati Rice. Of note, Grace Green Seasoning, which is produced in Jamaica at Grace Agro Processors Denbigh is already demonstrating encouraging market response in Jamaica and internationally. Additionally, our Caribbean Choice brand delivered high double-digit growth and introduced new products to the Jamaican market, including frankfurters, elbow macaroni and sardines with black pepper.

In the last quarter of 2025, our Jamaican food business was impacted by the passage of Hurricane Melissa. Grace Food Processors Meats plant in Savanna-la-Mar, Westmoreland, one of the areas hardest hit by the hurricane, which produces several key Grace products such as vienna sausages and frankfurters, had to be temporarily closed. We successfully reopened the factory at the end of December, allowing us to resume production as we entered the new year.

Internationally our food businesses delivered sustained brand growth across all major markets. New products were launched under the Grace, La Fe and Dunn's River brands, with continued investment in our Grace and Grace-owned brands producing positive results.

In the US market, product launches included a new La Fe range of crackers, new flavours of Grace Tropical Rhythms, frozen Grace Green Gungo Peas, Grace Barbecue Sauce and Grace Exotic Chips.

In the UK, new products included Grace Bag N Cook - hot and mild jerk options; new Dunns River seasonings flavours; and Grace Basmati Rice. Notably, Grace Foods UK earned a Great Taste Award from the Guild of Fine Food for its newly launched Dunn's River Lemon Jerk Seasoning.

New product launches in the Canadian market included new Island Soda can packaging and new flavours of Grace Tropical Rhythms.

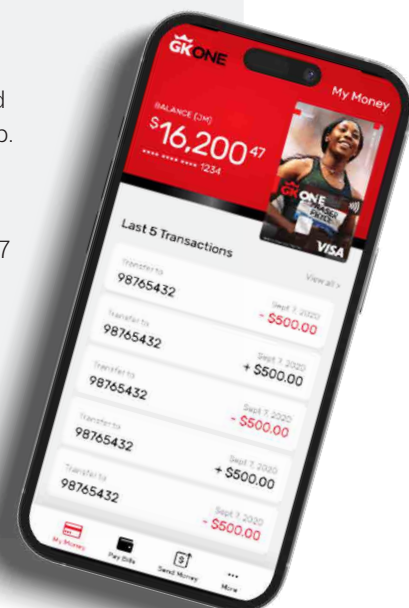


STATUS

We continue to expand digital access to our products and services through the expansion of our GK One mobile app.

The app continues to be the number one digital wallet for remittances in Jamaica with a repeat usage rate for remittances exceeding 85% and an App Store rating of 4.7 with over 3,500 ratings.

In 2025, we added eight new features to the app, including GK One Send which allows customers to send remittances to any bank account in the US, Canada and the UK and over 400,000 Western Union retail locations in minutes. Other new features include



general insurance policy renewals, bill payments with a debit/credit card, and crowdfunding. We also debuted the GK One Marketplace in the app which offers a wide range of services designed to support our customers' lifestyles, including grocery shopping, travel, gift cards and event tickets.

In September, the platform also expanded geographically with its launch in Guyana. Plans to introduce the platform in Trinidad & Tobago and Cayman Islands in 2026 are well advanced and will further expand our regional digital footprint.

GOAL

Ensuring growth in revenue and profitability of our international food businesses.



STATUS

The continued expansion of our international food business remains a critical strategic objective, strengthening our geographic diversification and reinforcing our position as a uniquely positioned, globally connected business which is headquartered in Jamaica. 2025 saw our international GK Foods team successfully expanding our reach across various channels, with over 950 additional stores now distributing our products in our three major markets - US, UK and Canada.

In the US, GraceKennedy Foods (USA) LLC recorded double-digit growth in revenue from Walmart and pursued geographic expansion in New England and Georgia.

In the UK, Grace and Grace-owned brands continued to gain momentum, with Nurishment and Encona remaining priority brands for focused support.

In 2025 we entered new chains in Quebec, Canada, including Sobeys IGA and Metro Quebec.

The three major international markets all delivered growth in revenue and profits in 2025

GOAL

Accelerating growth through M&A, joint ventures, and strategic partnerships, and ensuring the successful integration of acquired companies.

STATUS

Inorganic growth through strategic acquisitions continues to be a priority for GK. The contribution from these acquisitions over the past few years has yielded good results and has strengthened GK's strategic position and trajectory in both divisions.

In January 2025 the remaining 30% of Catherine's Peak Bottling Company Limited was acquired giving GK full ownership of that company and consolidating its position as the leader in the local spring water market.

In March GKFG announced its bid to acquire the remaining 27% stake in Key Insurance Company Limited (Key Insurance). This was successfully completed, increasing our ownership





GOAL

Transforming our GraceKennedy Money Services (GKMS) business model to lead the regional money services and payments space.

of key shares from 73.2% to over 98.9%. Key Insurance was delisted from the Jamaica Stock Exchange at the end of November.

In November GK General Insurance Company Limited (GKGI) expanded its partnership with Scotiabank into Barbados, Turks and Caicos Islands and The Bahamas. This expansion is expected to double the size of our partnership with Scotiabank and has shown encouraging early traction.

In December GK signed an agreement to acquire Fonterra Co-operative Group Limited's (Fonterra's) 50% shareholding in Dairy Industries (Jamaica) Limited (DIJL), giving GK 100% ownership of the company. DIJL is a highly profitable manufacturing operation, consistently delivering innovative products and driving export growth, which now represents over 25% of its revenue. Our relationship with Fonterra will continue on a commercial basis, with Fonterra remaining a key supplier as GK builds on DIJL's strong performance and deepens our position in the dairy segment. The transaction closed in January 2026.

Our mergers and acquisitions (M&A) pipeline remains strong as engagements with investment banks and discussions with potential targets in North America, the Caribbean, UK and Europe are ongoing.

STATUS

The global money services business is changing rapidly, with digital transactions now surpassing traditional channels globally as customer preferences continue to shift toward faster, more convenient, and technology-enabled services. GK is responding by leveraging strategic partnerships and advancing our digital solutions.

In 2025 we continued to advance our GK One mobile app, strengthening digital access to remittance and payment services across our money services business. During the year remittance transactions received via GK One grew by over 75%.

As the master agent for Western Union in 11 countries across the English-speaking Caribbean, GraceKennedy Money Services (GKMS) continues to pursue strategic partnerships that extend our reach and enhance service delivery. In 2025 we saw double-digit growth from our partnership with Unicomer Jamaica Limited (operator of Courts). Unicomer currently offers Western Union services at 21 Courts retail stores across the island.

GKMS also continues to partner with our Jamaican supermarket chain, Hi-Lo Food Stores (Hi-Lo). At the Hi-Lo Barbican location, we introduced an integrated remittance service model that allows customers to collect remittances at the point of sale and immediately use those funds for grocery purchases. This approach enhances both convenience and service efficiency. The pilot has thus far proved successful, and the team is exploring expansion to additional Hi-Lo locations.

GOAL

Bolstering employee engagement to foster a positive workplace culture and drive long-term organisational success.

STATUS

We continued to strengthen our team's capabilities through targeted leadership development, continued engagement activities and enhanced succession planning in 2025.

A new Managers' Programme was introduced, which will equip emerging people leaders with the foundational capabilities required for effective team leadership. This initiative strengthens early leadership readiness and supports the long-term sustainability of our talent pipeline.

Fourteen senior leadership transitions took place across our Group during the year, including three executive roles, underscoring the ongoing execution of our succession plans and the continued advancement of internal talent.

During 2025, we also laid the groundwork for the centralisation of talent management oversight, which became effective in January 2026. This transition enhances governance, improves visibility of succession metrics, and positions GK for more disciplined execution and strengthened pipeline coverage in the year ahead.

GOAL

Improving operational efficiency and customer centricity.

STATUS

GK continues to make significant investments in strengthening operational efficiency across our Group, driving improved performance, productivity and long-term value creation.

During the year our food business continued to implement logistics and supply chain optimisation measures, including the expansion of our primary distribution centre in Jamaica. The newly commissioned refrigeration plant at the centre is now fully operational, delivering reliable cold chain temperatures, improving energy efficiency, and reinforcing compliance across temperature-controlled operations.

We continue to leverage technology with the completion of our multi-phase implementation of SAP S/4HANA, our Enterprise Resource Planning (ERP) platform. This has strengthened our operational capabilities, with benefits including enhanced production planning supported by real-time data analytics. We are also taking a deliberate, phased approach to testing and deploying AI solutions, ensuring they effectively drive efficiency and elevate customer interactions as we continue to explore their full potential.

In 2025, we realised savings of over US\$700,000 through the use of alternative energy sources, while advancing a more environmentally sustainable footprint.

GOAL

Improving the international competitiveness of our manufacturing companies.

STATUS

Manufacturing is a core component of our food business, serving as a key driver of export growth in Jamaica. During 2025 Catherine's Peak broadened the reach of its portfolio by expanding exports to four new markets - Cayman Islands, Barbados, Guyana and the British Virgin Islands (Tortola). Our 876 Spring Water brand, which was acquired in 2021, also grew its regional footprint in Cayman Islands, Barbados and Antigua.

We also completed our first export of frozen products to Guyana through our local partner Massy Distribution Guyana Inc. in 2025.

2025 Macroeconomic Overview

Common Themes

Across GK's major operating markets, 2025 was defined by a gradual re-balancing of macroeconomic conditions following several years of elevated inflation, restrictive monetary policy, and global shocks. While inflation moderated and central banks cautiously pivoted toward easing policy rates, trade and tariff uncertainty emerged as an increasingly important macroeconomic risk, particularly against the backdrop of geopolitical tensions and shifting trade policies.

Key common themes included:

- A measured easing of monetary policy, as inflation pressures softened but remained above long-term targets in several jurisdictions;
- Labour markets that remained resilient but showed signs of cooling, helping to reduce wage-driven inflation;
- Continued re-shaping of global supply chains, with near-shoring and friend-shoring strategies partly influenced by tariff risks and trade policy uncertainty;
- Heightened corporate focus on cost resilience and supplier diversification, as firms sought to mitigate potential tariff-driven input cost volatility;
- Ongoing investment in technology, automation, and artificial intelligence (AI), aimed at improving productivity and offsetting rising trade and compliance costs;
- Sustained emphasis on climate adaptation and energy security, particularly following the increased incidence of extreme weather events; and
- Persistent geopolitical tensions, including conflicts in Europe and the Middle East, alongside renewed concerns around protectionism and tariffs, which contributed to episodic market volatility and more cautious capital allocation decisions.

Jamaica

Jamaica's economy remained broadly resilient in 2025, despite the disruptive impact of Hurricane Melissa, which caused significant damage to infrastructure, agriculture, communications and electricity supply. While the hurricane led to a meaningful contraction in the local economy, overall macroeconomic stability was maintained, supported by the reconstruction of the power grid and road networks, and the announcement of a US\$6.7 billion international support package over three years for recovery and reconstruction.

Official full-year GDP statistics from the Statistical Institute of Jamaica (STATIN) had not been released at the time of writing; however, the IMF projected real GDP growth of approximately 2.1% for 2025. This estimate predates Hurricane Melissa however and does not reflect the significant contraction in economic activity in the final quarter.

In the labour market, STATIN's October 2025 Labour Force Survey, the most recently available, recorded an unemployment rate of 3.3%, down from 3.5% a year earlier. The survey's reference period predated Hurricane Melissa and accordingly does not fully capture its labour market impact.

US tariffs implemented in 2025 introduced upside pressure on costs, particularly for food and manufactured goods, while hurricane-related supply disruptions added further near-term inflationary pressure in food and utilities. Notwithstanding, the Consumer Price Index (CPI) (inflation) closed the year within the Bank of Jamaica's target range of 4% to 6%. The Bank maintained a disciplined policy stance through year-end, with exchange rate stability serving as a key anchor for confidence.

The Agricultural Sector experienced the most direct impact from Hurricane Melissa, though recovery efforts accelerated toward year-end. The event reinforced the importance of food security, import substitution, and climate-resilient production, particularly in a global environment where tariffs and trade disruptions can amplify external price shocks.

Tourism remained a key contributor to the Jamaican economy, while remittance inflows continued

to provide important support to household consumption. Fiscal consolidation efforts remained broadly on track, even with higher short-term spending related to disaster recovery.

United States

The US economy recorded real GDP growth of 2.1% in 2025, supported by consumer spending and investment, according to the Bureau of Economic Analysis (BEA). The year was marked by pronounced quarterly volatility, with a first-quarter contraction followed by a strong mid-year rebound before growth softened again in Q4, reflecting lower government spending and the effects of trade and tariff policy changes.

US inflation eased but remained above target at year-end, with CPI rising to 2.7% year-over-year in December 2025. The moderation of inflation allowed the Federal Reserve to pivot toward a gradual easing cycle, though policy remained cautious and data-dependent. The unemployment rate rose to 4.4% in December 2025, up from 4.1% a year earlier, according to the Bureau of Labor Statistics (BLS).

Trade and tariff policy emerged as the dominant macroeconomic risk of 2025, with new tariffs contributing to higher consumer prices and prompting businesses to reassess supply chains, accelerate near-shoring, and incorporate tariff scenarios into pricing and capital-allocation decisions. While these developments did not materially disrupt aggregate growth, heightened policy uncertainty affected business investment and inventory management, and the US current account deficit remained wide, reflecting the economy's continued reliance on global capital flows despite a more fragmented trade environment.

United Kingdom

The UK economy demonstrated resilience in 2025, recording annual GDP growth of 1.3%, a modest improvement on the prior year, according to the Office for National Statistics (ONS). Growth was front-loaded, with momentum softening materially in the second half of the year. Labour-market conditions eased, with the unemployment rate rising to 5.1%, its highest level in nearly four years, reflecting a

cooling employment environment. Public finances remained stretched, constraining fiscal flexibility amid heightened global uncertainty.

Inflationary pressures intensified over the course of the year, with CPI rising from approximately 2.5% at year-end 2024 to 3.4% by December 2025, which was materially above the Monetary Policy Committee's 2% target. The Bank of England reduced interest rates on four occasions, ending the year at 3.75%, as policymakers sought to balance persistent inflation against subdued growth and a loosening labour market.

Trade frictions remained a structural constraint throughout 2025. UK goods exports to the EU have not recovered to pre-Brexit levels, with post-Brexit administrative burdens continuing to impact on competitiveness. Global trade policy uncertainty compounded these structural pressures, elevating input costs and prompting businesses to reassess supply chains.

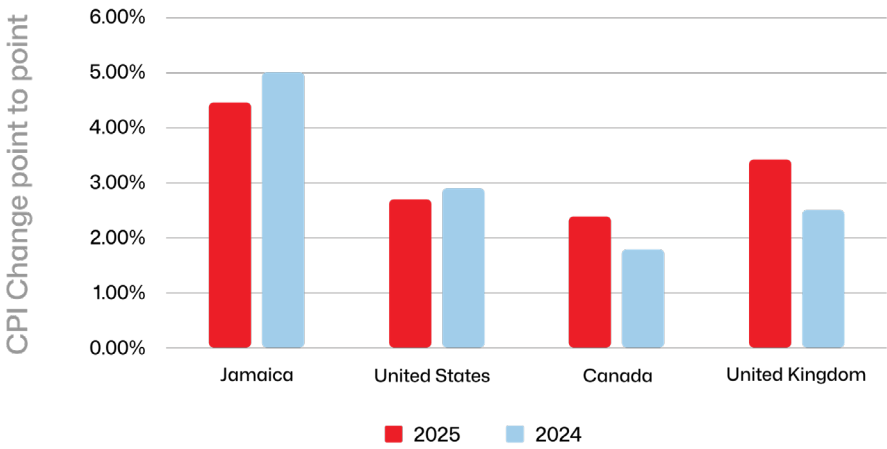
Canada

Canada's economy recorded real GDP growth of 1.7% in 2025, the slowest annual pace since the pandemic-related contraction of 2020, according to Statistics Canada. Growth was constrained primarily by weaker exports, particularly to the United States, amid heightened trade uncertainty.

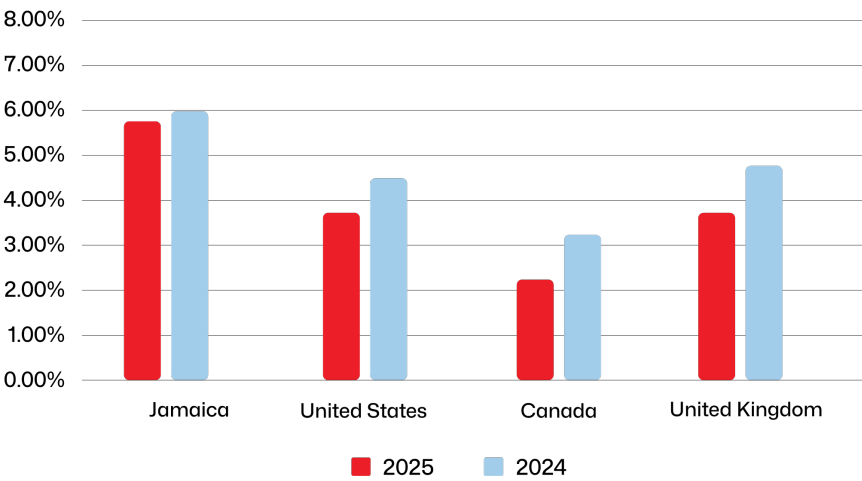
Labour-market conditions softened over the year, with the unemployment rate rising to 6.8% in December 2025, reflecting the cumulative impact of trade-related uncertainty on hiring activity. Continued immigration supported labour-force growth, while relatively stable commodity prices provided some offset to weakness in trade-exposed sectors.

Trade policy uncertainty weighed heavily on business sentiment, particularly in manufacturing and export-oriented industries, as concerns around US tariffs and North American trade dynamics prompted firms to reassess supply chains and diversify export markets. CPI trended higher toward year-end, closing 2025 at 2.4%, according to Statistics Canada.

Point to Point CPI as to Year End



Central Bank Benchmark Interest Rates





2025 Financial Performance

GraceKennedy delivered solid revenue growth in 2025, with total revenue increasing to \$177.8 billion, growth of 6.4% or \$10.7 billion over prior year. Profitability moderated however, with profit before tax (PBT) amounting to \$10.3 billion in 2025 compared to \$12.3 billion in 2024, while profit after tax totalled \$7.2 billion compared to \$8.9 billion in the prior year.

The performance was primarily impacted by Hurricane Melissa. The hurricane resulted in a one-off negative impact on the Group, related to elevated insurance claims and the temporary closure of our Grace Food Processors (GFP) Meats plant in Westmoreland.

Additionally, our food business experienced higher-than-expected warehouse and logistics expenses earlier in the year, which have since been addressed. Within our financial services business, results were affected by the performance of our Money Services segment, and higher provisions for credit losses within our Banking and Investments segment.

Notwithstanding these headwinds, GK continued to benefit from our diversified business model and broad geographic footprint, which provided resilience

during a year marked by significant weather events, moderating interest rates, elevated supply chain and distribution costs, immigration policy shifts, and ongoing tariff related uncertainty affecting global trade. Across GK, our business units demonstrated disciplined execution and adaptability in a dynamic environment.

GK's balance sheet remained strong, with total assets increasing by \$29.9 billion to \$266.6 billion, supported by growth across our key operating segments. Total liabilities rose to \$169.9 billion, while shareholders' equity increased by 6.8% to \$92.9 billion, underscoring the continued strengthening of GK's capital base. Noncontrolling interests closed the year at \$3.8 billion. Return on equity for the year was 7.7%, and earnings per share amounted to \$7.00.

In 2025 Caribbean Information and Credit Rating Services (CariCRIS) reaffirmed GraceKennedy's strong credit ratings and upgraded the Company's Overall Management Risk rating to "Highest," recognising the strength of our Group's leadership and governance.

HOW WE EARNED

GK earns from four operating segments: Food, Banking & Investments, Insurance, and Money Services. In 2025, revenue increased in three of these segments. Our Food segment delivered the largest revenue increase, up \$7.9 billion, followed by Insurance, which recorded the highest percentage growth. The Money Services segment reported a decline in revenue in 2025. While GK delivered a solid performance at the topline, a range of segment specific challenges adversely affected growth in pretax profitability across all segments.

More details of the performance of our business segments can be found on page 50.

WHERE WE EARNED

Revenue by Geographical Area (\$ Millions)	2018	2019	2020	2021	2022	2023	2024	2025	2025 % Contribution to Revenue
Jamaica	51,777	57,413	61,635	69,272	78,608	88,644	96,570	99,215	55.8%
North America	24,801	25,760	31,490	34,324	37,112	38,019	40,094	45,020	25.3%
Europe (including the UK)	13,838	12,901	14,404	16,976	16,633	18,024	19,293	21,660	12.2%
Other Caribbean countries	6,941	6,879	7,682	8,529	9,092	10,143	10,923	11,533	6.5%
Africa and other regions	188	137	226	209	161	171	163	364	0.2%
Total	97,545	103,090	115,437	129,310	141,606	155,001	167,043	177,792	100%

In 2025, GK generated 44.2% of its revenue outside Jamaica. North America accounted for 25.3% of our total revenue, compared to 24.0% in 2024. European markets, including the UK, contributed 12.2% of total revenue in 2025 compared to 11.6% in 2024.

STATEMENT OF FINANCIAL POSITION REVIEW

At the close of 2025, GK's asset base had expanded by 12.7%, driven mainly by higher balances in cash and deposits, receivables, and loan receivables. This increase reflected a deliberate strategy across our Banking & Investments segment to proactively position the portfolio for future growth, alongside a strengthening of our short-term liquidity to ensure readiness to capitalise on emerging opportunities.

The 17.0% growth in GK's liabilities in 2025 was largely attributable to an \$11.3 billion increase in insurance contract liabilities, together with an \$8.7 billion increase in customer deposits.

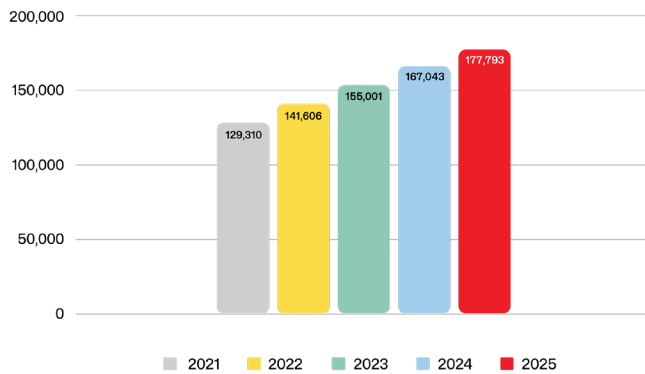
The expansion in our equity position was primarily underpinned by higher retained earnings, arising from net profit attributable to stockholders of \$6.9 billion for the year, as well as other comprehensive income of \$1.7 billion. Other comprehensive income mainly reflected the remeasurement of post-employment benefit obligations and favourable foreign currency translation movements associated with our overseas subsidiaries.

STOCKHOLDER RETURN

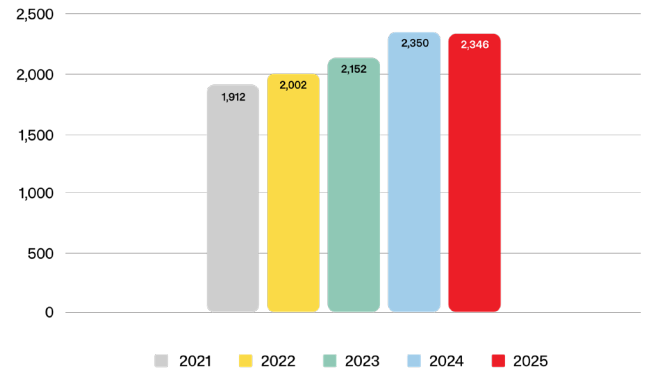
In 2025 GK's stock price declined by 9.42% on the Jamaica Stock Exchange (JSE), closing the year at \$71.50 on December 31, 2025, compared with \$78.94 at the end of 2024. Over the same period, the JSE Main Index recorded a decline of 5.30%, reflecting inflationary pressures and generally softer market conditions. Trading activity on the JSE Main Market remained challenged throughout 2025, with total trade value and trading volume decreasing by 11% and 10% respectively. GK maintained a stable dividend distribution, with dividend pay-outs for the year totalling \$2.35 billion, in line with the amount distributed in the prior year.

GK's stock closed trading for 2025 at a price to earnings multiple of 9.79 times on the JSE, representing a modest increase from the 2024 multiple of 9.27 times. At yearend, book value per share stood at \$94.32, with the stock trading at a price-to-book ratio of 0.76 times, down from 0.86 times at the close of 2024.

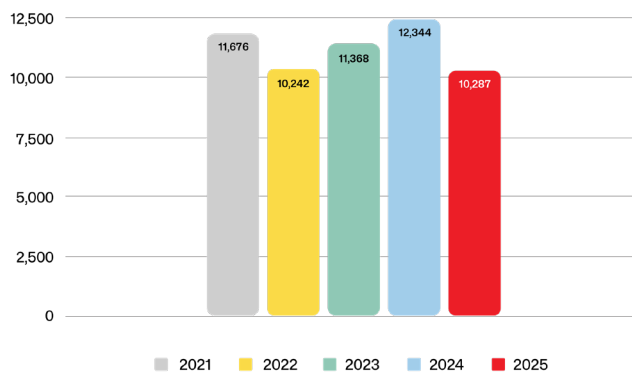
Revenue (JA\$ Millions)



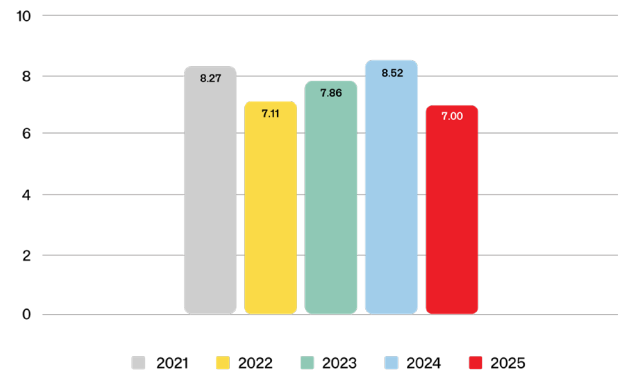
Dividend (JA\$ Millions)



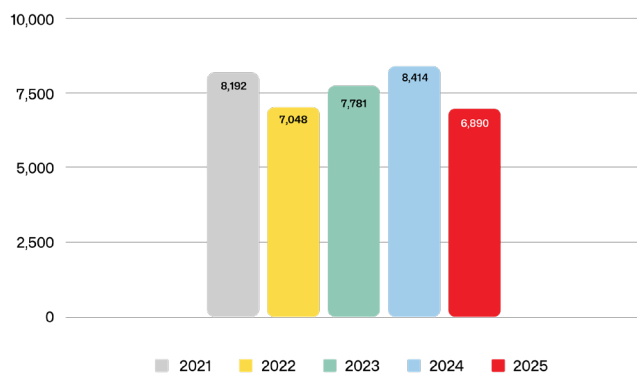
Profit Before Tax (JA\$ Millions)



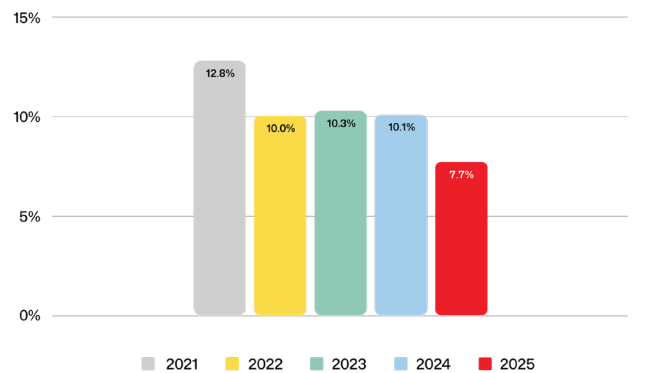
Earnings Per Stock (J\$)



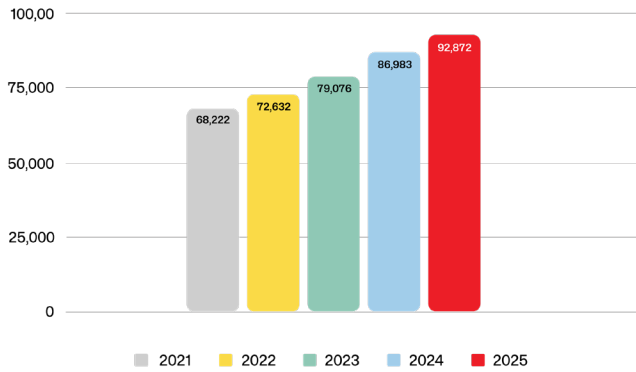
Net Profit Attributable to Stockholders (JA\$ Millions)



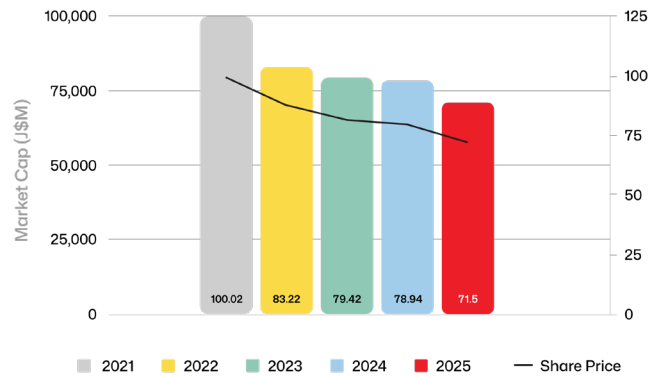
Return on Equity



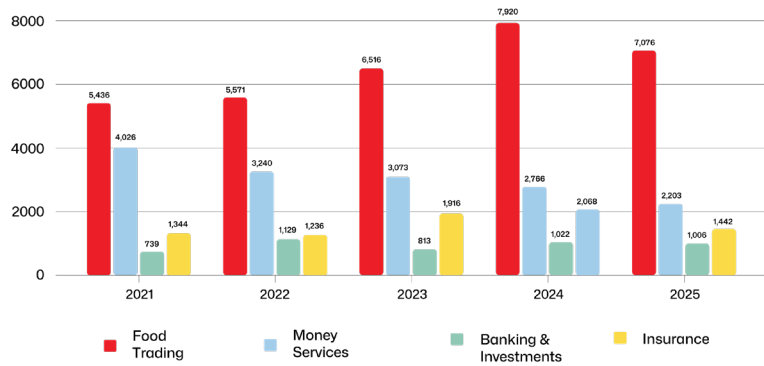
Shareholders' Equity (JA\$ Millions)



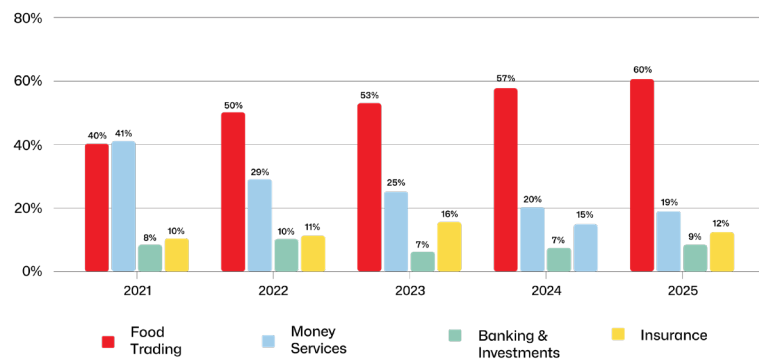
Market Capitalisation (JA\$ Millions)



Contribution to Pre-Tax Profit by Segment (JA\$ Millions)



Contribution to Pre-Tax Profit by Segment (%)



Segment Analysis

The summary segment performance in 2025 was as follows:

- Our **Food** segment reported an 11% decrease in pre-tax profits, primarily due to the closure of GFP Meats following Hurricane Melissa, which was compounded by higher-than-expected warehouse and logistics expenses earlier in the year, as well as tempered consumer demand in some of our core markets;
- Our **Banking & Investments** segment reported mixed results, with commercial banking recording strong growth in pre-tax profits, which were offset by higher provisions for credit losses in our investment business, resulting in an overall 2% decline in pre-tax profits;
- Our **Insurance** segment reported a 30% decrease in pre-tax profits, due to increased claims following the passage of Hurricane Melissa; and
- Our **Money Services** segment reported a decline of 20% in pre-tax profits, due to reduced transaction volumes and tightening margins in some key markets.

Pre-tax profit was earned in the following proportions:

- Food: 69%, up from 64% in 2024;
- Money Services: 21%, down from 22% in 2024;
- Insurance: 14%, down from 17% in 2024;
- Banking & Investments: 10%, up from 8% in 2024; and
- Corporate and other: -14% compared to -11% in 2024.

Our 'Corporate and other' activities include unallocated amounts related to corporate central office results, post-employment benefits and share-based payments.

FOOD

Jamaica

In the Jamaican market, GK Foods operates through our sales and distribution businesses, Grace Foods and Services (GFS), Consumer Brands Limited (CBL) and World Brands Services (WBS); our retail business,

Hi-Lo Food Stores; and our manufacturing business, which has six facilities in Jamaica: Grace Food Processors (GFP) (Meats), Grace Foods Processors (NALCAN), Grace Agro Processors (GAP) (Hounslow), GAP (Denbigh), Dairy Industries Jamaica Limited (DIJL) and Unibev Limited.

Our Jamaican food distribution business demonstrated resilience and operational strength amid a year shaped by macroeconomic pressures and the impact of Hurricane Melissa. While the operating environment was challenging, the business continued to protect market leadership positions, invest in brand equity, and advance key efficiency and growth initiatives that underpin long term value creation.

GFS and CBL delivered year on year growth, supported by strong performances across several product offerings. WBS navigated a year of transition as the business responded to the loss of some principal portfolios. Despite these challenges, several key brands recorded growth, and we successfully expanded market reach. The profitability of our food distribution businesses was impacted by higher than planned distribution costs which were subsequently addressed, resulting in reduced expenses in the second half of the year, and strengthening the foundation for improved profitability going forward.



Hi-Lo Food Stores delivered increased profits in 2025, and continued to advance its growth strategy, with expansion of its Hi-Lo brand of products and other initiatives to enhance service delivery and back-office efficiency. This was achieved despite the closure of its Fairview location, which was severely damaged

by Hurricane Melissa. The business also progressed expansion plans, including active discussions around new store opportunities.

Up to the third quarter of 2025, our manufacturing business achieved robust growth in profitability, supported by strong sales and continued emphasis on cost containment and operational efficiency. However, in the last quarter, the business was significantly impacted by Hurricane Melissa which led to the temporary closure of GFP Meats. Thanks to the hard work of our dedicated team, the Meats plant was successfully reopened and resumed production in December 2025 and has since been steadily increasing its capacity. The agreement to acquire the remaining 50% stake in DIJL from Fonterra Co-operative Group Limited in December also further strengthened GK Foods' manufacturing position.

International

GK's international food businesses delivered solid revenue and profit growth in 2025, and expanded our reach across various channels, with over 950 additional stores now distributing our products in our three major markets - US, UK and Canada.

GraceKennedy Foods (USA) LLC recorded strong revenue and PBT growth, driven by continued strength in the Grace and La Fe brands. While margins were impacted by tariff related cost increases and competitive pricing dynamics, the business maintained positive momentum through targeted price management, new product innovation, and expanded distribution. The business successfully expanded into New England and Georgia, onboarding over 75 new customers.



Grace Foods UK Limited achieved strong growth in revenue and profitability compared to the prior year. The Grace brand continued to gain momentum in the market, supported by focused promotional activity and ongoing innovation, with Nurishment and Encona remaining priority brands for focused support. The UK business further strengthened brand equity through a robust pipeline of new product launches and high-impact brand-building initiatives. Notably, Dunn's River Lemon Jerk Seasoning received a Great Taste Award, underscoring the quality and appeal of our product offerings in the market.

Grace Foods Canada Inc. delivered a commendable performance, with growth in revenue and profits. The company continued growth with its major customers and expanded into new retail chains in Quebec, including Sobeys IGA and Metro Quebec, with over 100 new stores now distributing our products.

Grace Foods Latin America and the Caribbean continued to expand our distribution network within the Caribbean. During the year we began shipping frozen products to Guyana through distribution partner in that country, Massy Distribution Guyana Inc., further strengthening our presence and delivering strong growth as we continue to expand and deepen our footprint in that market.

GraceKennedy Belize also saw revenue and profit growth driven by strong performance of the Grace brand and the Carib portfolio.

FINANCIAL SERVICES

Our GraceKennedy Financial Group (GKFG) delivered solid revenue growth for the year. Profit before tax, however, declined compared to the prior year, due primarily to increased net insurance claims arising from Hurricane Melissa, the performance of our Money Services segment, and higher provisions for credit losses within our Banking & Investments segment.

Banking & Investments

Our Banking & Investments segment delivered solid revenue growth. Our commercial bank, First

Global Bank (FGB) saw strong growth in revenue and profit following a double-digit increase in its loan portfolio and deposits. SigniaGlobe Financial Group Inc., our jointly owned merchant banking business in Barbados, also ended 2025 with a strong profit performance compared to prior year.

Conversely, the profitability of our Jamaican investment and advisory business, GK Capital Management Limited, declined due to limited capital market activity, a softened local equity market, and higher provisions for credit losses.



Insurance

Our Insurance segment delivered a notable increase in revenue year over year. GKGI delivered strong top line growth with the continued success of our partnership with Scotiabank Jamaica, through which GKGI underwrites ScotiaProtect. Key Insurance also delivered revenue growth; however, elevated claims arising from Hurricane Melissa affected profitability for both general insurance companies. Notwithstanding, both businesses remain profitable supported by our strong 'A' rated reinsurance programme.

Canopy Insurance Limited, our group life and health insurance joint venture, continues to perform well, returning double-digit growth in both revenue and profit.

GK Life, our creditor life insurance business which operates in over 10 markets across the Caribbean,

delivered growth in PBT; while Allied Insurance Brokers delivered double-digit growth in both revenue and PBT.

Money Services

Our Money Services business, GKMS, experienced a decline in revenue and PBT compared to 2024, reflecting reduced transaction volumes and tightening margins in some key markets, even as we retained market share in those territories.

GKMS continues to realise encouraging outcomes from investments in technology, with digital transactions now representing over 50% of total volumes. Additionally, optimising our agent network through established partners such as Unicomer and Hi-Lo Food Stores is delivering positive outcomes.

GraceKennedy Payment Services Limited, which operates our Bill Express and Coin Exchange brands recorded improved profitability, supported by innovation and the expansion of its digital payment solutions.



Risk Management and Internal Controls

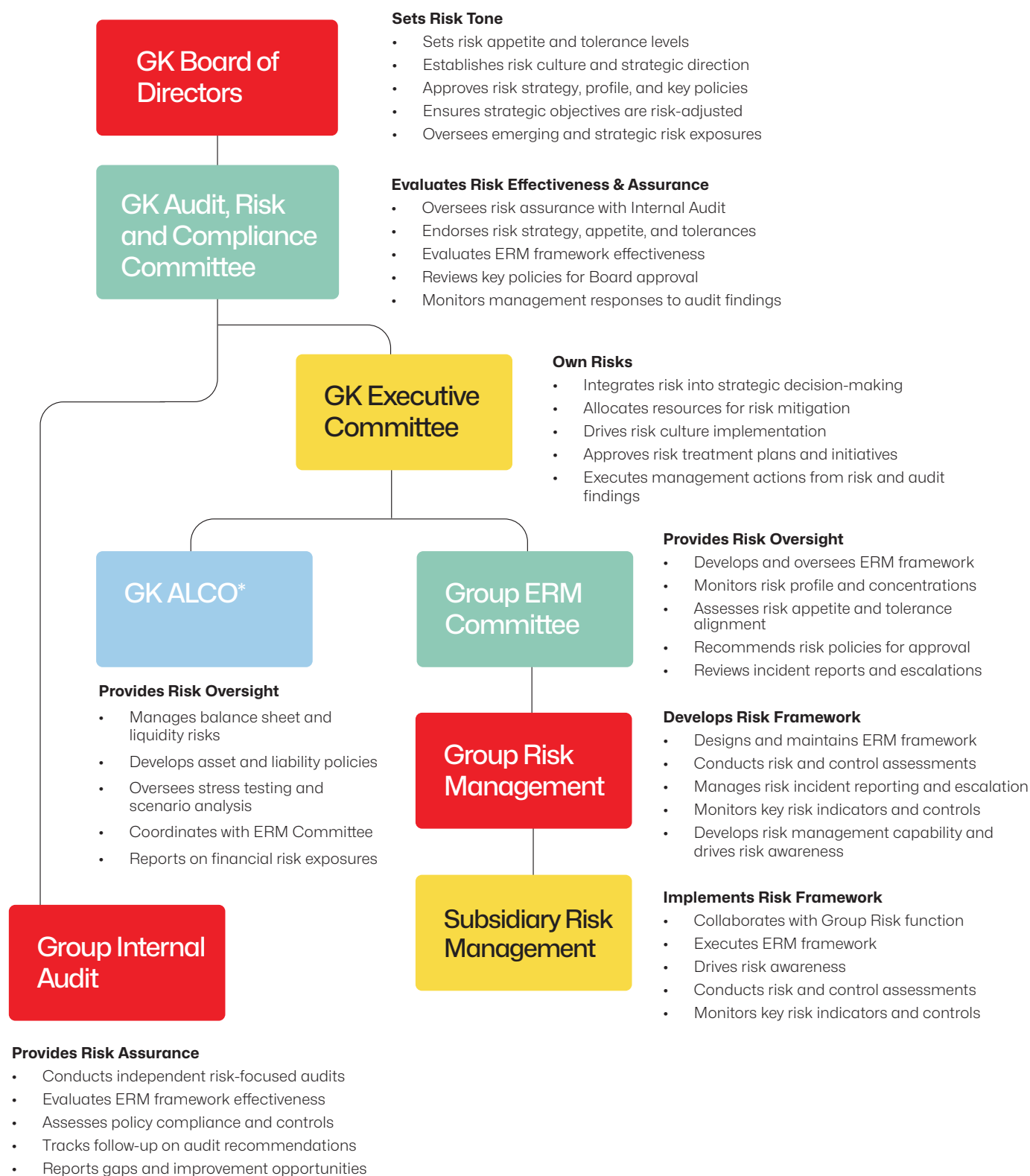
In 2025, we upheld rigorous risk management principles to deliver sustained value for our customers and shareholders. Our Enterprise Risk Management (ERM) framework remained both agile and resilient, allowing us to effectively address changes in the external environment. Our robust internal controls framework facilitated the proactive identification, assessment, and management of potential risks, while ensuring ongoing regulatory compliance. By maintaining adaptable and comprehensive risk management practices, we continue to support value creation and operational excellence.

RISK GOVERNANCE & CULTURE

GK demonstrates its commitment to risk management through the execution of its ERM programme. This ensures that internal controls are established in accordance with our approved risk appetite. We aim to systematically incorporate risk factors into routine decision-making processes throughout all business operations by:

- **Promoting Risk Awareness:** We prioritise risk management and internal controls at every level, cultivating a comprehensive risk-conscious environment across our Group through training and sensitisation.
- **Integrating Risk into Decision-Making:** We ensure risk factors are systematically considered within strategic decision-making, enabling optimal resource allocation, proactive compliance, and the identification of opportunities to enhance value.
- **Fostering Accountability:** GK team members are empowered to assume responsibility for risk management and internal controls, maintaining residual risk exposures within established risk appetite. Our team is further encouraged to report issues promptly and contribute actively to ongoing enhancements in risk management practices.
- **Facilitating Continuous Learning and Improvement:** Professional development and constant learning is supported to ensure that our risk framework evolves with the dynamic business landscape to support our strategic direction.

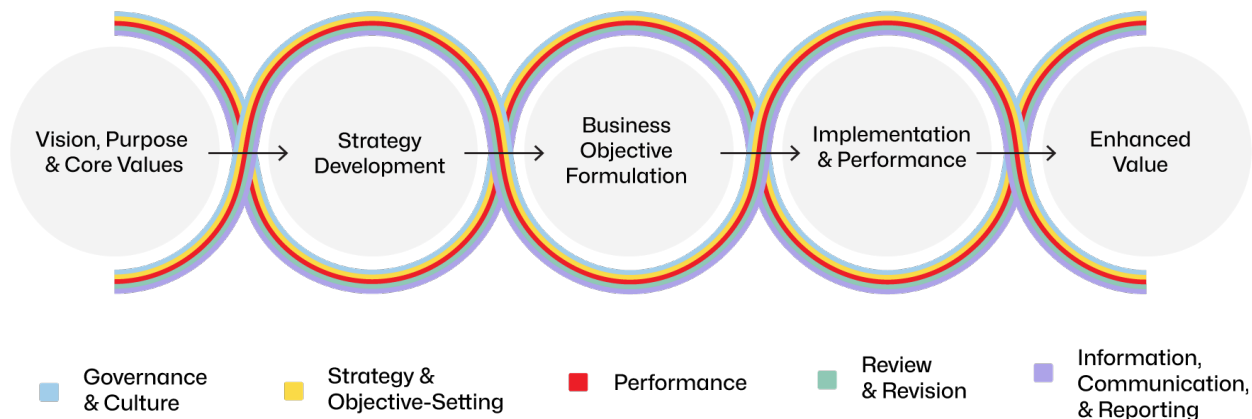
The interaction between GK's risk governance functions is outlined below:



*GraceKennedy Asset and Liability Committee

ENTERPRISE RISK MANAGEMENT FRAMEWORK

Our ERM framework adheres to ISO 31000 and COSO ERM international standards and emphasises the importance of integrating risk management with strategy, business objectives and performance to enhance value, aligned with our vision, purpose and core values.



