

Caribbean Cream Limited

**Financial Statements
28 February 2026**

Caribbean Cream Limited

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28 February 2026

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INDEPENDENT AUDITORS' REPORT

To the Members of
Caribbean Cream Limited

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Caribbean Cream Limited (“the Company”) as at 28 February 2026, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the requirements of the Jamaican Companies Act.

What we have audited

Caribbean Cream Limited financial statements comprise:

- the statement of financial position as at 28 February 2026;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, which include a summary of material accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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INDEPENDENT AUDITORS' REPORT

To the Members of
Caribbean Cream Limited

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Report on the Audit of the Financial Statements (continued)

Our Audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the 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 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 Company audit scope

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

Our 2026 audit was planned and executed having regard to the fact that the operations of the Company remain largely unchanged from the prior year.

In establishing the overall Company's audit strategy and plan, we determined the type of work that was needed to be performed on the components by the engagement team.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. No key audit matter was determined.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
Caribbean Cream Limited
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Report on the Audit of the Financial Statements (continued)

Other information

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

Our opinion on the 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 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 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 financial statements

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

In preparing the financial statements, management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
Caribbean Cream Limited
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Report on the Audit of the Financial Statements (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
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Report on the Audit of the Financial Statements (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
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Report on the Audit of the Financial Statements (continued)

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 maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaica Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditors' opinion is Wayne Strachan.

Baker Tilly
Chartered Accountants
Kingston, Jamaica
29 April 2026

Caribbean Cream Limited

Statement of Financial Position As at 28 February 2026

	Note	2026 \$	2025 \$
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,666,971,201	1,774,967,749
Right-of-use assets	7	221,757,648	254,102,405
Intangible assets	8	78,826,385	47,330,864
Deferred tax assets	9	7,318,953	-
		<u>1,974,874,187</u>	<u>2,076,401,018</u>
Current assets			
Inventories	10	349,175,353	368,003,238
Receivables	11	183,292,126	175,459,016
Due from parent company	12	21,135,502	34,292,566
Taxation recoverable		3,144,952	3,033,627
Cash and cash equivalents	13	28,804,169	38,076,260
		<u>585,552,102</u>	<u>618,864,707</u>
TOTAL ASSETS		<u><u>2,560,426,289</u></u>	<u><u>2,695,265,725</u></u>
EQUITY AND LIABILITIES			
Stockholders' equity			
Share capital	14	111,411,290	111,411,290
Retained earnings		672,906,670	768,736,782
		<u>784,317,960</u>	<u>880,148,072</u>
Non-current liabilities			
Long term loans	15	984,665,982	1,008,755,564
Lease liabilities	7	239,464,693	261,482,201
Deferred income tax liabilities	9	-	22,702,819
		<u>1,224,130,675</u>	<u>1,292,940,584</u>
Current liabilities			
Payables	16	479,210,932	374,896,119
Short term loan	17	17,986,277	15,139,658
Current portion of long term loans	15	27,578,471	110,313,884
Current portion of lease liabilities	7	27,201,974	21,827,408
		<u>551,977,654</u>	<u>522,177,069</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,560,426,289</u></u>	<u><u>2,695,265,725</u></u>

Approved for issue by the Board of Directors on 29 April 2026 and signed on its behalf by:



Chairman
Matthew Clarke



Director
Christopher Clarke

Caribbean Cream Limited

Statement of Comprehensive Income Year ended 28 February 2026

	Note	<u>2026</u>	<u>2025</u>
		\$	\$
Gross operating revenue	18	2,974,796,934	2,994,864,868
Direct expenses	19	<u>(2,089,144,931)</u>	<u>(1,935,014,493)</u>
Gross profit		885,652,003	1,059,850,375
Other income	20	5,707,441	7,242,065
Selling and distribution expenses	21	(83,834,569)	(80,335,609)
Administrative expenses	21	<u>(824,311,529)</u>	<u>(867,980,036)</u>
Operating (loss)/profit	22	(16,786,654)	118,776,795
Impairment losses on financial assets	4(a)	(1,509,314)	(391,645)
Finance costs, net	24	<u>(107,555,916)</u>	<u>(99,800,593)</u>
(Loss)/profit before taxation		(125,851,884)	18,584,557
Taxation	25	<u>30,021,772</u>	<u>(792,967)</u>
Net (loss)/profit for the year, being total comprehensive (loss)/income		<u>(95,830,112)</u>	<u>17,791,590</u>
 Earnings per stock unit attributable to stockholders of the company	 26	 <u><u>\$(0.25)</u></u>	 <u><u>\$0.05</u></u>

Caribbean Cream Limited**Statement of Changes in Equity
Year ended 28 February 2026**

	Share capital	Retained earnings	Total
	\$	\$	\$
Balance at 29 February 2024	111,411,290	750,945,192	862,356,482
Total comprehensive income	-	17,791,590	17,791,590
Balance at 28 February 2025	111,411,290	768,736,782	880,148,072
Total comprehensive loss	-	(95,830,112)	(95,830,112)
Balance at 28 February 2026	111,411,290	672,906,670	784,317,960