Comprised of five key components, our ERM framework forms the basis for governance, ethical culture, and strategic alignment:

- Governance and Culture:** Our Board of Directors sets the tone by establishing strong risk management principles by promoting governance, transparency, accountability, and thorough oversight. Our core values inspire risk awareness and cultivate a culture focused on proactive risk management and open communication. This dedication encourages ethical conduct and responsible choices, furthering implementation and enhancing performance value.
- Review and Revision:** Regular reviews of program performance are fundamental to our commitment to ongoing improvement. These reviews assess our ERM framework's effectiveness and adaptability to changing conditions, facilitating the identification of opportunities for refinement. This approach ensures both agility and efficiency in managing an evolving risk environment.
- Strategy and Objective-Setting:** Risk management is integrated into our strategic planning process, recognising its role as a core element in formulating and implementing strategy. Strategic objectives are aligned with risk appetite statements, ensuring that risk factors are consistently considered within business strategies.
- Performance:** We prioritise the systematic identification and assessment of risks that may affect the achievement of our strategic objectives. This process involves thorough analysis of potential risks and their severity in relation to GK's risk appetite. By considering risks holistically, we obtain a complete perspective of our overall risk environment, which enables us to effectively manage risks groupwide.
- Information, Communication, and Reporting:** Maintaining a steady exchange of information from both internal and external sources enables our team to make well-informed risk-adjusted decisions. Regular reporting offers the business valuable perspectives on risks, controls, and the effectiveness of our ERM framework.

GK's comprehensive risk management strategy enables our Group to address uncertainties with confidence, support informed decision-making, and ensure continued success throughout our diverse business sectors.

KEY RISKS

Financial Risks

Financial risks refer to uncertainties affecting our ability to manage financial resources and meet objectives across our diversified portfolios. These include market fluctuations, liquidity constraints, credit defaults and variables impacting asset values and financial performance. We manage these risks through integrated oversight by our Risk and Treasury teams, rigorous cash flow management, credit limit frameworks, diversified investment portfolios, and comprehensive reinsurance arrangements, ensuring financial stability across the Group.

Market Risks

Market risks arise from fluctuations in interest rates, foreign exchange rates, or equity prices that impact the fair value of our financial instruments and investment portfolios. Based on the nature of our operations, we are exposed to currency volatility, commodity price movements and regional economic cycles. We manage these risks through continuous market monitoring by our Risk and Treasury teams, dynamic hedging strategies, diversified investment portfolios, and adaptive positioning that responds to changing market conditions.

Liquidity Risks

Liquidity risks involve challenges in meeting payment obligations, funding operational requirements, and managing cash flows. We manage this through rigorous cash flow forecasting at our subsidiary and Group levels, maturity matching of assets and liabilities, maintaining adequate credit facilities, diversified funding sources, and contingency funding plans that ensure we can meet obligations under both normal and stressed conditions.

Credit Risks

Credit risks emerge when customers, counterparties or clients fail to meet contractual obligations, causing financial loss across our receivables, lending portfolios, and investment holdings. We mitigate these risks through credit limit frameworks for individual counterparties and groups, geographic and

industry concentration limits, comprehensive credit policies and underwriting standards, regular portfolio monitoring, and proactive collection management.

Insurance Risks

Insurance risks intensify when portfolios lack sufficient diversification in policy types, coverage amounts, and geographic spread, or when claims experience deviates from actuarial assumptions. We manage these risks by maintaining a balanced mix of commercial and personal lines aligned with Board-approved guidelines, implementing a comprehensive reinsurance programme with highly rated international reinsurers to limit exposure, expanding our geographic footprint to reduce concentration risk, diversifying distribution channels, and continuously monitoring claims patterns and loss ratios to ensure sustainable underwriting performance.

Strategic Risks

Strategic risks refer to challenges that may hinder the achievement of our strategic objectives across evolving consumer markets and competitive landscapes. These include market disruption, competitive pressures, changing consumer preferences and macroeconomic headwinds. We manage strategic risks through integrated strategic planning processes at our subsidiary and Group levels, regular strategic reviews by executive leadership and our Board, scenario analysis and planning of strategic initiatives, portfolio management balancing growth and risk, and continuous market intelligence gathering that informs strategic adjustments ensuring alignment with our long-term vision while protecting shareholder value.

Innovation Risks

Innovation risks arise when we fail to develop, adopt, or commercialise new products, services, technologies, or business models at the pace required to maintain a competitive advantage in rapidly evolving markets. We address these risks through dedicated innovation initiatives exploring emerging technologies and business models, partnerships and collaborations accessing external capabilities, investment in research and development across product categories, digital transformation

and modernising our platforms and customer experiences. A structured innovation processes and agile approaches enable efficient testing and scaling of promising innovations.

Operational Risks

Operational risks stem from inadequacies or failures in internal processes, people, systems, or external events that disrupt business operations. These risks include process breakdowns, human error, system failures, and external disruptions. We manage operational risks through a culture of accountability where team members have risk management and internal control responsibilities. There are regular risk and control assessments, internal audits, comprehensive policies and procedures, whistleblowing mechanisms for reporting violations, and continuous process improvement initiatives that strengthen our operational resilience.

Technology Risks

Technology risks involve threats to business-critical data, systems, and processes associated with our information technology (IT) infrastructure. These include system availability failures, performance degradation, unauthorised access, data integrity issues, and technology obsolescence. We address these risks through our Enterprise Information Security Management Framework that governs IT risk management, robust access controls and authentication mechanisms, business continuity and disaster recovery capabilities, continuous system monitoring and performance optimisation, regular technology assessments and upgrades, and vendor management protocols ensuring third-party technology providers meet our security and performance standards.

Data and Cybersecurity Risks

Cybersecurity risks have intensified globally with cyber criminals seeking to exploit vulnerabilities in corporate systems and data. Our operations face potential threats that could compromise sensitive customer, financial, and operational data. We manage these risks through enhanced cybersecurity partnerships providing advanced threat detection and response, strengthened Cybersecurity Incident

Management Response Protocols, mandatory annual cybersecurity training for all team members and directors, deployment of tools supporting data privacy compliance requirements, regular penetration testing and vulnerability assessments, and continuous monitoring of our IT infrastructure to detect and respond to emerging threats.

GraceKennedy strengthened its cloud security posture in 2025 by implementing enhanced controls to ensure resilience, compliance, and improved protection across the enterprise. We also expanded our cybersecurity training programme, incorporating new modules focused on the risks associated with AI to further equip employees to identify and respond to emerging threats.

To address increasingly sophisticated phishing and email-based attacks, we also deployed advanced email security tools designed to detect and block new threat patterns. We also engaged additional specialised cybersecurity partners to perform independent testing, review policies, and benchmark our practices against global standards. Their insights informed several updates to our security frameworks, ensuring that we continue to align with industry best practices and remain well-positioned to navigate the evolving threat landscape.

Business Continuity Risks

Business continuity risks arise from our vulnerability to disruptions caused by natural or man-made disasters, or other events that could interrupt critical operations. The Caribbean's exposure to hurricanes and other natural hazards heightens these risks. We manage this risk through comprehensive Business Continuity Plans that are tested and updated regularly, crisis management protocols with clear escalation procedures, redundant critical systems and backup facilities, emergency response teams trained to activate recovery procedures, alternate supplier and logistics arrangements, and regular scenario analysis and planning, including tabletop exercises that validate our preparedness and identify improvement opportunities.

Supply Chain Risks

Supply chain risks encompass disruptions to sourcing, manufacturing, warehousing, and distribution activities including supplier failures,

transportation delays, port congestion, inventory shortages, and quality issues. Global supply chain volatility, regional infrastructure constraints, and dependency on imported raw materials and finished goods amplify these risks. We manage supply chain risks through diversified supplier networks reducing single-source dependencies, safety stock strategies for critical materials, supplier performance monitoring and quality assurance programmes, logistics partnerships with multiple carriers and routes, demand planning and inventory optimisation systems, and contingency sourcing arrangements that provide flexibility when primary supply chains are disrupted.

Compliance Risks

Compliance risks emerge from potential failure to satisfy laws, regulations, and standards governing our operations across multiple jurisdictions and sectors as the regulatory landscape continues to evolve. We manage compliance risks through a compliance management framework establishing standards for identification, assessment, monitoring, and reporting, dedicated compliance functions at our subsidiary and Group levels, regular compliance reviews providing independent assessment, mandatory training ensuring team member awareness of obligations, policies and procedures embedding compliance into business processes, regulatory relationship management maintaining constructive engagement with authorities, and prompt remediation of issues identified through audits or regulatory feedback.

SIGNIFICANT ACTIVITIES AND MILESTONES

In 2025 GK navigated a complex and dynamic risk landscape shaped by escalating geopolitical tensions, macroeconomic pressures, disruptive trade policies, and the continued impact of natural disasters. Against this backdrop, our risk management team maintained robust practices including continuous risk assessments, stress tests, and scenario analyses to ensure preparedness for both existing and emerging risks. Some key activities and milestones included:

- Navigating tariff and trade disruptions by conducting targeted risk assessments to evaluate

the impact of new and evolving tariff regimes;

- Manoeuvring macroeconomic uncertainty amid persistent inflationary pressures, interest rate volatility, and currency fluctuations by intensifying monitoring of macroeconomic risk indicators and collaborating with Treasury and ALCO to stress test our resilience;
- Incorporating lessons learned following the aftermath of Hurricane Melissa into updating Business Continuity Plans and disaster recovery frameworks, to strengthen our resilience for future events;
- Deepening the integration of AI and risk technology into our ERM processes, which enhanced our capacity for risk and control assessments and scenario analysis, enabling more proactive and data-driven risk management across the Group;
- Enhancing our risk management policy and procedure framework, with updates aligned to international best practices and evolving regulatory requirements;
- Comprehensive scenario analysis exercises across the Group against a range of adverse conditions including macroeconomic shocks, climate events, and geopolitical disruptions;
- Achieving internationally recognised risk management certifications during the year, reflecting our commitment to professional excellence and building world-class risk management capabilities; and
- Specialised risk-focused agile project management training, equipping our risk team with frameworks to manage risk initiatives with greater speed, flexibility, and responsiveness.

Group Internal Audit

Our GK Board of Directors continues to execute its mandate to ensure the maintenance of a robust internal control framework across our Group. The various boards within our Group regularly review the effectiveness of the control environment. Their respective audit committees are responsible for the oversight of risk management activities, including control design and risk mitigation measures, to provide reasonable assurance against misstatement or loss.

The Board of Directors relies on our Group Internal Audit (GIA) unit to strengthen the internal control framework by providing independent assurance that our risk management, governance, and internal control processes are operating effectively and efficiently. This includes reviews of IT, security, operational and financial activities, key business, strategic and enterprise-wide risks, as well as the compliance framework across our Group.

The Audit, Risk and Compliance Committee provides oversight of the Internal Audit function, including review of GIA's assessment of the adequacy and effectiveness of internal controls, compliance with legal, statutory, regulatory and other requirements, and the management of risk. As a key component of GraceKennedy's corporate governance framework, the GIA unit operates under a charter that is reviewed annually and approved by our Board of Directors, and reports independently, through the Audit Risk and Compliance Committee, on the effectiveness of the governance structure and risk management framework.

GK's system of internal control is established using the control criteria frameworks of the Committee of Sponsoring Organizations (COSO) Internal Control Framework and the Control Objectives for Information and Related Technologies (COBIT). Our system is designed to provide reasonable assurance that:

- Control activities effectively mitigate unnecessary risks;
- Transactions are properly authorised and accurately recorded;
- Assets are appropriately safeguarded;

- Clear policies and sound practices for IT controls are implemented across our Group; and
- Accounting records are sufficiently reliable to enable the preparation of financial statements that conform, in all material respects, with generally accepted accounting principles.

GIA's evaluation of internal controls is performed using the COSO and COBIT frameworks, which assess the control measures implemented by Management. All audits are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. In addition, Management continues to sustain these internal controls through self-assessments and ongoing monitoring activities.

GIA meets regularly with subsidiary audit committees and boards across our Group, as well as with the Audit, Risk and Compliance Committee, to provide updates on key risks identified through audit activities and the status of implementation of agreed recommendations. The GIA unit also provides ongoing reporting on past-due remediation items.

Control matters arising from the work of both internal and external auditors are reviewed and discussed with subsidiary and divisional audit committees and the Audit, Risk and Compliance Committee. In the course of its activities, the Audit, Risk and Compliance Committee also receives reports from Management on significant accounting and tax, legal, regulatory, risk, fraud, and whistleblowing matters, in addition to matters relating to IT and security. The Chair of the Audit, Risk and Compliance Committee reports to the Board of Directors on significant matters considered by the Committee. The Audit, Risk and Compliance Committee met five times during the year.

The Terms of Reference of the Audit, Risk and Compliance Committee are reviewed annually, updated where necessary, and approved by our Board of Directors. Audit committees across our Group are responsible for oversight of:

- The reliability and integrity of accounting principles and practices, financial statements, and other financial reporting;
- The internal audit function;

- Risk management functions and processes;
- The qualifications, independence, and performance of our Group's external auditors;
- The internal control systems and procedures established by Management, including review of their effectiveness; and
- Compliance with applicable legal and regulatory requirements.

GK's commitment to strong internal controls, ethical conduct, and integrity is reinforced through our Code of Ethics and Guidelines for Business Conduct, Anti-Fraud and Whistleblowing policies, and our whistleblowing hotline. During the year, GIA, in collaboration with Group Security, continued to promote the whistleblowing hotline, which is administered by an independent external provider, to support the anonymous reporting of suspected or suspicious activities across our Group.

QUALITY ASSURANCE

GIA prides itself on maintaining the highest standards of audit as dictated by the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, and its corresponding Code of Ethics. The unit's quality assurance programme is documented, continuous, and monitored and reported on to the audit committees across our Group. On an annual basis, GIA conducts detailed self-assessments, and every five years, an external assessment of the unit and its work is conducted by a reputable third party.

SIGNIFICANT ACTIVITIES AND MILESTONES

GIA continued to improve its quality and effectiveness during 2025 with a focus on continued client support and relationship building, and greater use of technology to drive efficiency and widen the scope of areas it reviews.

Key activities included ongoing internal quality assurance, consultative and peer reviews, as well as training, certification and education programmes and exposure for the GIA team.

In 2025, GIA also:

- Formulated and agreed with the Audit, Risk and Compliance Committee, GK's audit plan, strategy and scope of work, ensuring the annual internal audit plan was designed to assist in attaining our strategic objectives;
- Reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, and assessed the adequacy and effectiveness of our internal control system;
- Assessed IT and operational business continuity management at the subsidiary and Group level;
- Conducted assurance reviews and analysed and assessed key business processes, and made recommendations to improve their effectiveness and efficiency;
- Provided strategic support through consultative reviews and participation in strategic planning discussions;
- Reviewed the adequacy and effectiveness of Management's processes for risk management, internal control and governance;
- Reviewed the internal audit charter for possible modification and approval by the Audit, Risk and Compliance Committee and Board;
- Coordinated audit efforts with, and provided support to, our external auditors;
- Participated in the Institute of Chartered Accountants of Jamaica and the Ministry of Finance and the Public Service mentorship programme, contributing to national capacity building, through guidance and the sharing of professional knowledge to support the strengthening of the internal audit profession in the public sector; and
- Initiated the use of AI tools to enhance the efficiency and effectiveness of our team

GIA also conducted 55 audits, with a focus on regulatory compliance, IT governance and security, financial controls, cash management and the general control environment.

Our Team

Our team is at the heart of GraceKennedy's ability to grow, innovate, and deliver long term value for our stakeholders. Guided by our purpose driven culture and anchored in our core values of *Honesty, Integrity, Trust, Commitment, Humility, and Respect*, we continued in 2025 to strengthen leadership capability, invest in future-ready skills, and foster a supportive and engaging workplace environment. Our focus on developing our team, enhancing organisational resilience, and nurturing a strong culture of care remains unwavering.

ENHANCING LEADERSHIP CAPABILITY

During the year we intensified our investment in building a strong and future-ready leadership pipeline. Leadership development remained a strategic priority, guided by our updated People Strategy and supported by programmes to deepen capability and strengthen succession readiness.

Our leadership development programmes delivered strong results. The Diamonds Programme engaged 35 emerging leaders, strengthening personal, technical, and professional competencies. The Senior Leadership Development Programme supported 19 senior leaders in deepening strategic acumen and enterprise leadership effectiveness, while the Supervisory Development Programme (25 participants), and the Great Leaders Development Programme (24 participants) built capability across managerial levels.



New and emerging leaders benefited from a new Managers' Programme designed to equip them with the skills required to lead effectively. The initiative also

supports GK's long-term pipeline sustainability.

During the year, 14 senior leadership movements were executed, including transition to three Executive roles, reflecting active succession planning and upward mobility. At year-end, 50% of Executive roles and 33% of Tier 1 roles had ready-now successors, with development plans in place to strengthen depth where gaps exist. An updated Executive Succession Planning Framework was completed to support governance and readiness assessment for critical roles going into 2026.



BUILDING CAPACITY AND FUTURE SKILLS

During the year, we piloted the first full cycle of Strategic Workforce Planning (SWP) across GK, establishing a structured, enterprise-wide approach to workforce discussions, with a focus on alignment, strengthening the quality of workforce conversations, and ensuring consistent identification of critical roles and workforce risks. SWP directly influences hiring priorities and budgetary decisions, enabling more deliberate resource allocation and forward-looking talent planning. The pilot year positioned GK to further embed SWP governance and integrate it with succession planning going forward.

We continued to strengthen external talent pipelines through strategic sourcing initiatives, university partnerships, employee referrals, and targeted market engagement, to ensure sustained access to critical skills and future-ready capabilities.

There was also continued investment in skills development aligned to business transformation and future-readiness. Our training initiatives focused on

enterprise critical competencies including change management, data analytics, prompt engineering, foundations of AI, digital marketing, key account management, cycle planning, and strategic business management. These interventions support operational excellence and long-term competitiveness and reflect our continued investment in our team.

Participation in training and development activities by our Jamaican team was impacted by Hurricane Melissa later in the year, as we prioritised employee safety, welfare support, and the restoration of operations following the hurricane. Notwithstanding, talent development remained focused on priority skill areas critical to business resilience and long-term growth.

TEAM EXPERIENCE AND CULTURE

A positive team experience and workplace culture anchored in GraceKennedy's values remains foundational to our people agenda. In 2025 our programmes supported and reinforced wellbeing, recognition, inclusion, and alignment with our purpose-driven culture. Our commitment to creating a compelling employee value proposition was reflected in refreshed employer branding efforts and enhanced channels for continuous feedback, including our annual leadership summit and groupwide CEO's Forum.

As an employer of choice, we remain committed to fostering a culture rooted in our core values of Honesty, Integrity, Trust, Commitment, Humility, and Respect. In 2025 these values were demonstrated most visibly in our response to Hurricane Melissa in Jamaica. Following the hurricane, we prioritised locating and supporting affected team members and their families, providing care packages, financial grants for rebuilding, preferential loan arrangements, and where necessary, temporary housing support. Access to professional counselling services and facilitated mental health sessions were also offered to assist team members navigating post-hurricane stress and recovery. These interventions were in keeping with our commitment to supporting holistic employee well-being, especially during times of crisis.

Other wellbeing initiatives throughout the year included gym membership partnerships, structured

workout sessions, and access to psychologists to promote physical and mental wellness. We also maintained flexible work arrangements across our Group, reinforcing a culture of accountability, trust, and work-life integration, while preserving operational effectiveness.

Employee Appreciation Week, which is celebrated Groupwide in May, involved a series of activities designed to recognise and celebrate our team members. During the week our subsidiaries executed recognition programmes and held awards ceremonies, reinforcing our culture of acknowledgement and gratitude.

While our annual engagement survey was not administered due to hurricane-related disruptions, a 'pulse-check' survey was conducted in January 2026 to assess progress on previously identified focus areas. The exercise reflected our commitment to listening to our team's feedback, so that we can take measurable action to enhance team experience across the Group.

In 2025 our Sports, Arts & Culture (SPARC) programme continued to foster camaraderie and connection across our Jamaican businesses through sporting events, social activities, and inter-company competitions. A significant highlight of the year was the exceptional performance of our GraceKennedy Netball Team, which secured first place in the Business House Netball Association Senior 'B' League.





Our Community

GK remains committed to supporting the communities in which we operate through investment, partnerships, and volunteer initiatives aligned with our We Care ethos. This work is guided by our sustainability agenda, which is embedded within our strategy and reflects our commitment to creating long term value for all our stakeholders.

During 2025, our efforts focused on initiatives that support national development, strengthen community resilience, and expand opportunities for young people, while also advancing environmental stewardship. We also provided targeted assistance in response

to areas of urgent need in response to the impact of Hurricane Melissa.

Many of these activities were carried out through the work of our GraceKennedy Foundation, our Grace & Staff Community Development Foundation in Jamaica, as well as a range of programmes and partnerships delivered across our markets by our subsidiaries. Further details on our sustainability agenda and some of our most impactful community investment initiatives can be found in the We Care section of this report on page 70.

Recognition and Awards

GraceKennedy and our subsidiaries received several notable awards and recognitions in 2025, reflecting our continued commitment to strong governance, sustainability, and business excellence.

At the Jamaica Stock Exchange (JSE) Best Practices Awards in December, GraceKennedy emerged as the standout performer, receiving the Governor General Award for Excellence for the sixth time, as well as the PSOJ/JSE Corporate Governance Award for Main Market companies, the Corporate Disclosure and Investor Relations Award, and the Annual Report Award, while also being named first runner-up in the Best Website category.

At the Jamaica Chamber of Commerce's 40th Annual Awards, GraceKennedy General Insurance Limited was named Best of Chamber in the Large Category, and GraceKennedy Limited received the Environmental, Social and Governance (ESG) Award for the second consecutive year.

Our GK Foods team also earned a record-breaking six awards across several key areas at the Bureau of Standards' National Quality Awards which were presented in January. Hi-Lo Food Stores received sectional awards for Organisational Focus and Human Resource Focus, while Dairy Industries (Jamaica) Limited was recognised for Process Management. Grace Food Processors Meats received awards for both Process Management and Business

Results, which culminated in the plant receiving the prestigious National Quality Award for Excellence in Manufacturing. Internationally, Grace Foods UK earned a Great Taste Award from the Guild of Fine Food for the second year in a row, this time for its Dunn's River Lemon Jerk Seasoning, further strengthening the reputation of GraceKennedy's Caribbean brands in global markets.

The year also saw significant recognition of GraceKennedy's leadership legacy, with the Jamaica Stock Exchange posthumously honouring former Group CEO, the late Honourable Don Wehby, with its inaugural CEO of the Year Award, and the Private Sector Organisation of Jamaica inducting him into the PSOJ Hall of Fame.



Future Outlook

Certain statements contained in the Management Discussion & Analysis of financial condition and results of operations are forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industries, businesses, and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in other sections of this Annual Report.

aligned, future-ready, and positioned to create lasting impact. Our vision is to be the number one Caribbean brand in the world, and our purpose is enriching lives through trusted food and financial services.

To support this direction, we also refreshed our strategic framework, which is anchored in four key pillars: customer centricity and innovation, operational excellence, a purpose-driven organisation, and sustainability. These pillars guide our decision making and investments as we continue to strengthen our businesses, deepen our impact, and deliver long term value for our stakeholders.

SHAPING A STRONGER FUTURE

In 2025, GraceKennedy continued to operate in a rapidly evolving global environment characterised by shifting geopolitical dynamics, changing trade patterns, unprecedented external events, and an evolving remittance ecosystem. These developments require disciplined execution, strategic agility, and a clear long-term direction. At the same time, they present opportunities to enhance productivity and efficiency, deliver more seamless products and services, strengthen our risk management capabilities, and expand sustainability driven offerings.

Against this backdrop, we have refreshed our vision and purpose to ensure that our organisation remains

KEY FOCUS AREAS FOR 2026

As we work together to achieve our vision, people remain at the heart of everything we do at GK and are crucial to the success of our business. GK's greatest strength lies in the talent, dedication, and unity of our team - each person contributing meaningfully to the future we are building together. This is reflected in the qualities of T.E.A.M. - *Togetherness, Excellence, Accountability and Mettle* - which guide how we work, lead, and deliver as one GK. It is through this collective commitment, shared pride, and pursuit of excellence that we will execute our strategy and drive our Group forward. In 2026, our team will be guided by the theme: **We are GraceKennedy. Shaping a Stronger Future Together.**

Our focus areas for 2026 are in line with our four key strategic pillars.

1.

CUSTOMER CENTRICITY & INNOVATION

GK remains committed to meeting the diverse needs of our customers by providing superior products and services.

Grow Grace and Grace-owned brands: Our food business will fuel the growth of our Grace and Grace-owned brands through new product innovations, channels and geographies. We also see strong potential to introduce our products into markets with growing demand for diverse, Caribbean-inspired offerings.

Our insurance business will continue to pursue regional expansion through strategic partnerships, while developing innovative solutions to meet the evolving needs of our customers. We are also actively exploring opportunities to expand our asset management business.

Expand the Hi-Lo Food Stores network: We will pursue strategic expansion opportunities for Hi-Lo Food Stores to strengthen our retail presence, including the reimagining of our Fairview,

Montego Bay location, which was damaged by Hurricane Melissa. This redevelopment will focus on elevating the customer experience, while we also continue to advance broader expansion opportunities for the chain in 2026 and beyond.

Launch new digital solutions: The global remittance landscape continues to evolve with digital transactions now surpassing cash transactions. The continued transformation of our GKMS business model is crucial as we aim to lead the regional money services and payment space. GKFG will continue to focus on this transformation and expansion of our financial services across the Caribbean region through our GK One app. The app is expected to be launched in two new markets by the end of 2026.

FGB is also on track to launch its upgraded core banking system in 2026, providing customers with a digital-first banking experience. This upgrade will include automated loan applications and digital customer onboarding. Our creditor life insurance company, GK Life Insurance, will introduce a new core insurance platform that will serve as a key technology enabler, strengthening its capabilities and supporting the company's strategic growth and expansion plans.

Accelerate M&A: M&A remains a strategic priority for GK as we seek to fuel inorganic growth. We continue to work with investment bankers to identify targets in our major overseas markets. Based on our ongoing discussions and assessment of the M&A landscape, we have broadened our scope to include other regions.

2. OPERATIONAL EXCELLENCE

Operational excellence is fundamental to our long-term success, enabling sustained performance, resilience, and competitive advantage across the Group.

Optimise structure and processes: Within our food business we will continue the implementation of the logistics and supply chain optimisation initiatives to improve service levels and reduce the cost of goods sold. This will be achieved through process optimisation, technology integration and the expansion of our logistics and warehouse network. The construction of a 25,000 sq. ft. temperature-controlled warehouse at our Distribution Centre is expected to be completed in 2026. This additional capacity will significantly enhance our storage flexibility and product integrity.

We will continue to invest in technology to drive greater efficiency across the Group. In 2026, we will focus on accelerating adoption of our recently implemented SAP S/4HANA platform to further realise the full operational benefits of this investment. We also see AI as playing a key role in the future of our business and will continue to explore its potential while carefully managing the associated risks. Our AI governance framework is already in place, guiding the evaluation and integration of solutions that can enhance efficiency across our organisation.

As cyber threats grow in frequency and sophistication, it is essential that we bolster our Cybersecurity and Data Privacy awareness, ensuring that every team member understands their role in safeguarding our Group's data assets. By enhancing our vigilance, updating our protocols, and investing in continuous training, we will better protect our systems, preserve stakeholder trust, and maintain resilient operations across GK.

Our Group Risk team remains committed to proactive, value-protecting risk management that supports GK's growth ambitions. In 2026, we will focus on strengthening our capabilities through targeted training and international certifications, enhancing processes with deeper scenario analysis, stress testing, and improved policy and risk-indicator frameworks, and advancing

technology by accelerating the use of AI, automation, and analytics to deliver stronger predictive insights, more dynamic reporting, and greater overall efficiency.

3. PURPOSE-DRIVEN ORGANISATION

Building an engaged and highly motivated team united around our vision, purpose, values and strategic pillars is critical to our success. As such we recognise the importance of creating value for our team members and fostering high morale throughout our Group.

Implement strategic workforce planning: Strategic workforce planning will continue in 2026 as we align our workforce capabilities with our strategic objectives. Accelerating training in emerging skills will also ensure that our team is equipped with the capabilities and resources needed to fuel GK's growth.

We will continue our focus on strengthening leadership development and succession planning by accelerating key initiatives to ensure successor readiness. This will reinforce organisational resilience, support long-term growth, and keep GK future-ready amid an evolving operating environment.

4. SUSTAINABILITY

We remain committed to embedding sustainability at the core of our operations, strengthening governance, advancing environmental stewardship, and deepening our social impact as we build a more responsible and future-focused organisation.

Integrate sustainability: In 2026, we will focus on upskilling our team members and integrating sustainability practices across all operations. We are also enhancing our monitoring and reporting framework to ensure GK meets the expectations of key international partners and stakeholders.

Whilst there was damage to some of our solar power systems during the passage of Hurricane Melissa, we remain committed to reducing our reliance on conventional energy sources and creating a more environmentally friendly footprint for our business.

Our commitment to the communities we serve continues to be a cornerstone of our success. Our Grace & Staff Community Development Foundation, GraceKennedy Foundation, and our subsidiaries will continue to lead initiatives that create meaningful social and environmental impact, reinforcing our position as a responsible corporate citizen.

Looking ahead, we will continue to grow our business by driving consumer centricity and innovation, strengthening operational excellence, building a purpose driven organisation, and reinforcing our commitment to sustainability. We are confident in the strength and capability of the GK team and together we remain focused on sharpening our execution by enhancing customer experience, maintaining disciplined cost management and sustaining investment in the systems and capabilities that will support long term value creation.

Grounded in our purpose of enriching lives through trusted food and financial services and guided by our vision to be the number one Caribbean brand in the world, we are moving forward with confidence and remain steadfast as **We are GraceKennedy. Shaping a Stronger Future Together.**

**OUR CORE
VALUES:
HONESTY,
INTEGRITY,
TRUST,
COMMITMENT,
HUMILITY AND
RESPECT.**



We are GraceKennedy. Shaping a Stronger Future Together.



We embody
Togetherness,
Excellence,
Accountability
and Mettle.

we care



We Care

70

WE CARE AT A GLANCE



Volunteer hours
contributed by
GK team members

3,390hrs



OVER

\$345M

invested in community
development projects



OVER

\$33M

scholarships and
bursaries awarded
to Jamaican
students through
our GraceKennedy
Foundation



5 MILLION KILOGRAMMES

of waste prevented from
entering the Kingston Harbour



\$200M

cash and in-kind
support for Hurricane
Melissa relief



1,459

Jamaican students
received tuition support
through our Grace & Staff
Community Development
Foundation

We care



We Care

At GraceKennedy, our commitment to our core values – Honesty, Integrity, Trust, Commitment, Humility and Respect – together with our We Care ethos, continues to guide our approach to responsible business. These principles underpin our governance framework and inform how we create long-term value for our stakeholders.

Our Sustainability strategy reflects an integrated approach to promoting the wellbeing of people and our planet through our sustainability (environmental, social and governance or 'ESG') goals. It builds on GraceKennedy's longstanding tradition of good corporate citizenship, and community investment efforts, which are led in Jamaica by our GraceKennedy Foundation and Grace & Staff Community Development Foundation (see pages 78 to 84).

In addition to the work of our Foundations, we continue to support a range of community investment initiatives in Jamaica and across our international markets, including those that contribute to national development, such as Champs (see page 89).

In 2025, this was also demonstrated in our Group's response to Hurricane Melissa in Jamaica (see page 85). The experience underscored the important role responsible businesses play in national recovery efforts and reinforced the importance of strong partnerships in strengthening both climate and community resilience.



THE POWER OF
TOGETHERNESS
IS STRONGER
THAN ANY
HURRICANE

We care



Advancing Sustainability in 2025



STRENGTHENING OUR SUSTAINABILITY STRATEGY AND GOVERNANCE FRAMEWORK

As outlined on page 11, Sustainability is one of the pillars of our Group strategy, shaping how we create long term value for our stakeholders while strengthening our business and uplifting the communities we serve.

A key priority during the year was also strengthening the governance and policy frameworks that support the implementation of our Sustainability agenda. During the period, we launched our Sustainability Policy, providing clear guidance for advancing our sustainability agenda across the Group, while strengthening accountability. Importantly, the Sustainability Policy incorporates GraceKennedy's longstanding Corporate Social Responsibility and Health, Safety and Well-being agendas, ensuring that these initiatives now operate within a structured Sustainability governance framework.

Scan code to read
the Sustainability
Policy



To further strengthen oversight, we also conducted a review of GK's Sustainability governance structure. This assessment identified core functional responsibilities which required definition and highlighted opportunities to enhance the monitoring and evaluation of sustainability initiatives across the Group, which we will continue to implement in 2026.

BUILDING A DATA DRIVEN SUSTAINABILITY PROGRAMME

As GK seeks to meet the expectations of key international partners and stakeholders, we are strengthening our Sustainability programme's data collection framework to enable more efficient, data driven decision making. In support of this, during the year, we began taking steps to align our goals with international sustainability disclosure standards. We also began evaluating sustainability data management platforms with the aim of implementing a tool in 2026 to support more consistent data collection, monitoring and reporting across our Group.

STAKEHOLDER ENGAGEMENT

In 2025 GraceKennedy undertook a limited scope materiality assessment to validate and refine our sustainability priorities. The exercise included internal stakeholder interviews and surveys, analysis of evolving regulatory and partner requirements across key markets, and benchmarking against both regional and international peers.

The review reaffirmed the strength of GraceKennedy's sustainability framework and is being used to guide the evolution of our targets and disclosures going forward.

PROGRESS AGAINST OUR 2025 TARGETS

During the year, we also achieved the majority of our key 2025 targets and made meaningful progress in embedding sustainability considerations more deeply into the Group's operations. The following section outlines this progress for the period January 1, 2025, through to March 31, 2026.

Adhering to the Highest Standards of Integrity

GOAL

Build on our core values of Honesty, Integrity, Trust, Commitment, Humility and Respect by enhancing our robust corporate governance framework.

TARGET

Publish a Group Environmental, Social and Governance Policy by December 2025

UPDATE

As our ESG programme evolves into a broader, long-term corporate sustainability strategy, we completed and published our Sustainability Policy, which outlines GraceKennedy's commitment to responsible, transparent and sustainable business practices across our Food and Financial Services businesses. The policy formalises our Sustainability governance framework and incorporates the Group's longstanding Corporate Social Responsibility and Health, Safety and Well-being agenda, ensuring that our community investment initiatives remain aligned with GK's broader Sustainability Programme and emerging international reporting standards.

Providing a Safe, Diverse and Respectful Workplace

GOAL

Be an employer of choice by fostering a work environment where our team members feel safe, respected and valued for their unique contributions.

TARGET

Launch an integrated Group Health, Safety and Wellbeing Policy by December 2025

UPDATE

We completed our Group Health, Safety and Wellbeing Policy statements and incorporated them into our Sustainability Policy, which outlines GraceKennedy's commitment to a safe, healthy, inclusive and equitable working environment for all employees and stakeholders. The policy builds on existing GK health and safety procedures and strengthens governance through enhanced guidelines for incident reporting, workplace wellbeing and continuous improvement in safety performance.

Promoting Responsible Products and Services

GOAL

Empower customers to realise their financial goals by expanding the reach of our financial literacy programmes

TARGET

Transform the GK Money Sense financial literacy social media campaign into a comprehensive training programme delivered across multiple channels with a broad reach by December 2025

UPDATE

We continued to expand our GK Money Sense campaign, and development of the programme into a broader multi-channel financial literacy programme is ongoing. The digital campaign continued to perform well, achieving:

- 3.67 million impressions
- 1.87 million reach
- 36% average engagement rate

GOAL

Provide multi-cultural food offerings that enhance the well-being and wellness of our customers

TARGET

Improve the nutritional profile of our product portfolio by developing and implementing an accelerated Better For You product development strategy aimed at reducing fat, salt, and sugar in existing and new products, by December 2025

UPDATE

We completed development of the Better for You product strategy, which outlines a structured approach for reducing fat, salt and sugar across both existing and new products.

Implementation planning to support rollout across relevant product categories and strengthen our long-term commitment to healthier consumer choices is already underway.

Being Environmental Stewards

GOAL

Reduce our environmental impact by increasing our efficient use of natural resources, expanding our sustainable packaging and recycling initiatives, and reducing our carbon footprint

TARGET

Expand measurement and tracking of Scope 1 and Scope 2 greenhouse gas emissions across the Group and implement a reduction strategy by December 2026

UPDATE

Grace Foods UK continues to track and report greenhouse gas emissions in accordance with UK Streamlined Energy and Carbon Reporting regulations. A standardised emissions tracking platform has been identified for broader Group implementation, with a pilot scheduled for 2026.

TARGET

Launch a sustainability strategy for all GK businesses by December 2025

UPDATE

We completed and published our Sustainability Strategy, which aims to align environmental initiatives across the Group and guide how we manage and reduce our environmental impact. The strategy outlines GraceKennedy's commitments to strengthen environmental compliance, foster a culture of environmental stewardship, promote energy and water conservation, reduce greenhouse gas emissions, minimise our solid waste footprint, and support environmental conservation efforts.

Enabling Inclusive and Vibrant Communities

GOAL

Improve the quality of life in the communities we serve by increasing volunteerism and investment in initiatives that promote access to education, healthy lifestyles, environmental sustainability, and community development.

TARGET

Increase the number of volunteer hours our team contributes to the communities we serve to 4,000 hours per annum, and the value of our community investment to J\$370 million per annum, by January 2030.

UPDATE

For the year ended December 31, 2025, GraceKennedy team members contributed 3,390 volunteer hours to community service projects including educational activities, mentoring and environmental cleanups. Corporate charitable contributions reached J\$345million*, representing a 16% increase over 2024.

**Includes Hurricane Melissa related donations of J\$13.5million*





GraceKennedy Foundation Report

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Established in 1982, the GraceKennedy Foundation (GKF) upholds GraceKennedy's legacy as a responsible corporate citizen through impactful initiatives focused on environmental sustainability, healthy lifestyles and education. In 2025, the Foundation continued to positively transform communities across Jamaica through the following programmes:

ENVIRONMENT

Protecting Our Environment Together

During the year, GKF deepened GraceKennedy's environmental stewardship through the expansion of its GK Earth365 initiative, mobilising team members across 20 GK locations to participate in recycling, cleanups and focused environmental awareness campaigns.



Under the GK Earth365 banner in 2025, GK team members and their families removed more than 4,500 kilogrammes of waste through GKF-coordinated beach cleanups, while GK subsidiaries collectively recycled over 3,500 kilogrammes of plastic.

Reflecting on the initiative, Kimberley Grey, Wealth Officer at GK Capital Management and one of 20 Earth365 Ambassadors across the Group, shared, "We have one Earth. We must do our part in protecting it for future generations."

Cleaning Kingston Harbour

Since its launch in 2022, the Kingston Harbour Cleanup Project (KHCP), which is facilitated by GKF and delivered in partnership with The Ocean Cleanup and Clean Harbours Jamaica, has prevented more than five million kilogrammes of waste from entering Kingston Harbour.

This has been achieved through the deployment of nine waste-trapping barriers at the mouths of gullies that empty into the Harbour and complemented by GKF-coordinated volunteer cleanups and targeted

large-scale waste removal activities along the coastline.

In 2025, KHCP was further strengthened by GKF's sustained environmental education and outreach efforts, which engaged over 2,100 individuals through school tours, community presentations and sensitisation activities designed to encourage environmental stewardship.

The project's impact also continued to gain international recognition. In 2025, GKF and the Jamaica Yachting Association were nominated for the 11th Hour Racing Impact Award from World Sailing for The Great Mangrove Cleanup Trash Tournament, which was staged under KHCP in November 2024. In December 2025, KHCP was also featured on The Visioneers on CBS, highlighting its innovative, community-driven approach to environmental stewardship.

HEALTHY LIFESTYLES

Feeding the Future

The GK Campus Connect Food Bank remains a vital source of support for Jamaican tertiary students facing financial challenges that affect their ability to consistently access nutritious meals.

In 2025, over 5,000 students at The University of the West Indies, the University of Technology, Jamaica and the Edna Manley College of the Visual and Performing Arts benefited from the Food Bank. Two hundred students received monthly food packages, while others accessed meals through partnership feeding programmes coordinated by university student groups.

Each package, stocked with essential food items and toiletries, meets an immediate nutritional need while promoting stability and peace of mind for its recipient. By ensuring that hunger does not become a barrier to education, the Food Bank enables students to remain focused on achieving their academic goals.

Food Bank beneficiary Rhameish Smith shared, "Coming from a low-income background, I am extremely grateful to the GraceKennedy Foundation

for supporting my dream of becoming an attorney. Without this support, I would not have made it this far.”



EDUCATION

Shaping Tomorrow's Leaders

In 2025, GKF further strengthened its education mandate by advancing its focus on student development, wellness, leadership and access to opportunity.



For the 2025/26 academic year, the Foundation awarded over J\$31 million in scholarships to 91 Jamaican university students from four tertiary institutions. A further 23 students received J\$2.2 million in Carlton Alexander Memorial Bursaries, which recognise academic excellence among the children of GraceKennedy team members.

Other key initiatives in 2025 included: GKF's Making the A Grade: Healthy Lifestyles series, which engaged over 220 students from three tertiary institutions in expert-led sessions on mental health, physical

wellness and healthy meal planning; the inaugural Scholars' Mingle which brought together 58 GKF scholarship recipients and 18 GraceKennedy senior leaders to foster mentorship, networking and career exposure; and GK Campus Connect, through which GKF scholars contributed 2,967 hours of community service during the 2024/2025 academic year.



Shaping the National Conversation

In April 2025, GKF advanced the national discourse on childhood trauma through its 35th Annual Lecture - Breaking the Cycle of Childhood Trauma. Delivered by Professor the Honourable Wendel Abel, OD, OJ, JP, the lecture underscored the urgent need for Jamaica to confront the long-term effects of adverse childhood experiences and called for a coordinated, trauma-informed public health response to break cycles of harm and strengthen national resilience.



The lecture welcomed an in-person audience of 154 at The UWI Regional Headquarters and was livestreamed on the Nationwide Network and GraceKennedy YouTube channels, where it has received a combined 18,500 views to date.

Scan code to
Download the
Lecture E-book



Scan code
to Watch the
Lecture



Advancing Academic Research for National Development

In 2025, the Foundation continued to advance national priorities in data science, artificial intelligence, marine sustainability and research-driven innovation through its two endowed Chairs at The University of the West Indies: the S. Carlton Alexander Chair in Management, held by Professor Lila Rao-Graham, and the James S. Moss-Solomon Sr. Chair in Environment, held by Professor Mona Webber.

Strengthening Diaspora Connections

GKF hosted four university students of Jamaican heritage from the United States, United Kingdom and Canada for its annual Jamaican Birthright Programme during the summer of 2025. Designed to deepen participants' connection to their Jamaican roots, the programme combines a hands-on internship experience at GK with cultural immersion through Heritage Pathway Tours.

Since 2004, the programme has been strengthening ties with the Jamaican youth diaspora, having engaged over 60 second and third-generation Jamaicans living overseas.

Reflecting on her 2025 experience, Kyrah McIntosh, a Birthright participant from the UK, shared, "It was life-changing. I've always been proud of my Jamaican roots, but Birthright gave me the chance to live the culture and to understand the stories behind the food, the music and the people who make this island special."

Investing in Early and Special Needs Education

The Foundation awarded six grants valued at over J\$3 million in 2025, providing essential resources to institutions dedicated to advancing early childhood and special needs education.



TEAM A
1

TEAM B
1

Grace & Staff Community Development Foundation Report

82



Grace & Staff Community Development Foundation Report

Established in 1979 in response to deteriorating social and economic conditions in communities adjacent to GraceKennedy's headquarters in downtown Kingston, the Grace & Staff Community Development Foundation represents a meaningful partnership between GraceKennedy and our team members. Over the years, the Foundation has expanded its reach to communities surrounding GraceKennedy's operations islandwide.

In 2025, Grace & Staff deepened its commitment to its mission of Building a Bridge of Human Care and Understanding, strengthening its impact across education, volunteerism and community upliftment.



EDUCATION

Investing in Future Generations

Education remains at the heart of the Grace & Staff mission. In 2025, the Foundation supported 1,459 students through its Tuition Assistance Programme, investing over J\$36 million in their academic success.

Hybrid homework centres also provided consistent academic support, with an average of 278 students attending weekly in person and online. Through structured tutoring, mentorship and access to technology, Grace & Staff continues to create an environment where students can thrive.

Promoting Literacy and Learning

With the support of GraceKennedy Money Services, Grace & Staff proudly participated in Read Across Jamaica Day in May 2025, engaging one school in every parish and extending the power of literacy to classrooms islandwide.

GK volunteers generously gave their time and energy to read, engage and inspire, helping to foster a lifelong love of learning among Jamaican children.



Advancing STEM Education

In 2025, Grace & Staff's STEM initiatives reached 344 students through hands-on learning experiences, including activities using micro:bit coding devices. Of this number, 144 students participated in structured sessions at the Grace & Staff STEM Centre in downtown Kingston, while an additional 200 students were engaged during school visits.

In July, Senator Dr. the Honourable Dana Morris Dixon, Jamaica's Minister of Education, Skills, Youth and Information, visited the STEM Centre during its summer camp, which hosted 40 primary and high school students. Guided by the theme Innovate. Elevate. Unlocking STEAM Potential, the camp combined science experiments, engineering challenges, artificial intelligence exploration and coding, with mental health sessions for primary students and career readiness training for high

school participants. Each week concluded with a celebration where students received school supplies, certificates and prizes in recognition of their achievements.

Grace & Staff also hosted an Acoustic Discovery Camp and a DJ Camp in August, engaging 15 students in creative exploration through music.

In November the Foundation also celebrated STEM Day at Mannings High School in Westmoreland, engaging students in interactive activities and sharing insights into real-world STEM careers.



COMMUNITY UPLIFTMENT

Supporting Mental Wellness

Promoting mental health remains a priority for Grace & Staff. In 2025 the Foundation provided 470 counselling sessions to its beneficiaries, community members and GK team members.

Mental Health School Tours were also conducted at Discovery Bay High School and Marcus Garvey Technical High School last year, creating safe spaces for students to discuss emotional wellbeing, build resilience and access practical tools to manage stress and everyday challenges.

Grace & Staff's Mentorship Programme was also successfully reintroduced in 2025, pairing 74 mentees with 35 GraceKennedy mentors to support academic and personal growth.

Strengthening Jamaican Families

In November, Grace & Staff hosted a parenting seminar under the theme Stronger Parenting Together: Building Resilient Parents. The seminar

addressed mental health and self-care, the positive use of artificial intelligence, and how social media can strengthen parent-child relationships.

Enabling Economic Empowerment

Grace & Staff's BizLift Project continued to provide a pathway for economic empowerment in 2025, equipping 30 parents of Grace & Staff beneficiaries with entrepreneurial training and financial support. The six-week programme culminated in a business pitch competition, with three small business owners receiving grants to further develop their enterprises.

Spreading Holiday Cheer

GraceKennedy's annual Christmas outreach, led by Grace & Staff, brought festive joy to nearly 900 community members across Central Kingston, Craig Town, Majesty Gardens, Payne Avenue and Spanish Town in December.

A special highlight of the 2025 activity was the annual Grace & Staff children's treat, which was hosted at the National Baptist Basic School in Kingston.



VOLUNTEERISM

Living the We Care Ethos

GK team members remain the driving force behind the Foundation's work, with the spirit of volunteerism continuing to thrive in 2025. During the year, GK volunteers dedicated 854 hours to community initiatives coordinated by Grace & Staff, bringing GraceKennedy's We Care ethos to life in tangible and impactful ways.

Reflecting on 2025, Grace & Staff celebrates its programmes and achievements, and the invaluable support of its partners, volunteers and the communities it serves across Jamaica.

Standing with Jamaica: Hurricane Melissa Relief and Recovery



On October 28, 2025, Hurricane Melissa, a devastating Category 5 hurricane, caused widespread destruction across western Jamaica, severely impacting communities in St Elizabeth, Westmoreland, Hanover, St James, and Trelawny. Homes and businesses were damaged, livelihoods disrupted, and critical infrastructure was affected. Thousands of Jamaican lives were disrupted by the hurricane, including 681 GK team members based in the region.

Guided by our We Care ethos, GraceKennedy moved swiftly to support our team members and the communities we serve, restore operations, and contribute meaningfully to Jamaica's national recovery effort.

Immediately following the hurricane, we activated our Command Recovery Committee led by our Group CEO and comprising of Executives and senior leaders responsible for critical operations and businesses.

This team provided coordinated oversight of response and recovery efforts across our Group. Our leadership team also took a hands-on role in recovery, visiting communities and engaging directly with team members on the ground.

Our disaster response team, led by Group Security, was also immediately deployed across western Jamaica to check on affected team members and deliver care packages. Despite significant communication and access challenges, all our team members in impacted areas were accounted for within weeks.

We launched a comprehensive relief and recovery programme valued at over J\$200 million, designed to address both immediate needs and long-term rebuilding. The programme has been structured around four key pillars: food, cash availability, health and wellness, and education.

FOOD

Ensuring access to food was an immediate priority in the aftermath of Hurricane Melissa.

Our main distribution centre in St Catherine resumed operations the day after the hurricane, helping to maintain the supply of food and other essential items across the island. Hi-Lo Food Stores in Liguanea and Portmore reopened that same day, with all locations in Kingston, St Andrew, and St Catherine operational within days, and our Negril locations and one of our Montego Bay locations reopening within a week.

Through our GraceKennedy Foundation Food Bank Hurricane Melissa Relief Initiative, we delivered critical food and household supplies to affected communities. With the support of over 180 GraceKennedy volunteers, more than 13,000 people across over 30 communities received care packages valued at J\$10 million. Each package was designed to sustain a family of four for approximately one week.

We also partnered with international relief organisations such as World Central Kitchen, which delivered thousands of hot meals in some of the hardest hit areas, and worked with several of our business partners, including Frito-Lay (PepsiCo), Western Union, Fonterra, B. Terfloth, MF Foods, and



Procter & Gamble (P&G), to mobilise additional donations of food, water, and hygiene products.

As part of the national response, GraceKennedy contributed food and hygiene products valued at J\$20 million to the private sector relief initiative coordinated by the Private Sector Organisation of Jamaica, the Jamaica Manufacturers and Exporters Association, and the Jamaica Chamber of Commerce, in partnership with the Jamaica Defence Force, which delivered food and essential supplies to the most severely affected communities.



CASH AVAILABILITY

Maintaining access to financial resources was critical to enabling recovery for individuals and businesses.

Soon after the hurricane, GKMS announced that Western Union transfers to bank accounts and mobile wallets in Jamaica, as well as intra-island transfers, would attract zero fees until November 7, 2025, providing customers with immediate financial relief.

As GKMS worked to restore its agent network, with 128 locations operational within a week (approximately 62% of its network) and 86% restored by year end, its digital channels, Direct to Bank and our GK One app, remained available 24/7, offering secure and convenient options for Jamaicans to receive funds locally and from abroad.

First Global Bank also reopened all its branches within days, and its ATM network remained in full operation throughout the storm and its aftermath. FGB also waived RTGS fees and credit card late fees until year-end providing further support to its customers during the recovery period. FGB's loan customers were also offered payment relief options.

GK General Insurance's parametric Weather Protect programme triggered payouts to 134 farmers following Hurricane Melissa, totalling approximately J\$5.4 million, including payments to 30 farmers within days of the hurricane. These rapid, pre-determined disbursements supported immediate recovery efforts in the agricultural sector.

HEALTH AND WELLNESS

Supporting the physical and emotional well-being of our team members and the wider community was also a central focus of our response.

Our Employee Assistance Programme was activated, providing counselling, financial assistance, and essential supplies to those affected. These services offered critical psychosocial support, helping individuals and families navigate the emotional impact of the disaster while beginning the process of recovery.

To further extend our support, we partnered with respected Jamaican psychiatrist Professor Wendell Abel to develop a series of public conversations focused on coping after the hurricane. Three sessions were recorded and shared widely, offering practical

guidance on managing trauma, supporting children and families, and building resilience in the face of crisis. By making these resources accessible beyond GK, we sought to contribute to the broader national dialogue and reinforce the importance of mental health and well-being during times of crisis.



In support of the national healthcare system, GraceKennedy donated 800 cases of water to the Cornwall Regional Hospital and Falmouth Hospital immediately after the hurricane, helping to address urgent needs at critical facilities. We also mobilised hygiene products and essential supplies for affected communities. In March 2026, our GraceKennedy Foundation facilitated the donation of over J\$11 million in personal care and hygiene products by Procter & Gamble to the Ministry of Health and Wellness and children's homes.

A further J\$1.1 million February 2026 donation from FX Trader is supporting the rebuilding of the Clifton Boys' Home in Westmoreland, contributing to the restoration of a critical institution serving vulnerable youth.

EDUCATION

Recognising that restoring stability for students is essential not only to their immediate wellbeing, but also to the long-term resilience and recovery of our communities, we also prioritised support for education.

Through our Grace & Staff Community Development Foundation, we delivered 282 care packages to students at Manning's School, Green Pond High School, and Spot Valley High School in December, and provided J\$2.2 million to assist students with CSEC examination fees, helping to minimise disruption to their academic progress.

In partnership with the International Technology Disaster Resource Centre, Green Pond High School and Spot Valley High School also received satellite internet connectivity and digital devices to support continued learning.

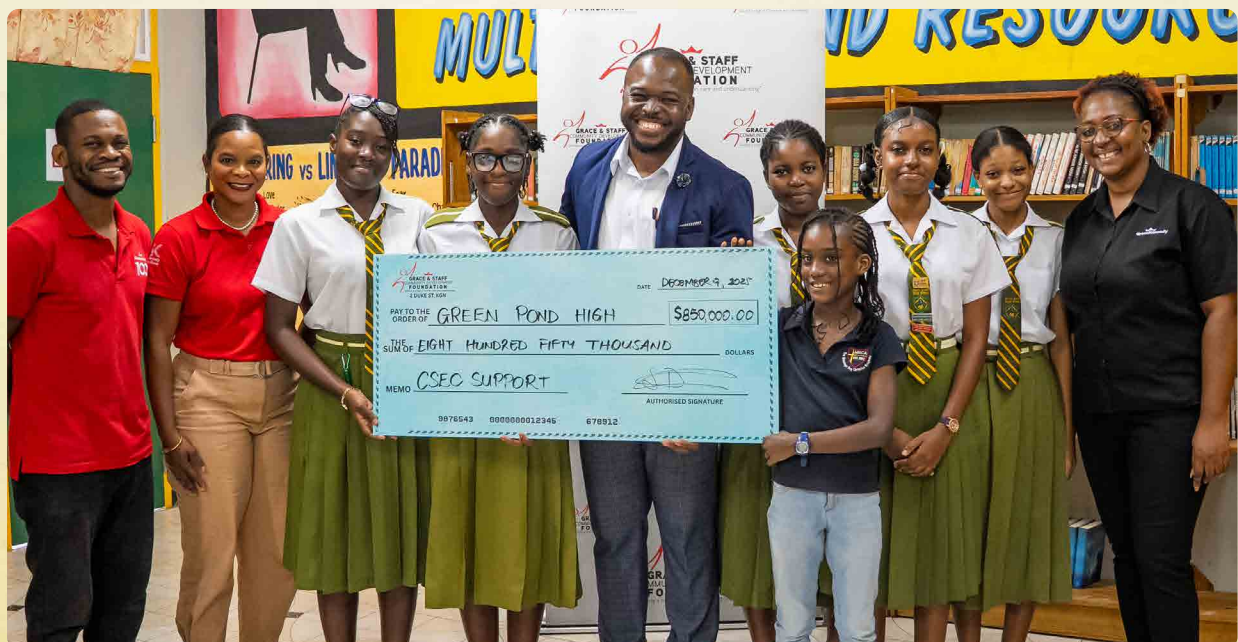
Under its 2026 Future Champions initiative GKMS, in partnership with Western Union, committed J\$3 million to support high schools impacted by Hurricane Melissa, helping them rebuild their athletics programmes as they prepared for the 2026 ISSA/GraceKennedy Boys' and Girls' Athletics Championships (Champs) in March 2026. Our GK One app also enabled community and diaspora support through its 'donate' feature, allowing users to contribute directly to schools in western Jamaica preparing for Champs.

FROM RELIEF TO RESILIENCE

As Jamaica transitions from immediate relief to long-term recovery, GK's support has continued with a sustained focus on strengthening resilience and expanding the reach of our impact.

In 2026 this has included targeted support for farming communities, with a J\$4.4 million Western Union donation directed to farmers in the hardest hit parishes through our GraceKennedy Foundation, as well as additional funding for educational initiatives and early childhood and special needs institutions affected by the hurricane. In January, Grace Foods also partnered with the BREDS Treasure Beach Foundation to mobilise contributions from travellers through its Grace Jerk Airport Pop-Ups in support of Jamaican farmers.

Hurricane Melissa reaffirmed the strength of partnerships, compassion, and collective action. At GraceKennedy, we remain committed to standing with Jamaica, supporting families, rebuilding communities, and contributing to a stronger, more resilient nation.



Supporting Jamaica's Young Athletes

ISSA GRACEKENNEDY BOYS' AND GIRLS' CHAMPIONSHIPS

For nearly two decades, GraceKennedy has proudly supported the ISSA GraceKennedy Boys' and Girls' Athletics Championships, affectionately known as Champs. As our largest single annual sponsorship, this partnership reflects our deep commitment to investing in Jamaica's young people and celebrating the extraordinary talent, discipline, and determination of Jamaican student athletes.



The 2025 staging of Champs took place from March 25 to 29, once again bringing together the very best of high school athletics in an event that captures the attention of the nation and the wider global track and field community.

GraceKennedy's support for Champs goes beyond sponsorship however, representing an investment in the development of young Jamaicans whose excellence on the track is matched by their outstanding teamwork and perseverance.

Champs 2025 also provided an opportunity for our GK Family to honour the legacy of our recently retired Group CEO, Don Wehby, who sadly passed away later in the year. His leadership, commitment to youth development, particularly through sports, and deep love for Jamaica left an indelible mark on GK and our country.

During the meet, GraceKennedy Money Services and Western Union recognised Mr Wehby as their Champs Icon for 2025, while the Grace Foods Half

Time Show included the presentation of a J\$1 million donation to St George's College, his alma mater, to support the school's development.

GraceKennedy also launched two initiatives in 2025 in honour of Mr Wehby, both of which will be awarded annually to support the next generation of Jamaican leaders and athletes. The inaugural Don Wehby Sportsmanship Award, valued at J\$250,000, recognises the male or female athlete who best exemplifies the spirit of sportsmanship at Champs. In addition, the GraceKennedy Foundation introduced the Don Wehby Scholarship, valued at J\$500,000 per year, which will be awarded annually to a tertiary student who demonstrates strong academic performance alongside active participation in sports.

In 2025 GraceKennedy's overall Champs sponsorship was valued at J\$104 million, with additional brand activations by Grace Foods and Services, GraceKennedy Money Services Western Union, and First Global Bank bringing the total investment to over J\$190 million.



The partnership between GraceKennedy and ISSA continues to reflect our belief that supporting youth development through sport is an investment in Jamaica's future. Through our longstanding commitment to Champs, we remain proud to stand alongside the schools, coaches, parents, and communities who nurture the next generation of Jamaican athletic champions.







Directors' Report

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Directors' Report

For the year ended December 31, 2025

1. The Directors are pleased to present their report for the year ended 31 December 2025 and submit herewith the Consolidated Income Statement and Consolidated Statement of Financial Position for GraceKennedy Limited and its subsidiaries as at that date.

2. Operating Results

	\$'000
Revenues	177,792,753
Profit Before Taxation	10,286,547
Net Profit After Tax	7,249,521
Net Profit After Tax Attributable to Stockholders	6,890,328

3. Dividends

The following dividends were paid during the year:

- \$0.55 per ordinary stock unit was paid on 7 April 2025
- \$0.52 per ordinary stock unit was paid on 20 June 2025
- \$0.55 per ordinary stock unit was paid on 22 September 2025
- \$0.75 per ordinary stock unit was paid on 17 December 2025

The Directors recommend that the interim dividends paid on 7 April 2025, 20 June 2025, 22 September 2025 and 17 December 2025 be declared as final for the year under review.

4. Directors

The Directors as at 31 December 2025 were as follows:

Prof. Gordon V. Shirley, OJ – Chairman

Frank A. R. James – Group Chief Executive Officer

Andrew R. Messado – Group Chief Financial Officer

Dr. Parris A. R. Lyew-Ayee, Jr.

Dr. Indianna D. Minto-Coy

Gina M. Phillipps Black

Vanessa N. H. Rizzioli

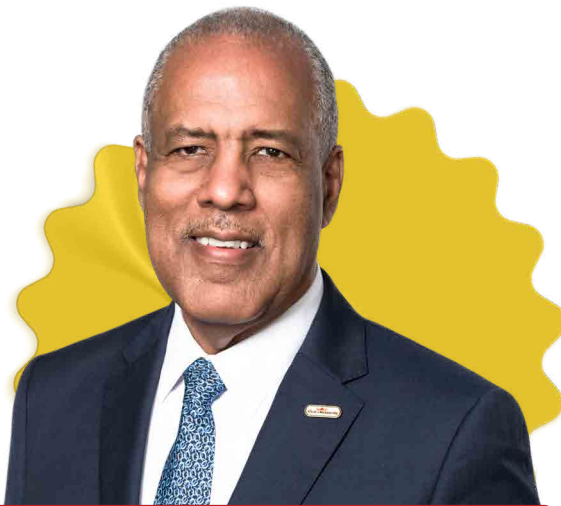
Peter E. Williams

Jacky M. Wright

During the year under review, there were the following Board changes:

- Don G. Wehby resigned from the Board on 14 February 2025
- Frank A. R. James was appointed to the Board on 14 February 2025
- Jacky M. Wright was appointed to the Board on 13 November 2025

5. In accordance with Article 108 of the Company's Articles of Incorporation, Ms Jacky Wright having been appointed to the Board of Directors since the last Annual General Meeting, will retire from office and, being eligible, offers herself for election.
6. The Directors retiring from office by rotation pursuant to Article 102 of the Company's Articles of Incorporation are Mr Andrew Messado, Dr Indianna Minto-Coy and Mrs. Gina Phillipps Black who being eligible, offer themselves for re-election.



Prof. Gordon Shirley, OJ
Chairman

By Order of
the Board
27 February
2026

7. Auditors

Messrs. PricewaterhouseCoopers, the present Auditors, have signified their willingness to continue in office pursuant to section 154 of the Companies Act, 2004.

8. Appreciation to Management and Staff

The Directors wish to express their appreciation to the management and staff for their achievements during the year.

Shareholdings of Directors

As at December 31, 2025

Ordinary Stock Units of no par value	Total	Direct	Connected Parties	% Ownership
Frank A. R. James	3,639,085	3,639,085	-	0.37%
Andrew Messado	1,201,858	1,201,858	-	0.12%
Gordon V. Shirley	708,893	708,893	-	0.07%
Gina Philipps Black	216,576	216,576	-	0.02%
Parris Lyew-Ayee Jr.	180,681	180,681	-	0.02%
Indianna Minto-Coy	62,461	62,461	-	0.01%
Peter Williams	36,963	36,963	-	0.00%
Vanessa Rizzoli	27,870	27,870	-	0.00%
Jacqueline Wright	1,150	1,150	-	0.00%
Total	6,075,537			

Shareholdings of Executive Committee Members and Senior Officers

As at December 31, 2025

Ordinary Stock Units of no par value	Total	Direct	Connected Parties	% Ownership
Frank A. R. James	3,639,085	3,639,085	-	0.37%
Gail Moss-Solomon	1,379,231	1,379,231	-	0.14%
Andrea Coy	1,352,062	1,352,062	-	0.14%
Andrew Messado	1,201,858	1,201,858	-	0.12%
Steven Whittingham	963,718	963,718	-	0.10%
John A. Leo Rhynie	116,310	116,310	-	0.01%
Tawana Gray	6,480	2,100	4,380	0.00%
Greig Lindo	2,500	2,500	-	0.00%
Judith Chung	2,100	2,100	-	0.00%
Jason Bailey	0	0		0.00%
Annette Morrison	0	0		0.00%
Total	8,663,344			

Stockholders' Profile

As at December 31, 2025

	31/12/2025 Stock Units	%
Private Individuals	309,441,465	31.29%
Insurance Companies, Trust Companies & Pension Funds	304,024,143	30.74%
Investment Companies/Unit Trusts	133,827,819	13.53%
Private Companies	113,308,624	11.46%
Others	108,068,192	10.93%
Directors & Senior Managers	9,897,938	1.00%
Nominee Companies	9,337,888	0.94%
Public Listed Companies	977,660	0.10%
	988,883,729	100.00%

Top Ten (10) Stockholders

As at December 31, 2025

Rank	Name	Ordinary Stock Units	%
1	National Insurance Fund	67,314,291	6.81%
2	Resource in Motion Limited	65,671,820	6.64%
3	GraceKennedy Limited Pension Scheme	44,922,201	4.54%
4	ATL Group Pension Fund Trustees Nominee Ltd.	23,952,905	2.42%
5	Douglas Orane	20,557,188	2.08%
6	NCB Staff Pension Fund (1986)	20,326,430	2.06%
7	SJIML A/C 3119	17,464,373	1.77%
8	NCB Staff Pension Fund (1999)	16,798,182	1.70%
9	Estate Donald G. Wehby	16,190,890	1.64%
10	Sagicor Pooled Equity Fund	14,960,290	1.51%
	Total		31.17%



Audit, Risk and Compliance Committee Report

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Audit, Risk and Compliance Committee Report

For the year ended December 31, 2025

1. COMPOSITION

The Audit, Risk and Compliance Committee (the Committee) consists of four independent non-executive Directors of the Board of Directors, one of whom is a “financial expert, a person with an understanding of financial statements and applicable accounting principles and experience in preparing, auditing, analysing or evaluating financial statements” and the others, financially literate, in accordance with the Committee’s Terms of Reference (TOR).

Scan code to read the
Audit, Risk and Compliance
Committee’s TOR:



2. AUDIT, RISK AND COMPLIANCE COMMITTEE MEMBERS

Peter E. Williams (Chairman)
Dr Parris A. R. Lyew-Ayee Jr
Dr Indianna D. Minto-Coy
Vanessa N. Rizzioli

3. MANDATE AND SCOPE

The responsibilities and activities of the Committee are governed by its TOR which are reviewed annually by the Committee and the GraceKennedy Corporate Governance & Nomination Committee, then approved by the GraceKennedy Board of Directors.

The TOR complies with applicable laws, rules, regulations and the GraceKennedy Corporate Governance Code which was developed with reference to the UK Corporate Governance Code issued in 2024, the Private Sector Organisation of Jamaica (PSOJ) Code on Corporate Governance, the PSOJ’s ‘Navigating Corporate Governance - A Comprehensive Handbook and Toolkit’, and the Corporate Governance Guidelines set out by the Jamaica Stock Exchange.

The role of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities in respect of GraceKennedy and its subsidiaries in the key areas of:

- reliability and integrity of the accounting principles, processes and practices underlying the preparation and presentation of fairly stated financial statements and other financial reporting;
- effectiveness of the internal controls, governance, and risk management infrastructure, including internal audits, enterprise risk management, security and compliance with statutory and regulatory requirements; and
- qualifications, independence and performance of the external auditors, PricewaterhouseCoopers (PwC), and approval of the scope of and fees for audit and non-audit services.

In the execution of its responsibilities, the Committee is assisted by the Chief Audit Executive (CAE), who functions as head of the Group Internal Audit Department (GIA), the Group Chief Executive Officer, Group Chief Financial Officer, General Counsel & Chief Corporate Secretary, Group Chief Compliance Officer and other members of Management as required, all of whom have unrestricted access to the Committee.

In addition to the active support and guidance provided by PwC during Committee meetings, the Committee meets each quarter with PwC without any member of Management being present, to ensure that issues of objectivity and disagreements with Management, if any, are brought to its attention. In a similar vein, separate meetings are also held with the CAE without Management being present. The Committee Chairman also holds ad hoc meetings with PwC and the CAE during the year.

The Committee has four scheduled regular meetings per annum and a special meeting to approve the annual Management Discussion and Analysis (MD&A).

A written report is submitted to the Board of Directors by the Committee Chairman after each regular meeting, outlining the significant matters discussed and decisions taken.

The Chairman of the Committee holds one-on-one meetings with the chairs of each of the audit committees of GK's subsidiaries once per annum and there is also a meeting of all the audit committee chairs that is held once a year.

The Committee has the authority to engage at GK's expense, external legal, accounting and other professional expertise, when deemed necessary for the effective discharge of its responsibilities.

Effective 27 February 2026, the Committee was renamed the *Audit, Risk and Compliance Committee*.

4. ACTIVITIES

The Committee met five times during 2025 as scheduled; that is, four regular meetings and a special meeting to approve the annual report's MD&A. There was full attendance at the meetings by three of four Committee members, while one committee member attended all but two meetings. PwC's Group engagement partner and/or senior representatives of the firm attended all four regular meetings.

During the year, the Committee:

- assessed the independence, performance, and scope of the annual audit plan of PwC and recommended the firm's appointment by the stockholders and approval of its fees to the GK Board;
- reviewed communications from PwC on behalf of the Board as required the International Standard on Auditing (ISA) 260 (Revised) - Communication with those Charged with Governance - a standard issued by the International Federation of Accountants and promulgated by the Institute of Chartered Accountants of Jamaica, confirming same, as part of the assessment of PwC's independence, objectivity, relationship matters and compliance with professional ethics;
- reviewed the scope of the annual internal audit plan and staffing;
- reviewed internal audit reports covering financial, information technology (IT), operational and compliance audits, in respect of which recommendations for improvements were made to Management and the Board of Directors, which were accepted, and either implemented or are in the process of being implemented;
- reviewed management letters from external auditors relating to internal control issues and findings, and noted Management's action plans to address them;
- considered the involvement of GIA in special management requests for operational reviews and new projects and the outcome of such activities, and in reviewing these special matters, received assurance from the CAE that the independence and objectivity of GIA were maintained;
- participated in the annual assessment of the performance of the CAE;
- reviewed GIA's TOR;
- reviewed the composition, duties and responsibilities of GK's and its subsidiaries' audit committees and significant findings from their meetings, and examined and discussed half-yearly reporting on significant internal control and other matters by the chairs of these audit committees, as part of its oversight of such subsidiaries' audit matters;
- reviewed, and after consultation with management and PwC, recommended to the Board of Directors, unaudited quarterly financial statements and the 2025 audited annual financial statements for their approval and release to stockholders, being satisfied, after these consultations, that the financial statements complied with International Financial Reporting Standards (IFRS);
- reviewed and approved the MD&A report for inclusion in the annual report;
- received updates from management and the external auditors on the requirements of financial accounting standards which will be implemented in the future; and
- received updates from management on taxation, fraud, risk management, information technology and legal matters relating to the operation of the Group.

5. CONTINUING EDUCATION

In keeping with the Committee's mandate and focus on continuing education, members of the Group's audit committees participated in GK's Directors Training Workshops. Topics covered included: External and Internal Audit and the role of the Audit Committee, Risk Management, Strategy & Innovation, Driving Business Success: The Board's Strategic Role, and Elevate Governance, Clarify Risk.

Certain members of the Audit, Risk and Compliance Committee, as well as chairs of some of the audit committees of GK subsidiaries, also attended PwC's 2025 IFRS In Focus seminar.



**Peter E.
Williams**

Chairman,
on behalf of the Audit,
Risk and Compliance
Committee



Corporate Governance and Nomination Committee Report

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Corporate Governance and Nomination Committee Report

For the year ended December 31, 2025

GraceKennedy's commitment to strong, principled governance is a strategic advantage which remains central to our ability to unlock value and shape a resilient, future-ready Group. Guided by our theme - We are GraceKennedy. Shaping a Stronger Future Together. - the Corporate Governance & Nomination Committee continues to strengthen governance practices that support effective oversight, accountability, and sustainable long-term growth for the benefit of our shareholders and all stakeholders.

CORPORATE GOVERNANCE FRAMEWORK

GraceKennedy continues to operate within a robust corporate governance framework that promotes transparency, ethical conduct, and responsible decision-making. In 2025, the Company's Corporate Governance Code was reviewed to ensure ongoing alignment with local and international best practices, regulatory developments, and stakeholder expectations. This review reinforced the Board's commitment to continuous improvement in governance standards.

Scan code to read
the Group Corporate
Governance Policy:



BOARD OF DIRECTORS - COMPOSITION, ROLE, RESPONSIBILITIES AND INDEPENDENCE

The Board of Directors was comprised of a balanced mix of executive and non-executive members whose collective skills, experience, independence, and diversity of thought support robust decision-making and effective oversight. The Board brings together expertise spanning business, finance, law, academia, technology, and public policy, and significantly surpassed its established gender diversity target of a minimum 30% representation for each gender.

During 2025, the Board experienced changes in its membership. Don Wehby retired from the Board and his role as Group CEO and Frank James was appointed as Group CEO and an executive Director. Jacky Wright, a globally recognised technology leader, joined the Board in November as a non-executive Director. At the end of 2025, the Board was composed of two executive and seven non-executive Directors.

The Board composition enables GraceKennedy to navigate an increasingly complex environment while remaining aligned with its strategic objectives. The table below sets out the skills and qualifications of the Directors.

Names of Directors	Academic Qualifications & Professional Affiliations	Expertise	Committee/ Sub-Committee
Prof. Gordon V. Shirley, OJ	DBA (Operations Management), MSc. Business Administration (Operations & Finance), BSc. (Mechanical Engineering)	Technology Product/Service	Corporate Governance & Nomination Committee Member Compensation Sub-Committee Chairman Audit, Risk and Compliance Committee (Invitee)
Frank A. R. James	MSc. (Business) BSc. (Management Studies and Accounting) CFA charter holder	Accounting, Finance, Food Distribution	Audit, Risk and Compliance Committee (Invitee) Compensation Sub-Committee (Invitee) Corporate Governance & Nomination Committee (Invitee)
Dr. Parris A. R. Lyew-Ayee, Jr	D.Phil. (Geography), BSc. Earth Sciences	Environment and Hazards, Technology, Data Analytics	Audit, Risk and Compliance Committee Member Corporate Governance & Nomination Committee Member Compensation Sub-Committee Member

Names of Directors	Academic Qualifications & Professional Affiliations	Expertise	Committee/ Sub-Committee
Andrew R. Messado	MSc. (Accounting), BSc. (Accounting), Fellow Chartered Accountant (FCA)	Accounting, Finance	Audit, Risk and Compliance Committee (Invitee) Compensation Sub-Committee (Invitee)
Dr. Indianna D. Minto-Coy	PhD. MSc. (Government), BSc. (Public Administration & International Relations)	Diasporas, Migration, Entrepreneurship, Sustainability, Corporate Governance	Audit, Risk and Compliance Committee Member Corporate Governance & Nomination Committee Member
Gina M. Philipps Black	LLB. Certificate of Legal Education	Legal, Corporate Governance	Corporate Governance & Nomination Committee Chairman Audit, Risk and Compliance Committee (Invitee)
Vanessa N. H. Rizzoli	LLB. LLM. (Corporate, Securities and Commercial Law), GradCGI, (Chartered Governance Institute UK & Ireland)	Transactional Legal Practise, Corporate Governance	Corporate Governance & Nomination Committee Member Audit, Risk and Compliance Committee Member
Don G. Wehby, OJ Retired February 14, 2025	MSc. (Accounting), BSc. (Accounting), Fellow Chartered Accountant (Jamaica)	Accounting, Finance	Audit, Risk and Compliance Committee (Invitee) Compensation Sub-Committee (Invitee) Corporate Governance & Nomination Committee (Invitee)
Peter E. Williams	B.A. (History and Political Science), FCCA (UK) Fellow Chartered Accountant (UK, Jamaica)	Accounting, Finance	Audit, Risk and Compliance Committee Chairman Corporate Governance & Nomination Committee Member Compensation Sub-Committee Member
Dr. Jacky M. Wright	BBA (Computer Science and Accounting), Honorary Doctorate Degree	Information Technology, Accounting, Sustainability Services, Digital Transformation	Corporate Governance & Nomination Committee Member

Directors' independence serves as a cornerstone of GK's governance model. The Company's Corporate Governance Code defines an independent director as follows:

"An Independent Director is a Director who is free from any business or other relationship which could materially interfere with the exercise of their independent judgment such as where the Director:

- has been an employee of any company in the Group within the last three years,
- has, or has had within the last three years, a material business relationship with the Company either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Company,
- has received or receives additional remuneration from the Company (apart from a Director's compensation) or has participated or participates in the Company's performance- related pay scheme within the last three years,
- or the Director's spouse, child or dependent is one of the Company's advisers, Directors or senior employees, holds numerous cross-directorships or has significant links with other Directors through involvement in other companies or bodies,
- represents a significant shareholder or has a significant shareholding."

During the reporting period, all non-executive Directors, including the Chairman, were deemed independent. Don Wehby (until his retirement in February 2025), Frank James (commencing with his appointment in February 2025), and Andrew Messado, were the executive Directors on the Board during the calendar year.

SUCCESSION PLANNING AND LEADERSHIP CONTINUITY

Succession planning remained a priority focus area for the Committee during the year. GraceKennedy's structured and deliberate approach to leadership succession proved critical in the transition to the new Group CEO in 2025 which ensured continuity of leadership, preserved institutional knowledge, and reinforced stability during a period of significant transition.

GraceKennedy remains committed to a succession framework underpinned by long-term talent development and thoughtful, future-focused leadership planning. Following the transition, the Committee and the Board considered and made recommendations on ways to further strengthen the succession planning framework and process.

THE CHAIRMAN

The Board is led by an independent non-executive Chairman, Professor Gordon Shirley, who ensures the effective conduct of meetings. His leadership fosters thoughtful debate and constructive challenge, helping to keep board decisions anchored in GraceKennedy's strategic direction and long-term interests. In addition to chairing meetings, the Chairman is responsible for facilitating open dialogue among directors, ensuring that all voices are heard, and promoting a transparent decision-making process. He also works closely with the Company Secretary to set the agenda for each meeting and oversee the proper flow of information so that the Board is able to execute its oversight responsibilities effectively.

During the period of transition to the new Group CEO, Professor Shirley's steady leadership was instrumental in maintaining Board cohesion and focus. His approach and that of the Board, provided stability and confidence to both the Board and Management during this period of change, reinforcing GraceKennedy's commitment to strong, future-oriented leadership.

COMPANY SECRETARY

The Company Secretary, Gail Moss-Solomon, supports the Chairman and enables the Board and

its committees to operate efficiently and effectively. She facilitates information flow between the Board and its committees, supports compliance with legal, regulatory, and financial obligations, and helps maintain constructive engagement and stakeholder relations - all critical enablers of trusted governance. The Company Secretary also plays a proactive role in advising the Board on evolving governance standards and best practices, ensuring Directors have the resources and training needed to fulfil their duties. She supports the integrity of Board processes, overseeing the timely circulation of board materials, and coordinating Director induction and ongoing development. Additionally, the Company Secretary serves as a confidential advisor to the Chairman and Directors, ensuring that ethical standards are upheld and that the Board's actions are transparent, accountable, and aligned with the Company's strategic objectives.

BOARD COMMITTEES

The Board has established various committees and subcommittees, either on a continuous or ad hoc basis, with the authority to execute specific functions by way of delegation or recommendations. These committees allow a select group of board members, with or without Management's participation, to concentrate on the specific delegated function. Adhering to good governance principles, the decisions or recommendations made by these committees and subcommittees are reported to the Board, and ratified where necessary.

The standing committees of the Board include the Corporate Governance & Nomination Committee (CGNC), the Audit, Risk and Compliance Committee (recently renamed), and the Banking & Transfer Committee. Additionally, the Compensation Subcommittee operates as a permanent subcommittee under the CGNC.

The Board and its committees are required to review their Terms of Reference (TOR) annually and propose revisions, if necessary or desirable, to the Board for approval. During the year, all TORs were considered, and the revised or reaffirmed TORs were approved by the Board and published on the GK intranet and website.

Scan code to read the
Corporate Governance &
Nomination Committee
Terms of Reference:



Scan code to read
the Compensation
Sub-Committee
Terms of Reference:



Scan code to read
the Audit, Risk and
Compliance Committee
Terms of Reference:



Scan code to read the
Terms of Reference for
Directors



BOARD MEETINGS AND AGENDA

The Company's Board of Directors is committed to maintaining a high standard of governance through regular and well-structured meetings. The Board meets at least quarterly to provide oversight of GraceKennedy's business and monitor Management's performance. In 2025, the Board met five times to address matters in the ordinary course of its business, with additional special sessions convened as the board members felt were required. The Board also held a retreat during the year to support strategic alignment.

Agendas are developed based on the board-approved

standing agenda and with consultation between the Chairman and Company Secretary, ensuring a balanced focus on standing matters and emerging priorities. Materials are circulated in advance to support meaningful participation, and the Board also routinely convenes private sessions with non-executive Directors only, to reinforce independent oversight and encourage candid discussion.

In 2025, the Company Secretary implemented technology to improve agenda and minutes preparation and continued to review and optimise the board meeting package to ensure that Directors received accurate, relevant and timely information for effective decision-making.

TRANSPARENCY AND ACCOUNTABILITY

At GK, we are committed to advancing governance practices and principles. Directors' attendance and their engaged, active participation in meetings, are monitored through attendance records and performance evaluations, ensuring their commitment to the fulfilment of their duties. Board attendance and performance are also important considerations when evaluating whether a retiring Director should be considered for re-election.

Currently, the Board does not have tenure limits for non-executive Directors, outside of the rotation provisions specified in the Company's Articles. The term limit for subsidiary board directors is three consecutive terms of three years each, with a maximum term limit of nine years.

The CGNC is pleased to report that the attendance of GK's Directors at board and committee meetings remains exemplary, reflecting a consistent and high level of dedication to their duties and responsibilities. Conflicts

Names of Directors	Executive (E)/Non-Executive (NE)	Board*	Corporate Governance & Nomination Committee*	Audit, Risk and Compliance Committee*	Compensation Subcommittee	Date of Appointment to Board
Prof. Gordon V. Shirley, OJ	NE	5/5	5/5	N/A	5/5	30-May-96
Frank James (Appointed to the Board February 14, 2025)	E	5/5	N/A	N/A	N/A	14-Feb-25
Dr. Parris A. R. Lyew-Ayee, Jr	NE	5/5	5/5	5/5	5/5	06-Mar-13
Andrew R. Messado	E	5/5	N/A	N/A	N/A	01-Apr-19
Dr. Indianna D. Minto-Coy	NE	5/5	5/5	5/5	N/A	26-Jun-18
Gina M. Philipps Black	NE	5/5	5/5	N/A	N/A	08-Feb-12
Vanessa N. H. Rizzioli	NE	5/5	4/5	4/5	N/A	28-Jul-22
Don G. Wehby, OJ (Retired from the Board February 14, 2025)	E	N/A	N/A	N/A	N/A	05-Oct-09
Peter E. Williams	NE	5/5	5/5	5/5	5/5	01-Apr-21
Dr. Jacky M. Wright (Appointed to Board and Corporate Governance & Nomination Committee November 13, 2025)	NE	2/5	0/5	N/A	N/A	13-Nov-25

*Includes Ad-Hoc Special meetings

CONFLICTS

Directors are required to avoid conflicts of interest and make annual declarations of interest, with updates provided as circumstances change. In addition, any conflicts that may arise from meeting papers or other circumstances are to be declared at the start of meetings and managed through appropriate safeguards, including recusal from discussions or decisions where a conflict exists, thus protecting board objectivity and integrity.

BOARD EVALUATIONS

A formal evaluation of the Board, including its committees, is conducted annually to assess its performance and effectiveness. This evaluation is typically carried out by GK's Business Intelligence Unit using an online survey tool. Every other year, this evaluation is expanded to a more comprehensive format to include an individual and peer assessment of each Director. The comprehensive format therefore assesses the GK Board and encompasses a self-assessment and peer assessment of each Director. These assessments gather feedback

on overall director performance, skills, attributes, meeting preparedness, participation, effectiveness, and understanding of responsibilities. The concise evaluation, which is used in alternate years, focuses on the Board's overall performance and dynamics, and gathers feedback on board structure, culture, management report content and analysis, board conduct, and risk monitoring.

A board evaluation report is generated to highlight key findings, including the strengths and weaknesses of the Board and discussed at CGNC meetings.

For comprehensive evaluations, one-on-one discussions are held with each Director led by the Chairman with support from the Chair of the CGNC, Gina Philipps Black. The CGNC Chair and the Audit, Risk and Compliance Committee Chair, Peter Williams, lead the evaluation discussion relating to the Chairman. External facilitation is used every three years to strengthen independence of the process. The next external evaluation is due in 2026.

The CGNC also reviews evaluation reports from chairs of key subsidiary boards enabling targeted strengthening of governance across the Group.

The findings from these evaluations guide continuous improvement and inform director development priorities. This allows the CGNC to identify strengths and areas for improvement, enabling the boards to take targeted actions to enhance governance practices, address any weaknesses, and ensure that the boards and committees operate at their highest potential.

NOMINATION & APPOINTMENT OF DIRECTORS

The CGNC, in keeping with the Group's policies and procedures, oversees the nomination, selection, and appointment of board members across the Group.

GROUPWIDE BOARD COMPOSITION REVIEW

During the year, the Committee undertook a comprehensive review of board composition across GraceKennedy's subsidiaries. This Groupwide assessment was designed to ensure that each subsidiary boards' skillsets remain aligned with the Group's and subsidiary's strategic objectives, reduce cross-directorships, strengthening the succession pipeline, and enhancing overall board efficiency in the context of size, complexity and regulatory environment.

Outcomes of the review informed recommendations on board refreshment, skills enhancement, and succession planning, strengthening governance effectiveness across the Group and reinforcing clear accountability at both Group and subsidiary levels.

The CGNC interviews potential candidates and ensures that due diligence checks are undertaken to evaluate nominees' suitability. This includes assessing their background, industry experience, and potential conflicts of interest.

The Group CEO, in consultation with the Executive Committee, recommends executives for appointment to boards within the GK Group, excluding the divisional boards. The CGNC is informed of these recommendations.

Invitees, selected from across the Group, are added to boards as part of a robust professional development and succession planning strategy, which is aimed

at ensuring effective future leadership and seamless transitions. This practice, aligned with international best practices, facilitates the identification and development of potential board members and invitees by providing them with valuable exposure and experience. These invitees are held to the same stringent standards of confidentiality and ethical conduct as serving directors, ensuring that they uphold the principles of integrity and accountability that are foundational to the board's operations. From time to time a board may invite persons, outside the Group, who possess specific skills to participate in discussions, as an invitee.

ORIENTATION OF NEW DIRECTORS

New Directors participate in a structured orientation programme designed to familiarise them with the Group's strategy, operations, governance framework, and key risks. This process includes meetings with key members of the senior management team to gain insights into the Company's strategic goals, operational structure, and key challenges. Board members receive training on GK's financial statements, budgeting processes, and financial performance metrics, to ensure they have a solid understanding of these aspects of its business.

The Company Secretary ensures that new board members have a clear understanding of their roles, responsibilities, and the expectations placed upon them. Arranging site visits to key GK locations and operations further helps new and existing board members better understand GK's business.

TRAINING AND DEVELOPMENT

Ongoing training and development for directors and senior managers is supported through annual workshops and targeted sessions addressing various topics, including emerging governance, regulatory, technological, and risk-related topics. The Directors' Training Workshop topics are informed by a standing agenda of training areas, such as corporate governance, audit, strategy, and information technology including cybersecurity. Training programs are also customised based on individual needs and target areas for development identified through board reviews and committee discussions. Each year,

Directors' Training Workshop topics are thoughtfully selected to achieve these goals and enhance the leadership and capabilities of directors.

In addition to the annual training workshops, sector-specific training is conducted to equip directors and senior managers with the necessary skills and knowledge of industry developments and trends and governance practices, ensuring they can effectively perform their duties and contribute to GK's success.

Training topics for 2025 included:

- Role of the Audit Committee, External and Internal Audit
- Risk Management
- Strategy & Innovation
- Board's Strategic Role
- Corporate Governance

The CGNC members regularly share research, articles, presentations, and briefings on topics that are pertinent to, or considered to have the potential to impact GK's businesses, operations, customers, and team.