Caribbean Cream Limited

Statement of Cash Flows Year ended 28 February 2026

	2026	2025
	\$	\$
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Cash Flows from Operating Activities		
(Loss)/profit before taxation	(125,851,884)	18,584,557
Adjustments for:		
Depreciation	158,179,113	134,251,916
Amortization of right-of-use assets	32,344,757	34,040,771
Amortization of intangible assets	21,095,977	12,477,010
Inventories written-off	19,039,175	21,783,072
Impairment losses on financial assets	1,509,314	391,645
Interest income	(446,978)	(759,856)
Interest expense	89,463,674	89,516,581
Lease interest expense	18,452,187	19,577,556
Gain on disposal of property, plant and equipment	-	(1,700,496)
Foreign exchange losses	9,148,575	2,901,465
	<u>222,933,910</u>	<u>331,064,221</u>
Changes in operating assets and liabilities:		
Increase in inventories	(211,290)	(170,758,824)
(Increase)/decrease in receivables	(9,342,424)	23,056,175
Decrease in due from parent company	13,157,064	16,857,928
Increase in payables	102,831,123	12,234,120
Cash provided by operating activities	329,368,383	212,453,620
Taxation paid	(111,325)	(189,192)
Interest paid	(106,432,171)	(109,405,105)
Interest received	446,978	759,856
Net cash provided by operating activities	<u>223,271,865</u>	<u>103,619,179</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(102,774,063)	(147,918,728)
Proceeds from disposal of property, plant and equipment	-	4,086,956
Net cash used in investing activities	<u>(102,774,063)</u>	<u>(143,831,772)</u>
Cash flows from Financing Activities		
Proceeds from long term loans	-	65,811,500
Repayment of long term loans	(106,824,995)	(105,974,996)
Short term loan, net	2,846,619	(4,893,663)
Lease principal payments	(16,083,681)	(13,955,699)
Net cash used in financing activities	<u>(120,062,057)</u>	<u>(59,012,858)</u>
Net increase/(decrease) in cash and cash equivalents	435,745	(99,225,451)
Net effect of foreign currency translation on cash and cash equivalents	(9,707,836)	(3,160,874)
Cash and cash equivalents at beginning of year	<u>38,076,260</u>	<u>140,462,585</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>28,804,169</u></u>	<u><u>38,076,260</u></u>
Represented by:		
Cash at bank and in hand	12,307,535	21,861,136
Short term investment	16,496,634	16,215,124
	<u><u>28,804,169</u></u>	<u><u>38,076,260</u></u>

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

1. Identification and Principal Activities

Caribbean Cream Limited (the Company) is incorporated and domiciled in Jamaica and is listed on the Junior Market of the Jamaica Stock Exchange (JSE). The Company's registered office is located at 3 South Road, Kingston 10, Jamaica.

At the reporting date, Scoops Unlimited Limited, a company incorporated and domiciled in Jamaica, and its directors has controlling interest in the Company by virtue of their direct holding of 73% (2025: 73%) of the issued shares of the Company.

The principal activities of the Company are the manufacture and sale of ice cream and frozen novelties, under the 'Kremi' brand, and the importation and distribution of certain types of frozen novelties.

These financial statements are presented in Jamaican dollars, which is the Company's functional currency.

2. Basis of preparation

(a) Basis of measurement and statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention, as modified by the valuation of certain items. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgement in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in note 5.

Caribbean Cream Limited**Notes to the Financial Statements
28 February 2026**

2. Basis of preparation (continued)**(a) Basis of measurement and statement of compliance (continued)****Standards, interpretations and amendments to existing standards effective in the current year that are relevant to the Company's operations**

There were no new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year that is relevant to the company's operations.

Standards and amendments to published standards that are not yet effective and have not been early adopted by the company

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretation to existing standards have been issued which are not yet effective, and which the company has not early adopted. The company has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by management.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, and IFRS 7) effective for annual periods beginning on or after 1 January 2026 clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

IFRS 18 Summary for Financial Statements replaces IAS 1 effective for annual periods beginning on or after 1 January 2027 enhances transparency and comparability in financial reporting by introducing new requirements include: new categories and subtotals in the statement of profit or loss, disclosure of management-defined performance measures (MPMs) and enhanced requirements for grouping information.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the company.

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

3. Material Accounting Policies

(a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis at rates to write off the carrying value of the assets over their expected useful lives. The rates used to write off the cost of assets are as follows:

Freehold land & buildings	5%
Leasehold improvements	Lease period
Motor vehicles	12.5%
Machinery and equipment	10%
Computer equipment	25%
Security systems	10%
Well infrastructure	2%
Rights-of-use assets	Lease period

Leasehold improvements are classified as property, plant and equipment.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

Repairs and maintenances are charged to the statement of comprehensive income during the financial period in which they are incurred.