POLICY AND PROCEDURES

The Group maintains a suite of policies and procedures to support effective governance, risk management, and regulatory compliance. These cover topics such as human resources, finance, audit, legal matters, and risk management, aiming to keep processes consistent and transparent throughout the organisation. These policies are available on GK's intranet and website as applicable, supporting accountability and strong governance.

ETHICAL STANDARDS

GraceKennedy maintains a strong ethical culture supported by its Code of Ethics & Guidelines for Business Conduct (the Code), which applies to directors and team members across the Group. Compliance is reinforced through annual confirmations and established reporting mechanisms. The Code sets out expectations of directors and team members to act ethically and in compliance with the law.

Scan code to
read the Code:



Upon joining GK, all team members and directors receive a copy of the Code. Each year, team members and directors must confirm that they have read, understand and have adhered to the Code in the previous year.

SUSTAINABILITY

In keeping with GraceKennedy's commitment to responsible and sustainable business practices, a Sustainability Policy was approved during the year. The policy provides a clear framework for integrating Environmental, Social, and Governance (ESG) considerations into strategy, operations, and decision-making across the Group.

The CGNC recognises sustainability as a core governance priority and an essential driver of long-term resilience and value creation. The introduction of the Sustainability Policy strengthens governance oversight of ESG matters and reinforces GraceKennedy's role as a responsible corporate citizen committed to shaping a stronger future for its stakeholders and communities.

Scan code to read
the Sustainability
Policy:



WHISTLE BLOWING

GK's Whistle Blowing Policy ensures that breaches, irregularities, or wrongdoing can be reported without fear of disclosure of the reporter, or reprisal. Reports are investigated by the Audit, Risk and Compliance Committee, and periodic updates are provided to the Group CEO and Board, as appropriate. GK is dedicated to maintaining a reliable and transparent process for reporting breaches, irregularities, or concerns regarding any wrongdoing within the Group. It is the responsibility of all team members to report

breaches and suspected breaches of the Code and Company policies, as well as deficiencies in policies, procedures, or controls. The Whistle Blowing Policy mandates that team members generally report issues to their immediate supervisor. If this is not feasible, reports can be escalated to the supervisor's superior, continuing up to the GK Group CEO. Should a team member feel uncomfortable using the traditional communication channels, they may report directly to other senior management members or the Chair of the Board, CGNC or Audit, Risk and Compliance Committee, if circumstances warrant this as identified in the policy. Furthermore, the policy ensures the availability of a whistle blowing hotline, managed by an independent external provider, allowing team members to make reports confidentially without fear of reprisals. Reports are periodically reviewed by the Chairman, GK Group CEO, and Board, as deemed appropriate based on the specifics of each case. All reports will be addressed promptly and investigated impartially, regardless of the alleged wrongdoer's tenure, position/title, or relationships within the Company. Management across the Group is required to fully support and cooperate with any investigations initiated through the whistle blowing process.

By implementing governance best practices, GK effectively manages risks, upholds stakeholder interests, and ensures compliance with applicable legal and regulatory standards. This systematic approach drives operational excellence and cultivates an environment of integrity and ethical behaviour, both of which are critical to GK's sustained success and long-term viability. Any person may make a report using the whistle blowing hotline.

Scan code to
read about
Whistle blowing:



EFFECTIVE RISK MANAGEMENT

The Board plays a critical role in unlocking value by establishing a risk-aware culture and embedding risk management into GK's strategic planning processes. This function is executed through regular risk assessments, continuous monitoring of the risk

environment, and the implementation of robust risk mitigation strategies. The Board collaborates with senior management to ensure that risk management practices are integrated into daily operations and decision-making. By proactively identifying and addressing potential risks, and opportunities the Board helps safeguard GK's assets, reputation, and long-term sustainability, ultimately enabling the Company to seize opportunities and unlock value for all stakeholders.

COMMUNICATION AND ENGAGEMENT

GK values open dialogue with shareholders and stakeholders. The Annual General Meeting (AGM) remains an important forum for engagement. The 2025 AGM was held in a hybrid format, facilitating wide participation across stakeholders and interested groups. The minutes of the AGM are available on the GK website, and a recording is available on GK's YouTube channel.

Other ways GK engages stakeholders include the Groupwide CEO's Forum, Leadership Summit, investor briefings, the GK website, press releases and social media. Through these channels, stakeholders receive updates on Company performance, strategic initiatives and key developments.

Investor briefings, the Leadership Summit and Groupwide CEO's Forum provide opportunities for direct engagement, allowing participants to ask questions, share feedback and interact with GK's executive leadership. The Leadership Summit fosters alignment and collaboration between Management and the Executive Committee, while the Groupwide CEO's Forum seeks to motivate and connect the wider GK team around strategic priorities. Investor briefings offer deeper insights into financial performance and future outlook for members of the investment community, media and the public.

The GK website, press releases and social media channels ensure stakeholders remain informed through timely updates and announcements.

Compensation

Sub-Committee Report

GK's compensation philosophy for directors, executives and senior managers is designed to reinforce accountability, reward the achievement of strategic and financial objectives, and promote behaviours consistent with the Company's core values and long-term success. The compensation of GK's directors and senior management team must be sufficient to attract, retain and motivate persons of the quality required to run the Company successfully and the subcommittee is guided by the Company's Corporate Governance Code and its TOR in carrying out this objective. The subcommittee supports the achievement of the philosophy by carefully balancing the need to maintain competitive remuneration with the importance of prudent governance and responsible stewardship of shareholder resources and adherence to applicable rules and regulations.

EXECUTIVE COMPENSATION

During the period covered by this report, the subcommittee reviewed and made recommendations regarding the total compensation of the Group CEO and executives and agreed performance objectives for the Group CEO.

The subcommittee also governs GK's shareholder approved awards and option plans, including stock options granted to employees and directors across the Group.

The Board has implemented equity-based compensation and incentive schemes with the approval of shareholders. This includes the Long-Term Incentive Scheme (the LTI Scheme) for eligible employees. In 2025, the subcommittee considered the goals and targets under the LTI Scheme and the LTI allocations for 2026. In addition to the LTI Scheme, GK has multiple performance-based incentive schemes in place that reward employees' achievements on a monthly, quarterly, or annual basis. These incentive-based plans reward employees based on a combination of the Company's performance compared to its budget and prior year results, as well as employees' performance on jointly agreed and individual quantifiable objectives.

DIRECTORS' COMPENSATION

The following fees were paid to non-executive Directors in 2025:

Board Fees (Payable to Non-Executive Directors only)	
Annual Retainers	
All Directors	\$4,081,560
Additional Retainer Board Chair	\$4,460,880
Additional Retainer Corporate Governance & Nomination Committee Chair	\$565,060
Additional Retainer Audit, Risk and Compliance Committee Chair	\$1,486,970
Additional Retainer Compensation Subcommittee Chair	\$376,690

In addition to these fees, pursuant to the approval of the subcommittee, each non-executive Director was granted \$847,439 to purchase GraceKennedy shares on the open market in the name of the Director. This amount was prorated, where applicable, for the months served on the Board during the year.

In keeping with the authority delegated by the shareholders at the AGM, the subcommittee also considered and approved a recommendation from the Group CEO, supported by the Group CFO, regarding the setting of fees for the non-executive directors of GraceKennedy Limited and its subsidiaries for 2026. Executives who serve as directors on boards within the Group do not receive fees for services performed in this capacity.

The Compensation Subcommittee is composed of independent non-executive Directors Prof. Gordon Shirley (Chairman), Dr Parris Lyew-Ayee, Jr., and Peter Williams. The subcommittee met five times during 2025. All members attended the scheduled meetings.

AWARDS

In 2025, GraceKennedy received several recognitions at the Jamaica Stock Exchange (JSE) Best Practices Awards, including the prestigious Governor-General's Award for Excellence for a sixth time.

At the Awards ceremony, the JSE posthumously honoured Don Wehby, GK's retired Group CEO, with its inaugural CEO of the Year Award, accompanied by a formal citation recognising his extraordinary leadership and lasting impact on GraceKennedy, the wider business community and Jamaica.

The Company also received the PSOJ/JSE Corporate Governance Award for Main Market companies, the Corporate Disclosure and Investor Relations Award, and the Annual Report Award, and was named first runner-up in the Best Website category.

The Board remains committed to robust governance frameworks, transparent reporting, stakeholder-focused leadership and excellence across the Group.



**Gina
Philipps
Black**

Chairman,
on behalf of
the Corporate
Governance
& Nomination
Committee



Audited Financial Statements

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Independent auditor's report

To the Members of GraceKennedy Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of GraceKennedy Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at December 31, 2025, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act.

What we have audited

The Group's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at December 31, 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at December 31, 2025;
- the company income statement for the year then ended;
- the company statement of comprehensive income for the year then ended;

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, P.O. Box 372, Kingston, Jamaica
T: (876) 922 6230, F: (876) 922 7581

B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom
G.K. Moore T.N. Smith DaSilva K.D. Powell

- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 *Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters, as it pertains to the stand-alone financial statements, in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities for insurance contracts (Group)	
Refer to notes 2(r), 4(iv) and 17 to the financial statements for disclosures of related accounting policies and balances. As at 31 December 2025, total insurance contract liabilities amounted to \$22.91 billion or 13% of total liabilities for the Group. Insurance contract liabilities are determined in accordance with IFRS 17 Insurance Contracts. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time, and a portion of the claims provision relates to IBNR claims. Management uses qualified external actuaries to assist in determining the valuation of insurance liabilities to which management applies a discount rate and risk adjustment factor for non-financial risk. The cost of capital method was used to derive the overall risk adjustment for non-financial risk. In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of projected capital relating to non-financial risk.	Our approach to addressing the matter, with the assistance of our actuarial experts, included the following procedures amongst others: • Evaluated the accounting policies for any material changes. • Updated our understanding of management's end to end process and controls supporting the determination of insurance contract liabilities. • Tested, on a sample basis, the completeness, accuracy and reliability of the insurance contracts and related claims to source documents as it pertained to premiums, unearned premiums, claims outstanding and claims paid. • Assessed the independence, experience and objectivity of management's actuarial experts. • Evaluated the suitability of the methodology used by management's actuary in establishing insurance contract liabilities against established actuarial practice and our knowledge and experience.

Key audit matter	How our audit addressed the key audit matter
The bottom-up approach was used to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an illiquidity premium'). The risk-free yield was derived using government bond rates available in the market denominated in the same currency as the product being measured. We focused on this area due to complexity in actuarial methods and significant management judgement applied to the discount rate, risk adjustment factor and claims settlement pattern.	• Performed a methodology and assumptions assessment of management's determination of discount rates and risk adjustment in the actuarial valuation considering market data, and component specific facts. • Evaluated and tested the reasonableness of management claim settlement pattern by inspecting historical information and sensitised the outputs to evaluate for management bias. • Compared the loss development patterns, which are used to discount the reserves, to the claims settlement patterns and recalculated the discount rate applied to the insurance contract liability. • Recalculated the risk adjustment factor based on management's selected distribution and confidence level for future loss emergence.

Key audit matter**How our audit addressed the key audit matter****Loans receivable and Debt investments - Probabilities of Default, Forward-Looking Information and Significant Increase in Credit Risk (Group)**

Refer to notes 2(h), 3(c)(i), 4(viii), 6 and 9 to the financial statements for disclosures of related accounting policies and balances.

As at 31 December 2025, the Group's loans receivable totalled \$51.02 billion net of impairment. The Group's debt investments measured at amortised cost and fair value through other comprehensive income (FVOCI) totalled \$61.35 billion net of impairment. In aggregate, the above exposures represent 42% of total assets at the reporting date. The resultant impairment recorded under the expected credit loss (ECL) impairment model amounted to \$2.15 billion for loans receivable and \$656.2 million for debt investments.

In assessing impairment, IFRS 9 Financial Instruments prescribes a forward-looking ECL impairment model which takes into account reasonable and supportable forward-looking Information as well as probability of default (PD).

PD represents the likelihood of a borrower defaulting on their obligation over the next twelve months or over the remaining lifetime of the obligation. The twelve-month and lifetime PDs are determined differently for loans receivable and debt investments.

For loans receivable, management developed PDs based on the Group's specific historical default rates for each industry classification. In performing historical analyses, management identified economic variables impacting credit risk and ECLs for each portfolio.

For debt investments, which include sovereign and corporate securities, PDs are developed by reference to external data collated by Standard & Poor's (S&P) with adjustments for industry and country specific risks, where appropriate.

The estimation and application of forward-looking information require significant judgement. Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) which most closely correlate with credit losses in the relevant portfolio. Each macroeconomic scenario used in the ECL calculation incorporates forecasts of the relevant macroeconomic variables.

Our approach to addressing the matter, with the assistance of our valuation experts, included the following procedures amongst others:

- Updated our understanding of management's ECL model including any changes to source data and assumptions.
- Tested the completeness of all loans receivable and debt investments to determine whether all items were included in the ECL models by agreeing the models to detailed loans and investments listings.
- Evaluated the reasonableness of management's judgments pertaining to PD, SICR and forward-looking information, including macroeconomic factors, impacting the weighting of the scenarios as follows:

Loans receivable

PD:

- Tested the critical data fields used in the ECL model for the PD determination, such as default date, effective interest rate, write-off data, and loan type by tracing data back to source documents and external market data where applicable.
- Recalculated days past due, a key data input into the PD parameter, in the Group's banking system on a sample basis.

SICR:

- Evaluated staging of loans receivable on a sample basis and compared our results to those identified and classified by management.

Debt investments

PD:

- Tested the critical data fields used in the ECL model, such as the maturity date, amortised cost, accrued interest, credit rating and interest rate by tracing data back to relevant source documents.
- Agreed the credit ratings and historical default rates used to calculate the PDs on a sample basis, to external sources such as external rating agencies.

Key audit matter

How our audit addressed the key audit matter

In the event of a significant increase in credit risk (SICR), an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL). The consideration for days past due as well as adverse changes in a borrower's credit rating, industry or the economic environment are factors considered in determining whether there has been a SICR.

The estimation of ECL in Stage 1 and Stage 2 is a discounted, probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. The base case scenario is derived from macroeconomic forecasts which are publicly available. Upside and downside scenarios are set relative to the base case scenario based on reasonably possible alternative macroeconomic conditions.

We focused on this area due to the complexity of the techniques used to determine PDs and identify SICR, and the number of significant judgements made by management regarding possible future economic scenarios as it pertains to loans receivable and debt investments.

SICR:

- Tested, on a sample basis, the accuracy of the initial credit risk and the credit risk at the reporting date using rating agency definitions of 'investment grade' and evaluated the appropriateness of the group classification of debt investments as Stage 2.
- Performed an independent qualitative assessment for a sample of borrowers to determine if there was any adverse public information affecting the criteria used to perform the staging.
- Inspected the financial statements of a sample of borrowers to determine if there was any significant downturn in financial performance and aid in assessing the staging for borrowers.

Forward-Looking Information (loans receivable and debt investments)

- Assessed the reasonableness of the Group's methodology for determining economic scenarios including the appropriateness of the Gross Domestic Product and unemployment rate economic factors utilised by management.
- Evaluated the reasonableness of the weighting used for the upside and downside scenarios by agreeing the forward-looking economic information to external sources published or pronounced by reputable third parties.
- Sensitised the probability weightings used in the ECL calculation.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone 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 and stand-alone 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 and stand-alone financial statements

Management is responsible for the preparation of the consolidated and stand-alone financial statements that give a true and fair view in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and Company'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 the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 and stand-alone financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and stand-alone 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 and Company'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 or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone 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 auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying consolidated and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Paul William


Chartered Accountants

Kingston, Jamaica

March 2, 2026

GraceKennedy Limited

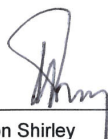
Consolidated Statement of Financial Position

31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

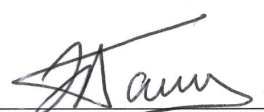
	Note	2025 \$'000	2024 \$'000
Assets			
Cash and deposits	5	33,694,945	23,186,348
Investment securities	6	63,082,660	63,786,725
Pledged assets	6	685,742	78,777
Receivables	7	29,268,215	20,409,927
Inventories	8	26,038,523	23,524,544
Loans receivable	9	51,024,864	44,694,263
Taxation recoverable		2,756,737	2,157,503
Investments in associates and joint ventures	10	7,631,682	6,737,995
Investment properties	38	1,635,950	1,556,595
Intangible assets	11	11,114,313	10,814,162
Fixed assets	12	33,506,047	33,781,349
Deferred tax assets	13	2,049,015	1,504,596
Pension plan asset	14	4,098,180	4,408,661
Total Assets		266,586,873	236,641,445
Liabilities			
Deposits		75,092,142	66,408,158
Securities sold under agreements to repurchase		658,541	75,000
Bank and other loans	15	35,340,379	31,095,924
Payables	17	24,533,883	25,009,853
Insurance contract liabilities	17(a)	22,912,974	11,647,146
Taxation		2,279,856	1,983,111
Provisions	18	59,215	55,541
Deferred tax liabilities	13	1,755,780	1,513,587
Other post-employment obligations	14	7,243,480	7,446,261
Total Liabilities		169,876,250	145,234,581
Equity			
Capital and reserves attributable to the company's owners			
Share capital	19	263,045	243,552
Capital and fair value reserves	20	10,426,547	10,317,121
Retained earnings		70,093,033	65,730,804
Banking reserves	21	5,320,711	4,820,711
Other reserves	22	6,768,670	5,870,633
		92,872,006	86,982,821
Non-Controlling interests	23	3,838,617	4,424,043
Total Equity		96,710,623	91,406,864
Total Equity and Liabilities		266,586,873	236,641,445

Approved for issue by the Board of Directors on 27 February 2026 and signed on its behalf by:



Gordon Shirley

Chairman



Frank James

Group Chief Executive Officer

GraceKennedy Limited

Consolidated Income Statement

Year ended 31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2025 \$'000	2024 \$'000
Revenue from products and services		170,491,130	160,359,776
Interest revenue		7,301,623	6,683,159
Revenues	25	177,792,753	167,042,935
Direct and operating expenses		(172,155,689)	(158,553,238)
Net impairment losses on financial assets		(837,931)	(503,515)
Expenses	26	(172,993,620)	(159,056,753)
Profit before Other income		4,799,133	7,986,182
Other income	27	5,390,949	4,543,251
Profit from Operations		10,190,082	12,529,433
Interest income – non-financial services		915,831	863,334
Interest expense – non-financial services		(2,028,164)	(1,948,269)
Share of results of associates and joint ventures	10	1,208,798	899,949
Profit before Taxation		10,286,547	12,344,447
Taxation	29	(3,037,026)	(3,480,619)
NET PROFIT		7,249,521	8,863,828
Attributable to:			
Owners of GraceKennedy Limited	30	6,890,328	8,414,018
Non-Controlling interests	23	359,193	449,810
		7,249,521	8,863,828
		\$	\$
Earnings per Stock Unit for profit attributable to the owners of the company during the year:	32		
Basic		7.00	8.52
Diluted		6.95	8.43

GraceKennedy Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2025 \$'000	2024 \$'000
Profit for the year		7,249,521	8,863,828
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Gains on revaluation of land and buildings		76	1,984,699
Changes in fair value of equity instruments at fair value through other comprehensive income		141,771	148,340
Remeasurements of post-employment benefit obligations		551,761	(76,951)
Share of other comprehensive income of associates and joint ventures		(27,384)	161,354
		666,224	2,217,442
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Foreign currency translation adjustments		940,199	2,236
Changes in fair value of debt instruments at fair value through other comprehensive income		19,163	(58,083)
Share of other comprehensive income of associates and joint ventures		63,633	20,267
		1,022,995	(35,580)
Other comprehensive income for the year, net of tax		1,689,219	2,181,862
Total comprehensive income for the year		8,938,740	11,045,690
Attributable to:			
Owners of GraceKennedy Limited		8,545,540	10,419,710
Non-Controlling interests	23	393,200	625,980
		8,938,740	11,045,690

GraceKennedy Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

		Attributable to Owners of the Parent					Non-Controlling Interest	Total Equity
	Note	Number of Stock Units '000	Share Capital \$'000	Capital and Fair Value Reserves \$'000	Retained Earnings \$'000	Banking Reserves \$'000	Other Reserves \$'000	\$'000
Balance at 1 January 2024		989,152	157,805	8,251,105	60,474,240	4,520,711	5,671,710	83,256,708
Profit for the year		-	-	-	8,414,018	-	-	8,414,018
Other comprehensive income for the year		-	-	2,072,852	(76,788)	-	9,628	2,181,862
Total comprehensive income for 2024		-	-	2,072,852	8,337,230	-	9,628	11,045,690
Transactions with owners:								
Repurchase of shares	19 (a)	(5,616)	(5,616)	(430,916)	-	-	-	(436,532)
Purchase of treasury shares	19 (b)	(1,324)	(100,156)	-	-	-	-	(100,156)
Share-based payments:								
Value of services received	19 (e)	-	-	-	-	-	478,347	478,347
Exercised		-	-	-	-	-	(105,779)	(105,779)
Transfer of shares to employees	19 (a)	63	5,059	-	-	-	(5,059)	-
Transfer of treasury shares to employees	19 (b)	2,334	186,460	(6,836)	-	-	(178,214)	-
Dividends paid by subsidiaries to non-controlling interests	23	-	-	-	-	-	(383,837)	(383,837)
Dividends paid	31	-	-	-	(2,349,750)	-	-	(2,349,750)
Total transactions with owners		(4,543)	85,747	(437,752)	(2,349,750)	-	189,295	(2,895,534)
Transfers between reserves:								
To capital reserves		-	-	430,916	(430,916)	-	-	-
To banking reserves		-	-	-	(300,000)	300,000	-	-
Balance at 31 December 2024		984,609	243,552	10,317,121	65,730,804	4,820,711	5,870,633	91,406,864
Profit for the year		-	-	-	6,890,328	-	-	6,890,328
Other comprehensive income for the year		-	-	130,861	543,538	-	980,813	1,689,219
Total comprehensive income for 2025		-	-	130,861	7,433,866	-	980,813	8,938,740
Transactions with owners:								
Sale of treasury shares	19 (b)	77	3,679	1,805	-	-	-	5,484
Purchase of treasury shares	19 (b)	(5,076)	(376,288)	-	-	-	-	(376,288)
Share-based payments:								
Value of services received	19 (e)	-	-	-	-	-	491,722	491,722
Exercised		-	-	-	-	-	(207,332)	(207,332)
Transfer of shares to employees	19 (a)	49	3,876	-	-	-	(3,876)	-
Transfer of treasury shares to employees	19 (b)	4,965	388,226	(23,240)	-	-	(363,290)	-
Transfer of non-controlling interests	23	-	-	-	(226,114)	-	-	(226,114)
Dividends paid by subsidiaries to non-controlling interests	23	-	-	-	-	-	(314,259)	(314,259)
Dividends paid	31	-	-	-	(2,345,523)	-	-	(2,345,523)
Total transactions with owners		15	19,493	(21,435)	(2,571,637)	-	(82,776)	(3,634,981)
Transfers between reserves:								
To banking reserves		-	-	-	(500,000)	500,000	-	-
Balance at 31 December 2025		984,624	263,045	10,426,547	70,093,033	5,320,711	6,768,670	96,710,623

GraceKennedy Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2025 \$'000	2024 \$'000
SOURCES/(USES) OF CASH:			
Operating Activities	33	15,254,807	18,089,716
Financing Activities			
Loans received		12,550,630	8,222,979
Loans repaid		(11,286,589)	(10,839,587)
Dividends paid by subsidiary to non-controlling interests	23	(314,259)	(383,837)
Repurchase of shares	19	-	(436,532)
Purchase of treasury shares	19	(376,288)	(100,156)
Sale of treasury shares	19	5,484	-
Exercise of share based payments	19	(208,109)	(106,402)
Interest paid – non financial services		(1,920,606)	(2,103,206)
Dividends	31	(2,345,523)	(2,349,750)
		(3,895,260)	(8,096,491)
Investing Activities			
Additions to fixed assets ^(a)	12	(2,639,946)	(2,754,918)
Proceeds from disposal of fixed assets		402,433	182,421
Additions to investment properties		(8,161)	(551,455)
Proceeds from disposal of investment properties		83,071	-
Additions to investments		(7,664,294)	(15,633,496)
Cash outflow on purchase of non-controlling interest in subsidiaries		(890,899)	-
Cash outflow on purchase of interest in associates and joint ventures		-	(965,307)
Proceeds from sale of investments		8,413,755	6,087,869
Additions to intangibles	11	(1,190,782)	(983,165)
Interest received – non financial services		822,599	847,903
		(2,672,224)	(13,770,148)
Increase/(decrease) in cash and cash equivalents		8,687,323	(3,776,923)
Cash and cash equivalents at beginning of year		22,720,532	26,433,336
Exchange and translation gains on net foreign cash balances		341,098	64,119
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	31,748,953	22,720,532

The principal non-cash transactions include:

^(a) Acquisition of right-of-use asset of \$1,023,511,000 (2024: \$1,520,595,000), (Note 12).

GraceKennedy Limited

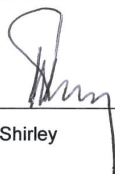
Company Statement of Financial Position

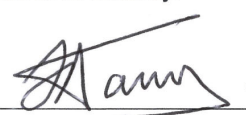
31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2025 \$'000	2024 \$'000
Assets			
Cash and deposits	5	2,519,740	1,700,580
Investment securities	6	6,460,339	7,649,235
Receivables	7	4,480,539	2,747,579
Inventories	8	4,675,096	4,714,630
Loans receivable	9	3,761,614	4,329,625
Subsidiaries	35	2,663,390	1,836,371
Taxation recoverable		584,245	350,048
Investments in associates	10	49,698	49,698
Investments in subsidiaries		23,759,517	23,255,517
Intangible assets	11	1,133,835	1,139,038
Fixed assets	12	1,664,012	1,954,652
Deferred tax assets	13	59,449	21,841
Pension plan asset	14	4,098,180	4,408,661
Total Assets		55,909,654	54,157,475
Liabilities			
Bank and other loans	15	14,537,305	10,879,783
Payables	17	4,773,284	4,809,129
Subsidiaries	35	2,464,072	4,436,472
Taxation		456,766	264,843
Other post-employment obligations	14	3,077,823	3,310,788
Total Liabilities		25,309,250	23,701,015
Equity			
Share capital	19	263,045	243,552
Capital and fair value reserves	20	350,322	375,674
Retained earnings		29,602,358	29,368,100
Other reserves	22	384,679	469,134
Total Equity		30,600,404	30,456,460
Total Equity and Liabilities		55,909,654	54,157,475

Approved for issue by the Board of Directors on 27 February 2026 and signed on its behalf by:


Gordon Shirley
Chairman


Frank James
Group Chief Executive Officer

GraceKennedy Limited

Company Income Statement

Year ended 31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2025 \$'000	2024 \$'000
Revenue	25	34,486,940	32,790,185
Cost of goods sold		(25,661,246)	(23,951,570)
Gross Profit		8,825,694	8,838,615
Other income	27	7,512,287	7,177,156
Administration expenses		(13,806,608)	(12,967,338)
Net impairment losses on financial assets		(35,683)	(60,180)
Profit from Operations		2,495,690	2,988,253
Interest income		1,258,675	1,102,236
Interest expense		(1,296,189)	(1,169,426)
Profit before Taxation		2,458,176	2,921,063
Taxation	29	(114,045)	(158,014)
NET PROFIT	30	2,344,131	2,763,049

GraceKennedy Limited

Company Statement of Comprehensive Income

Year ended 31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

	2025 \$'000	2024 \$'000
Profit for the year	2,344,131	2,763,049
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss:</i>		
Gains on revaluation of land and buildings	-	16,831
Changes in fair value of equity instruments at fair value through other comprehensive income	(3,917)	(20,946)
Remeasurements of post-employment benefit obligations	235,650	17,073
Other comprehensive income for the year, net of tax	231,733	12,958
Total comprehensive income for the year	2,575,864	2,776,007

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in Note 29.

GraceKennedy Limited

Company Statement of Changes in Equity

Year ended 31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Stock Units ‘000	Share Capital \$'000	Capital and Fair Value Reserves \$'000	Retained Earnings \$'000	Other Reserves \$'000	Total \$'000
Balance at 1 January 2024		989,152	157,805	386,625	29,368,644	357,316	30,270,390
Profit for the year		-	-	-	2,763,049	-	2,763,049
Other comprehensive income for the year		-	-	(4,115)	17,073	-	12,958
Total comprehensive income for 2024		-	-	(4,115)	2,780,122	-	2,776,007
Transactions with owners:							
Repurchase of shares	19 (a)	(5,616)	(5,616)	(430,916)	-	-	(436,532)
Purchase of treasury shares	19 (b)	(1,324)	(100,156)	-	-	-	(100,156)
Share-based payments:							
Value of services received	22	-	-	-	-	313,957	313,957
Exercised		-	-	-	-	(71,304)	(71,304)
Transfer of shares to employees	19 (a)	63	5,059	-	-	(5,059)	-
Transfer of treasury shares to employees	19 (b)	2,334	186,460	(6,836)	-	(125,776)	53,848
Dividends paid	31	-	-	-	(2,349,750)	-	(2,349,750)
Total transactions with owners		(4,543)	85,747	(437,752)	(2,349,750)	111,818	(2,589,937)
To capital reserves		-	-	430,916	(430,916)	-	-
Balance at 31 December 2024		984,609	243,552	375,674	29,368,100	469,134	30,456,460
Profit for the year		-	-	-	2,344,131	-	2,344,131
Other comprehensive income for the year		-	-	(3,917)	235,650	-	231,733
Total comprehensive income for 2025		-	-	(3,917)	2,579,781	-	2,575,864
Transactions with owners:							
Sale of treasury shares	19 (b)	77	3,679	1,805	-	-	5,484
Purchase of treasury shares	19 (b)	(5,076)	(376,288)	-	-	-	(376,288)
Share-based payments:							
Value of services received	22	-	-	-	-	318,027	318,027
Exercised		-	-	-	-	(142,451)	(142,451)
Transfer of shares to employees	19 (a)	49	3,876	-	-	(3,876)	-
Transfer of treasury shares to employees	19 (b)	4,965	388,226	(23,240)	-	(256,155)	108,831
Dividends paid	31	-	-	-	(2,345,523)	-	(2,345,523)
Total transactions with owners		15	19,493	(21,435)	(2,345,523)	(84,455)	(2,431,920)
Transfers between reserves:							
Balance at 31 December 2025		984,624	263,045	350,322	29,602,358	384,679	30,600,404

GraceKennedy Limited

Company Statement of Cash Flows

Year ended 31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2025 \$'000	2024 \$'000
SOURCES/(USES) OF CASH:			
Operating Activities	33	(1,131,781)	4,750,430
Financing Activities			
Loans received		9,638,954	4,446,340
Loans repaid		(7,249,316)	(6,549,834)
Repurchase of shares	19	-	(436,532)
Purchase of treasury shares	19	(376,288)	(100,156)
Sale of treasury shares	19	5,484	-
Exercise of share based payments	19	(142,451)	(71,304)
Interest paid		(1,234,916)	(1,246,526)
Dividends	31	(2,345,523)	(2,349,750)
		(1,704,056)	(6,307,762)
Investing Activities			
Additions to fixed assets ^(a)	12	(121,071)	(155,266)
Proceeds from disposal of fixed assets		15,155	159,495
Additions to investments		(586,854)	(1,671,835)
Loans receivable, net		568,011	1,273,396
Proceeds from sale of investments		1,944,930	1,099,367
Investment in subsidiary		(504,000)	(110,000)
Additions to intangibles	11	(168,876)	(194,302)
Interest received		1,165,442	1,086,803
		2,312,737	1,487,658
Decrease in cash and cash equivalents		(523,100)	(69,674)
Cash and cash equivalents at beginning of year		1,639,587	1,709,083
Exchange and translation gains on net foreign cash balances		1,302	178
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	1,117,789	1,639,587

The principal non-cash transactions include:

^(a) Acquisition of right-of-use assets of \$Nil (2024: \$115,342,000), (Note 12).

GraceKennedy Limited

Notes to the Financial Statements

31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

GraceKennedy Limited (the company) is a company limited by shares, incorporated and domiciled in Jamaica. The registered office of the company is located at 73 Harbour Street, Kingston, Jamaica.

The company is a publicly listed company having its primary listing on the Jamaica Stock Exchange, with further listing on the Trinidad and Tobago Stock Exchange.

The Group is organised into two divisions namely, GK Foods and GK Financial Group. The GK Foods division comprises all the food related companies while the GK Financial Group division comprises all the financial services companies in the Group. For the purpose of segment reporting the Group reports its results under the four segments described below.

The principal activities of the company, its subsidiaries, associates and joint ventures (the Group) are as follows:

Food -

Merchandising of general goods and food products, both locally and internationally; processing and distribution of food products; and the operation of a chain of supermarkets.

Banking and Investments -

Commercial banking; stock brokerage; corporate finance; advisory services; and lease financing.

Insurance -

General insurance, health insurance, group and creditor life insurance, and insurance brokerage.

Money Services -

Operation of money transfer services, cambio operations and bill payment services.

2. Material Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented, unless otherwise stated.

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS®), and have been prepared under the historical cost convention as modified by the revaluation of certain fixed and financial assets, investment properties and financial liabilities.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in the current year

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, amendments and interpretations and has put into effect the following, which are immediately relevant to its operations.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability, effective for accounting periods starting on or after 1 January 2025. This is relevant if an entity has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

GraceKennedy Limited

Notes to the Financial Statements

31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

At the date of authorisation of these financial statements a number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2026 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

- Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective for accounting periods starting on or after 1 January 2026). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The Group has not decided whether – and, if so, to what extent- it will elect to derecognize financial liabilities before the settlement date where they are settled in cash using an electronic cash transfer system eligible for this election. The Group is currently assessing whether the election should be applied to any of its electronic transfer payment systems. The rest of these amendments are not expected to have a material impact on the consolidated financial statement of the Group.

- Annual improvements to IFRS – Volume 11 (effective for accounting periods starting on or after 1 January 2026). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows

The Group determined that the amendments are not expected to materially impact the group's financial statements.

- IFRS 18, 'Presentation and Disclosure in Financial Statements,' (effective for accounting periods beginning on or after 1 January 2027 with earlier application permitted). This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.The Group is currently assessing the impact of applying IFRS 18 and developing its transition plan and will report its first IFRS 18 compliant interim financial statements for the period ending 31 March 2027 and annual financial statement for the period ending 31 December 2027. It is anticipated that the Group will conclude that it has a specified main business activity of merchandising, processing and distribution of general goods and food products based on the majority of the Group's revenues and profits being earned from those businesses. The Group currently presents a 'Profit from Operations' subtotal and is performing a detailed assessment to determine the appropriate classification of items to ensure that the Profit from Operations subtotal will comply with the requirements of IFRS 18. The Group currently limits the use of management-defined performance measures and is performing an assessment of other measures that are currently being reported outside of the financial information and whether or not these meet the definition of a management-defined performance measure
- IFRS 19, 'Subsidiaries without Public Accountability: Disclosures,' (effective for accounting periods beginning on or after 1 January 2027). This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The Group is currently assessing the impact of these amendments.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

GraceKennedy Limited

Notes to the Financial Statements

31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(b) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest over the fair value of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

GraceKennedy Limited

Notes to the Financial Statements

31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(b) Basis of consolidation (continued)

Entity	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares held by the parent company %	Proportion of ordinary shares held by the Group %	Proportion of ordinary shares held by non-controlling interests %
Bluedot (2022) Limited	Jamaica	Data analytics	60	60	40
Catherine's Peak Bottling Company Limited	Jamaica	Food	100	100	-
Consumer Brands Limited	Jamaica	Food	100	100	-
GK Investments Limited and its subsidiary –	Jamaica	Lease financing	100	100	-
Greenfield Media Productions Limited	Jamaica	Media rights holder	-	55	45
GraceKennedy Financial Group Limited and its subsidiaries –	Jamaica	Holding company	100	100	-
Allied Insurance Brokers Limited	Jamaica	Insurance brokerage	-	100	-
GK General Insurance Company Limited	Jamaica	General insurance	-	100	-
GraceKennedy Money Services Caribbean SRL and its subsidiary –	Barbados	Holding company	-	75	25
GraceKennedy Remittance Services Limited and its subsidiaries –	Jamaica	Money services	-	75	25
Grace Kennedy Currency Trading Services Limited	Jamaica	Money services	-	75	25
GraceKennedy Payment Services Limited	Jamaica	Money services	-	75	25
GraceKennedy Money Services (Anguilla) Limited	Anguilla	Money services	-	75	25
GraceKennedy Money Services (Antigua & Barbuda) Limited	Antigua & Barbuda	Money services	-	75	25
GraceKennedy Money Services (Bahamas) Limited	Bahamas	Money services	-	75	25
GraceKennedy Money Services (Montserrat) Limited	Montserrat	Money services	-	75	25
GraceKennedy Money Services (St. Kitts & Nevis) Limited	St. Kitts & Nevis	Money services	-	75	25
GraceKennedy Money Services (St. Vincent and the Grenadines) Limited	St. Vincent and the Grenadines	Money services	-	75	25
GraceKennedy Money Services (BVI) Limited	British Virgin Islands	Money services	-	75	25
GraceKennedy Money Services (Cayman) Limited	Cayman Islands	Money services	-	75	25
GraceKennedy Money Services (Turks & Caicos Islands) Limited	Turks & Caicos Islands	Money services	-	75	25
Grace, Kennedy Remittance Services (Guyana) Limited	Guyana	Money services	-	75	25
GraceKennedy (Trinidad & Tobago) Limited	Trinidad and Tobago	Money services	-	75	25
GK Insurance (Eastern Caribbean) Limited	St. Lucia	General insurance	-	89.3	10.7
GK Insurance Brokers Limited	Turks & Caicos	Insurance brokerage	-	100	-
GK Life Insurance Eastern Caribbean Limited	St. Lucia	Creditor life insurance	-	100	-
GK Life Insurance Caribbean Limited	Barbados	Creditor life insurance	-	100	-
Key Insurance Company Limited	Jamaica	General insurance	-	98.9	1.1
Knutsford Re Limited	Turks & Caicos	Insurance	-	100	-
First Global Holdings Limited and its subsidiaries –	Jamaica	Holding company	25	100	-
First Global Bank Limited	Jamaica	Banking	-	100	-
GK Capital Management Limited	Jamaica	Investment manager	-	100	-
GraceKennedy Properties Limited	Jamaica	Property rental	-	100	-

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2. Material Accounting Policies (Continued)

(b) Basis of consolidation (continued)

Entity	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares held by the parent company %	Proportion of ordinary shares held by the Group %	Proportion of ordinary shares held by non-controlling interests %
GK Foods & Services Limited	Jamaica	Food	100	100	-
International Communications Limited	Jamaica	Dormant	100	100	-
Unibev Limited	Jamaica	Food	100	100	-
Grace Foods Limited	St. Lucia	Brand owner	100	100	-
GraceKennedy (Belize) Limited	Belize	Food	100	100	-
Grace Foods Canada Inc.	Canada	Food	100	100	-
Grace Kennedy (Guyana) Limited	Guyana	Dormant	100	100	-
Grace Kennedy (USA) Inc. and its subsidiary –	USA	Food	100	100	-
Grace Foods (USA) Inc. and its subsidiary –	USA	Food	-	100	-
GraceKennedy Foods (USA) LLC	USA	Food	-	100	-
GraceKennedy (St. Lucia) Limited and its subsidiary –	St. Lucia	Holding company	100	100	-
	United		-	100	-
GK Foods (UK) Limited and its subsidiaries –	Kingdom (UK)	Food			
Grace Foods UK Limited	UK	Food	-	100	-
Enco Products Limited	UK	Food	-	100	-
Funnybones Foodservice Limited	UK	Food	-	100	-
Chadha Oriental Foods Limited	UK	Food	-	100	-
GraceKennedy Ghana Limited	Ghana	Food	-	100	-

The special purpose entity consolidated is the company's employee investment trust.

During the year, the Group purchased additional shares in Catherine's Peak Bottling Company Limited, increasing its shareholdings from 70% to 100%. The Group also purchased additional shares in Key Insurance Company Limited, increasing its shareholdings from 73.2% to 98.9% (Note 23).

GraceKennedy Limited

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2. Material Accounting Policies (Continued)

(c) Associates and Joint Ventures

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Joint ventures are entities over which the Group has joint control and has rights to the net assets of the investment. Investments in associates and joint ventures are accounted for using the equity method of accounting and are initially recognised at cost. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investee after the date of acquisition. The Group's investment in associates and joint ventures includes goodwill identified on acquisition, net of any accumulated impairment loss.

If the ownership interest in an associate or joint venture is reduced but significant influence or joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the entity.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the entity and its carrying value and recognises the amount adjacent to 'share of results of associates and joint ventures' in the income statement.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates and joint ventures are recognised in the income statement.

In the company's statement of financial position, investment in associates and joint ventures is shown at cost.

The Group's associates and joint ventures are as follows:

Entity	Financial Reporting Year-end	Country of Incorporation	Nature of Business	Nature of Relationship	Group's Percentage Interest	
					2025	2024
Canopy Insurance Limited	31 December	Jamaica	Insurance	Joint Venture	50.0	50.0
CSGK Finance Holdings Limited	31 December	Barbados	Banking	Associate	50.0	50.0
Dairy Industries (Jamaica) Limited	31 December	Jamaica	Food	Associate	50.0	50.0
GK Mutual Funds Limited	31 December	Jamaica	Investments	Joint Venture	50.0	50.0
Gray's Pepper Products Limited	31 December	Jamaica	Food	Associate	33.3	33.3
Majesty Foods LLC	31 December	USA	Food	Associate	49.0	49.0
Pick Up Taxi Inc.	31 December	Barbados	Transport	Associate	24.5	24.5
Spur Tree Spices Jamaica Limited	31 December	Jamaica	Food	Associate	20.2	20.2
Telecommunications Alliance Limited	31 December	Jamaica	Dormant	Associate	49.0	49.0

The results of associates and joint ventures with financial reporting year-ends that are different from the Group are determined by prorating the results for the audited period as well as the period covered by management accounts to ensure that a year's result is accounted for where applicable.

In the prior year, the Group acquired an interest in GK Mutual Funds Limited, Pick Up Taxi Inc. and Spur Tree Spices Jamaica Limited (Note 10).

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

(e) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Jamaican dollars, which is the company's functional and presentation currency.

GraceKennedy Limited

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2. Material Accounting Policies (Continued)

(e) Foreign currency translation (continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement in other income.

Foreign exchange gains and losses are presented in the income statement within 'other income'.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in the income statement, and other changes in the carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(f) Fixed assets

All fixed assets are initially recorded at cost. Freehold land and buildings are subsequently shown at market valuation based on biennial valuations by external independent valuers, less subsequent depreciation of buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount. All other fixed assets are carried at cost less accumulated depreciation.

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

Increases in carrying amounts arising on revaluation are credited to other comprehensive income and shown in capital reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against capital reserves directly in equity; all other decreases are charged to the income statement.

Depreciation is calculated on the straight line basis to allocate assets' cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Freehold buildings and leasehold buildings and improvements	10 - 65 years
Plant and machinery	5 - 20 years
Equipment, furniture and fixtures	5 - 10 years
Computer equipment	3 - 5 years
Vehicles	5 years

Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

GraceKennedy Limited

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2. Material Accounting Policies (Continued)

(f) Fixed assets (continued)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of fixed assets are determined by reference to their carrying amount and are taken into account in determining profit. When revalued assets are sold, the amounts included in capital and fair value reserves are transferred to retained earnings.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

(g) Intangible assets

Goodwill

Goodwill is recorded at cost and represents the excess of the value of consideration paid over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill is considered an indefinite life intangible asset and is not amortised. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are recognised in the income statement under expenses and are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful life of the software, which ranges from 3 to 8 years (2021: 3 to 5 years).

Policy contracts

Policy contracts are amortised over their estimated useful life which is 15 years and are carried at cost less accumulated amortisation. The cost of policy contracts comprises its purchase price and professional fees directly attributed to acquiring the asset.

Brands and Trademarks

Brands and trademarks are recorded at cost and represent the value of the consideration paid to acquire several well established and recognised beverage and ethnic food brands. These costs are amortised over the estimated useful life of the brands and trademarks, which ranges from 5 to 20 years.

Customer relationships

Customer relationships are recorded at cost and represent the value of the consideration paid to acquire customer contracts and the related customer relationships with several outlet operators and insurance clients. These costs are amortised over the estimated useful life of the relationships, which is between 5 to 15 years.

Supplier relationships

Supplier relationships are recorded at cost and represent the value of the consideration paid to acquire rights to distribute consumer products in specified locations. These costs are amortised over the estimated useful life of the relationships, which is between 10 to 12 years.

Bancassurance agreements

Bancassurance agreements are recorded at cost and represent the value of the consideration paid to acquire the rights to have insurance products sold using banking distribution channels. These costs are amortised over the estimated useful life of the agreements, which is 10 years.

Licences

Licences are recorded at cost and represent the value of the consideration paid to acquire the rights to operate under the regulatory framework in territories where registered. Licences are usually considered an indefinite life intangible asset so it will not require any annual amortisation. However, it will be subject to annual impairment testing.

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2. Material Accounting Policies (Continued)

(h) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss)
- those to be measured at amortised cost.

The classification depends on the business model used for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). Equity instruments held for trading are measured at fair value through profit or loss (FVPL).

The Group reclassifies debt investments only when its business model for managing those assets changes.

Measurement

Debt instruments

Measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into three measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in the income statement using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the income statement.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Changes in fair value are taken through OCI. The recognition of interest income and impairment gains or losses are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in the income statement using the effective interest rate method. Impairment losses are presented as a separate line item in the income statement.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

The Group measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in the income statement.

Impairment

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets classified at amortised cost, debt instruments measured at FVOCI, lease receivables, loan commitments and certain financial guarantee contracts.

Application of the General Model

The Group has applied the 'general model' as required under IFRS 9 for debt instruments other than trade receivables. Under this model, the Group is required to assess on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The ECL will be recognised in profit or loss before a loss event has occurred. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. Under current guidance, impairment amount represents the single best outcome; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2. Material Accounting Policies (Continued)

(h) Financial assets (continued)

ECL is calculated by multiplying the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

Stage 1 – 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit impaired. The ECL will be computed using a 12-month PD that represents the probability of default occurring over the next 12 months.

Stage 2 – When a financial asset experiences a significant increase in credit risk subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset. Provisions are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

Stage 3 – Financial assets that have an objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime ECL.

The Group uses judgement when considering the following factors that affect the determination of impairment:

Assessment of Significant Increase in Credit Risk

The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes. At each reporting date, the assessment of a change in credit risk will be individually assessed for those considered individually significant and at the segment level for retail exposures. This assessment is symmetrical in nature, allowing credit risk of financial assets to move back to Stage 1 if the increase in credit risk since origination has reduced and is no longer deemed to be significant.

Macroeconomic Factors, Forward Looking Information and Multiple Scenarios

The Group applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions.

Macroeconomic factors and forward looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurement of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group uses three scenarios that are probability weighted to determine ECL.

Expected Life

When measuring ECL, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Group is exposed to credit risk and where the credit losses would not be mitigated by management actions.

Application of the Simplified Approach

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables.

The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward looking information.

2. Material Accounting Policies (Continued)

(i) Derivative financial instruments

Derivatives are financial instruments that derive their value from the price of the underlying items such as equities, bonds, interest rates, foreign exchange, credit spreads, commodities or other indices. Derivatives enable users to increase, reduce or alter exposure to credit or market risk. The Group transacts derivatives to manage its own exposure to foreign exchange risk and interest rate risk.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each statement of financial position date. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate. Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Assets and liabilities are set off where the contracts are with the same counterparty, a legal right of set off exists and the cash flows are intended to be settled on a net basis.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit or loss.

Gains and losses from the changes in the fair value of derivatives are included in the income statement.

(j) Investments in subsidiaries

Investments in subsidiaries are stated at cost.

(k) Impairment of non-financial assets

Fixed assets and other assets, excluding goodwill, are reviewed for impairment losses at least annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(l) Income taxes

Taxation expense in the income statement comprises current and deferred tax charges.

Current tax charges are based on taxable profit for the year, which differs from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted or substantively enacted at statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted or substantively enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Investment tax credits are benefits received for investments in specific qualifying assets related to capitalised expenditure. Any portion of these tax credits which are received but not fully utilised in the same year are carried forward for offset against future taxes and are recognised similarly to unused tax credits as a deferred tax asset.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is charged or credited in the income statement, except where it relates to items charged or credited to other comprehensive income or equity, in which case, deferred tax is also dealt with in other comprehensive income or equity.

2. Material Accounting Policies (Continued)

(m) Employee benefits

Pension obligations

The Group participates in a defined contribution plan whereby it pays contributions to a privately administered fund. Once the contributions have been paid, the Group has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and are included in staff costs.

Pension plan assets

The Group also operates a defined benefit plan. The scheme is generally funded through payments to a trustee-administered fund as determined by periodic actuarial calculations. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The asset or liability in respect of defined benefit pension plans is the difference between the present value of the defined benefit obligation at the statement of financial position date and the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates of Government securities which have terms to maturity approximating the terms of the related liability.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in staff costs within expenses in the income statement.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

For defined contribution plans, the Group pays contributions to privately administered pension plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other post-employment obligations

Some Group companies provide post-employment health care benefits, group life, gratuity and supplementary plans for their retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

Equity compensation benefits

The Group operates equity-settled, share-based compensation plans. Directors, senior executives, management and key employees are awarded stock options and/or restricted stock grants. The fair value of the employee services received in exchange for the grant of the options or restricted units is recognised as an expense. The total amount expensed over the vesting period is determined by reference to the fair value of the options or restricted units granted, excluding the impact of non-market vesting conditions. When options are exercised or restricted units are vested, the proceeds received net of any transaction costs or the value transferred are credited to share capital.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after statement of financial position date are discounted to present value.

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2. Material Accounting Policies (Continued)

(m) Employee benefits (continued)

Incentive plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the company's owners after certain adjustments. The Group recognises a provision where contractually obliged or where there is past practice that has created a constructive obligation.

(n) Inventories

Inventories are stated at the lower of average cost and net realisable value. In the case of the company, cost represents invoiced cost plus direct inventory-related expenses. For the subsidiaries, costs are determined by methods and bases appropriate to their operations. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(o) Trade and insurance receivables

Trade and insurance receivables are carried at original invoice amount (which represents fair value) less provision made for impairment of these receivables. A provision for impairment of these receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement. Impairment testing of trade receivables is described in Note 3.

(p) Cash and cash equivalents

Cash and cash equivalents are carried on the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within bank and other loans on the statement of financial position.

(q) Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are initially recognised at fair value and subsequently stated at amortised cost.

(r) Insurance operations

Definition and Classification

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgment to assess whether a contract transfers insurance risk and whether the accepted insurance risk is significant.

All of the Group's insurance contracts transfer significant insurance risk. The Group does not issue insurance contracts with direct or indirect participating features, nor any features that should be accounted for separately in accordance with IFRS 17's requirements. Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all of the cash flows within its boundary. Reinsurance contracts held may contain non-distinct investment components and such amounts are not presented as part of the Group's revenue or insurance service expenses.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

The Group measures insurance contracts issued and reinsurance contracts held applying the Premium Allocation Approach ("PAA").

All references to insurance contracts in these consolidated financial statements apply to insurance and reinsurance contracts issued or acquired and reinsurance contracts held unless specifically stated otherwise.

2. Material Accounting Policies (Continued)

(r) Insurance contracts business (continued)

Unit of account

The Group manages insurance contracts issued by product lines, where each product line includes contracts that are subject to similar risks and are managed together. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and profitability groups: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group uses judgment to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

The Group assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of: (i) contracts for which there is a net gain at initial recognition; (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio.

Reinsurance contracts held are assessed for aggregation requirements at the line of business level. The Group tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

Reinsurance contracts held are recognised as follows:

- a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognised at the later of:
 - i. the beginning of the coverage period of the group; and
 - ii. the initial recognition of any underlying insurance contract;
- all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held

Unless the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

An insurance contract is derecognised when it is:

- extinguished; or
- the contract is modified and additional criteria discussed below are met.

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2. Material Accounting Policies (Continued)

(r) Insurance contracts business (continued)

Recognition and derecognition (continued)

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as an adjustment to the Liability for Remaining Coverage ("LRC"), unless the conditions for the derecognition of the original contract are met.

The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- a. if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
 - i. is not within the scope of IFRS 17;
 - ii. results in different separable components;
 - iii. results in a different contract boundary; or
 - iv. belongs to a different group of contracts;
- b. the modification means that the contract no longer meets the eligibility criteria for that approach.

When an insurance contract is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- a. if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
- b. if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or
- c. if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

Fulfillment cash flows and contract boundary

The fulfillment cash flows (FCF) are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- a. are based on a probability-weighted mean of the full range of possible outcomes;
- b. are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
- c. reflect conditions existing at the measurement date.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts. The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

- a. the Group has the practical ability to reprice the risks of the policyholder or change the level of benefits so that the price fully reflects those risks; or
- b. both of the following criteria are satisfied:
 - i. the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

2. Material Accounting Policies (Continued)

(r) Insurance contracts business (continued)

Fulfillment cash flows and contract boundary (continued)

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included. Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

The Group defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts and that are directly attributable to the portfolio of insurance contracts to which the group belongs. Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

- a. to that group; and
- b. to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group. Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio

Before a group of insurance contracts is recognised, the Group could pay for directly attributable acquisition costs to originate them. Such balances are recognised as insurance acquisition cash flows assets within the carrying amount of insurance contracts issued and are subsequently derecognised when respective groups of insurance contracts are recognised and the insurance acquisition cash flows are included in the group's measurement. The amounts allocated to groups of insurance contracts yet to be recognised are revised at each reporting date, to reflect any changes in assumptions that determine the inputs to the method of allocation used.

Insurance acquisition cash flows assets not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

Before a group of insurance contracts is recognised, the Group could recognise assets or liabilities for cash flows related to a group of insurance contracts other than insurance acquisition cash flows, either because of the occurrence of the cash flows or because of the requirements of another IFRS standard. Cash flows are related to the group of insurance contracts if they would have been included in the FCF at initial recognition of the group if they had been paid or received after that date. Such assets or liabilities (referred to as 'other pre-recognition cash flows') are included in the carrying amount of the related portfolios of insurance contracts issued or in the carrying amount of the portfolios of reinsurance contracts held.

Cash flows that are not directly attributable to a portfolio of insurance contracts are recognised in other operating expenses as incurred.

Measurement

The Group uses the PAA for measuring contracts with a coverage period of one year or less. For contracts with longer periods, the PAA simplification would produce a measurement of the LRC that would not differ materially from the one that would be produced by applying the General Measurement Model ("GMM") based on qualitative assessment.

For insurance contracts issued, insurance acquisition cash flows allocated to a group are deferred and recognised over the coverage period of contracts in a group.

For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows. The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- a. the LRC; and
- b. the Liability for Incurred Claims ("LIC"), comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- a. increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
- b. decreased for insurance acquisition cash flows paid in the period;
- c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
- d. increased for the amortization of insurance acquisition cash flows in the period recognised as insurance service expenses.

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1. Material Accounting Policies (Continued)

(r) Insurance contracts business (continued)

Measurement (continued)

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant pre-recognition cash flows. The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- a. the remaining coverage; and
- b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- a. increased for ceding premiums paid in the period;
- b. increased for broker fees paid in the period; and
- c. decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period.

The Group does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money. For LIC, the estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgment and estimation.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. It reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfills insurance contracts. Unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer. The Group adjusts the assets for reinsurance contracts held for the effect of the risk of reinsurer's non-performance. In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Group increases the carrying amount of the LRC to the amounts of the FCF with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF relating to the future service and the carrying amount of the LRC without the loss component. Where applicable, resulting changes in the loss component are recognized as insurance service expenses.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Where applicable, changes in the loss-recovery component are recognized as net income from reinsurance contracts held.

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2. Material Accounting Policies (Continued)

(r) Insurance contracts business (continued)

Insurance service result from insurance contracts issued

The Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts, except for groups of contracts for which the expected pattern of release of risk during the coverage period differs significantly from the passage of time. For these groups of contracts, the Company recognises insurance revenue based on the expected timing of incurred insurance service expenses. The amount of insurance revenue for the period is the amount of expected premium receipts (excluding any investment component and adjusted to reflect the effect of financial risk) allocated to the period.

Insurance service expenses include the following:

- a. incurred claims and benefits, reduced by loss component allocations;
- b. other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;
- c. insurance acquisition cash flows amortization;
- d. changes that relate to past service – changes in the FCF relating to the LIC; and
- e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses; and
- f. insurance acquisition cash flows assets impairment.

Amortization of insurance acquisition cash flows is based on the passage of time, except for groups of contracts for which the expected pattern of release of risk during the coverage period differs significantly from the passage of time. For these groups, the Company amortizes insurance acquisition cash flows based on the timing of recognition of insurance revenue. Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of profit or loss.

Insurance service result from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

- a. reinsurance expenses;
- b. incurred claims recovery, reduced by loss-recovery component allocations;
- c. other incurred directly attributable expenses;
- d. changes that relate to past service – changes in the FCF relating to incurred claims recovery;
- e. effect of changes in the risk of reinsurers' non-performance; and
- f. amounts relating to accounting for onerous groups of underlying insurance contracts issued.

Some reinsurance contracts held contain non-distinct investment components which do not relate to the provision of insurance services; therefore, such amounts are not presented as part of the Group's revenue or insurance service expenses.

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services. Broker fees are included within reinsurance expenses.

The Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- a. the effect of the time value of money and changes in the time value of money; and
- b. the effect of financial risk and changes in financial risk.

The Group chooses not to apply the OCI option to disaggregate insurance finance income or expenses between profit or loss and OCI. The Group does not disaggregate changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

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2. Material Accounting Policies (Continued)

(r) Insurance contracts business (continued)

Significant judgements and estimates in applying IFRS

Areas of potential judgment	Applicable to the Company
For insurance contracts issued measured under the PAA, management judgment might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgment is required to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required.	This area of judgment is potentially applicable to the Group. The Group sets premiums considering recent experience. There are no recent circumstances where there have been onerous contracts. In 2022 and 2023, the Group reviewed gross combined ratios which indicated that contracts are expected to be profitable. All contracts measured by the Group in 2022 and 2023 under the PAA were determined to be non-onerous on initial recognition.
An entity can use judgment to determine which cash flows within the boundary of insurance contracts are those that relate directly to the fulfillment of the contracts.	The Group performs regular expense studies and uses judgment to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance contracts.

Methods used and judgements applied in determining the IFRS 17 transition amounts

The Company has adopted IFRS 17 retrospectively. The full retrospective approach was applied to the insurance contracts in force at the transition date, including insurance acquisition cash flow assets. The Company has: identified, recognised and measured each group of insurance contracts and each insurance acquisition cash flows asset in this category as if IFRS 17 had always applied; derecognised any existing balances that would not exist if IFRS 17 had always applied; and recognised any resulting net difference in equity.

Estimates and assumptions

This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below, together with information about the basis of calculation for each affected line item in the consolidated financial statements.

In applying IFRS 17 measurement requirements, the following inputs and methods will be used that include significant estimates. The present value of future cash flows is estimated using deterministic scenarios. The assumptions used in the deterministic scenarios are derived to approximate the probability-weighted mean of a full range of scenarios.

Discount rates

The bottom-up approach was used to derive the discount rates. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free was derived using government bond rates available in the market denominated in the same currency as the product being measured. Management uses judgment to assess liquidity characteristics of the liability cash flows. Insurance contracts are considered less liquid than the financial assets used to derive the risk-free yield. For these contracts, the illiquidity premium was estimated based on market observable liquidity premiums in financial assets, adjusted to reflect the illiquidity characteristics of the liability cash flows.

Observable market information is available for up to 5 years. For the unobservable period, the yield curve was interpolated between an ultimate rate and the last observable point using the Smith-Wilson method.

The yield curves that were used to discount the estimates of future cash flows are as follows:

Product	2025			2024		
	1 year	5 years	10 years	1 year	5 years	10 years
General insurance (issued and reinsurance held)	5.02%	6.55%	7.00%	4.99%	6.37%	7.53%

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2. Material Accounting Policies (Continued)

(r) Insurance contracts business (continued)

Estimates and assumptions (continued)

Estimates of future cash flows to fulfil insurance contracts

Included in the measurement of each group of contracts within the scope of IFRS 17 are all of the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Group estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Group uses information about past events, current conditions and forecasts of future conditions. The Group's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

Where estimates of expense-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis, such as the activity-based costing method. Similar methods are consistently applied to allocate expenses of a similar nature. Expenses of an administrative policy maintenance nature are allocated to groups of contracts based on the number of contracts in force within groups. Acquisition cash flows are typically allocated to groups of contracts based on gross premiums written. Claims settlement-related expenses are typically allocated based on the number of claims expected.

Uncertainty in the estimation of future claims and benefit payments arises primarily from the severity and frequency of claims. Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

The Group projects estimates of future expenses relating to fulfillment of contracts using current expense levels adjusted for inflation. Expenses comprise expenses directly attributable to the groups of contracts, including an allocation of fixed and variable overheads. In addition, under certain methods used to assess claims incurred for the general insurance contracts, estimates of future claim payments are adjusted for inflation.

Methods used to measure insurance contracts

Judgment is involved in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. Estimates are performed on an accident year basis.

In its claims incurred assessments, the Group uses internal data consisting of historical paid claims, case reserves, and allocated claims expenses. This information is used to develop ultimate incurred claims and allocated claim adjustment expense estimates by accident year. The Incurred Development, Bornhuetter-Ferguson and Expected Loss Ratio methods are used to arrive at the estimates of incurred but not reported claims, which are industry standards for this type of claim.

The Incurred Development method projects current reported incurred claims to their ultimate values by accident year based on historical incurred development patterns. The Bornhuetter-Ferguson gives some weight to historically based development patterns and the balancing weight to historically based expected ultimate loss ratios. The Expected Loss Ratio method derives the ultimate incurred losses by applying the expected loss ratios to the earned premium. This method gives no weight to the losses reported as at the valuation date.

Methods used to measure the risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favorable and unfavorable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates. The Group does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

The risk adjustment was calculated at the issuing entity level and then allocated down to each group of contracts in accordance with their risk profiles. The cost of capital method was used to derive the overall risk adjustment for non-financial risk.

In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of projected capital relating to non-financial risk. The cost rate is set at 6% per annum, representing the return required to compensate for the exposure to non-financial risk. The capital is determined at a 99.5% confidence level, and it is projected in line with the run-off of the business. The diversification benefit is included to reflect the diversification in contracts sold across geographies, because this reflects the compensation that the entity requires.

The resulting amount of the calculated risk adjustment corresponds to the confidence level of 70% - 75% (2024: 75%). The methods and assumptions used to determine the risk adjustment for non-financial risk were not changed in 2025 and 2024.

2. Material Accounting Policies (Continued)

(s) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed; for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(t) Deposits

Deposits are recognised initially at the nominal amount when funds are received. Deposits are subsequently stated at amortised cost using the effective yield method.

(u) Securities purchased/sold under resale/repurchase agreements

The purchase and sale of securities under resale and repurchase agreements are treated as collateralised lending and borrowing transactions. The related interest income and expense are recorded on the accrual basis.

(v) Borrowings

Bank loans and overdrafts are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

(w) Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(x) Leases As lessee

The Group leases various offices, warehouses, retail stores, equipment and vehicles. Rental contracts are typically made for fixed periods of 1 to 10 years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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2. Material Accounting Policies (Continued)

(x) Leases (continued)

Some equipment and motor vehicle leases contain variable lease payment terms that are linked to usage. These payments are excluded from the measurement of the lease liability and are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use land and buildings held by the Group.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The lease term is determined as the non-cancellable period of the lease and also takes account of extension and termination options if reasonably certain to be exercised. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

As lessor

When assets are sold under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned income. Lease income is recognised over the term of the lease so as to reflect a constant periodic rate of return.

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2. Material Accounting Policies (Continued)

(y) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company's owners until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the company's owners.

(z) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of General Consumption Tax or applicable sales tax, returns, rebates and discounts and after eliminating sales within the Group.

Sales of goods and services

Revenue is recognised as performance obligations are satisfied, that is, over time or at a point in time. Where a customer contract contains multiple performance obligations, the transaction price is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services being provided to the customer.

Certain contracts with customers provide a right of return, free goods, volume discounts, rebates and other incentives. Accumulated experience is used to estimate and provide for customer returns and sales incentives using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability, representing amounts payable to customers, is recognised for expected returns and sales incentives. Where customer contracts entitle customers to free goods, revenue is allocated to each performance obligation, including free goods, and recognised as the performance obligations are satisfied. Contract liabilities are included in 'payables' on the statement of financial position.

Sale of goods and services – customer loyalty programme

The Group operates loyalty programmes where customers accumulate points for purchases made which entitle them to goods or services in the future. The consideration received from the sale of goods and services is allocated to the loyalty points and related goods and services using the residual value method. In its capacity as an agent, the Group recognises commission income, being the net of the consideration allocated to the loyalty points and the amounts payable to third parties with primary responsibility for satisfying the performance obligations in respect of awards. A financial liability is recognised in respect of amounts payable to third parties and no breakage is considered. The financial liability is included in 'payables' in the statement of financial position.

Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Fees and commissions

Fees and commissions, shown in other income, represent various transaction costs and service fees charged to customers. These are recognised on an accrual basis.

Insurance Revenue

Insurance revenue is recognised based on the passage of time over the coverage period of a group of contracts. The amount of insurance revenue for the period is the amount of expected premium receipts (excluding any investment component and adjusted to reflect the effect of financial risk) allocated to the period.

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2. Material Accounting Policies (Continued)

(aa) Dividends

Dividends are recorded as a deduction from equity in the period in which they are approved.

(ab) Investment properties

Investment properties, principally comprising land and buildings, are held for long-term rental yields and capital appreciation and are treated as long-term investments. They are measured initially at cost, including related transaction costs and are subsequently carried at fair value.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to income during the financial period in which they are incurred. Fair value gains or losses are recorded in income.

(ac) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the income statement.

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3. Insurance and Financial Risk Management

The Group's activities expose it to a variety of insurance and financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. It provides policies for overall risk management, as well as principles and procedures covering the specific areas of risk. The Board has established committees/departments for managing and monitoring risks, such as foreign exchange risk, interest rate risk, credit risk and liquidity risk, as follows:

(i) Audit Committee

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Group Risk Management and Internal Audit. Group Risk Management establishes a framework within which the opportunities and risks affecting the Group may be measured, assessed, and effectively controlled. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(ii) Corporate Governance Committee

The Corporate Governance Committee assists the Board in enhancing the Group's system of corporate governance by establishing, monitoring and reviewing the principles of good governance with which the Group and its directors will comply. The Committee promotes high standards of corporate governance based on the principles of openness, integrity and accountability taking into account the Group's existing legal and regulatory requirements. It establishes such procedures, policies and codes of conduct to meet these aims as it considers appropriate. Qualified individuals are identified and recommended by the Board to become members. It also leads the Board of Directors in its annual review of the Board's performance.

(iii) Asset and Liability Committees/Investment Committees

The Asset and Liability Committees (ALCOs) and Investment Committees are management committees responsible for monitoring and formulating investment portfolios and investment strategies within the Insurance, Banking and Investment, and Corporate divisions. The ALCOs are also responsible for monitoring adherence to trading limits, policies and procedures that are established to ensure that there is adequate liquidity as well as monitoring and measuring capital adequacy for regulatory and business requirements. To discharge these responsibilities, the ALCOs establish asset and liability pricing policies to protect the liquidity structure as well as assesses the probability of various liquidity shocks and interest rate scenarios. They also establish and monitor relevant liquidity ratios and statement of financial position targets. Overall, the Committees ensure compliance with the policies related to the management of liquidity risk, interest rate risk, and foreign exchange risk.

(iv) Corporate Finance Department

The Corporate Finance Department is responsible for managing the Group's assets and liabilities and the overall capital structure. It is also primarily responsible for the funding and liquidity risks of the Group. Corporate Finance identifies, evaluates and manages financial risks in close co-operation with the Group's operating business units.

(v) Risk and Capital Management Committee

The Risk and Capital Management Committee, a sub-committee of the GraceKennedy Financial Group's Board, oversees the Group's risk and capital management systems, practices and procedures to ensure effectiveness of risk identification and management, and compliance with internal policies and guidelines, and external regulatory requirements.

The most important types of risk are insurance risk, reinsurance risk, credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risk.

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3. Insurance and Financial Risk Management (Continued)

(a) Insurance risk

The Group issues contracts that transfer insurance risk. This section summarises the risk and the way it is managed by the Group.

Insurance risk for the Group attributable to policies sold by its general and life insurance underwriting subsidiaries, is borne by those subsidiaries. The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore, unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claim payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits is greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that increase insurance risk include lack of risk diversification in terms of type and amount of risk and geographical location.

Management maintains an appropriate balance between commercial and personal policies and type of policies based on guidelines set by the Board of Directors. Insurance risk arising from the Group's insurance contracts is, however, concentrated within Jamaica.

The Group has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. Where applicable, for general insurance contracts are underwritten by reference to the commercial replacement value of the properties or other assets and contents insured. Claims payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for other assets and contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies.

Management sets policy and retention limits based on guidelines set by the Board of Directors of the subsidiaries. The policy limit and maximum net retention of any one risk for each class of general insurance per customer for the year are as follows:

	2025		2024	
	Policy Limit	Maximum Net Retention	Policy Limit	Maximum Net Retention
	\$'000	\$'000	\$'000	\$'000
Commercial property:				
Fire and consequential loss	1,589,254	47,678	1,556,022	46,681
Boiler and machinery	953,552	7,152	933,613	7,002
Engineering	1,271,403	9,536	1,244,818	9,336
Burglary, money and goods in transit	47,678	47,678	46,681	46,681
Glass and other	47,678	47,678	46,681	46,681
Liability	858,197	47,678	840,252	46,681
Marine, aviation and transport	95,355	2,384	93,361	3,112
Motor	90,000	15,000	60,000	15,000
Pecuniary loss:				
Fidelity	47,678	47,678	46,681	46,681
Surety/Bonds	476,776	143,033	2,058,928	411,786
Personal accident	47,678	47,678	46,681	46,681
Personal property	1,589,254	79,463	1,556,022	46,681

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3. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Sensitivity Analysis of Actuarial Liabilities

The determination of actuarial liabilities is sensitive to a number of assumptions, and changes in those assumptions could have a significant effect on the valuation results. These factors are discussed below.

Actuarial Assumptions

(i) In applying the noted methodologies, the following assumptions were made:

- Claims inflation has remained relatively constant and there have been no material legislative changes in the Jamaican civil justice system that would cause claim inflation to increase dramatically.
- There is no latent environmental or asbestos exposure embedded in the loss history.
- The case reserving and claim payments rates have and will remain relatively constant.
- The overall development of claims costs gross of reinsurance is not materially different from the development of claims costs net of reinsurance. This assumption is supported by:
 - The majority of the reinsurance program consists of proportional reinsurance agreements.
 - The non-proportional reinsurance agreements consist primarily of high attachment points.
- Claims are expressed at their estimated ultimate undiscounted value, in accordance with the requirement of the insurance regulations.

(ii) Provision for adverse deviation assumptions

The basic assumptions made in establishing insurance reserves are best estimates for a range of possible outcomes. To recognise the uncertainty in establishing these best estimates, to allow for possible deterioration in experience and to provide greater comfort that the reserves are adequate to pay future benefits, the appointed actuary is required to include a margin for adverse deviation in each assumption.

Reserves have been calculated on an undiscounted basis as well as on a discounted basis with a risk load added in. Where the undiscounted reserve was larger than the discounted reserve including the calculated provision for adverse deviation, the undiscounted amount was chosen. This assumes that holding reserves at an undiscounted amount includes an implicit risk load.

Claims development – Insurance liability for incurred claims

In addition to sensitivity analysis, the development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below summarises actual claims compared with previous estimates of the undiscounted amount of the claims and illustrates how the Group's estimate of the ultimate claims liability for accident years 2016 - 2024 has changed at successive year-ends, up to 2025. The Group presents information on the claims development for claims incurred 10 years before the reporting period and reconciles the liability for incurred claims presented in the table with the aggregate carrying amount of the groups of insurance contracts.

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3. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Claims development – Insurance liability for incurred claims (continued)

	2016 & prior \$'000	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	Total \$'000
At the end of accident year	4,428,332	1,835,996	2,646,012	1,869,583	2,822,127	2,948,634	4,097,883	4,446,099	5,027,583	5,688,353	
1 year later	4,349,144	1,997,838	2,952,727	2,770,222	2,371,426	2,725,318	3,507,356	3,967,498	4,499,166		
2 years later	4,278,836	2,261,048	2,761,533	2,481,817	2,382,702	2,949,787	3,495,675	3,883,368			
3 years later	4,282,822	2,256,719	2,614,778	2,512,653	2,448,762	2,975,784	3,491,434				
4 years later	4,172,494	2,162,840	2,680,675	2,622,154	2,456,615	2,946,443					
5 years later	3,966,251	2,152,541	2,736,995	2,607,788	2,455,303						
6 years later	3,962,711	2,199,235	2,744,652	2,608,665							
7 years later	4,014,804	2,194,468	2,742,604								
8 years later	4,042,277	2,190,685									
9 years later	4,028,366										
Estimates of undiscounted net cumulative claims	4,028,366	2,190,685	2,742,604	2,608,665	2,455,303	2,946,443	3,491,434	3,883,368	4,499,166	5,688,353	34,534,387
Cumulative net claims paid	(3,705,675)	(2,090,367)	(2,611,686)	(2,404,363)	(2,267,675)	(2,639,008)	(3,019,160)	(3,266,040)	(3,381,082)	(2,003,743)	(27,388,799)
Undiscounted net claims	322,691	100,318	130,918	204,302	187,628	307,435	472,274	617,328	1,118,084	3,684,610	7,145,588
Effect of discounting											(210,781)
Risk adjustment											1,112,283
Liability for incurred claims											8,047,090

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3. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Sensitivity analysis to underwriting risk variables

The following table details the impact of changes in key assumptions, in computing liabilities for incurred claims, on the Group's profit or loss, before and after risk mitigation from reinsurance contracts held. This analysis is based on a change in one risk variable with all other variables held constant. Sensitivity analysis assumes that changes to variables can be made independently, which is very unlikely to occur in practice as movements in these assumptions may be non-linear and may be correlated with one another.

Insurance contract liabilities - liabilities for incurred claims:

2025			
	Gross \$'000	Net \$'000	Profit before Taxation \$'000
10% increase in claims development factor	73,489	51,034	(51,034)
1% increase in inflation	82,496	75,599	(75,599)
2024			
	Gross \$'000	Net \$'000	Profit before Taxation \$'000
10% increase in claims development factor	82,143	62,310	(62,310)
1% increase in inflation	73,683	67,895	(67,895)

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3. Insurance and Financial Risk Management (Continued)

(b) Reinsurance risk

To limit its exposure to potential loss on an insurance policy, the insurer may cede certain levels of risk to a reinsurer. The Group selects reinsurers which have established capability to meet their contractual obligations and which generally have high credit ratings. The credit ratings of reinsurers are monitored.

Retention limits represent the level of risk retained by the insurer. Coverage in excess of these limits is ceded to reinsurers up to the treaty limit. The retention programmes used by the Group are summarised below:

- The retention limit or maximum exposure on insurance policies under the reinsurance treaties range between \$2,384,000 and \$143,033,000 (2024: \$3,112,000 and \$411,786,000).
- The Group utilises reinsurance treaties to reduce its net retained risk. The risk is spread over several reinsurers all of whom are AM Best or S&P rated at A or better.
- Excess of loss reinsurance is also purchased to cover the retained risk in the event of a catastrophe as well as for large motor losses.
- The amount of reinsurance recoveries recognised during the period is as follows:

	Group	
	2025	2024
	\$'000	\$'000
Property	8,078,023	818,942
Special Risk	432,281	-
Motor	592,601	41,001
Marine	261	7,027
Liability	20,590	2,491
Pecuniary loss	-	(963)
Accident	(75)	(811)
	9,123,681	867,687

(c) Financial risk

The Group is exposed to financial risk through its financial assets, reinsurance assets and insurance liabilities. The most important components of this financial risk are credit risk, cash flow risk and market risk (interest rate risk and currency risk).

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and currency risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(i) Credit risk

The Group takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit exposures arise principally from the Group's receivables from customers, principals, agents, the amounts due from reinsurers, amounts due from insurance contract holders and insurance brokers, investments, lending activities and loan commitments arising from such lending activities. There is also credit risk in off-statement of financial position financial instruments, such as loan commitments. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

Credit-related commitment risks arise from guarantees which may require payment on behalf of customers. Such payments are collected from customers based on the terms of the letters of credit. They expose the Group to similar risks to loans and these are mitigated by the same control policies and processes.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the statement of financial position.

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3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Credit review process

The Group has established a credit quality review process and has credit policies and procedures which require regular analysis of the ability of borrowers and other counterparties to meet interest, capital and other repayment obligations.

(a) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit policy states that each customer must be analysed individually for creditworthiness prior to the Group offering them a credit facility. Customers may be required to provide a banker's guarantee and credit limits are assigned to each customer. These limits are reviewed at least twice per year. The Group has procedures in place to restrict customer orders if the order will exceed their credit limits. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a prepayment basis.

Customer credit risks are monitored according to credit characteristics such as whether it is an individual or company, geographic location, industry, ageing profile, and previous financial difficulties. Special negotiated arrangements may extend the credit period to a maximum of 3 months. Trade and other receivables relate mainly to the Group's retail and direct customers. The Group's average credit period for the sale of goods is 1 month.

(b) Loans and leases receivable

The Group assesses the probability of default of individual counterparties using internal ratings. Customers of the Group are segmented into four rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class.

Group's internal rating scale:

Group's rating	Description of the grade	
1	Low risk	– Excellent credit history
2	Standard risk	– Generally abides by credit terms
3	Past due	– Late paying with increased credit risk
4	Credit impaired	– Default

Exposure to credit risk is managed in part by obtaining collateral and corporate and personal guarantees. Counterparty limits are established by the use of a credit classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process allows the Group to assess the potential loss as a result of the risk to which it is exposed and take corrective action.

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3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

(c) Reinsurance

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. The insurance subsidiaries' Risk and Reinsurance Department assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information.

(d) Premium and other receivables

The respective credit committees within the Group examine the payment history of significant contract holders with whom they conduct regular business. Management information reported to the Group includes details of provisions for impairment on loans and receivables and subsequent write-offs. Internal Audit makes regular reviews to assess the degree of compliance with the Group procedures on credit. Exposures to individual policyholders and groups of policyholders are collected within the on-going monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis is carried out by the insurance subsidiaries' Risk and Reinsurance Department.

(e) Investments

External rating agency credit grades are used to assess credit quality. These published grades are continuously monitored and updated. Default probabilities and recovery rates are assigned as published by the rating agency.

The Group limits its exposure to credit risk arising from investments by adhering to the investment counterparty limits as approved by the ALCOs. Counterparty limits are reviewed and updated periodically.

Impairment of Financial Assets

The Group has four types of financial assets that are subject to the expected credit loss model:

- Trade and premium receivables
- Loans and leases receivable
- Debt investments carried at amortised cost, and
- Debt investments carried at FVOCI.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, all bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions and the identified impairment loss was immaterial.

Trade and premium receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for these assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Trade and premium receivables (continued)

Maximum exposure to credit risk

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Low risk	497,668	-	-	-
Standard risk	20,550,299	14,370,946	3,529,593	2,109,875
Past due	5,930,078	3,844,128	251,454	140,939
Credit impaired	1,523,564	1,221,868	573,769	344,364
Gross carrying amount	28,501,609	19,436,942	4,354,816	2,595,178
Loss allowance	(1,050,771)	(955,665)	(58,838)	(40,101)
Carrying amount	27,450,838	18,481,277	4,295,978	2,555,077

Loss allowance

The loss allowance as at 31 December 2025 and 31 December 2024 was determined as follows for trade and premium receivables:

	Group					
	at 31 December 2025			at 31 December 2024		
	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate
	\$'000	\$'000		\$'000	\$'000	
Less than 1 month	16,075,426	31,863	0.20%	10,827,654	79,688	0.74%
Within 1 to 3 months	7,698,161	53,594	0.70%	5,213,223	75,433	1.45%
Over 3 months	4,728,022	965,314	20.42%	3,396,065	800,544	23.57%
	28,501,609	1,050,771		19,436,942	955,665	

	Company					
	at 31 December 2025			at 31 December 2024		
	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate
	\$'000	\$'000		\$'000	\$'000	
Less than 1 month	3,120,809	1,389	0.04%	1,551,139	1,731	0.11%
Within 1 to 3 months	900,164	3,055	0.34%	802,226	2,369	0.30%
Over 3 months	333,843	54,394	16.29%	241,813	36,001	14.89%
	4,354,816	58,838		2,595,178	40,101	

GraceKennedy Limited

Notes to the Financial Statements

31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit Risk (continued)

Trade and premium receivables (continued)

Loss allowance (continued)

The movement on the loss allowances for trade and premium receivables is as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
At 1 January	955,665	830,873	40,101	33,692
Movement on loss allowance recognised in income statement during the year	157,713	231,061	41,981	30,279
Receivables written off during the year as uncollectible	(37,246)	(30,222)	(12,981)	(13,503)
Unused amount reversed	(25,361)	(76,047)	(10,263)	(10,367)
At 31 December	1,050,771	955,665	58,838	40,101

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, failure to make contractual payments for a period greater than two years, and alternative methods of debt collection have been exhausted.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited in other income.

GraceKennedy Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases (including loan commitments and guarantees)

The Group applies the 'three stage' model under IFRS 9 in measuring the expected credit losses on loans and leases, and makes estimations about likelihood of defaults occurring, associated loss ratios, changes in market conditions, and expected future cash flows. This is measured using the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) for a portfolio of assets.

- Probability of Default - This represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months (12 month PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- Exposure at Default - This represents the expected balance at default, taking into account the repayment of principal and interest from the statement of financial position date to the default event together with any expected drawdowns of committed facilities.
- Loss Given Default - The LGD represents expected losses on the EAD given the event of default, taking into account the mitigating effect of collateral value at the time it is expected to be realised and also the time value of money.

The 'three stage' model is used to categorise financial assets according to credit quality as follows:

- Stage 1 – financial assets that are not credit impaired on initial recognition or are deemed to have low credit risk. These assets generally abide by the contractual credit terms. The ECL is measured using a 12 month PD, which represents the probability that the financial asset will default within the next 12 months.
- Stage 2 – financial assets with a significant increase in credit risk (SICR) since initial recognition, but are not credit impaired. The ECL is measured using a lifetime PD.
- Stage 3 – credit impaired financial assets. The ECL is measured using a lifetime PD.

Transfer between stages

Financial assets can be transferred between the different categories depending on their relative increase in credit risk since initial recognition. Financial instruments are transferred out of stage 2 if their credit risk is no longer considered to be significantly increased since initial recognition. Financial instruments are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment. This assessment is done on a case-by-case basis.

The Group considers forward looking information in determining the PDs of financial assets. Forward looking information having significant impact on the ECL is described in further detail under that heading.

Significant Increase in Credit Risk (SICR)

The Group considers a financial asset to have experienced a significant increase in credit risk when one or more of the following qualitative or backstop criteria have been met:

Qualitative Criteria

- Deterioration in the Borrower's Risk Rating (BRR) below established threshold
- Material misrepresentation or inaccurate warranty
- Failure to comply with provisions of any statute under which the borrower conducts business
- Borrower enters into a scheme of arrangement
- Actual or expected restructuring
- Previous arrears in excess of 60 days within the last six months
- Early signs of cash flow/liquidity problems
- Expected significant adverse change in operating results of the borrower

However, the assessment of significant increase in credit risk and the above criteria will differ for different types of lending arrangements.

Loan commitments are assessed along with the category of loan the Group is committed to provide.

The assessment of SICR is performed for individual loans, taking into consideration the sector grouping of the individual exposures, and incorporates forward-looking information. This assessment is performed on a quarterly basis.

GraceKennedy Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases (continued)

Significant Increase in Credit Risk (continued)

Backstop

Irrespective of the above qualitative assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. The Group has monitoring procedures in place to assess whether the criteria used to identify SICR continues to be appropriate.

The Group utilised the low credit risk exemption for financial assets.

Credit Impaired Assets

The Group defines a financial instrument as credit impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria

The borrower meets unlikelyness to pay criteria as outlined below, which indicates the borrower is in significant financial difficulty:

- Cash flow difficulties experienced by the borrower (e.g. equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position; and
- Concessions have been made by the lender relating to the borrower's financial difficulty.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of 'credit impaired' used for internal credit risk management purposes.

Measuring the ECL – Inputs, Assumptions and Estimation Techniques

The ECL is determined by projecting the PD, LGD, and EAD, which are multiplied together and discounted back to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12 month PD is calculated by observing the rate of historical default within the first year of a portfolio of loans, and adjusted for the expected impact of forward looking economic information.

The lifetime PD is calculated by observing the rate of historical default over the life of a portfolio of loans, and adjusted for the impact of forward looking economic information.

The EAD for amortising and bullet repayment loans is based on the contractual repayments over a 12 month or lifetime basis.

The EAD for revolving products, such as credit cards, revolving loans and overdrafts is estimated by taking the current drawn balance and the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilization band, based on analysis of the Group's recent default data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type. For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

Forward looking economic information is also included in determining the 12-month and lifetime EAD and LGD.

Forward Looking Information

The assessment of SICR and the calculation of ECL both incorporate forward-looking information that is available without undue cost or effort. The Group uses external information including economic data and forecasts published by governmental bodies and the central bank. The information published however does not cover the Group's credit risk exposure period and judgement was applied when incorporating these forecasts into our models. The Group started with historical data of approximately 3 years in which a relationship between macro-economic indicators and default rates was developed. Judgement was applied in cases where a strong relationship between these key economic variables and expected credit losses was not identified based on the historical data used.

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Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases (continued)

Forward Looking Information (continued)

These economic variables and their associated impact on the PD, EAD and LGD vary by financial asset. Forecasts of these economic variables are reviewed on a quarterly basis. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Group also assesses other possible scenarios along with scenario weightings. The Group uses a total of three scenarios for each portfolio of loans (base, upside, downside). The scenario weightings are determined using judgment. The base case is the single most-likely expected outcome. The Group measures ECL as a probability weighted ECL.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The most significant period end assumptions used in determining the ECL as at the reporting date are set out below.

Economic factor	Scenarios	Range
Gross Domestic Product (GDP)	Base	0.2% to -3.0%
	Upside	2.2% to -1.0%
	Downside	-1.8% to -5.0%
Unemployment Rate	Base	4.5% to 4.2%
	Upside	2.5% to 2.2%
	Downside	6.5% to 6.2%

The underlying models and their calibration, including how they react to forward-looking economic conditions was based on how the relationship of the Group's existing portfolio to these variables and remains subject to review and refinement as the Group builds data

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

Sensitivity Analysis

Forward looking indicators having the most significant impact on the ECL are GDP growth and unemployment rate. Set out below are the changes to the ECL as at 31 December 2025 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Group's economic variable assumptions.

Forward Looking Indicator	Change in basis points:	Effect on ECL \$'000	Forward Looking Indicator	Change in basis points:	Effect on ECL \$'000
GDP growth	+ 100bp	10,639	Unemployment rate	+ 100bp	(1,698)
GDP growth	- 100bp	(10,639)	Unemployment rate	- 100bp	1,698

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(expressed in Jamaican dollars unless otherwise indicated)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases (continued)

Portfolio Segmentation

Expected credit loss provisions are modelled on a collective basis, by grouping exposures on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes.

Exposures are grouped according to product type (term loans, overdrafts, credit cards, revolvers, guarantees and loan commitments) and industry (for example, manufacturing and distribution, tourism, personal loans).

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk team.

Stage 3 loans are assessed on an individual basis for impairment.

Maximum Exposure to Credit Risk

The Group measures ECL considering the risk of default over the maximum contractual period (including extension options) over which it is exposed to credit risk and not a longer period, even if contract extension or renewal is common business practice. However, for financial assets such as credit cards, revolving credit facilities and overdraft facilities that include both a loan and an undrawn commitment component, the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period. For such financial assets the Group measures ECL over the period that it is exposed to the credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. These financial assets do not have a fixed term or repayment structure and have a short contractual cancellation period. However, the Group does not enforce in the normal day-to-day management the contractual right to cancel these financial assets. This is because these financial assets are managed on a collective basis and are canceled only when the Group becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Group expects to take to mitigate ECL.

The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	Group			
	2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	\$'000	\$'000	\$'000	\$'000
Low risk	70,418	-	-	70,418
Standard risk	32,485,882	9,774,516	-	42,260,398
Past due	6,222,747	3,226,641	-	9,449,388
Credit impaired	12,131	-	1,378,338	1,390,469
Gross carrying amount	38,791,178	13,001,157	1,378,338	53,170,673
Loss allowance	(583,982)	(767,525)	(794,302)	(2,145,809)
Carrying amount	38,207,196	12,233,632	584,036	51,024,864

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3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and leases (continued)

	Group			
	2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	\$'000	\$'000	\$'000	\$'000
Standard risk	30,657,461	7,885,672	-	38,543,133
Past due	4,666,543	1,865,180	216,369	6,748,092
Credit impaired	-	-	1,232,999	1,232,999
Gross carrying amount	35,324,004	9,750,852	1,449,368	46,524,224
Loss allowance	(477,427)	(583,627)	(768,907)	(1,829,961)
Carrying amount	34,846,577	9,167,225	680,461	44,694,263

Collateral and other credit enhancements

The Group employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Group has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Group prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types for loans and advances are:

- Mortgages over residential and commercial properties
- Charges over business assets such as premises, inventory and accounts receivable
- Charges and hypothecations over deposit balances and financial instruments such as debt securities and equities

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3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases (continued)

Collateral and other credit enhancements (continued)

The Group also obtains guarantees from parent companies for loans to their subsidiaries and from individual owners for loans to their companies.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of reverse repurchase agreements which are secured by portfolios of financial instruments.

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period. Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held during its annual reviews of individual credit facilities as well as during its review of the adequacy of the provision for credit losses.

The fair value of collateral held in respect of credit impaired financial assets is \$1,186,543,000 (2024: \$1,718,790,000).

Loss Allowance

The loss allowance recognised in the period is impacted by a variety of factors. The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

	Group			
	2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	\$'000	\$'000	\$'000	\$'000
At 1 January	477,427	583,627	768,907	1,829,961
Movements with income statement impact:				
Transfers:				
Transfer from Stage 1 to Stage 2	(37,810)	159,448	-	121,638
Transfer from Stage 1 to Stage 3	(419)	-	16,334	15,915
Transfer from Stage 2 to Stage 1	5,382	(27,778)	-	(22,396)
Transfer from Stage 2 to Stage 3	-	(2,931)	10,617	7,686
New financial assets originated	187,992	20,348	-	208,340
Changes in PDs/LGDs/EADs	30,538	67,308	29,488	127,334
Financial assets derecognised during the period	(79,128)	(32,497)	(31,044)	(142,669)
Total net income statement charge	106,555	183,898	25,395	315,848
At 31 December	583,982	767,525	794,302	2,145,809

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(expressed in Jamaican dollars unless otherwise indicated)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases (continued)

	Group			
	2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	\$'000	\$'000	\$'000	\$'000
At 1 January	454,311	558,976	807,111	1,820,398
Movements with income statement impact:				
Transfers:				
Transfer from Stage 1 to Stage 2	(6,369)	26,358	-	19,989
Transfer from Stage 1 to Stage 3	(605)	-	11,235	10,630
Transfer from Stage 2 to Stage 1	7,130	(25,925)	-	(18,795)
Transfer from Stage 2 to Stage 3	-	(8,697)	63,090	54,393
New financial assets originated	189,174	10,729	-	199,903
Changes in PDs/LGDs/EADs	(78,914)	42,651	94,247	57,984
Financial assets derecognised during the period	(87,300)	(20,465)	(206,776)	(314,541)
Total net income statement charge	23,116	24,651	(38,204)	9,563
At 31 December	477,427	583,627	768,907	1,829,961

Loans and leases are written off, in whole or in part, when the Group has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity, and where the Group's recovery method is foreclosing on collateral, and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Group may write off account balances that are still subject the enforcement activity, based on a reasonable expectation of amounts recoverable. The outstanding contractual amounts of such assets written off during the year was \$Nil (2024: \$Nil).

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3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases, Premium and Trade receivables

The following table summarises the Group's and company's credit exposure for loans and leases, premium and trade receivables at their carrying amounts, as categorised by the customer sector:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Public sector	197,540	126,154	-	-
Professional and other services	11,059,900	7,380,624	-	-
Personal	24,380,310	21,188,850	-	-
Agriculture, fishing and mining	1,728,458	1,685,554	-	-
Construction and real estate	3,326,099	5,230,618	-	60,000
Electricity, gas and water	1,662,797	955,403	-	-
Distribution	8,608,029	5,456,366	3,780	14,134
Manufacturing	1,664,314	3,592,708	1,303,302	1,200,000
Transportation	1,563,908	1,862,423	-	-
Tourism and entertainment	2,441,170	2,071,572	302,681	276,501
Financial and other money services	3,215,419	3,617,338	2,411,835	3,001,820
Brokers and agents	7,162,453	2,035,928	-	-
Supermarket chains	4,323,572	3,857,895	533,655	570,288
Wholesalers	2,395,438	1,854,350	557,921	605,616
Retail and direct customers	3,625,946	2,877,645	629,951	646,379
Other	3,973,144	1,886,069	2,326,828	494,871
	81,328,497	65,679,497	8,069,953	6,869,609
Loss allowance	(3,196,580)	(2,785,626)	(58,838)	(40,101)
	78,131,917	62,893,871	8,011,115	6,829,508
Interest receivable	343,785	281,669	46,477	55,194
	78,475,702	63,175,540	8,057,592	6,884,702

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Notes to the Financial Statements

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3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Debt Investments

The Group uses external credit ratings as published by established rating agencies in its assessment of the probability of default on debt investments. The PDs and LGDs for government and corporate bonds have been developed by the rating agencies based on statistics on the default, loss and rating transition experience of government and corporate bond issuers. The loss allowance on debt investments carried at amortised cost and FVOCI is measured using lifetime PDs. The credit ratings and associated PDs are reviewed and updated on quarterly basis.

Based on available credit ratings for sovereign and corporate debts, the debt securities were classified in stage 2 as they were below investment grade as defined by reputable rating agencies.

Maximum exposure to credit risk

The following table summarises the Group's and company's credit exposure for debt investments at their carrying amounts, as categorised by issuer:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Government of Jamaica:				
At amortised cost	5,645,777	4,992,268	1,477,904	2,104,204
At fair value through other comprehensive income	2,204,071	3,266,646	-	-
Corporate:				
At amortised cost	14,461,561	14,148,553	4,112,412	4,437,382
At fair value through other comprehensive income	2,105,695	2,308,538	-	-
Other government:				
At amortised cost	745,091	1,066,539	-	-
At fair value through other comprehensive income	778,631	954,799	-	-
Bank of Jamaica	15,896,062	14,709,598	-	-
Other	19,506,806	20,015,667	816,730	1,048,700
	61,343,694	61,462,608	6,407,046	7,590,286

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Notes to the Financial Statements

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3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Debt Investments (continued)

Debt investments at amortised cost

The movement on the loss allowance is as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
At 1 January	473,066	315,164	122,315	82,073
Loss allowance recognised in income statement	165,417	159,205	3,965	40,242
Unused amounts reversed	578	(1,303)	-	-
At 31 December	639,061	473,066	126,280	122,315

Debt investments at FVOCI

The loss allowance for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

The movement on the loss allowance is as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
At 1 January	23,559	48,538	-	-
Loss allowance recognised in income statement	(6,466)	(24,979)	-	-
At 31 December	17,093	23,559	-	-

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3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group through the ALCOs and treasury departments, includes:

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required.
- (ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining committed lines of credit;
- (iv) Optimising cash returns on investment;
- (v) Monitoring statement of financial position liquidity ratios against internal and regulatory requirements. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities;
- (vi) Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Group. It is unusual for companies ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of loss.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

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3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(ii) Liquidity risk (continued)

Financial liabilities cash flows

The table below presents the undiscounted cash flows payable (both interest and principal cash flows) of the Group's and company's financial liabilities based on contractual repayment obligations. The Group expects that many customers will not request repayment on the earliest date the Group could be required to pay.

	Group				
	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 December 2025:					
Deposits	66,970,743	8,171,773	199,710	-	75,342,226
Securities sold under agreements to repurchase	549,479	115,929	-	-	665,408
Bank and other loans	8,857,226	9,089,151	16,693,572	6,454,723	41,094,672
Trade and other payables	22,260,989	25,185,868	-	-	47,446,857
Total financial liabilities (contractual dates)	98,638,437	42,562,721	16,893,282	6,454,723	164,549,163

	Group				
	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 December 2024:					
Deposits	55,191,198	10,756,330	813,219	-	66,760,747
Securities sold under agreements to repurchase	76,327	-	-	-	76,327
Bank and other loans	6,038,568	6,381,015	18,031,365	6,213,968	36,664,916
Trade and other payables	28,058,601	8,598,398	-	-	36,656,999
Total financial liabilities (contractual dates)	89,364,694	25,735,743	18,844,584	6,213,968	140,158,989

GraceKennedy Limited

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(expressed in Jamaican dollars unless otherwise indicated)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(ii) Liquidity risk (continued)

Financial liabilities cash flows (continued)

	Company				
	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 December 2025:					
Bank and other loans	4,677,404	4,317,070	4,633,128	2,807,515	16,435,117
Trade and other payables	4,773,284	-	-	-	4,773,284
Subsidiaries	2,464,072	-	-	-	2,464,072
Total financial liabilities (contractual dates)	11,914,760	4,317,070	4,633,128	2,807,515	23,672,473

	Company				
	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 December 2024:					
Bank and other loans	1,816,225	2,068,792	6,790,705	2,575,397	13,251,119
Trade and other payables	4,809,129	-	-	-	4,809,129
Subsidiaries	4,436,472	-	-	-	4,436,472
Total financial liabilities (contractual dates)	11,061,826	2,068,792	6,790,705	2,575,397	22,496,720

The assets available to meet all of the liabilities and to cover outstanding loan commitments include: cash, Central Bank balances, items in the course of collection, investment securities and other eligible bills, loans and advances to banks, and loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt securities and treasury and other bills have been pledged to secure liabilities. The Group is also able to meet unexpected net cash outflows by selling securities and accessing additional funding sources from other financing institutions. The Group and the company have the following undrawn committed borrowing facilities:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Floating rate –				
Expiring within one year	16,958,599	23,404,449	4,233,813	8,865,559

The facilities expiring within one year are annual facilities subject to review at various dates during the subsequent year. The other facilities have been arranged to help finance the Group's activities.

GraceKennedy Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(ii) Liquidity risk (continued)

Off-statement of financial position items

The table below shows the contractual expiry periods of the Group's contingent liabilities and commitments.

	Group			Total \$'000
	No Later Than 1 Year \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	
As at 31 December 2025:				
Loan commitments	2,385,380	-	-	2,385,380
Guarantees, acceptances and other financial facilities	763,952	-	-	763,952
Capital commitments	844,266	-	-	844,266
	3,993,598	-	-	3,993,598
As at 31 December 2024:				
Loan commitments	1,436,719	-	-	1,436,719
Guarantees, acceptances and other financial facilities	802,059	-	-	802,059
Capital commitments	1,186,482	-	-	1,186,482
	3,425,260	-	-	3,425,260

(iii) Market risk

The Group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the research and treasury departments which carry out extensive research and monitor the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, the Canadian dollar, UK pound and the Euro.

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Group further manages this risk by maximising foreign currency earnings and holding foreign currency balances.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

GraceKennedy Limited

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(expressed in Jamaican dollars unless otherwise indicated)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Currency risk (continued)

Concentrations of currency risk

The table below summarises the Group and company exposure to foreign currency exchange rate risk at 31 December.

	Group						
	Jamaican\$ J\$'000	US\$ J\$'000	GBP J\$'000	CAN\$ J\$'000	EURO J\$'000	Other J\$'000	Total J\$'000
As at 31 December 2025:							
Financial Assets							
Cash and deposits	15,619,488	12,569,151	636,607	101,058	143,703	4,624,938	33,694,945
Investment securities and pledged assets	30,204,804	30,124,141	345,344	233,814	55,962	2,804,337	63,768,402
Trade and other receivables	17,000,547	5,882,805	2,472,062	900,372	82,240	1,112,812	27,450,838
Loans receivable	41,850,533	9,143,939	-	23,623	-	6,769	51,024,864
Total financial assets	104,675,372	57,720,036	3,454,013	1,258,867	281,905	8,548,856	175,939,049
Financial Liabilities							
Deposits	43,168,375	31,103,890	488,712	267,926	63,239	-	75,092,142
Securities sold under agreements to repurchase	658,541	-	-	-	-	-	658,541
Bank and other loans	25,006,201	9,592,058	395,200	220,660	-	126,260	35,340,379
Trade and other payables	28,771,320	14,461,722	821,089	934,799	1,078,204	1,379,723	47,446,857
Total financial liabilities	97,604,437	55,157,670	1,705,001	1,423,385	1,141,443	1,505,983	158,537,919
Net financial position	7,070,935	2,562,366	1,749,012	(164,518)	(859,538)	7,042,873	17,401,130

	Group						
	Jamaican\$ J\$'000	US\$ J\$'000	GBP J\$'000	CAN\$ J\$'000	EURO J\$'000	Other J\$'000	Total J\$'000
As at 31 December 2024:							
Financial Assets							
Cash and deposits	11,619,605	5,304,215	122,717	256,114	68,487	5,815,210	23,186,348
Investment securities and pledged assets	29,362,032	32,538,696	-	-	-	1,964,774	63,865,502
Trade and other receivables	8,436,021	5,843,985	1,897,966	794,840	111,449	1,397,016	18,481,277
Loans receivable	40,204,100	4,434,198	-	46,008	-	9,957	44,694,263
Total financial assets	89,621,758	48,121,094	2,020,683	1,096,962	179,936	9,186,957	150,227,390
Financial Liabilities							
Deposits	38,331,922	27,553,025	308,293	155,310	59,608	-	66,408,158
Securities sold under agreements to repurchase	75,000	-	-	-	-	-	75,000
Bank and other loans	24,598,858	5,433,412	692,900	225,112	-	145,642	31,095,924
Trade and other payables	22,228,565	10,471,372	1,542,324	939,396	311,310	1,164,032	36,656,999
Total financial liabilities	85,234,345	43,457,809	2,543,517	1,319,818	370,918	1,309,674	134,236,081
Net financial position	4,387,413	4,663,285	(522,834)	(222,856)	(190,982)	7,877,283	15,991,309

GraceKennedy Limited

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31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Currency risk (continued)

Concentrations of currency risk (continued)

	Company						
	Jamaican\$ J\$'000	US\$ J\$'000	GBP J\$'000	CAN\$ J\$'000	EURO J\$'000	Other J\$'000	Total J\$'000
As at 31 December 2025:							
Financial Assets							
Cash and deposits	2,501,269	18,471	-	-	-	-	2,519,740
Investment securities	4,082,412	2,377,927	-	-	-	-	6,460,339
Trade and other receivables	4,233,995	61,558	-	425	-	-	4,295,978
Subsidiaries	2,353,515	308,441	-	1,434	-	-	2,663,390
Loans receivable	3,658,015	103,599	-	-	-	-	3,761,614
Total financial assets	16,829,206	2,869,996	-	1,859	-	-	19,701,061
Financial Liabilities							
Bank and other loans	10,215,374	4,321,931	-	-	-	-	14,537,305
Trade and other payables	4,054,185	670,925	14,533	-	33,641	-	4,773,284
Subsidiaries	2,364,434	93,515	-	6,123	-	-	2,464,072
Total financial liabilities	16,633,993	5,086,371	14,533	6,123	33,641	-	21,774,661
Net financial position	195,213	(2,216,375)	(14,533)	(4,264)	(33,641)	-	(2,073,600)

	Company						Total J\$'000
	Jamaican\$ J\$'000	US\$ J\$'000	GBP J\$'000	CAN\$ J\$'000	EURO J\$'000	Other J\$'000	
As at 31 December 2024:							
Financial Assets							
Cash and deposits	1,643,938	56,642	-	-	-	-	1,700,580
Investment securities	4,253,256	3,395,979	-	-	-	-	7,649,235
Trade and other receivables	2,532,582	22,495	-	-	-	-	2,555,077
Subsidiaries	1,712,710	123,661	-	-	-	-	1,836,371
Loans receivable	4,316,925	12,700	-	-	-	-	4,329,625
Total financial assets	14,459,411	3,611,477	-	-	-	-	18,070,888
Financial Liabilities							
Bank and other loans	10,177,908	701,875	-	-	-	-	10,879,783
Trade and other payables	3,582,242	1,214,242	-	-	12,645	-	4,809,129
Subsidiaries	4,353,250	83,222	-	-	-	-	4,436,472
Total financial liabilities	18,113,400	1,999,339	-	-	12,645	-	20,125,384
Net financial position	(3,653,989)	1,612,138	-	-	(12,645)	-	(2,054,496)

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31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and company had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rates below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents the changes in carrying amounts of outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1.5% increase (2024: 4.0%) and a 1.0% decrease (2024: 1.0%) in foreign currency rates to arrive at the corresponding impact on profit. The sensitivity analysis includes cash and deposits, investment securities, receivables, loans receivable, deposits, securities sold under agreements to repurchase, bank and other loans, and payables. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables had to be assessed on an individual basis.

Group				
	% Change in Currency Rate	Effect on Profit before Taxation 2025 \$'000	% Change in Currency Rate	Effect on Profit before Taxation 2024 \$'000
	2025		2024	
Currency:				
USD	+1.5%	35,728	+4.0%	214,434
GBP	+1.5%	517	+4.0%	(6,447)
CAN	+1.5%	23	+4.0%	(5,117)
EURO	+1.5%	(6,273)	+4.0%	(4,392)
USD	-1.0%	(23,819)	-1.0%	(53,609)
GBP	-1.0%	(345)	-1.0%	1,612
CAN	-1.0%	(16)	-1.0%	1,279
EURO	-1.0%	4,182	-1.0%	1,098
Company				
	% Change in Currency Rate	Effect on Profit before Taxation 2025 \$'000	% Change in Currency Rate	Effect on Profit before Taxation 2024 \$'000
	2025		2024	
Currency:				
USD	+1.5%	(32,698)	+4.0%	65,590
GBP	+1.5%	(214)	+4.0%	-
CAN	+1.5%	(64)	+4.0%	-
EURO	+1.5%	(498)	+4.0%	(505)
USD	-1.0%	21,798	-1.0%	(16,397)
GBP	-1.0%	143	-1.0%	-
CAN	-1.0%	43	-1.0%	-
EURO	-1.0%	332	-1.0%	126

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(expressed in Jamaican dollars unless otherwise indicated)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed rate instruments expose the Group to fair value interest risk.

The Group manages interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments and also manages the maturities of interest bearing financial assets and liabilities. The respective boards within the Group set limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored by the ALCOs and Investment Committees.

The following tables summarise the Group's and the company's exposure to interest rate risk. It includes the Group and company financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Group						
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-rate Sensitive \$'000	Total \$'000
At 31 December 2025:							
Assets							
Cash and deposits	21,361,860	1,178,459	-	-	-	11,154,626	33,694,945
Investment securities and pledged assets	11,605,951	5,235,339	12,285,153	17,653,053	5,873,604	11,115,302	63,768,402
Loans receivable	4,403,951	1,567,534	1,305,533	14,398,962	29,326,233	22,651	51,024,864
Trade and other receivables	-	-	-	-	-	27,450,838	27,450,838
Total financial assets	37,371,762	7,981,332	13,590,686	32,052,015	35,199,837	49,743,417	175,939,049
Liabilities							
Deposits	54,090,468	12,705,706	8,096,301	199,667	-	-	75,092,142
Securities sold under agreements to repurchase	120,000	425,247	113,294	-	-	-	658,541
Bank loans	2,219,985	5,810,688	9,396,775	8,188,599	9,717,450	6,882	35,340,379
Trade and other payables	-	-	-	-	-	47,446,857	47,446,857
Total financial liabilities	56,430,453	18,941,641	17,606,370	8,388,266	9,717,450	47,453,739	158,537,919
Total interest repricing gap	(19,058,691)	(10,960,309)	(4,015,684)	23,663,749	25,482,387	2,289,678	17,401,130

GraceKennedy Limited

Notes to the Financial Statements

31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Interest rate risk (continued)

	Group						
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-rate Sensitive \$'000	Total \$'000
At 31 December 2024:							
Assets							
Cash and deposits	11,497,781	730,918	-	-	-	10,957,649	23,186,348
Investment securities and pledged assets	9,687,680	10,266,728	12,929,706	17,859,485	3,282,581	9,839,322	63,865,502
Loans receivable	4,239,089	1,457,388	4,538,545	9,066,057	25,372,901	20,283	44,694,263
Trade and other receivables	-	-	-	-	-	18,481,277	18,481,277
Total financial assets	25,424,550	12,455,034	17,468,251	26,925,542	28,655,482	39,298,531	150,227,390
Liabilities							
Deposits	44,564,674	10,409,068	10,621,621	812,795	-	-	66,408,158
Securities sold under agreements to repurchase	-	75,000	-	-	-	-	75,000
Bank loans	306,289	8,574,767	5,267,483	8,175,041	8,772,344	-	31,095,924
Trade and other payables	-	-	-	-	-	36,656,999	36,656,999
Total financial liabilities	44,870,963	19,058,835	15,889,104	8,987,836	8,772,344	36,656,999	134,236,081
Total interest repricing gap	(19,446,413)	(6,603,801)	1,579,147	17,937,706	19,883,138	2,641,532	15,991,309

GraceKennedy Limited

Notes to the Financial Statements

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3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Interest rate risk (continued)

	Company						
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-rate Sensitive \$'000	Total \$'000
At 31 December 2025:							
Assets							
Cash and deposits	133,197	654,985	-	-	-	1,731,558	2,519,740
Investment securities	-	710,031	1,957,127	2,456,204	1,283,685	53,292	6,460,339
Loans receivable	-	3,761,614	-	-	-	-	3,761,614
Trade and other receivables	-	-	-	-	-	4,295,978	4,295,978
Subsidiaries	-	-	-	-	-	2,663,390	2,663,390
Total financial assets	133,197	5,126,630	1,957,127	2,456,204	1,283,685	8,744,218	19,701,061
Liabilities							
Bank loans	1,519,678	2,961,614	6,068,921	2,125,000	1,862,092	-	14,537,305
Trade payables	-	-	-	-	-	4,773,284	4,773,284
Subsidiaries	-	-	-	-	-	2,464,072	2,464,072
Total financial liabilities	1,519,678	2,961,614	6,068,921	2,125,000	1,862,092	7,237,356	21,774,661
Total interest repricing gap	(1,386,481)	2,165,016	(4,111,794)	331,204	(578,407)	1,506,862	(2,073,600)

	Company						
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-rate Sensitive \$'000	Total \$'000
At 31 December 2024:							
Assets							
Cash and deposits	-	-	-	-	-	1,700,580	1,700,580
Investment securities	-	250,000	1,831,274	4,239,992	1,269,020	58,949	7,649,235
Loans receivable	-	60,000	3,722,790	491,641	-	55,194	4,329,625
Trade and other receivables	-	-	-	-	-	2,555,077	2,555,077
Subsidiaries	-	-	-	-	-	1,836,371	1,836,371
Total financial assets	-	310,000	5,554,064	4,731,633	1,269,020	6,206,171	18,070,888
Liabilities							
Bank loans	117,367	5,538,655	1,845,000	1,772,500	1,606,261	-	10,879,783
Trade payables	-	-	-	-	-	4,809,129	4,809,129
Subsidiaries	-	-	-	-	-	4,436,472	4,436,472
Total financial liabilities	117,367	5,538,655	1,845,000	1,772,500	1,606,261	9,245,601	20,125,384
Total interest repricing gap	(117,367)	(5,228,655)	3,709,064	2,959,133	(337,241)	(3,039,430)	(2,054,496)

GraceKennedy Limited

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31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Group's and company's income statement and equity.

The Group's interest rate risk arises from investment securities, loans receivable, customers' deposits, securities sold under repurchase agreements and borrowings. The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net income based on floating rate financial assets and floating rate liabilities. The sensitivity of equity is calculated by revaluing fixed rate FVOCI financial assets for the effects of the assumed changes in interest rates combined with the effect on net profit. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact, each variable has to be evaluated on an individual basis.

Group					
Change in basis points: 2025	Effect on Profit before Taxation 2025	Effect on Other Components of Equity 2025	Change in basis points: 2024	Effect on Profit before Taxation 2024	Effect on Other Components of Equity 2024
JMD / USD	\$'000	\$'000	JMD / USD	\$'000	\$'000
-25 / -50	145,225	(75,122)	-50 / -50	119,924	(85,382)
+25 / +25	(67,003)	50,055	+25 / +25	(59,962)	42,727

Company					
Change in basis points: 2025	Effect on Profit before Taxation 2025	Effect on Other Components of Equity 2025	Change in basis points: 2024	Effect on Profit before Taxation 2024	Effect on Other Components of Equity 2024
JMD / USD	\$'000	\$'000	JMD / USD	\$'000	\$'000
-25 / -50	-	-	-50 / -50	-	-
+25 / +25	-	-	+25 / +25	-	-

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to equity price risk because of equity investments held and classified on the statement of financial position as either FVOCI or at fair value through profit or loss. The Group manages its price risk by trading these instruments when appropriate to reduce the impact of any adverse price fluctuations.

The impact of a +1.5%/-1.0% (2024: +6.0%/-2.0%) change in the quoted prices for these equities would be an increase/decrease in the carrying value of +\$22,316,000/- \$14,877,000 (2024: +\$84,498,000/- \$28,166,000) in income and +\$9,906,000/- \$6,604,000 (2024: +\$44,237,000/- \$14,746,000) in other comprehensive income.

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3. Insurance and Financial Risk Management (Continued)

(d) Capital management

Insurance subsidiaries

The insurance subsidiaries' objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- (i) To comply with the capital requirements set by the regulators of the insurance markets within which the companies operate;
- (ii) To safeguard their ability to continue as going concerns so that they can continue to provide returns for stockholders and benefits for other stakeholders; and
- (iii) To maintain a strong capital base to support the development of business.

Capital adequacy is managed and monitored at the insurance subsidiaries' level by management, the Audit Committee and the Board of Directors. In addition, the companies seek to maintain internal capital adequacy at levels higher than the minimum level of regulatory capital required.

The primary measure used to assess capital adequacy for the Jamaican based general insurance subsidiary is the Minimum Capital Test (MCT). This information is required to be filed with the Financial Services Commission (FSC) on an annual basis. The minimum standard recommended by the regulators for companies is a MCT of 150% (2024: 150%).

In relation to the Eastern Caribbean general insurance subsidiary. The subsidiary manages its capital on the basis of 150% of its minimum regulatory capital position. Management considers the quantitative threshold of 150% sufficient to maximise shareholders' return and to support the capital required. The minimum required regulatory capital held by the subsidiary is XCD 750,000 (2024: XCD 750,000).

The banking and investment subsidiaries

The banking and investment subsidiaries' objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- (i) To comply with the capital requirements set by the regulators of the banking and investment markets where the entities within the Group operate;
- (ii) To safeguard their ability to continue as going concerns so that they can continue to provide returns for stockholders and benefits for other stakeholders; and
- (iii) To maintain a strong capital base to support the development of business.

Capital adequacy and the use of regulatory capital are monitored monthly by management and the required information is filed monthly with the Bank of Jamaica (BOJ) and the FSC.

The BOJ requires the banking entity to:

- (i) Hold the minimum level of regulatory capital as a percentage of total assets of 8%; and
- (ii) Maintain a ratio of total regulatory capital to risk-weighted assets at or above 10%.

The FSC requires the investment services entity to:

- (i) Hold the minimum level of regulatory capital as a percentage of total assets of 6%; and
- (ii) Maintain a ratio of total regulatory capital to risk-weighted assets at or above 10%.

The regulatory capital as managed by the subsidiaries' ALCOs is divided into two tiers:

- (i) Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill and negative fair value reserves are deducted in arriving at Tier 1 capital; and
- (ii) Tier 2 capital: general provisions for loan losses on assets limited to 1.25% of risk-weighted assets.

Risk-weighted assets are measured by means of a hierarchy of risk weights classified according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-statement of financial position exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The Group complied with the regulatory capital requirements to which it is subjected.

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3. Insurance and Financial Risk Management (Continued)

(d) Capital management (continued)

Companies not requiring external regulatory capital requirements

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for owners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on equity, which the Group defines as net profit attributable to owners of the company divided by total owners' equity, excluding non-controlling interests. The Board of Directors also monitors the level of dividends to equity owners.

The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as debt divided by owners' equity. Debt is calculated as total borrowings as shown in the consolidated statement of financial position. Owners' equity is calculated as capital and reserves attributable to the company's owners as shown in the consolidated statement of financial position.

During 2025, the Group's strategy, which was unchanged from 2024, was to maintain a debt to equity ratio not exceeding 100%. The debt to equity ratios at 31 December 2025 and 2024 were as follows:

	Group	
	2025 \$'000	2024 \$'000
Total borrowings (Note 15)	35,340,379	31,095,924
Owners' equity	92,872,006	86,982,821
Gearing ratio	38.1%	35.7%

There were no changes to the Group's approach to capital management during the year.

The parent company complied with all externally imposed capital requirements to which it is subjected.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2 (g). The assessment of goodwill impairment involves the determination of the value in use. Determination of value in use involves the estimation of future cash flows from the business taking into consideration the growth rates, inflation rates and the discount rates. Any changes in these variables would impact the value in use calculations. A 1% increase in the discount rate would result in a reduction in the value in use by \$6,042,879,000.

(ii) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The Group has recognised deferred tax assets on tax losses carried forward as it anticipates making future taxable income to offset these losses.

(iii) Pension plan assets and post-employment obligations

The cost of these benefits and the present value of the pension and the other post-employment liabilities depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net periodic cost (income) for pension and post-employment benefits include the expected long-term rate of return on the relevant plan assets, the discount rate and, in the case of the post-employment medical benefits, the expected rate of increase in medical costs. Any changes in these assumptions will impact the net periodic cost (income) recorded for pension and post-employment benefits and may affect planned funding of the pension plans. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The appropriate discount rate is determined at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension and post-employment benefit obligations. In determining the appropriate discount rate, the interest rate of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid are considered, and that have terms to maturity approximating the terms of the related pension liability. The expected rate of increase of medical costs has been determined by comparing the historical relationship of the actual medical cost increases with the rate of inflation in the respective economies. Other key assumptions for the pension and post-employment benefits cost and credits are based in part on current market conditions.

(iv) Liabilities arising from claims made under insurance contracts

General Insurance

The determination of the liabilities under insurance contracts represents the liability for future claims payable by the insurance subsidiaries based on contracts for the insurance business in force at the statement of financial position date using several methods, including the Paid Loss Development method, the Incurred Loss Development method, the Bornhuetter-Ferguson Paid Loss method, the Bornhuetter-Ferguson Incurred Loss method and the Frequency-Severity method. These liabilities represent the amount of future premiums that will, in the opinion of the actuary, be sufficient to pay future claims relating to contracts of insurance in force, as well as meet the other expenses incurred in connection with such contracts. A margin for risk or uncertainty (adverse deviations) in these assumptions is added to the liability. The assumptions are examined each year in order to determine their validity in light of current best estimates or to reflect emerging trends in the insurance subsidiaries' experience.

Claims are analysed separately between those arising from damage to insured property and consequential losses. Claims arising from damage to insured property can be estimated with greater reliability, and the insurance subsidiaries' estimation processes reflect all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims allows the insurance subsidiaries to achieve a higher degree of certainty about the estimated cost of claims, and relatively little IBNR is held at year-end. However, the longer time needed to assess the emergence of claims arising from consequential losses makes the estimation process more uncertain for these claims.

Life Insurance

The determination of the liabilities under long-term insurance contracts is dependent on estimates made by the appointed actuary. Estimates are made regarding the expected number of claims for each of the years in which the Group is exposed to risk. These estimates are based on standard industry and international mortality and morbidity tables that reflect recent historical mortality experience, adjusted where appropriate to reflect the insurance subsidiary's own experience. The estimated number of claims determines the value of the benefit payments and the value of the valuation premiums.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Key sources of estimation uncertainty (continued)

(v) Investment properties

Investment properties are carried in the statement of financial position at market value. The Group uses independent qualified property appraisers to value its investment properties annually, generally using the income approach. This approach takes into consideration various assumptions and factors including; the level of current and future occupancy, the rate of annual rent increases, the rate of inflation of direct expenses, the appropriate discount rate, and the current condition of the properties together with an estimate of future maintenance and capital expenditures. Reference is also made to recent comparable sales. A change in any of these assumptions and factors could have a significant impact on the valuation of investment properties.

(vi) Land and buildings

Freehold land and buildings are carried in the statement of financial position at fair value, with changes in fair value being recognised in 'capital and fair value reserve' through other comprehensive income. The Group uses independent qualified property appraisers to value its land and buildings bi-annually. Those fair values were derived using:

- The sales comparison approach, which references market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. The most significant input into this valuation approach is price per square foot. Significant increases (decreases) in estimated price per square foot in isolation would result in a significantly higher (lower) fair value.

(vii) Fair value of financial instruments

In the absence of quoted market prices, the fair values of a significant portion of the Group's financial instruments were determined using generally accepted alternative methods. The values derived from applying these methods are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. Considerable judgement is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instruments in an arm's length transaction.

(viii) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI requires the use of complex models and significant assumptions about future economic conditions and credit behaviour such as the likelihood of customers defaulting and the resulting losses.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk
- Choosing appropriate models and assumptions for the measurement of ECL
- Establishing the number and relative weightings of forward-looking scenarios
- Establishing groups of similar financial assets for the purpose of measuring ECL

Further details about judgements and estimates made by the Group in the above areas is set out in Notes 2 (h) and 3 (c) (i).

(ix) Business combinations

Business combinations are accounted for using the acquisition method. The Group determines the identifiable assets and liabilities using the Purchase Price Allocation method. Under this method, the Group makes estimates about future cash flows which are derived based on factors such as revenue growth, future margins, attrition rates, and discount rates in determining the fair values of the identifiable intangible assets. A similar approach to determine the identifiable assets and liabilities is used for associates and joint ventures.

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5. Cash and Deposits

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	19,147,934	17,778,135	1,864,755	1,700,580
Deposits	14,547,011	5,408,213	654,985	-
	33,694,945	23,186,348	2,519,740	1,700,580

Included in deposits is interest receivable of \$59,297,000 (2024: \$23,207,000) and \$34,985,000 (2024: \$Nil) for the Group and company, respectively. The weighted average effective interest rate on deposits was 5.93% (2024: 5.93%) and 7.60% (2024: Nil) for the Group and company, respectively, and these deposits have an average maturity of under 3 months.

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	19,147,934	17,778,135	1,864,755	1,700,580
Deposits	14,547,011	5,408,213	654,985	-
	33,694,945	23,186,348	2,519,740	1,700,580
Bank overdrafts (Note 15)	(1,945,992)	(465,816)	(1,401,951)	(60,993)
	31,748,953	22,720,532	1,117,789	1,639,587

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6. Investment Securities and Pledged Assets

(a) Investment securities

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
At amortised cost:				
Bank of Jamaica	15,896,062	14,709,598	-	-
Government of Jamaica securities	5,645,777	4,992,268	1,477,904	2,104,204
Foreign government securities	745,091	1,066,539	-	-
Corporate bonds	14,461,561	14,148,553	4,112,412	4,437,382
Other debt securities	19,506,806	20,015,667	816,730	1,048,700
Other	1,443	4,338	335	335
	56,256,740	54,936,963	6,407,381	7,590,621
At fair value through other comprehensive income:				
Quoted equities	660,368	737,284	52,958	58,614
Government of Jamaica securities	2,204,071	3,266,646	-	-
Foreign government securities	778,631	954,799	-	-
Corporate bonds	2,105,695	2,308,538	-	-
	5,748,765	7,267,267	52,958	58,614
At fair value through profit or loss:				
Quoted equities	1,487,722	1,408,304	-	-
Other securities	275,175	252,968	-	-
	1,762,897	1,661,272	-	-
Total	63,768,402	63,865,502	6,460,339	7,649,235
Less: Pledged assets (Note 6b)	(685,742)	(78,777)	-	-
Investment securities in the statement of financial position	63,082,660	63,786,725	6,460,339	7,649,235

Included in investment securities is interest receivable of \$1,051,598,000 (2024: \$681,006,000) and \$202,035,000 (2024: \$108,556,000) for the Group and the company respectively.

The effective interest rate on the investment securities for the Group and company are 5.76% (2024: 6.68%) and 7.95% (2024: 8.48%), respectively.

Included in investment securities for the Group is \$30,571,055,000 (2024: \$28,915,204,000) and company \$1,049,994,000 (2024: \$1,147,570,000) which matures within the next 12 months.

Included in Bank of Jamaica securities is \$7,954,697,000 (2024: \$6,936,152,000) held at the Bank of Jamaica under Section 43 of the Banking Services Act, 2018, which requires that every licensee maintains a cash reserve with the Bank of Jamaica. A prescribed minimum of 6% (2024: 6%) of Jamaica dollar currency deposits liabilities and 14% (2024: 14%) of foreign currency deposit liabilities is required to be maintained as cash reserves by the banking subsidiary. No portion of the cash reserve is available for investment, lending or other use by the Group or the banking subsidiary.

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6. Investment Securities and Pledged Assets (Continued)

(b) Pledged assets

Assets are pledged as collateral under repurchase agreements with other financial institutions and for security relating to overdraft and other facilities with other financial institutions and the Bank of Jamaica.

	Group			
	Asset		Related Liability	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Total in the statement of financial position (Note 6a)	685,742	78,777	658,541	75,000

There were no pledged assets in relation to the company.

Of the assets pledged as security, the following represents the total for those assets pledged for which the transferee has the right by contract or custom to sell or repledge the collateral.

	Group	
	2025 \$'000	2024 \$'000
	2025 \$'000	2024 \$'000
Pledged assets with right to sell or repledge	685,742	78,777

(c) Investments in financial assets designated at fair value through other comprehensive income

The Group has designated at FVOCI investments in a portfolio of equity securities issued by the following exchanges:

- Jamaica Stock Exchange
- Trinidad & Tobago Stock Exchange

The Group chose this presentation alternative because the investments were made for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

The fair value of these investments is \$660,368,000 and \$52,958,000 for the Group and company respectively as at 31 December 2025. Dividends of \$25,575,000 and \$29,000 were recognised during the year for the Group and company respectively. There were no transfers of the cumulative gain within equity during the year.

For debt investments at FVOCI, the Group recognised net gains/net losses of \$4,319,000 in the income statement during the year, being reclassified from other comprehensive income on sale.

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7. Receivables

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Trade receivables, less provision for impairment	16,350,451	15,083,148	2,524,268	2,367,778
Due from insurance agents and brokers	2,102,670	1,003,580	-	-
Reinsurance contract assets (a)	4,562,202	255,601	-	-
Receivable from associates and joint ventures (Note 35e)	56,716	83,269	4,413	6,870
Prepayments	1,817,377	1,928,650	184,561	192,502
Other receivables	4,378,799	2,055,679	1,767,297	180,429
	29,268,215	20,409,927	4,480,539	2,747,579

The fair values of trade and other receivables approximate carrying values. All receivable balances are due within the next 12 months.

(a) Reinsurance contract assets/(liabilities):

	Group	
	2025	2024
	\$'000	\$'000
Reinsurance held Asset for remaining coverage		
Brought forward	(3,212,016)	(1,722,935)
Reinsurance expenses	(7,186,805)	(6,561,193)
Premiums and other directly attributable expenses paid	3,220,301	5,071,869
Exchange difference	(6,991)	243
Carried forward	(7,185,511)	(3,212,016)
Reinsurance held Asset for incurred claims - Present value of future cash flows		
Brought forward	2,599,997	1,680,080
Claims outstanding	2,709,353	1,905,459
Actuarial claims adjustment	-	(127,550)
Discount	(109,356)	(97,829)
Incurred claims recovery	10,670,570	970,016
Recoveries from reinsurance	(2,594,614)	(39,284)
Finance income recognised in P&L	(185,719)	(10,873)
Exchange difference	(628)	58
Carried forward	10,489,606	2,599,997
Claims outstanding	10,784,680	2,836,249
Claims adjustment	-	(127,550)
Discount	(295,074)	(108,702)
Reinsurance held Asset for incurred claims - Risk adjustment		
Brought forward	126,640	138,034
Incurred claims recovery - risk adjustment	770,418	(11,403)
Exchange difference	10	9
Carried forward	897,068	126,640
Total Reinsurance contract (liabilities)/assets (net)	4,201,163	(485,379)
Reinsurance contract assets (gross)	4,562,202	255,601
Reinsurance contract liabilities (gross) (Note 17)	(361,039)	(740,980)
	4,201,163	(485,379)

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8. Inventories

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Raw materials and spares	1,811,749	1,427,820	-	-
Finished goods	3,519,996	2,891,715	-	-
Merchandise	18,316,750	15,366,511	4,079,903	3,676,122
Goods in transit	2,390,028	3,838,498	595,193	1,038,508
	26,038,523	23,524,544	4,675,096	4,714,630

The inventory write-down recognised as an expense amounted to \$324,106,000 (2024: \$295,293,000) and \$94,322,000 (2024: \$86,575,000) for the Group and the company respectively.

9. Loans Receivable

(a) Loans receivable comprise:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Finance leases, less deferred profit	-	371	-	-
Loans and receivables:				
Loans to subsidiaries (Note 35e)	-	-	3,761,614	4,329,625
Loans to associates and joint ventures (Note 35e)	556,236	584,936	-	-
Loans to others	50,468,628	44,108,956	-	-
	51,024,864	44,694,263	3,761,614	4,329,625

Loans receivable are due within 10 years from the statement of financial position date.

Included in loans receivable is interest receivable of \$343,785,000 (2024: \$281,669,000) and \$46,477,000 (2024: \$55,194,000) for the Group and company, respectively.

Included in loans receivable is \$9,364,329,000 (2024: \$12,007,605,000) and \$2,122,382,000 (2024: \$2,079,081,000) which matures in the next 12 months for the Group and the company respectively.

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9. Loans Receivable (Continued)

(b) Finance lease receivables:

	Group	
	2025	2024
	\$'000	\$'000
Gross receivables from finance leases:		
Not later than 1 year	-	375
Unearned future finance income on finance leases	-	375
	-	(4)
Net investment in finance leases	-	371
The net investment in finance leases is analysed as follows:		
Not later than 1 year	-	371
Total	-	371

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10. Investments in Associates and Joint Ventures

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
At beginning of year	6,737,995	5,091,316	49,698	49,698
Amounts recognised in the income statement	1,208,798	899,949	-	-
Amounts recognised in other comprehensive income	36,249	181,621	-	-
Dividends paid	(351,360)	(400,198)	-	-
Additions	-	965,307	-	-
Amounts recognised in the statement of financial position	7,631,682	6,737,995	49,698	49,698

	Group	
	2025	2024
	\$'000	\$'000
Dairy Industries (Jamaica) Limited	2,542,767	2,266,333
CSGK Finance Holdings Limited	2,703,153	2,486,518
Spur Tree Spices Jamaica Limited	862,672	838,939
Canopy Insurance Limited	593,914	472,550
Immaterial associated companies	929,176	673,655
Amounts recognised in the statement of financial position	7,631,682	6,737,995

Dairy Industries (Jamaica) Limited (DIJL), CSGK Finance Holdings Limited (CSGK), Spur Tree Spices Jamaica Limited (STSJ), and Canopy Insurance Limited (CIL) in the opinion of the directors, are material to the Group.

DIJL has share capital consisting solely of ordinary shares, which are partially owned by the Group and held directly by the parent company. The Group owns 50% of the share capital in DIJL. DIJL is one of the main manufacturers of dairy products such as cheese and yogurt, within Jamaica; and sells its products mainly through distributors including to companies within the Group.

CSGK has share capital consisting solely of ordinary shares, which are held indirectly by the parent company through a banking and investment subsidiary. The Group owns 50% of the share capital in CSGK. CSGK is a finance company whose principal activities, through its wholly owned subsidiary Signia Financial Group Inc., are the provision of term finance, motor vehicle leasing, acceptance of deposits, foreign exchange dealing and stock broking.

STSJ has share capital consisting solely of ordinary shares, which are held indirectly by the parent company through an investment subsidiary. The Group owns 20.2% of the share capital in STSJ. STSJ is listed on the Junior Market of the Jamaica Stock Exchange and engages in the manufacturing and distribution of seasonings, spices, canned ackees and callaloo primarily for the export market.

CIL has share capital consisting solely of ordinary shares, which are held indirectly by the parent company through a banking and investment subsidiary. The Group owns 50% of the share capital in CIL. CIL provides group life and group health insurance services.

DIJL, CSGK and CIL are private companies and there are no quoted market prices available for the shares.

There are no contingent liabilities relating to the Group's interest in DIJL, CSGK, STSJ and CIL and the Group's other associates.

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10. Investments in Associates and Joint Ventures (Continued)

The summarised information for DIJL, CSGK, STSJ and CIL that was accounted for using the equity method for the years ended 31 December 2025 and 31 December 2024 is as follows:

Summarised statement of financial position

	Dairy Industries (Jamaica) Limited		CSGK Finance Holdings Limited	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Current				
Cash and cash equivalents	585,237	271,028	5,065,842	4,067,074
Other current assets (excluding cash)	5,442,943	4,268,544	7,021,079	6,619,142
Total current net assets	6,028,180	4,539,572	12,086,921	10,686,216
Financial liabilities (excluding trade payables)	141,534	141,971	21,137,119	18,394,735
Other current liabilities (including trade payables)	2,042,548	868,962	486,894	550,097
Total current liabilities	2,184,082	1,010,933	21,624,013	18,944,832
Non-current				
Assets	1,795,531	1,568,158	25,933,410	23,328,635
Liabilities	554,095	564,132	10,990,011	10,096,982
Net assets	5,085,534	4,532,665	5,406,307	4,973,037

	Spur Tree Spices Jamaica Limited		Canopy Insurance Limited	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Current				
Cash and cash equivalents	73,264	97,048	1,300,488	954,143
Other current assets (excluding cash)	738,349	627,199	69,979	84,073
Total current net assets	811,613	724,247	1,370,467	1,038,216
Financial liabilities (excluding trade payables)	333,412	269,020	547,755	253,877
Other current liabilities (including trade payables)	93,951	129,989	42,563	34,522
Total current liabilities	427,363	399,009	590,318	288,399
Non-current				
Assets	984,624	929,005	407,678	195,283
Liabilities	407,318	410,179	-	-
Net assets	961,556	844,064	1,187,827	945,100

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10. Investments in Associates and Joint Ventures (Continued)

Summarised income statement

	Dairy Industries (Jamaica) Limited		CSGK Finance Holdings Limited	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Revenue	6,340,408	5,935,431	2,551,456	2,256,997
Depreciation and amortisation	(108,427)	(85,214)	(81,044)	(79,605)
Interest income - non-financial services	115,510	131,587	-	-
Interest expense - non-financial services	(14,458)	(41,042)	-	-
Profit before income tax	1,346,275	1,095,848	682,516	622,375
Taxation expense	(338,638)	(271,692)	(68,270)	(57,272)
Profit after tax	1,007,637	824,156	614,246	565,103
Other comprehensive income	(54,768)	322,707	107,755	32,093
Total comprehensive income	952,869	1,146,863	722,001	597,196

Dividends received by the Group from associates	200,000	250,000	144,366	146,868
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	Spur Tree Spices Jamaica Limited		Canopy Insurance Limited	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Revenue	1,739,939	750,571	4,831,352	3,962,510
Depreciation and amortisation	(38,581)	(38,581)	(25,325)	(25,325)
Interest income - non-financial services	-	-	56,241	56,100
Interest expense - non-financial services	64,423	18,303	-	-
Profit before income tax	111,260	49,912	331,709	283,805
Taxation expense	6,232	(66)	(88,982)	(65,275)
Profit after tax	117,492	49,846	242,727	218,530
Total comprehensive income	117,492	49,846	242,727	218,530

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10. Investments in Associates and Joint Ventures (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates and joint ventures

	Dairy Industries (Jamaica) Limited		CSGK Finance Holdings Limited	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Summarised financial information				
Opening net assets at 1 January	4,532,665	3,885,802	4,973,037	4,669,577
Profit for the period	1,007,637	824,156	614,246	565,103
Other comprehensive income	(54,768)	322,707	107,755	32,093
Dividends paid	(400,000)	(500,000)	(288,731)	(293,736)
Closing net assets	5,085,534	4,532,665	5,406,307	4,973,037
Interest in associates (%)	50.0	50.0	50.0	50.0
Interest in associates (J\$)	2,542,767	2,266,333	2,703,153	2,486,518
Carrying value	2,542,767	2,266,333	2,703,153	2,486,518

	Spur Tree Spices Jamaica Limited		Canopy Insurance Limited	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Summarised financial information				
Opening net assets at 1 January	844,064	-	945,100	506,570
Net assets of entity on purchase of interest	-	794,218	-	-
Profit for the period	117,492	49,846	242,727	218,530
Additional investment	-	-	-	220,000
Closing net assets	961,556	844,064	1,187,827	945,100
Interest in associates and joint ventures (%)	20.2	20.2	50.0	50.0
Interest in associates and joint ventures (J\$)	194,234	170,501	593,914	472,550
Intangible assets	668,438	668,438	-	-
Carrying value	862,672	838,939	593,914	472,550

Intangible assets related to the investment in Spur Tree Spices Jamaica Limited include the entity's brand and customer relationships with estimated useful lives of 15 years and 10 years respectively, as well as goodwill.

The amounts recognised in total comprehensive income in respect of immaterial associates are as follows:

	Group	
	2025	2024
	\$'000	\$'000
Profit	252,759	85,985
Other comprehensive income	9,755	4,220
Total comprehensive income	262,514	90,205

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11. Intangible Assets

	Brands, Customer and Supplier Relationships \$'000	Goodwill \$'000	Computer Software \$'000	Policy Contracts \$'000	Total \$'000
Group					
Cost					
At 1 January 2024	7,528,976	4,745,759	6,794,858	47,000	19,116,593
Additions and transfers	24,000	(24,000)	983,165	-	983,165
Retirement of asset	-	-	(84,109)	-	(84,109)
Transfer to fixed assets (Note 12)	-	(206,944)	-	-	(206,944)
Exchange differences	38,006	9,706	2,097	-	49,809
At 31 December 2024	7,590,982	4,524,521	7,696,011	47,000	19,858,514
Additions	-	-	1,190,782	-	1,190,782
Retirement of asset	-	-	(129,122)	-	(129,122)
Exchange differences	150,668	88,062	2,825	-	241,555
At 31 December 2025	7,741,650	4,612,583	8,760,496	47,000	21,161,729
Accumulated Amortisation					
At 1 January 2024	3,457,171	308,489	4,316,102	25,178	8,106,940
Amortisation charge for the year	509,417	-	491,825	6,714	1,007,956
Retirement of asset	-	-	(84,109)	-	(84,109)
Exchange differences	12,433	-	1,132	-	13,565
At 31 December 2024	3,979,021	308,489	4,724,950	31,892	9,044,352
Amortisation charge for the year	518,546	-	523,689	6,714	1,048,949
Impairment charge	-	-	66	-	66
Retirement of asset	-	-	(129,122)	-	(129,122)
Exchange differences	80,522	-	2,649	-	83,171
At 31 December 2025	4,578,089	308,489	5,122,232	38,606	10,047,416
Net Book Amount					
31 December 2025	3,163,561	4,304,094	3,638,264	8,394	11,114,313
31 December 2024	3,611,961	4,216,032	2,971,061	15,108	10,814,162

Impairment tests for goodwill

The Group determines whether goodwill is impaired at least on an annual basis or when events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated. The recoverable amount is usually determined by reference to the value in use. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows.

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11. Intangible Assets (Continued)

The allocation of goodwill to the Group's cash generating units (CGUs) identified according to segment is as follows:

	2025 \$'000	2024 \$'000
Food		
- Jamaica operations	1,876,036	1,876,036
- United Kingdom operations	589,225	534,631
- United States operations	1,188,440	1,163,590
Insurance		
- Jamaica operations	171,937	171,937
- Caribbean operations	404,091	395,473
Other/Unallocated		
- Jamaica operations	74,365	74,365
	4,304,094	4,216,032

For the year ended 31 December 2025, management tested the goodwill allocated to all the CGUs for impairment.

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the industry in which the CGU operates.

Key assumptions used for value in use calculations:

	Revenue Growth Rate	EBITDA to Revenue	Capital Expenditure to Revenue	Discount Rate
Food				
- Jamaica operations	6.32%	23.81%	2.05%	11.94%
- United Kingdom operations	6.57%	8.40%	0.91%	10.00%
- United States operations	12.76%	6.47%	1.34%	11.04%
Insurance				
- Jamaica operations	7.58%	6.32%	0.28%	11.30%
- Caribbean operations	26.69%	17.54%	0.06%	13.10%
Other/Unallocated				
- Jamaica operations	21.42%	10.64%	0.74%	14.72%

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11. Intangible Assets (Continued)

	Computer Software \$'000
Company	
Cost	
At 1 January 2024	2,331,025
Additions	194,302
Retirement of asset	(72,507)
At 31 December 2024	2,452,820
Additions	168,876
Retirement of asset	(44,915)
At 31 December 2025	2,576,781
Accumulated Amortisation	
At 1 January 2024	1,216,728
Amortisation charge for the year	169,561
Retirement of asset	(72,507)
At 31 December 2024	1,313,782
Amortisation charge for the year	174,079
Retirement of asset	(44,915)
At 31 December 2025	1,442,946
Net Book Amount	
31 December 2025	1,133,835
31 December 2024	1,139,038

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12. Fixed Assets

	Freehold Land and Buildings \$'000	Leasehold Buildings and Improvements \$'000	Plant, Equipment, Fixtures & Vehicles \$'000	Right- of-Use Assets ^(a) \$'000	Capital Work in Progress \$'000	Total \$'000
Group						
Cost						
At 1 January 2024	15,876,330	3,653,532	14,130,276	13,323,466	1,205,357	48,188,961
Additions	63,647	196,207	847,334	1,520,595	1,647,730	4,275,513
Revaluation adjustment	1,763,837	-	-	-	-	1,763,837
Transfers	230,226	420,349	1,093,485	-	(1,744,060)	-
Transfer to investment properties (Note 38)	(23,500)	-	-	-	-	(23,500)
Disposals	-	(805)	(213,427)	(293,308)	(3,140)	(510,680)
Transfer from intangible assets (Note 11)	-	-	206,944	-	-	206,944
Exchange differences	14,281	5,309	(7,123)	(7,749)	2,548	7,266
At 31 December 2024	17,924,821	4,274,592	16,057,489	14,543,004	1,108,435	53,908,341
Additions	9,204	54,295	943,542	1,023,510	1,632,906	3,663,457
Revaluation adjustment	29,372	-	-	-	-	29,372
Transfers	31,714	130,279	395,524	-	(557,517)	-
Disposals	(143,875)	(76,682)	(1,193,990)	(998,607)	(38,318)	(2,451,472)
Exchange differences	47,933	60,716	133,947	373,777	174	616,547
At 31 December 2025	17,899,169	4,443,200	16,336,512	14,941,684	2,145,680	55,766,245
Accumulated Depreciation						
At 1 January 2024	262,198	2,212,635	9,524,380	5,755,226	-	17,754,439
Charge for the year	273,359	240,555	1,216,567	1,546,566	-	3,277,047
Revaluation adjustment	(535,591)	-	-	-	-	(535,591)
On disposals	-	(115)	(181,397)	(154,245)	-	(335,757)
Exchange differences	43	888	(8,378)	(25,699)	-	(33,146)
At 31 December 2024	9	2,453,963	10,551,172	7,121,848	-	20,126,992
Charge for the year	279,485	274,992	1,302,536	1,647,237	-	3,504,250
On disposals	(3,297)	(69,439)	(1,022,748)	(672,766)	-	(1,768,250)
Exchange differences	(12)	38,503	104,839	253,876	-	397,206
At 31 December 2025	276,185	2,698,019	10,935,799	8,350,195	-	22,260,198
Net Book Amount						
31 December 2025	17,622,984	1,745,181	5,400,713	6,591,489	2,145,680	33,506,047
31 December 2024	17,924,812	1,820,629	5,506,317	7,421,156	1,108,435	33,781,349

^(a) The categorisation of the right-of-use assets is detailed in Note 16.

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12. Fixed Assets (Continued)

	Freehold Land and Buildings \$'000	Leasehold Buildings and Improvements \$'000	Plant, Equipment, Fixtures & Vehicles \$'000	Right- of-Use Assets ^(a) \$'000	Capital Work in Progress \$'000	Total \$'000
Company						
Cost						
At 1 January 2024	108,000	110,907	1,363,262	1,993,074	18,936	3,594,179
Additions	-	29,069	116,415	115,342	9,782	270,608
Revaluation adjustment	18,000	-	-	-	-	18,000
Transfers	-	-	9,709	-	(9,709)	-
Disposals	-	-	(62,237)	(175,342)	(3,141)	(240,720)
At 31 December 2024	126,000	139,976	1,427,149	1,933,074	15,868	3,642,067
Additions	-	3,579	119,253	-	(1,761)	121,071
Disposals	-	-	(121,683)	(19,720)	-	(141,403)
At 31 December 2025	126,000	143,555	1,424,719	1,913,354	14,107	3,621,735
Accumulated Depreciation						
At 1 January 2024	2,050	94,523	861,081	430,349	-	1,388,003
Charge for the year	2,050	5,000	165,142	232,226	-	404,418
Revaluation adjustment	(4,100)	-	-	-	-	(4,100)
On disposals	-	-	(60,501)	(40,405)	-	(100,906)
At 31 December 2024	-	99,523	965,722	622,170	-	1,687,415
Charge for the year	2,325	6,020	167,608	226,024	-	401,977
On disposals	-	-	(119,580)	(12,089)	-	(131,669)
At 31 December 2025	2,325	105,543	1,013,750	836,105	-	1,957,723
Net Book Amount						
31 December 2025	123,675	38,012	410,969	1,077,249	14,107	1,664,012
31 December 2024	126,000	40,453	461,427	1,310,904	15,868	1,954,652

^(a) The categorisation of the right-of-use assets is detailed in Note 16.

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12. Fixed Assets (Continued)

- (a) If land and buildings were stated on the historical cost basis, the amounts would be as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cost	12,047,974	12,103,144	44,660	44,660
Accumulated depreciation	1,819,561	1,622,059	20,847	19,731
Net Book Amount	10,228,413	10,481,085	23,813	24,929

- (b) The Group's land and buildings were revalued during 2024 by independent valuers. The valuations were done on the basis of open market value. The revaluation surpluses, net of applicable deferred income taxes, were credited to the capital and fair value reserves in equity (Note 20).
- (c) Borrowing costs of \$60,132,000 (2024: \$Nil) arising on financing specifically entered into for the construction of new cold storage at the distribution centre were capitalised during the year and are included in 'additions' in capital work in progress.

A capitalisation rate of 10.80% (2024: Nil) was used, representing the borrowing cost of the loan used to finance the project.

13. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using principal tax rates of 25% for unregulated companies and 33 ⅓% for regulated companies.

The movement on the deferred income tax account is as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
At beginning of year	(8,991)	(44,565)	21,841	(137,451)
Income statement credit (Note 29)	331,951	341,460	114,420	162,928
Tax charge relating to components of other comprehensive income (Note 29)	(21,655)	(304,569)	(76,812)	(3,636)
Exchange differences	(8,070)	(1,317)	-	-
At end of year	293,235	(8,991)	59,449	21,841

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13. Deferred Income Taxes (Continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. Subject to agreement with the taxation administration in the relevant jurisdictions, the Group has recognised tax losses of \$3,140,552,000 (2024: \$2,335,534,000).

Deferred income tax liabilities of \$1,906,462,000 (2024: \$1,721,671,000) have not been established for the withholding taxes that would be payable on the unremitted earnings of certain foreign subsidiaries, as such amounts are permanently reinvested; such unremitted earnings totalled \$7,625,848,000 (2024: \$6,886,682,000).

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the period is as follows:

	Group					
	Fixed Assets \$'000	Fair Value Gains \$'000	Unrealised Foreign Exchange Gains \$'000	Pension Plan Assets \$'000	Other \$'000	Total \$'000
Deferred tax liabilities						
At 1 January 2024	1,421,767	400,732	9,989	1,124,304	721,117	3,677,909
Charged/(credited) to the income statement	213,522	26,584	(5,706)	(60,264)	211,107	385,243
Charged to other comprehensive income	314,729	48,776	-	38,125	-	401,630
Exchange differences	1,593	-	-	-	(135)	1,458
At 31 December 2024	1,951,611	476,092	4,283	1,102,165	932,089	4,466,240
Charged/(credited) to the income statement	279,152	32,998	115	(75,740)	(83,361)	153,164
Charged/(credited) to other comprehensive income	29,296	(217,223)	-	(1,880)	-	(189,807)
Exchange differences	6,871	-	-	-	7,012	13,883
At 31 December 2025	2,266,930	291,867	4,398	1,024,545	855,740	4,443,480
	Fixed Assets \$'000	Fair Value Losses \$'000	Unutilised Tax Losses and Credits \$'000	Employee Benefit Obligations \$'000	Other \$'000	Total \$'000
Deferred tax assets						
At 1 January 2024	564,090	30,052	559,013	1,772,735	707,454	3,633,344
Credited to the income statement	120,917	142	119,084	183,057	303,503	726,703
Credited to other comprehensive income	-	21,522	-	75,539	-	97,061
Exchange differences	165	-	(442)	-	418	141
At 31 December 2024	685,172	51,716	677,655	2,031,331	1,011,375	4,457,249
(Charged)/credited to the income statement	(11,895)	174	219,985	165,876	110,975	485,115
Charged to other comprehensive income	-	(1,049)	-	(210,413)	-	(211,462)
Exchange differences	388	2	2,414	-	3,009	5,813
At 31 December 2025	673,665	50,843	900,054	1,986,794	1,125,359	4,736,715

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13. Deferred Income Taxes (Continued)

	Company					
	Fixed Assets \$'000	Fair Value Gains \$'000	Unrealised Foreign Exchange Gains \$'000	Pension Plan Assets \$'000	Other \$'000	Total \$'000
Deferred tax liabilities						
At 1 January 2024	49,475	9,175	3,353	1,124,304	31,551	1,217,858
Credited to the income statement	(2,129)	-	(3,353)	(60,264)	(17,795)	(83,541)
Charged/(credited) to other comprehensive income	5,269	(7,324)	-	38,125	-	36,070
At 31 December 2024	52,615	1,851	-	1,102,165	13,756	1,170,387
(Credited)/charged to the income statement	(13,115)	-	-	(75,740)	19,522	(69,333)
Credited to other comprehensive income	-	(1,738)	-	(1,880)	-	(3,618)
At 31 December 2025	39,500	113	-	1,024,545	33,278	1,097,436
	Fixed Assets \$'000	Fair Value Losses \$'000	Unutilised Tax Losses and Credits \$'000	Employee Benefit Obligations \$'000	Other \$'000	Total \$'000
Deferred tax assets						
At 1 January 2024	109,343	-	-	739,974	231,090	1,080,407
Credited to the income statement	12,321	-	-	55,289	11,777	79,387
Credited to other comprehensive income	-	-	-	32,434	-	32,434
At 31 December 2024	121,664	-	-	827,697	242,867	1,192,228
Credited to the income statement	2,722	-	-	22,189	20,176	45,087
Charged to other comprehensive income	-	-	-	(80,430)	-	(80,430)
At 31 December 2025	124,386	-	-	769,456	263,043	1,156,885

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13. Deferred Income Taxes (Continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	2,049,015	1,504,596	59,449	21,841
Deferred tax liabilities	(1,755,780)	(1,513,587)	-	-
	293,235	(8,991)	59,449	21,841

The gross amounts shown in the above tables include the following:

Deferred tax assets:

Deferred tax assets to be recovered after more than 12 months	3,560,513	3,394,158	893,842	949,361
Deferred tax assets to be recovered within 12 months	1,176,202	1,063,091	263,043	242,867
	4,736,715	4,457,249	1,156,885	1,192,228

Deferred tax liabilities:

Deferred tax liabilities to be settled after more than 12 months	(3,291,475)	(3,053,776)	(1,064,045)	(1,154,780)
Deferred tax liabilities to be settled within 12 months	(1,152,005)	(1,412,464)	(33,391)	(15,607)
	(4,443,480)	(4,466,240)	(1,097,436)	(1,170,387)
Deferred tax assets/(liabilities) net	293,235	(8,991)	59,449	21,841

14. Pensions and Other Post-Employment Obligations

The Group has both defined contribution pension schemes and a defined benefit pension scheme.

Defined contribution schemes

The defined contribution pension scheme is open to Jamaican based employees hired on or after 1 April 2010. Employees contribute 5% of pensionable earnings with the option to contribute an additional voluntary contribution of 5%. The employer contributions are currently set at 10%. The Group also has other defined contribution schemes open to employees of its foreign subsidiaries which are operated in those countries. The Group's and company's contributions for the year were \$775,277,000 (2024: \$770,341,000) and \$224,833,000 (2024: \$197,142,000) respectively.

Defined benefit scheme

The Group's defined benefit pension scheme, which commenced on 1 January 1975, is funded by employee contributions at 5% of salary with the option to contribute an additional 14.5%, and employer contributions at 0.02%, as recommended by independent actuaries. The last valuation was carried out at 31 December 2022. Pension at normal retirement age is based on 2% per year of pensionable service of the average of the highest three years' annual salary during the last ten years of service. This scheme was closed to new members as at 31 March 2010.

The Board of Trustees of the pension fund is comprised of representatives from both the employer and members of the plan. The Board of Trustees of the pension fund is required by law to act in the interest of the fund and all relevant stakeholders. The Board of Trustees of the fund is responsible for the investment policy with regard to the assets of the fund. The funds are managed by Proven Fund Managers Limited.

In the event of a plan surplus the Group is able to take a contribution holiday, while a funding deficiency will require the Group to make additional contributions to adequately fund the plan.

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14. Pension and Other Post-Employment Obligations (Continued)

Pension benefits

The amounts recognised in the statement of financial position are determined as follows:

	Group and Company	
	2025 \$'000	2024 \$'000
Present value of funded obligations	38,525,037	36,838,521
Fair value of plan assets	(44,390,263)	(44,627,709)
	(5,865,226)	(7,789,188)
Limitation on asset due to uncertainty of obtaining economic benefit	1,767,046	3,380,527
Asset in the statement of financial position	(4,098,180)	(4,408,661)

The movement in the defined benefit obligation over the year is as follows:

	Group and Company	
	2025 \$'000	2024 \$'000
Beginning of year	36,838,521	33,826,316
Current service cost	599,544	576,701
Interest cost	3,234,338	3,301,304
	3,833,882	3,878,005
Remeasurements -		
Loss from change in financial assumptions	-	178,066
Experience gains	(562,240)	(51,125)
	(562,240)	126,941
Members' contributions	347,616	336,677
Benefits paid	(1,932,742)	(1,329,418)
End of year	38,525,037	36,838,521

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14. Pensions and Other Post-Employment Obligations (Continued)

Pension benefits (continued)

The movement in the fair value of plan assets for the year is as follows:

	Group and Company	
	2025	2024
	\$'000	\$'000
Beginning of year	44,627,709	43,480,856
Interest income on plan assets	3,943,529	4,275,628
Return on plan assets, excluding amounts included in interest income	(2,487,486)	(2,013,093)
Members' contributions	347,616	336,677
Employers' contributions	528	555
Benefits paid	(1,932,742)	(1,329,418)
Administration costs	(108,891)	(123,496)
End of year	44,390,263	44,627,709

The amounts recognised in the income statement are as follows:

	Group and Company	
	2025	2024
	\$'000	\$'000
Current service cost	599,544	576,701
Interest income (net)	(404,944)	(458,591)
Administration costs	108,891	123,496
Total, included in staff costs (Note 28)	303,491	241,606

As at the last valuation date, the present value of the defined benefit obligation was comprised of approximately \$17,732,350,000 (2024: \$18,799,370,000) relating to active employees, \$3,485,109,000 (2024: \$3,379,680,000) relating to deferred members and \$17,307,578,000 (2024: \$14,659,471,000) relating to members in retirement.

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14. Pensions and Other Post-Employment Obligations (Continued)

Pension benefits (continued)

The plan assets are comprised of:

	Group and Company			
	2025 \$'000	%	2024 \$'000	%
Equity	16,860,818	38%	17,909,873	40%
Debt	10,667,698	24%	5,417,811	12%
Real estate	8,993,784	20%	8,013,425	18%
Government securities	6,467,995	15%	12,186,244	27%
Other	1,399,968	3%	1,100,356	3%
	44,390,263	100%	44,627,709	100%

The pension plan assets include the company's ordinary stock units with a fair value of \$3,288,305,000 (2024: \$3,548,405,000) and buildings occupied by Group companies with fair values of \$1,968,828,000 (2024: \$1,751,801,000).

The benefit that the company derives from the surplus of the pension plan is limited to the extent of the reduction in future contributions that it will make to the pension scheme.

Expected contributions by the Group to the post-employment scheme for the year ending 31 December 2026 are \$521,000. The actual return on plan assets was \$1,456,043,000 (2024: \$2,262,535,000).

The principal actuarial assumptions used were as follows:

	2025	2024
Discount rate	9.0%	9.0%
Long term inflation rate	5.0%	5.0%
Future salary increases	6.5%	6.5%
Future pension increases	5.0%	5.0%

Assumptions regarding future mortality experience are set based on advice, published statistics and experience.

The average life expectancy in years of a pensioner retiring at age 60 on the statement of financial position date is as follows:

	2025	2024
Male	25.50	25.40
Female	27.80	27.70

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14. Pensions and Other Post-Employment Obligations (Continued)

Pension benefits (continued)

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

Group and Company							
Impact on post-employment obligations							
	Change in Assumption		Increase in Assumption			Decrease in Assumption	
			2025	2024		2025	2024
Discount rate	1%	Decrease by	12.0%	12.3%	Increase by	14.9%	15.3%
Future salary increases	1%	Increase by	2.4%	2.7%	Decrease by	2.2%	2.4%
Expected pension increase	1%	Increase by	11.5%	11.6%	Decrease by	9.7%	9.8%

Group and Company							
Impact on post-employment obligations							
			Increase in Assumption by One Year			Decrease in Assumption by One Year	
			2025	2024		2025	2024
Life expectancy		Increase by	2.4%	2.5%	Decrease by	2.5%	2.6%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Other post-employment obligations

The Group operates a number of post-employment benefit schemes, principally in Jamaica. The benefits covered under the schemes include group life, insured and self-insured health care, gratuity and other supplementary plans. Funds are not built up to cover the obligations under these retirement benefit schemes. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension schemes.

In addition to the assumptions used for the pension benefit, the main actuarial assumptions are a long term increase in health costs of 6.5% per year (2024: 6.5% per year) and a discount rate of 10.0% per year (2024: 9.5% per year) for the group life and insured group health plans.

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14. Pensions and Other Post-Employment Obligations (Continued)

Other post-employment obligations (continued)

The amounts recognised in the statement of financial position were determined as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Present value of unfunded obligations	7,243,480	7,446,261	3,077,823	3,310,788

Movement in the defined benefit obligation is as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Beginning of year	7,446,261	6,519,587	3,310,788	2,959,894
Current service cost	324,974	274,549	101,276	80,845
Interest cost	674,761	670,268	296,104	298,788
Past service cost - vested benefits	110,894	(2,929)	80,669	2,723
	1,110,629	941,888	478,049	382,356
Remeasurements -				
Gain from change in demographic assumptions	(181,836)	(180,973)	(52,687)	(60,418)
(Gain)/loss from change in financial assumptions	(402,995)	598,675	(146,535)	251,321
Experience gains	(182,981)	(150,839)	(122,496)	(61,169)
	(767,812)	266,863	(321,718)	129,734
Benefits paid	(545,598)	(282,077)	(389,296)	(161,196)
End of year	7,243,480	7,446,261	3,077,823	3,310,788

The amounts recognised in the income statement were as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Current service cost	324,974	274,549	101,276	80,845
Interest cost	674,761	670,268	296,104	298,788
Past service cost	110,894	(2,929)	80,669	2,723
Total included in staff costs (Note 28)	1,110,629	941,888	478,049	382,356

The total charge was included in administration expenses.

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14. Pensions and Other Post-Employment Obligations (Continued)

Other post-employment obligations (continued)

The composition of the liability recognised in relation to the other post-employment obligations in the statement of financial position is as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Gratuity Plan	999,851	1,131,940	480,756	616,325
Group Life Plan	1,870,299	1,950,613	885,724	943,007
Insured Group Health	3,101,959	2,983,770	1,051,744	1,026,853
Self Insured Health Plan	893,252	982,724	377,524	424,791
Supplementary Pension Plan	378,119	397,214	282,075	299,812
Liability in the statement of financial position	7,243,480	7,446,261	3,077,823	3,310,788

The sensitivity of the post-employment medical benefits to changes in the principal assumptions is:

Group							
Impact on post-employment obligations							
	Change in Assumption		Increase in Assumption			Decrease in Assumption	
			2025	2024		2025	2024
Discount rate	1%	Decrease by	12.9%	13.9%	Increase by	16.1%	17.8%
Medical inflation rate	1%	Increase by	16.5%	18.1%	Decrease by	13.3%	14.4%

Company							
Impact on post-employment obligations							
	Change in Assumption		Increase in Assumption			Decrease in Assumption	
			2025	2024		2025	2024
Discount rate	1%	Decrease by	12.0%	12.8%	Increase by	15.0%	16.2%
Medical inflation rate	1%	Increase by	15.3%	16.5%	Decrease by	12.5%	13.5%

Risks associated with pension plans and post-employment plans

Through its defined benefit pension plan and other post-employment benefits, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will create a deficit.

As the plan matures, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities. This process includes monitoring and rebalancing the asset classes and the maturity profile of assets within these classes. The Government bonds largely represent investments in Government of Jamaica securities.

However, the Group believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Group's long term strategy to manage the plan efficiently.

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14. Pensions and Other Post-Employment Obligations (Continued)

Risks associated with pension plans and post-employment plans (continued)

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities in the event that discretionary pension increases are granted. The majority of the plan's assets are either unaffected by (fixed interest securities) or loosely correlated with (equities) inflation, meaning that an increase in inflation has the potential to reduce the surplus or create a deficit.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

The Board of Trustees is ultimately responsible for the establishment and oversight of the plan's risk management framework, including monitoring the overall risk management process, as well as approving policies covering specific areas, such as limits for specific asset classes, foreign exchange risk, credit risk and investment of excess liquidity. The Board is responsible for monitoring the investment portfolio and investment strategies for the plan. A large portion of assets in 2025 consists of money market instruments, bonds and equities.

Funding levels are monitored on an annual basis and the current agreed contribution rate by the Group is 0.02% of pensionable salaries. The next triennial valuation is due to be completed for the plan's financial position as at 31 December 2025. The Group considers that the contribution rates set at the last valuation date to be sufficient to prevent a deficit. Regular contributions, which are based on service costs, will be assessed following the upcoming valuation to determine if any increase is required.

The average duration of the post-employment obligations is as follows:

Plans	Years
Gratuity Plan	6.5
Group Life Plan	16.3
Insured Group Health	17.1
Pension Plan	14.5
Self Insured Health Plan	11.0
Superannuation Plan	6.1

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15. Bank and Other Loans

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Secured on assets	8,278,903	8,014,146	-	-
Unsecured	27,061,476	23,081,778	14,537,305	10,879,783
	35,340,379	31,095,924	14,537,305	10,879,783

(a) Unsecured loans of subsidiaries are supported by letters of comfort from the parent company. Interest rates on these loans range between 1.1%-11.4% (2024: 2.2% - 11.4%).

(b) Bank and other loans comprise:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Bank overdrafts (Note 5)	1,945,992	465,816	1,401,951	60,993
Bank borrowings	19,787,344	17,141,166	11,752,062	9,212,611
Lease liabilities (Note 16)	7,683,880	8,442,996	1,383,292	1,606,179
Other loans	5,923,163	5,045,946	-	-
Total borrowings	35,340,379	31,095,924	14,537,305	10,879,783

Certain bank borrowings are secured on the assets of subsidiaries that have the loans. All other borrowings are unsecured. Included in bank borrowings and other loans is interest payable of \$535,882,000 (2024: \$226,441,000) and \$117,661,000 (2024: \$56,388,000) for the Group and the company, respectively.

Included in bank borrowings and other loans is \$15,190,450,000 (2024: \$9,519,572,000) and \$8,387,852,000 (2024: \$3,239,340,000) for the Group and the company respectively, which matures in the next 12 months.

The fair value of current borrowings approximates their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 6.19% (2024: 5.95%) and are within level 2 of the fair value hierarchy.

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16. Leases

(a) Amounts recognised in the statement of financial position

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Properties	5,813,506	6,579,509	1,077,249	1,310,904
Equipment	163,704	243,829	-	-
Motor vehicles	614,279	597,818	-	-
Total right-of-use assets	6,591,489	7,421,156	1,077,249	1,310,904
Current	1,401,283	1,563,154	210,730	181,053
Non-current	6,282,597	6,879,842	1,172,562	1,425,126
Total lease liabilities	7,683,880	8,442,996	1,383,292	1,606,179

Additions to the right-of-use assets were \$1,023,510,000 (2024: \$1,520,595,000) and \$Nil (2024: \$115,342,000) for the Group and company respectively.

(b) Amounts recognised in the income statement

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Depreciation charge of right-of-use assets				
Properties	1,390,032	1,340,400	226,024	232,226
Equipment	40,369	78,725	-	-
Motor vehicles	216,836	127,441	-	-
	1,647,237	1,546,566	226,024	232,226
Interest expense	465,539	469,177	112,172	138,406
Expense relating to short term leases	18,323	18,755	16,145	13,824

The total cash outflow for leases was \$2,266,488,000 (2024: \$2,168,376,000) and \$351,204,000 (2024: \$508,300,000) for the Group and company respectively.

(c) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of office space, warehouses and retail stores, the following factors are normally the most relevant:

- The existence of significant penalties to terminate (or not extend)
- The existence of leasehold improvements that are expected to have a significant remaining value
- Other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in equipment and vehicle leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

As at 31 December 2025, potential undiscounted future cash outflows of \$4,527,545,000 (2024: \$4,471,136,000) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

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17. Payables

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Trade payables	8,976,932	9,987,684	1,410,326	1,538,639
Reinsurance contract liabilities (Note 7 (a))	361,039	740,980	-	-
Payable to associates (Note 35 (e))	670,835	384,885	223,717	160,212
Accruals	6,303,187	6,553,155	1,566,825	1,726,243
Customer loyalty programme	374,088	330,820	205,896	158,059
Contract liabilities	630,886	495,300	25,354	10,167
Other payables	7,216,916	6,517,029	1,341,166	1,215,809
	24,533,883	25,009,853	4,773,284	4,809,129

All payables balances are due within the next 12 months.

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17(a). Insurance Contract Liabilities

	General 2025 \$'000	Life 2025 \$'000	Total 2025 \$'000	General 2024 \$'000	Life 2024 \$'000	Total 2024 \$'000
Insurance Liability for remaining coverage						
Brought forward	4,639,975	167,584	4,807,559	4,508,692	198,701	4,707,393
Premium balances	5,821,307	271,433	6,092,740	5,476,275	255,353	5,731,628
Deferred commissions	(703,364)	(103,849)	(807,213)	(594,274)	(56,652)	(650,926)
Deferred overhead costs	(636,058)	-	(636,058)	(498,391)	-	(498,391)
Expense balances	158,090	-	158,090	125,082	-	125,082
Insurance revenue	(16,459,928)	(1,559,199)	(18,019,127)	(13,892,249)	(1,492,904)	(15,385,153)
Insurance acquisition costs amortisation	3,089,824	312,064	3,401,888	2,622,781	430,069	3,052,850
Premiums received	17,089,730	1,475,900	18,565,630	14,169,877	1,408,046	15,577,923
Insurance acquisition costs paid	(3,239,315)	(397,996)	(3,637,311)	(2,772,079)	(381,546)	(3,153,625)
Exchange differences	7,119	5,181	12,300	2,953	5,218	8,171
Carried forward	5,127,405	3,534	5,130,939	4,639,975	167,584	4,807,559
Premium balances	6,451,111	188,133	6,639,244	5,753,903	170,494	5,924,397
Deferred commissions	(762,563)	(184,599)	(947,162)	(635,960)	(2,910)	(638,870)
Deferred overhead costs	(664,007)	-	(664,007)	(636,058)	-	(636,058)
Expense balances	102,864	-	102,864	158,090	-	158,090
Insurance Liability for incurred claims - Present value of future cash flows						
Brought forward	6,398,630	167,559	6,566,189	5,824,559	109,744	5,934,303
Claims outstanding	7,146,497	167,559	7,314,056	6,317,056	109,744	6,426,800
Claims adjustment	(25,439)	-	(25,439)	2,120	-	2,120
Discount	(844,159)	-	(844,159)	(597,750)	-	(597,750)
Expense balances	121,731	-	121,731	103,133	-	103,133
Incurred claims and other directly attributable expenses	17,530,267	291,042	17,821,309	6,082,513	443,715	6,526,228
Claims and other directly attributable expenses paid	(7,365,379)	(167,158)	(7,532,537)	(5,368,690)	(384,135)	(5,752,825)
Finance expenses recognised in P&L	(166,954)	-	(166,954)	(136,795)	-	(136,795)
Exchange differences	3,400	3,120	6,520	(2,957)	(1,765)	(4,722)
Carried forward	16,399,964	294,563	16,694,527	6,398,630	167,559	6,566,189
Claims outstanding	16,176,664	202,301	16,378,965	7,146,497	167,559	7,314,056
Claims adjustment	1,340,523	-	1,340,523	(25,439)	-	(25,439)
Discount	(1,227,204)	-	(1,227,204)	(844,159)	-	(844,159)
Expense balances	109,981	92,262	202,243	121,731	-	121,731
Insurance Liability for incurred claims - Risk adjustment						
Brought forward	321,151	-	321,151	247,598	-	247,598
Incurred claims and expenses	790,943	-	790,943	73,530	-	73,530
Exchange differences	189	-	189	23	-	23
Carried forward	1,112,283	-	1,112,283	321,151	-	321,151
Insurance acquisition cash flows assets						
Brought forward	(28,955)	-	(28,955)	(23,661)	-	(23,661)
Acquisition cash flows assets derecognised and other changes	18,996	(7,532)	11,464	(5,294)	-	(5,294)
Carried forward	(9,959)	(7,532)	(17,491)	(28,955)	-	(28,955)
Other pre-recognition cash flows assets						
Brought forward	(18,798)	-	(18,798)	(15,684)	94,149	78,465
Pre-recognition cash flows derecognised and other changes	12,855	(1,341)	11,514	(3,114)	(94,149)	(97,263)
Carried forward	(5,943)	(1,341)	(7,284)	(18,798)	-	(18,798)
Total Insurance contract liabilities	22,623,750	289,224	22,912,974	11,312,003	335,143	11,647,146

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18. Provisions

Provisions comprise restoration costs as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
At beginning of year	55,541	52,751	-	-
Additional provisions	2,488	2,334	-	-
Exchange differences	1,186	456	-	-
At end of year	59,215	55,541	-	-

This relates to the present value of the expected restoration costs to be incurred on the expiring of a lease of property by one of the food subsidiaries. The lease will expire in 2034.

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19. Share Capital

	Group and Company			
	2025	2024	2025	2024
	Units ('000)	Units ('000)	\$'000	\$'000
Authorised -				
Ordinary shares	1,200,000	1,200,000		
Issued and fully paid -				
Ordinary stock units	988,884	988,835	579,840	575,964
Treasury shares	(4,260)	(4,226)	(316,795)	(332,412)
Issued and outstanding	984,624	984,609	263,045	243,552

- (a) During the year, the company transferred 49,000 (2024: 63,000) units to employees at a fair value of \$3,876,000 (2024: \$5,059,000). The shares were issued under the Long Term Incentive (LTI) Scheme. The company, under its share buy-back programme which commenced in 2023 and ended in 2024, repurchased Nil (2024: 5,616,000) units at a fair value of \$Nil (2024: \$436,532,000).
- (b) During the year, the company through its employee investment trust sold 77,000 (2024: Nil) units of its own shares at a fair value of \$5,484,000 (2024: \$Nil), purchased 5,076,000 (2024: 1,324,000) units at a fair value of \$376,288,000 (2024: \$100,156,000) and transferred 4,965,000 (2024: 2,334,000) units to employees at a fair value of \$364,986,000 (2024: \$179,624,000). The total number of treasury shares held by the company at the end of the year was 4,260,000 (2024: 4,226,000) at a cost of \$316,795,000 (2024: \$332,412,000).
- (c) In 2016, the company commenced operating an LTI Scheme administered by a committee of the Group's Board of Directors. The scheme is governed by the provisions of the 2009 Stock Offer Plan and includes the offer of restricted stock grants and stock options to executive directors and other senior executives. Participating executives are eligible to receive awards of restricted stock grants once certain predetermined Group performance objectives are met. These awards are earned annually following achievement of the performance objectives and are subject to a two year holding period from the end of the performance year after which the stock grants will vest and the executive will be entitled to receive the stock units. The stock option portion of the LTI Scheme is granted annually and vesting is dependent on a time-based criterion.

The following allocations of stock options made to executive directors and other senior executives remain active:

	28 Feb. 2025	29 Feb. 2024	1 Mar. 2023	1 Mar. 2022	25 Feb. 2021	27 Feb. 2020	25 Jun. 2019	10 May 2018	11 May 2017
Number of shares	5,073,889	4,492,784	3,839,914	3,945,179	3,835,373	3,786,693	1,650,497	1,759,004	1,967,156
Subscription price	\$73.22	\$74.32	\$78.07	\$103.52	\$79.52	\$67.79	\$61.72	\$47.77	\$42.09

The subscription price that the options were granted at is the weighted average price of the company's shares on the Jamaica Stock Exchange for the previous three days prior to the grant date. The total of the grant to each executive director and other senior executive will fully vest on the third anniversary of the grant. After vesting executives will have up to five years to exercise the stock options.

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19. Share Capital (Continued)

(c) Long Term Incentive Scheme (continued)

	2025 Offer	2024 Offer	2023 Offer	2022 Offer	2021 Offer	2020 Offer	2019 Offer	2018 Offer	2017 Offer	Total
2025										
Movement on this option:	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
At 1 January	-	4,493	3,834	3,822	3,702	3,233	441	440	-	19,965
Granted	5,074	-	-	-	-	-	-	-	-	5,074
Exercised	-	-	-	-	-	-	-	(371)	-	(371)
Expired	-	-	-	-	-	-	-	(69)	-	(69)
At 31 December	5,074	4,493	3,834	3,822	3,702	3,233	441	-	-	24,599
2024										
Movement on this option:	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
At 1 January	-	3,834	3,822	3,702	3,323	441	440	331	-	15,893
Granted	4,493	-	-	-	-	-	-	-	-	4,493
Exercised	-	-	-	-	(90)	-	-	-	(157)	(247)
Expired	-	-	-	-	-	-	-	-	(174)	(174)
At 31 December	4,493	3,834	3,822	3,702	3,233	441	440	-	-	19,965

(d) Movements in the number of share options outstanding and their related weighted average exercise price are as follows:

	2025		2024	
	Average exercise price in \$ per share	Options '000	Average exercise price in \$ per share	Options '000
Movement on this option:				
At 1 January	79.67	19,965	80.34	15,893
Granted	73.22	5,074	74.32	4,493
Exercised	47.77	(371)	51.47	(247)
Expired	47.77	(69)	42.09	(174)
At 31 December	78.91	24,599	79.67	19,965

Shares totalling 16,787,000 (2024: 11,638,000) are exercisable at the statement of financial position date.

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19. Share Capital (Continued)

(d) Share options (continued)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

		2025	2024
	Exercise price in \$ per share	Options '000	Options '000
2025	47.77	-	440
2026	61.72	441	441
2027	67.79	3,233	3,233
2028	79.52	3,702	3,702
2029	103.52	3,822	3,822
2030	78.07	3,834	3,834
2031	74.32	4,493	4,493
2032	73.22	5,074	-
		24,599	19,965

- (e) The fair value of options granted determined using the Black-Scholes valuation model was \$662,831,000. The significant inputs into the model were the weighted average share prices and exercise prices ranging from \$28.00 to \$103.52 at the grant dates, standard deviation of expected share price returns ranging from 24.5% to 29.3%, option life of eight years and risk-free interest rates ranging between 1.45% to 8.44%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the term of the options. The fair value of potential restricted stock grants to be earned is \$829,334,000 and the fair value of restricted stock grants earned and vested is \$259,702,000.

The expense recognised in the income statement for share-based payments was \$494,613,000 (2024: \$481,143,000).

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20. Capital and Fair Value Reserves

Group								
	Capital Reserve	Loan Loss Reserve	Fair Value Reserves	Total	Capital Reserve	Loan Loss Reserve	Fair Value Reserves	Total
	2025				2024			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Realised gains on disposal of assets	102,738	-	-	102,738	102,738	-	-	102,738
Capital distributions received	46,164	-	-	46,164	46,164	-	-	46,164
Realised gain on sale of shares	237,652	-	-	237,652	259,086	-	-	259,086
Profits capitalised by Group companies	1,974,513	-	-	1,974,513	1,974,513	-	-	1,974,513
Unrealised surplus on the revaluation of fixed assets, net of deferred taxes	-	-	7,271,777	7,271,777	-	-	7,301,317	7,301,317
Fair value gains, net of deferred taxes	-	-	512,949	512,949	-	-	352,549	352,549
Loan loss reserve	-	235,033	-	235,033	-	235,033	-	235,033
Catastrophe reserve	12,270	-	-	12,270	12,270	-	-	12,270
Other	33,451	-	-	33,451	33,451	-	-	33,451
	2,406,788	235,033	7,784,726	10,426,547	2,428,222	235,033	7,653,866	10,317,121

Company						
	Capital Reserve	Fair Value Reserves	Total	Capital Reserve	Fair Value Reserves	Total
	2025			2024		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital distributions received	24,507	-	24,507	24,507	-	24,507
Unrealised surplus on the revaluation of fixed assets, net of deferred taxes	-	84,876	84,876	-	84,876	84,876
Fair value gains, net of deferred taxes	-	240,939	240,939	-	266,291	266,291
	24,507	325,815	350,322	24,507	351,167	375,674

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21. Banking Reserves

Banking reserves represent both those reserves required to be maintained by the banking subsidiary, First Global Bank Limited (FGB), in compliance with the Jamaica Banking Services Act; as well as additional reserves that the Banking Services Act permits FGB to transfer from net profit to constitute part of its capital base for purposes of determining the maximum level of deposit liabilities and lending to customers.

22. Other Reserves

	Group		Company	
	Foreign Currency Translation \$'000	Share-based Payments \$'000	Total \$'000	Share-based Payments \$'000
At 1 January 2024	5,057,856	613,854	5,671,710	357,316
Equity holders' share of other comprehensive income	9,628	-	9,628	-
Share-based payment expense	-	478,347	478,347	313,957
Transfer of treasury shares to employees	-	(178,214)	(178,214)	(125,776)
Exercised directly through equity	-	(105,779)	(105,779)	(71,304)
Transfer of shares to employees	-	(5,059)	(5,059)	(5,059)
At 31 December 2024	5,067,484	803,149	5,870,633	469,134
Equity holders' share of other comprehensive income	980,813	-	980,813	-
Share-based payment expense	-	491,722	491,722	318,027
Transfer of treasury shares to employees	-	(363,290)	(363,290)	(256,155)
Exercised directly through equity	-	(207,332)	(207,332)	(142,451)
Transfer of shares to employees	-	(3,876)	(3,876)	(3,876)
At 31 December 2025	6,048,297	720,373	6,768,670	384,679

- (a) The reserve for foreign currency translation represents foreign exchange differences arising on translation of the Group's foreign operations to the presentation currency, Jamaican dollars.
- (b) The reserve for share-based payments represents stock options and restricted stock units granted under the various equity compensation plans as described in Note 19.

23. Non-Controlling Interests

	2025 \$'000	2024 \$'000
Beginning of year	4,424,043	4,181,137
Share of total comprehensive income:		
Share of net profit of subsidiaries	359,193	449,810
Revaluation surplus	(2,083)	177,884
Remeasurement of post-employment benefit obligations	12,538	(4,795)
Other	23,552	3,081
	393,200	625,980
Transfer of non-controlling interest	(664,785)	-
Employee share option scheme: value of services received	2,891	2,796
Share-based payments exercised	(777)	(623)
Transfer of treasury shares to employees	(1,696)	(1,410)
Dividends paid	(314,259)	(383,837)
End of year	3,838,617	4,424,043

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23. Non-Controlling Interests (Continued)

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company further does not have any shareholdings in the preference shares of subsidiary undertakings included in the Group.

The total non-controlling interest for the period is \$3,838,617,000 of which \$3,755,558,000 is for GraceKennedy Money Services Caribbean SRL. The non-controlling interest in respect of other subsidiaries is not material.

In 2025, the Group increased its shareholdings in Catherine's Peak Bottling Company Limited from 70% to 100%. The Group also purchased additional shares in Key Insurance Company Limited, increasing its shareholdings from 73.2% to 98.9%. These transactions resulted in a reduction of non-controlling interests shown in the table above as a transfer of \$664,785,000.

Summarised financial information on subsidiaries with material non-controlling interests.

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

Summarised statement of financial position

	GraceKennedy Money Services Caribbean SRL	
	2025	2024
	\$'000	\$'000
Current		
Assets	14,125,825	14,252,398
Liabilities	(2,583,015)	(3,671,412)
Total current net assets	11,542,810	10,580,986
Non-current		
Assets	5,624,486	6,223,869
Liabilities	(2,145,066)	(2,198,846)
Total non-current net assets	3,479,420	4,025,023
Net assets	15,022,230	14,606,009

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23. Non-Controlling Interests (Continued)

Summarised income statement

	GraceKennedy Money Services Caribbean SRL	
	2025	2024
	\$'000	\$'000
Revenue	8,266,155	8,624,096
Profit before income tax	2,103,587	2,726,672
Taxation expense	(562,011)	(1,103,351)
Profit after tax	1,541,576	1,623,321
Other comprehensive income	138,342	27,396
Total comprehensive income	1,679,918	1,650,717
Total comprehensive income allocated to non-controlling interest	419,980	412,679
Dividends paid to non-controlling interest	(314,259)	(351,396)

Summarised cash flows

	GraceKennedy Money Services Caribbean SRL	
	2025	2024
	\$'000	\$'000
Cash flows from operating activities		
Cash generated from operations	1,440,170	4,518,727
Interest paid	(142,011)	(150,746)
Income tax paid	(763,081)	(884,331)
Net cash generated from operating activities	535,078	3,483,650
Net cash used in investing activities	(38,188)	(1,405,072)
Net cash used in financing activities	(1,295,166)	(1,564,709)
Net increase/(decrease) in cash and cash equivalents	(798,276)	513,869
Cash and cash equivalents at the beginning of year	9,005,068	8,460,058
Exchange gains on cash and cash equivalents	73,770	31,141
Cash and cash equivalents at end of year	8,280,562	9,005,068

The information above represents amounts before intercompany eliminations.

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24. Segment Information

Management has determined the operating segments based on the reports reviewed by the Executive Committee that are used to make strategic decisions. The Group has four reportable segments which are based on the different types of products and services that it offers. These products and services are described in its principal activities (Note 1). The reportable segments derive their revenue primarily from food and financial services. The accounting policies of the operating segments are the same as those described in the summary of material accounting policies (Note 2). The Group evaluates performance on the basis of profit or loss before tax expense not including post-employment benefits, share-based payments and net corporate central office costs which are shown in unallocated amounts. Segment information also excludes discontinued operations.

The segment information provided to management for the reportable segments is as follows:

Operating segments

	2025					Group
	Food	Banking & Investments	Insurance	Money Services	Unallocated/ Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE						
External sales	139,209,611	11,013,407	19,212,289	8,266,155	91,291	177,792,753
Inter-segment sales	343,684	385,114	1,154,297	-	(1,883,095)	-
Total Revenue	139,553,295	11,398,521	20,366,586	8,266,155	(1,791,804)	177,792,753
Operating results	7,400,592	918,531	1,187,269	2,108,832	134,334	11,749,558
Unallocated expense	-	-	-	-	(1,559,476)	(1,559,476)
Profit from operations	-	-	-	-	-	10,190,082
Finance income	17,031	6,029	143,336	236,066	513,369	915,831
Finance expense	(1,069,338)	(277,953)	(9,525)	(142,010)	(529,338)	(2,028,164)
Share of results of associates and joint ventures	727,563	359,871	121,364	-	-	1,208,798
Profit before taxation	7,075,848	1,006,478	1,442,444	2,202,888	(1,441,111)	10,286,547
Taxation						(3,037,026)
Net Profit						7,249,521
Operating assets	89,067,011	113,391,796	45,083,725	18,744,528	(16,235,801)	250,051,259
Investment in associates and joint ventures	3,240,085	3,787,550	593,914	10,133	-	7,631,682
Unallocated assets	-	-	-	-	8,903,932	8,903,932
Total assets	92,307,096	117,179,346	45,677,639	18,754,661	(7,331,869)	266,586,873
Operating liabilities	42,296,052	101,146,470	27,706,056	3,733,780	(16,285,224)	158,597,134
Unallocated liabilities	-	-	-	-	11,279,116	11,279,116
Total liabilities	42,296,052	101,146,470	27,706,056	3,733,780	(5,006,108)	169,876,250
Other segment items						
Additions to non-current assets ^(b)	2,614,163	1,598,410	316,075	333,752	-	4,862,400
Depreciation	(2,633,273)	(401,993)	(175,744)	(293,240)	-	(3,504,250)
Amortisation	(458,317)	(254,987)	(287,494)	(48,151)	-	(1,048,949)
Impairment	(66)	-	-	-	-	(66)

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24. Segment Information (Continued)

Operating segments (continued)

	2024					
	Food	Banking & Investments	Insurance	Money Services	Unallocated/ Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE						
External sales	131,339,489	10,575,444	16,376,647	8,624,096	127,259	167,042,935
Inter-segment sales	318,627	413,955	1,110,585	-	(1,843,167)	-
Total Revenue	131,658,116	10,989,399	17,487,232	8,624,096	(1,715,908)	167,042,935
Operating results	8,437,723	1,020,800	1,830,147	2,688,153	103,628	14,080,451
Unallocated expense	-	-	-	-	(1,551,018)	(1,551,018)
Profit from operations	-	-	-	-	-	12,529,433
Finance income	14,294	865	147,159	210,029	490,987	863,334
Finance expense	(1,007,520)	(313,916)	(18,933)	(131,943)	(475,957)	(1,948,269)
Share of results of associates and joint ventures	475,942	314,742	109,265	-	-	899,949
Profit before taxation	7,920,439	1,022,491	2,067,638	2,766,239	(1,432,360)	12,344,447
Taxation						(3,480,619)
Net Profit						8,863,828
Operating assets	83,233,756	97,043,326	32,989,332	19,497,038	(10,930,762)	221,832,690
Investment in associates and joint ventures	2,730,270	3,525,042	472,550	10,133	-	6,737,995
Unallocated assets	-	-	-	-	8,070,760	8,070,760
Total assets	85,964,026	100,568,368	33,461,882	19,507,171	(2,860,002)	236,641,445
Operating liabilities	39,132,452	85,583,942	15,816,744	4,743,864	(10,985,380)	134,291,622
Unallocated liabilities	-	-	-	-	10,942,959	10,942,959
Total liabilities	39,132,452	85,583,942	15,816,744	4,743,864	(42,421)	145,234,581
Other segment items						
Additions to non-current assets ^(b)	3,699,876	1,694,821	215,318	200,118	-	5,810,133
Depreciation	(2,504,217)	(340,100)	(148,159)	(284,571)	-	(3,277,047)
Amortisation	(449,191)	(218,062)	(290,130)	(50,573)	-	(1,007,956)

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24. Segment Information (Continued)

Operating segments (continued)

The profit or loss, assets and liabilities for reportable segments are reconciled to the totals for profit or loss, assets and liabilities as follows:

	Profit before Taxation		Assets		Liabilities	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total for reportable segments	11,727,658	13,776,807	273,918,742	239,501,447	174,882,358	145,277,002
Inter-segment eliminations	-	-	(16,235,801)	(10,930,762)	(16,285,224)	(10,985,380)
Unallocated amounts:						
Corporate central office results	(78,504)	(50,355)	-	-	-	-
Post-employment benefits	(867,994)	(900,862)	-	-	-	-
Share-based payments	(494,613)	(481,143)	-	-	-	-
Taxation recoverable	-	-	2,756,737	2,157,503	-	-
Deferred tax assets	-	-	2,049,015	1,504,596	-	-
Pension plan asset	-	-	4,098,180	4,408,661	-	-
Taxation	-	-	-	-	2,279,856	1,983,111
Deferred tax liabilities	-	-	-	-	1,755,780	1,513,587
Other post-employment obligations	-	-	-	-	7,243,480	7,446,261
Total unallocated	(1,441,111)	(1,432,360)	8,903,932	8,070,760	11,279,116	10,942,959
Total per financial statements	10,286,547	12,344,447	266,586,873	236,641,445	169,876,250	145,234,581

Geographical information

	Revenue ^(a)		Non-current Assets ^(b)	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Jamaica	99,215,333	96,570,400	37,835,507	36,927,150
United Kingdom	20,572,272	18,371,630	1,967,592	2,121,218
United States of America	34,292,623	29,998,928	8,316,791	8,084,826
Canada	10,727,609	10,095,167	94,530	190,008
Other Caribbean countries	11,533,237	10,922,871	5,673,572	5,566,899
Other European countries	1,087,866	921,209	-	-
Africa	2,853	8,174	-	-
Other countries	360,960	154,556	-	-
Total	177,792,753	167,042,935	53,887,992	52,890,101

^(a) Revenue is attributed to countries on the basis of the customer's location.

^(b) For the purposes of segment information, non-current assets exclude financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts, as well as discontinued operations.

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25. Revenues

Revenues can be disaggregated as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Timing of revenue recognition –				
Goods transferred at a point in time	139,209,611	131,339,489	34,486,940	32,790,185
Services transferred at a point in time	13,086,450	13,476,722	-	-
Services transferred over time	175,942	158,512	-	-
Insurance contract revenue	18,019,127	15,385,053	-	-
Interest revenue –				
Interest income on investments	2,028,218	1,970,928	-	-
Interest income on loans receivable	5,273,405	4,712,231	-	-
	177,792,753	167,042,935	34,486,940	32,790,185

26. Expense by Nature

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Auditors' remuneration	512,045	513,407	55,625	58,926
Advertising and marketing	4,793,208	4,776,065	1,810,482	1,965,070
Amortisation of intangibles	1,048,949	1,007,956	174,079	169,561
Commissions and other money services costs	1,420,997	1,348,500	-	-
Cost of inventory recognised as expense	92,991,846	86,510,308	24,779,064	23,147,859
Depreciation	3,504,250	3,277,047	401,977	404,418
Impairment	66	-	-	-
Impairment losses on financial assets (net)	837,931	503,515	35,683	60,180
Information technology	2,465,449	2,280,139	855,858	684,876
Insurance	1,541,015	1,554,956	246,191	270,920
Interest expense and other financial services expenses	2,020,651	2,069,775	-	-
Insurance service expenses	17,047,418	6,699,271	-	-
Net expenses from reinsurance contracts	(2,908,671)	4,656,531	-	-
Legal, professional and other fees	7,576,205	6,713,762	1,661,917	1,247,028
Occupancy costs	4,583,775	4,118,761	718,784	547,382
Repairs and maintenance expenditure	1,681,238	1,600,986	64,977	31,191
Staff costs (Note 28)	26,804,251	25,157,854	7,219,135	6,937,584
Transportation	3,271,244	3,198,214	925,891	876,669
Other expenses	3,801,753	3,069,706	553,874	577,424
	172,993,620	159,056,753	39,503,537	36,979,088

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27. Other Income

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Dividend income	56,171	40,055	2,151,521	2,189,159
Net foreign exchange gains/(losses)	1,288,499	863,438	(14,357)	(18,725)
Change in fair value of investment properties	127,194	96,140	-	-
Change in value of investments – fair value through profit or loss	(61,392)	61,735	-	-
Gain on disposal of investments	4,253	-	-	-
(Loss)/gain on disposal of fixed assets	(280,789)	7,499	5,422	19,682
Gain on disposal of investment properties	27,071	-	-	-
Fees and commissions	1,472,088	1,415,702	5,292,393	4,871,190
Finance income from insurance contracts issued	166,954	136,795	-	-
Finance expense from reinsurance contracts held	(185,719)	(10,873)	-	-
Interest income	1,117,851	1,011,400	-	-
Rebates, reimbursements and recoveries	951,765	234,849	26,015	74,055
Rent	465,343	383,152	-	-
Miscellaneous	241,660	303,359	51,293	41,795
	5,390,949	4,543,251	7,512,287	7,177,156

28. Staff Costs

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	18,704,605	17,373,346	4,662,636	4,343,518
Pension (Note 14)	303,491	241,606	303,491	241,606
Pension contributions to defined contribution scheme (Note 14)	775,277	770,341	224,833	197,142
Other post-employment benefits (Note 14)	1,110,629	941,888	478,049	382,356
Share-based payments	494,613	481,143	318,027	313,957
Statutory contributions	1,922,399	1,776,831	541,519	494,195
Other costs	3,493,237	3,572,699	690,580	964,810
	26,804,251	25,157,854	7,219,135	6,937,584

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29. Taxation

Taxation is based on the profit for the year adjusted for taxation purposes:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Current tax	3,363,841	3,942,193	228,465	320,942
Adjustment to prior year provision	5,136	(120,114)	-	-
Deferred tax (Note 13)	(331,951)	(341,460)	(114,420)	(162,928)
	3,037,026	3,480,619	114,045	158,014

The tax on the Group's and company's profit before tax differs from the theoretical amount that would arise using the tax rate of the home country of the company as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Profit before tax	10,286,547	12,344,447	2,458,176	2,921,063
Tax calculated at a tax rate of 25%	2,571,637	3,086,112	614,544	730,266
Adjusted for the effects of:				
Different tax rates in other countries	(128,579)	(244,019)	-	-
Different tax rate of regulated Jamaican companies	394,380	596,764	-	-
Income not subject to tax	(185,948)	(158,356)	(520,725)	(494,113)
Expenses not deductible for tax purposes	685,961	630,713	30,507	8,244
Adjustment to prior year provision	5,136	(120,114)	-	-
Share of profits of associates and joint ventures included net of tax	(302,200)	(224,987)	-	-
Employment tax credit	(14,724)	(83,690)	(14,724)	(83,690)
Other	11,363	(1,804)	4,443	(2,693)
Tax expense	3,037,026	3,480,619	114,045	158,014

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29. Taxation (Continued)

The tax (charge)/credit relating to components of other comprehensive income is as follows:

Group						
	2025			2024		
	Before tax	Tax (charge)/credit	After tax	Before tax	Tax credit/(charge)	After tax
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Items that will not be reclassified to profit or loss:</i>						
Revaluation surplus	29,372	(29,296)	76	2,299,428	(314,729)	1,984,699
Fair value gains	(73,904)	215,675	141,771	197,116	(48,776)	148,340
Remeasurements of post-employment benefit obligations	760,294	(208,533)	551,761	(114,365)	37,414	(76,951)
Share of other comprehensive income of associates and joint ventures	(27,384)	-	(27,384)	161,354	-	161,354
	688,378	(22,154)	666,224	2,543,533	(326,091)	2,217,442
<i>Items that may be subsequently reclassified to profit or loss:</i>						
Foreign currency translation adjustments	940,199	-	940,199	2,236	-	2,236
Fair value gains/(losses)	18,664	499	19,163	(79,605)	21,522	(58,083)
Share of other comprehensive income of associates and joint ventures	63,633	-	63,633	20,267	-	20,267
	1,022,496	499	1,022,995	(57,102)	21,522	(35,580)
Other comprehensive income	1,710,874	(21,655)	1,689,219	2,486,431	(304,569)	2,181,862
Deferred tax (Note 13)	-	(21,655)	-	-	(304,569)	-
Company						
	2025			2024		
	Before tax	Tax (charge)/credit	After tax	Before tax	Tax credit/(charge)	After tax
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Items that will not be reclassified to profit or loss:</i>						
Revaluation surplus	-	-	-	22,100	(5,269)	16,831
Fair value losses	(5,655)	1,738	(3,917)	(28,270)	7,324	(20,946)
Remeasurements of post-employment benefit obligations	314,200	(78,550)	235,650	22,764	(5,691)	17,073
Other comprehensive income	308,545	(76,812)	231,733	16,594	(3,636)	12,958
Deferred tax (Note 13)	-	(76,812)	-	-	(3,636)	-

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29. Taxation (Continued)

- (a) By letter dated 17 May 2018, the Guyana Revenue Authority (GRA) indicated that GraceKennedy Remittance Services Guyana ('GKRS Guyana') was "incorrectly" classified as a non-commercial company rather than a commercial company. Based on this, the GRA asserted that GKRS Guyana had wrongly paid corporation taxes at the lower non-commercial company rate. GKRS Guyana's tax liability for the period 2010 to 2016 was assessed by the GRA to be the equivalent of J\$253,718,000, excluding penalties and interest if applicable (the "Retroactive Sum").

GKRS Guyana lodged objections to the GRA's assessment on the basis that the GRA wrongly assessed GKRS Guyana as a commercial company and that GKRS Guyana had filed (and the GRA had accepted), returns for a period of over 20 years as a non-commercial company. By letter dated 26 September 2018, received on 4 October 2018, the GRA indicated that it would maintain its assessments despite the objection.

GKRS Guyana filed an appeal on 26 October 2018 and defence in response was filed by the GRA on 21 December 2018. Oral submissions were heard in chambers before the Judge on 27 March 2019 and on 8 July 2019, the court ruled in favour of GKRS Guyana; setting aside the decision by the GRA to reclassify the company as a commercial company and therefore reversing the decision by GRA to impose corporation tax at the commercial rate.

The GRA was granted permission to file an appeal at a hearing held on 27 November 2019. The appeal was filed to the Full Court of the Supreme Court of Guyana and a cross-appeal was filed on behalf of GKRS Guyana. Submissions were filed by both parties and the matter was adjourned to 7 July 2020 for a ruling.

On 20 July 2020, the Full Court delivered its ruling, finding in favour of the GRA in respect of years of income 2010 to 2016. The effect of this ruling was to reverse the earlier decision of the single judge of the Supreme Court and affirm the GRA's stance that GKRS Guyana is liable to pay the Retroactive Sum.

GKRS Guyana, has on the advice of local counsel, appealed the judgment of the Full Court to the Court of Appeal of Guyana (the "Substantive Appeal"). The grounds for Substantive Appeal include a specific failure of the GRA to explain why it departed from the customary treatment of GKRS Guyana and why it should be stripped of its legitimate expectation to be treated as a non-commercial company for the purposes of Guyanese tax assessment. Counsel for GKRS Guyana has advised that the appeal has significant merit and a date for the hearing of the appeal is being awaited. Notwithstanding that GKRS Guyana is considered to have a strong basis for appeal, having regard to the present ruling, a provision for the assessment was recorded by the Group in 2020.

By letter dated 6 September 2022, the GRA raised additional assessments in relation to GKRS Guyana for the period 2017 to 2021. GKRS Guyana's tax liability for the period 2017 to 2021 was assessed by the GRA to be the equivalent of J\$653,022,000 excluding penalties and interest if applicable. GKRS Guyana secured a bond in the amount of the assessment as a pre-requisite to appealing the decision, lodged objections to the GRA's assessments, and filed an appeal to the 2017 to 2021 reclassifications in the High Court which was heard on 9 February 2023. The High Court granted a stay of the appeal pending the hearing and determination of the Substantive Appeal before the Court of Appeal. No provision was made in relation to this assessment.

- (b) Organisation for Economic Co-operation and Development (OECD) Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules which introduces a minimum effective tax rate. Pillar Two legislation has not been enacted in Jamaica, the jurisdiction in which GraceKennedy Limited is incorporated. Consequently, in 2025 GraceKennedy Limited has elected to file and report under the OECD Pillar two model rules in the UK.

The Group has subsidiaries in the following countries that have enacted OECD Pillar Two model rules: Canada, United Kingdom, Barbados and Bahamas. The Group will apply the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion (GloBE) effective tax rate for each jurisdiction and the 15% minimum rate. The Group has effective tax rates that exceed 15% in most jurisdictions in which it operates, with a few exceptions. For these exceptions, although the average effective tax rate may be below 15%, the Group's exposure to paying Pillar Two income taxes might not be for the full difference in tax rates in relation to these companies. This is due to the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12.

Based on our initial assessment, the Group did not incur any Pillar Two tax payment requirements at the year end. The Group will continue to monitor tax developments in jurisdictions that have enacted Pillar Two rules and will ensure compliance with the June 2026 UK filing requirement and the requirements in the relevant jurisdictions that have enacted the Pillar Two rules.

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30. Net Profit Attributable to the Owners of GraceKennedy Limited

Dealt with as follows in the financial statements of:

	2025	2024
	\$'000	\$'000
The company	2,344,131	2,763,049
Intra-group dividends, gain on disposal of subsidiaries within the Group and other eliminations on consolidation	(2,151,492)	(2,188,363)
Adjusted company profit	192,639	574,686
The subsidiaries	5,488,891	6,939,383
The associates and joint ventures	1,208,798	899,949
	6,890,328	8,414,018

31. Dividends

	2025	2024
	\$'000	\$'000
Paid,		
Interim – 55 cents per stock unit (2024 : 52 cents)	546,907	515,875
Interim – 52 cents per stock unit (2024 : 55 cents)	516,876	545,250
Interim – 55 cents per stock unit (2024 : 55 cents)	543,085	545,219
Final – 75 cents per stock unit (2024 : 75 cents)	738,655	743,406
	2,345,523	2,349,750

In the current year, the company paid dividends of \$2,345,523,000 and in prior years paid out \$743,406,000 out of Retained Earnings totalling \$19,815,770,000 as at 31 December 2013, leaving a balance of \$16,726,841,000.

32. Earnings Per Stock Unit

Basic earnings per stock unit is calculated by dividing the net profit attributable to owners by the weighted average number of ordinary stock units outstanding during the year.

	2025	2024
Net profit attributable to owners (\$'000)	6,890,328	8,414,018
Weighted average number of stock units outstanding ('000)	984,595	987,907
Basic earnings per stock unit (\$)	7.00	8.52

The diluted earnings per stock unit is calculated by adjusting the weighted average number of ordinary stock units outstanding to assume conversion of all dilutive potential ordinary stock units.

- (a) 4,823,000 (2024: 6,430,000) ordinary stock units for the full year in respect of stock options for directors.
- (b) 19,776,000 (2024: 13,535,000) ordinary stock units for the full year in respect of the stock options for managers.
- (c) 7,024,000 (2024: 9,591,000) ordinary stock units for the full year in respect of the restricted stock grants earned.

	2025	2024
Net profit attributable to owners (\$'000)	6,890,328	8,414,018
Weighted average number of stock units outstanding ('000)	984,595	987,907
Adjustment for share options and restricted stock grants ('000)	7,291	10,143
	991,886	998,050
Diluted earnings per stock unit (\$)	6.95	8.43

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33. Cash Flows from Operating Activities

Reconciliation of net profit to cash generated from operating activities:

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Net profit		7,249,521	8,863,828	2,344,131	2,763,049
Items not affecting cash:					
Depreciation	12	3,504,250	3,277,047	401,977	404,418
Amortisation	11	1,048,949	1,007,956	174,079	169,561
Impairment charge		66	-	-	-
Change in value of investment properties		(127,194)	(96,140)	-	-
Change in value of investments		61,392	(61,735)	-	-
Loss/(gain) on disposal of fixed assets		280,789	(7,499)	(5,422)	(19,682)
Gain on disposal of investment properties		(27,071)	-	-	-
Gain on disposal of investments		(4,253)	-	-	-
Share-based payments	19	494,613	481,143	318,027	313,957
Exchange loss/(gain) on foreign balances		67,870	83,200	(81,948)	(28,891)
Interest income – non financial services		(915,831)	(863,334)	(1,258,675)	(1,102,236)
Interest income – financial services		(8,419,473)	(7,820,481)	-	-
Interest expense – non financial services		2,028,164	1,948,269	1,296,189	1,169,426
Interest expense – financial services		1,827,951	1,928,658	-	-
Taxation expense	29	3,037,026	3,480,619	114,045	158,014
Unremitted equity income in associates and joint ventures		(857,439)	(499,751)	-	-
Pension plan surplus		302,963	241,051	302,963	241,051
Other post-employment obligations		565,031	659,811	88,753	221,160
		10,117,324	12,622,642	3,694,119	4,289,827
Changes in working capital components:					
Inventories		(2,513,979)	(2,104,889)	39,534	(982,365)
Receivables		(8,858,288)	(121,466)	(1,732,527)	84,553
Loans receivable, net		(6,123,140)	(3,621,464)	-	-
Payables and insurance contract liabilities		10,789,858	3,320,320	(62,749)	743,141
Deposits		8,061,711	5,778,458	-	-
Securities sold under repurchase agreements		579,643	69,924	-	-
Subsidiaries		-	-	(2,799,419)	846,781
Provisions		3,674	2,790	-	-
Total provided by/(used in) operating activities		12,056,803	15,946,315	(861,042)	4,981,937

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33. Cash Flows from Operating Activities (Continued)

Reconciliation of net profit to cash generated from operating activities (continued):

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash provided by/(used in) operating activities	12,056,803	15,946,315	(861,042)	4,981,937
Interest received – financial services	8,079,999	8,000,315	-	-
Interest paid – financial services	(1,679,456)	(1,814,384)	-	-
Translation gains/(losses)	468,928	(137,013)	-	-
Taxation paid	(3,671,467)	(3,905,517)	(270,739)	(231,507)
Net cash provided by/(used in) operating activities	15,254,807	18,089,716	(1,131,781)	4,750,430

Reconciliation of movements of liabilities to cash flows arising from financing activities:

Amounts represent bank and other loans, excluding bank overdrafts

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
At 1 January	30,630,108	31,825,460	10,818,790	12,948,088
Lease liability to acquire right-of-use asset	1,023,510	1,520,595	-	115,342
Loans received	12,550,630	8,222,979	9,638,954	4,446,340
Loans repaid	(11,286,589)	(10,839,587)	(7,249,316)	(6,549,834)
Foreign exchange adjustments	167,286	5,149	(25,514)	(10,202)
Net interest movements	309,442	(104,488)	(47,560)	(130,944)
At 31 December	33,394,387	30,630,108	13,135,354	10,818,790

34. Contingent Liabilities

- (a) Various companies in the Group are involved in certain legal proceedings incidental to the normal conduct of business. The management of these companies believes that none of these proceedings, individually or in aggregate, will have a material effect on the Group.

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35. Related Party Transactions and Balances

The following transactions were carried out with related parties:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
(a) Sales of goods and services				
Sales of goods	108,095	156,894	679,798	681,829
Sales of services	335,975	263,973	4,309,340	3,880,659
(b) Purchase of goods and services				
Purchases of goods	6,311,628	5,506,656	13,810,876	14,224,244
Purchases of services	490,659	461,329	1,145,876	1,101,136
(c) Interest				
Interest income	39,190	38,657	599,234	519,487
Interest expense	87,434	146,823	382,702	319,657

Dividends received by the company from subsidiaries and associates were \$1,951,492,000 (2024: \$1,938,363,000) and \$200,000,000 (2024: \$250,000,000) respectively.

(d) Transactions with key management

Key management includes directors (executive and non-executive) and members of the Executive Committee

The compensation of key management for services is shown below:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Salaries and other short-term employee benefits	746,875	683,372	565,497	504,510
Fees paid to directors	46,743	42,619	36,677	34,335
Post-employment benefits	67,389	60,546	66,255	54,069
Share-based payments	312,594	305,646	250,598	248,576
	1,173,601	1,092,183	919,027	841,490

The following amounts are in respect of directors' emoluments:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Fees	46,743	42,619	36,677	34,335
Management remuneration	322,835	236,657	322,835	236,657
Share-based payments	301,081	100,330	301,081	100,330
	670,659	379,606	660,593	371,322

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35. Related Party Transactions and Balances (Continued)

(d) Transactions with key management (continued)

Transactions with directors and other key management personnel (and their families)

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Sale of goods and services –				
Sales of goods	902	1,384	756	302
Sales of services	7,722	5,819	-	-
Purchase of goods and services –				
Purchase of services	2,125	-	2,125	-
Interest earned and incurred –				
Interest income	16,480	12,679	-	-
Interest expense	8,648	17,689	-	-

(e) Year-end balances with related parties

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash and deposits with subsidiaries	-	-	133,197	200,450
Investment securities with subsidiaries	-	-	816,730	738,902
Receivable from subsidiaries	-	-	2,663,390	1,836,371
Receivable from associates and joint ventures (Note 7)	56,716	83,269	4,413	6,870
Loans receivable from subsidiaries (Note 9)	-	-	3,761,614	4,329,625
Loans receivable from associates and joint ventures (Note 9)	556,236	584,936	-	-
Payable to subsidiaries	-	-	2,464,072	4,436,472
Payable to associates and joint ventures (Note 17)	670,835	384,885	223,717	160,212
Loans & leases payable to subsidiaries	-	-	1,383,382	1,605,974
Deposits payable to associates and joint ventures	1,422,768	1,966,373	-	-
Repurchase agreements payable to associates and joint ventures	95,450	-	-	-

(f) Loans to related parties

Loans receivable from subsidiaries are repayable in the years 2026 - 2028 and bear interest at 3.0% - 10.8% (2024: 3.0% - 10.8%). No provision was required in 2025 and 2024 for loans made to subsidiaries.

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35. Related Party Transactions and Balances (Continued)

(f) Loans to related parties (continued)

	Company	
	2025	2024
	\$'000	\$'000
Loans to subsidiaries:		
At 1 January	4,329,625	5,603,020
Loans advanced during the year	309,327	568,524
Loan repayments received	(868,566)	(1,827,075)
Exchange differences	(55)	391
Interest charged	544,856	450,136
Interest received	(553,573)	(465,371)
At 31 December	3,761,614	4,329,625

(g) Year end balances with directors and other key management

Balances with directors and other key management personnel (and their families)

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Receivables	484	6,115	478	133
Loans receivable	171,409	199,325	-	-
Payables	13,443	1,841	-	-
Loans payable	57,100	44,160	-	-
Deposits payable	464,540	479,040	-	-

(h) Loans to directors and other key management

The loans receivable attract interest at rates ranging between 4.72% - 9.00% (2024: 4.72% - 9.00%) and are repayable in the years 2026 - 2045. These loans are secured and are made on terms similar to those offered to other employees. No provision was required in 2025 and 2024 for the loans made to directors and senior managers.

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Loans to directors and other key management:				
At 1 January	199,325	169,117	-	-
Loans advanced during the year	-	40,279	-	-
Loan repayments received	(27,916)	(10,071)	-	-
Interest charged	16,480	12,679	-	-
Interest received	(16,480)	(12,679)	-	-
At 31 December	171,409	199,325	-	-

(i) Share options granted to directors

The outstanding number of share options granted to the directors of the company at the end of the year was 4,823,000 (2024: 6,430,000).

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36. Fair Values Estimation

Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following tables provide an analysis of the Group's and company's financial instruments held as at 31 December that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair values are observable, as follows:

- Level 1 includes those instruments which are measured based on quoted prices in active markets for identical assets or liabilities.
- Level 2 includes those instruments which are measured using inputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 includes those instruments which are measured using valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

	Group			
	2025			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Financial assets at fair value through other comprehensive income:				
Quoted equities	660,368	-	-	660,368
Government of Jamaica securities	-	2,204,071	-	2,204,071
Foreign governments	-	778,631	-	778,631
Corporate bonds	-	2,105,695	-	2,105,695
Financial assets at fair value through profit or loss:				
Quoted equities	1,487,722	-	-	1,487,722
Other securities	275,175	-	-	275,175
Total Assets	2,423,265	5,088,397	-	7,511,662

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36. Fair Values Estimation (Continued)

Financial Instruments (continued)

Group				
2024				
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Financial assets at fair value through other comprehensive income:				
Quoted equities	737,284	-	-	737,284
Government of Jamaica securities	-	3,266,646	-	3,266,646
Foreign governments	-	954,799	-	954,799
Corporate bonds	-	2,308,538	-	2,308,538
Financial assets at fair value through profit or loss:				
Quoted equities	1,408,304	-	-	1,408,304
Other securities	252,968	-	-	252,968
Total Assets	2,398,556	6,529,983	-	8,928,539

Company				
2025				
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Financial assets at fair value through other comprehensive income:				
Quoted equities	52,958	-	-	52,958
Total Assets	52,958	-	-	52,958

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36. Fair Values Estimation (Continued)

Financial Instruments (continued)

	Company			
	2024			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Financial assets at fair value through other comprehensive income:				
Quoted equities	58,614	-	-	58,614
Total Assets	58,614	-	-	58,614

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity investments listed on a public stock exchange classified as either fair value through other comprehensive income or fair value through profit or loss.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Note that all of the resulting fair value estimates are included in level 2.

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36. Fair Values Estimation (Continued)

Fair Value of Land and Buildings and Investment Properties

An independent valuation of the Group's land and buildings was performed by valuers to determine the fair value of the land and buildings as at 31 December 2024. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'capital and fair value reserves' in shareholders' equity (Note 20). The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Land and buildings and investment properties are classified as level 3. The valuations have been performed using the sales comparison and income approaches for all properties.

The carrying value of land and buildings classified as level 3 is \$17,622,984,000 (2024: \$17,924,812,000) and \$123,675,000 (2024: \$126,000,000) for the Group and company respectively.

The carrying value of investment properties classified as level 3 is \$1,635,950,000 (2024: \$1,556,595,000).

Reconciliation of the opening and closing balances of the Group's land and buildings:

	Group headquarters	Distribution centre	Other land and buildings	Total
2025				
	\$'000	\$'000	\$'000	\$'000
At 1 January 2024	3,121,151	4,578,528	7,914,453	15,614,132
Additions and transfers in	5,322	243,840	44,711	293,873
Revaluation adjustment	606,659	612,134	1,080,635	2,299,428
Disposals and transfers out	-	-	(23,500)	(23,500)
Depreciation	(68,132)	(134,511)	(70,716)	(273,359)
Translation adjustment	-	-	14,238	14,238
At 31 December 2024	3,665,000	5,299,991	8,959,821	17,924,812
Additions and transfers in	2,522	19,741	18,655	40,918
Revaluation adjustment	-	-	29,372	29,372
Disposals and transfers out	-	-	(140,578)	(140,578)
Depreciation	(66,050)	(132,532)	(80,903)	(279,485)
Translation adjustment	-	-	47,945	47,945
At 31 December 2025	3,601,472	5,187,200	8,834,312	17,622,984

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Notes to the Financial Statements

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36. Fair Values Estimation (Continued)

Fair Value of Land and Buildings and Investment Properties (continued)

A reconciliation of the opening and closing balances for the company's land and buildings and the Group's investment properties are disclosed in Notes 12 and 38 respectively.

Valuation processes of the Group

On a biennial basis, the Group engages external, independent and qualified valuers to determine the fair value of the Group's land and buildings. The most recent valuations were performed as at 31 December 2024. The Group engages external, independent and qualified valuers to determine the fair value of its investment properties on an annual basis.

Sales Comparison Approach

There have been a limited number of similar sales in the local market, and consequently the sales comparison approach incorporates unobservable inputs which in the valuator's judgement reflects suitable adjustments regarding size, age, condition, time of sale, quality of land and buildings and improvements. The most significant input into this valuation is the price per square foot. The higher the price per square foot the higher the fair value.

Income Approach

The projected net income of the subject properties are discounted using an appropriate capitalisation rate. The most significant inputs to this valuation are the rental rate per square foot and the capitalisation rate. Rental rates of the subject properties are adjusted to reflect the market rent for properties of similar size, location and condition. The higher the rental rate per square foot the higher the fair value. The higher the capitalisation rate the lower the fair value. The average rent per square foot ranges between \$600 to \$700 and the capitalisation rate ranges between 8% - 10%.

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31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

37. Financial Instruments by Category

Group				
	Assets at amortised cost \$'000	Assets at fair value through profit or loss \$'000	Assets at fair value through other comprehensive income \$'000	Total \$'000
At 31 December 2025:				
Cash and deposits	33,694,945	-	-	33,694,945
Investment securities and pledged assets	56,256,740	1,762,897	5,748,765	63,768,402
Loans receivable	51,024,864	-	-	51,024,864
Trade and other receivables	27,450,838	-	-	27,450,838
Total financial assets	168,427,387	1,762,897	5,748,765	175,939,049
Group				
	Assets at amortised cost \$'000	Assets at fair value through profit or loss \$'000	Assets at fair value through other comprehensive income \$'000	Total \$'000
At 31 December 2024:				
Cash and deposits	23,186,348	-	-	23,186,348
Investment securities and pledged assets	54,936,963	1,661,272	7,267,267	63,865,502
Loans receivable	44,694,263	-	-	44,694,263
Trade and other receivables	18,481,277	-	-	18,481,277
Total financial assets	141,298,851	1,661,272	7,267,267	150,227,390
Group				
	Other financial liabilities at amortised cost \$'000			
At 31 December 2025:				
Deposits	75,092,142			
Securities sold under agreements to repurchase	658,541			
Bank and other loans	35,340,379			
Trade and other payables	24,533,883			
Total financial liabilities	135,624,945			

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Notes to the Financial Statements

31 December 2025

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37. Financial Instruments by Category (Continued)

Group			Other financial liabilities at amortised cost
			\$'000
At 31 December 2024:			
Deposits			66,408,158
Securities sold under agreements to repurchase			75,000
Bank and other loans			31,095,924
Trade and other payables			25,009,853
Total financial liabilities			122,588,935

Company			
	Assets at fair value through other comprehensive income	Assets at amortised cost	Total
	\$'000	\$'000	\$'000
At 31 December 2025:			
Cash and deposits	-	2,519,740	2,519,740
Investment securities and pledged assets	52,958	6,407,381	6,460,339
Loans receivable	-	3,761,614	3,761,614
Trade and other receivables	-	4,295,978	4,295,978
Subsidiaries	-	2,663,390	2,663,390
Total financial assets			19,701,061

Company			
	Assets at fair value through other comprehensive income	Assets at amortised cost	Total
	\$'000	\$'000	\$'000
At 31 December 2024:			
Cash and deposits	-	1,700,580	1,700,580
Investment securities and pledged assets	58,614	7,590,621	7,649,235
Loans receivable	-	4,329,625	4,329,625
Trade and other receivables	-	2,555,077	2,555,077
Subsidiaries	-	1,836,371	1,836,371
Total financial assets			18,070,888

GraceKennedy Limited

Notes to the Financial Statements

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37. Financial Instruments by Category (Continued)

Company		Other financial liabilities at amortised cost \$'000
At 31 December 2025:		
Bank and other loans		14,537,305
Trade and other payables		4,773,284
Subsidiaries		2,464,072
Total financial liabilities		21,774,661

Company		Other financial liabilities at amortised cost \$'000
At 31 December 2024:		
Bank and other loans		10,879,783
Trade and other payables		4,809,129
Subsidiaries		4,436,472
Total financial liabilities		20,125,384

38. Investment Properties

	Group	
	2025 \$'000	2024 \$'000
At 1 January	1,556,595	885,500
Additions	8,161	551,455
Change in fair value	127,194	96,140
Transfer to fixed assets (Note 12)	-	23,500
Disposals	(56,000)	-
At 31 December	1,635,950	1,556,595

The following amounts have been recognised in the income statement:

	Group	
	2025 \$'000	2024 \$'000
Rental income arising from investment properties	154,555	107,947
Direct operating expenses arising from investment properties	50,401	29,849

Investment properties comprise commercial properties that are leased to third parties.

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31 December 2025

(expressed in Jamaican dollars unless otherwise indicated)

39. Subsequent Events

- (a) On 27 January 2026, the Group acquired the remaining 50.0% of the share capital of Dairy Industries (Jamaica) Limited (DIJL), for a purchase consideration of \$3.15 billion. The share purchase brings the Group's total shareholdings in the company to 100.0%, having previously held 50.0% of the share capital. The company is the owner of the Tastee cheese brand and is the only manufacturing entity in Jamaica and the Caribbean that produces processed cheese in a can. DIJL produces a wide range of dairy products for the local and regional markets, including processed cheese in cans and vacuum packs, cheese spreads, yogurt and powdered milk. It sells its products mainly through distributors including to companies within the Group.
- (b) By letter dated 29 January 2026, the GRA raised additional assessments in relation to GKRS Guyana for the period 2022 to 2024. GKRS Guyana's tax liability for the period 2022 to 2024 was assessed by the GRA to be the equivalent of J\$402,646,000 excluding penalties and interest if applicable. GKRS Guyana lodged an objection to the GRA's assessment on the basis that the GRA wrongly assessed GKRS Guyana as a commercial company and that GKRS Guyana had filed (and the GRA had accepted), returns for a period of over 20 years as a non-commercial company. No provision was made in relation to this assessment.
- (c) On 27 February 2026, the Board of Directors approved an interim dividend in respect of 2026 of 55 cents per ordinary stock unit. The dividend is payable on 9 April 2026 to shareholders on record as at 16 March 2026.

Form of Proxy

I/ We, _____ of, _____ being a member/members of GraceKennedy Limited hereby appoint _____ of, _____ or failing him, _____ of, _____ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on **Wednesday, 27 May 2026 at 2:00 p.m.** at The Don Wehby Building, 42-56 Harbour Street, Kingston, Jamaica and electronically via an online platform which can be accessed via our website at **www.gracekennedy.com** and at any adjournment thereof.

Resolution	For	Against
RESOLUTION 1		
RESOLUTION 2		
RESOLUTION 3A		
RESOLUTION 3B		
RESOLUTION 3C		
RESOLUTION 4		
RESOLUTION 5		

Unless otherwise instructed, the proxy will vote or abstain from voting as he/she thinks fit.

Dated this _____ day of _____ 2026.

Signature

Signature

Signature

Place stamp here.
J\$100

Notes:

1. In the case of a body corporate, this form should be executed under seal in accordance with the company's Articles.
2. To be valid this proxy must be deposited with the Corporate Secretary of the Company at 73 HARBOUR STREET, KINGSTON, JAMAICA not less than 48 hours before the time appointed for holding the Meeting. A Proxy need not be a member of the Company.
3. This form of proxy should bear stamp duty of \$100. Adhesive stamps are to be cancelled by the person signing the proxy.



GraceKennedy

G R O U P

We care.



**We are
GraceKennedy.**
Shaping a stronger future together.