(b) Right-of-use assets and lease liabilities

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- (i) Leases of low value assets; and
- (ii) Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- (i) amounts expected to be payable under any residual value guarantee;
- (ii) the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
- (iii) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

3. Material Accounting Policies (continued)

(b) Right-of-use assets and lease liabilities (continued)

To determine the incremental borrowing rate, the Company:

- (i) since it does not have recent third-party financing, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, and
- (ii) makes adjustments specific to the lease, e.g. term, currency and security.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- (i) lease payments made at or before commencement of the lease;
- (ii) initial direct costs incurred; and
- (iii) the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Payments associated with short-term leases and all leases of low-value assets 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. Low-value assets are assets valued as US\$5,000 or less when new. The Company has no short-term leases or leases for low valued assets at this time.

Extension and termination options

Extension and termination options are included for the property leased by the Company. These are used to maximise operational flexibility in terms of managing the asset used in the Company's operations. The extension option is exercisable by the lessee provided that thirty (30) days written notice is given prior to the expiration of the initial term. Either party may terminate the lease on the provision that not less than twelve (12) months' notice in writing is given to the other party.

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

3. Material Accounting Policies (continued)

(b) Right-of-use assets and lease liabilities (continued)

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- In all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

(c) Intangible assets

Items of intangible assets represent purchased computer software not integral to computer hardware, with finite useful lives that are acquired separately and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life of three years.

(d) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, short term deposits and bank overdraft.

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

3. Material Accounting Policies (continued)

(e) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. For trade receivables impairment provisions, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

Under the simplified approach within IFRS 9, the impairment provision is assessed using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

(f) Inventories

Inventories are measured at the lower of cost, determined principally on a first-in-first-out (FIFO) basis, and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling costs.

(g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements, financial assets comprise cash and cash equivalents and trade and other receivables. Financial liabilities comprise trade and other payables and long-term loans.

Financial assets:

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Caribbean Cream Limited**Notes to the Financial Statements
28 February 2026**

3. Material Accounting Policies (continued)**(g) Financial instruments (continued)****(ii) Classification and subsequent measurement**

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Amortised cost represents the net present value (“NPV”) of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Trade and other receivables

Due to their short-term nature, the Company initially recognises these assets at the original invoiced or transaction amount less expected credit losses.

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

3. Material Accounting Policies (continued)

(g) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

The Company’s objective is to hold financial assets to collect contractual cash flows. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features).

Caribbean Cream Limited**Notes to the Financial Statements
28 February 2026**

3. Material Accounting Policies (continued)**(g) Financial instruments (continued)****(ii) Classification and subsequent measurement (continued)***Financial liabilities*

All financial liabilities are recognised initially at fair value and in the case of borrowings, plus directly attributable transaction costs. The Company's financial liabilities, which include trade and other payables and long-term loans are recognized initially at fair value.

Financial assets and liabilities – Subsequent measurement and gains and losses

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The subsequent measurement of financial liabilities depends on their classification as described in the particular recognition methods disclosed in the individual policy statements associated with each item.

(iii) Derecognition*Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Caribbean Cream Limited**Notes to the Financial Statements
28 February 2026**

3. Material Accounting Policies (continued)**(g) Financial instruments (continued)****(iii) Derecognition (continued)**

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

(iv) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(h) Impairment

At each statement of financial position date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

3. Material Accounting Policies (continued)

(i) **Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) **Dividends**

Dividends on ordinary shares and capital distributions are recognized in shareholders' equity in the period in which they become legally payable. Interim dividends are due when declared and approved by the directors while shareholders approve final dividends at the Annual General Meeting. Dividends and capital distributions for the year that are declared after the reporting date are disclosed in the subsequent events note.

(k) **Borrowings**

Borrowings 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.

Borrowing 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.

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

3. Material Accounting Policies (continued)

(l) Payables

Payables, including provisions, are stated at their nominal value. A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

(m) Income taxes

Where applicable, taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

Current tax is the expected tax payable on the income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

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 their carrying amounts in the financial statements. Currently 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 profits will be available against which the temporary differences can be utilised.

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

3. Material Accounting Policies (continued)

(n) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rate prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Jamaican dollars at the exchange rate prevailing at the date of the statement of financial position, that is, in the case of each currency, the Bank of Jamaica weighted average buying and selling rates at that date. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of comprehensive income.

(o) Revenue recognition

Performance obligations and revenue recognition policies:

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Type of service	<i>Nature and timing of satisfaction of performance obligations, including significant payment terms.</i>	<i>Revenue recognition under IFRS 15.</i>
Sale of ice cream products and novelties.	Customers obtain control of goods when the goods are delivered to and accepted by them. Invoices are generated and the revenue is recognized at that point in time.	Revenue is recognised when the goods are delivered and have been accepted by the customers, which is at a point in time.
	Invoices are usually payable within 30 days.	

Interest income

Interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable, which is the expected rate that exactly discounts estimated future cash receipts through the life of the financial asset to that asset's net carrying amount.

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

3. Material Accounting Policies (continued)

(p) Comparative information

Where necessary comparative figures have been reclassified to conform with changes in presentation.

(q) Related party transactions

A party is related to the Company, if:

- (i) directly, or indirectly through one or more intermediaries, the party, is controlled by, or is under common control with, the Company (this includes parent, subsidiaries and fellow subsidiaries); has an interest in the Company that gives it significant influence over the Company; or has joint control over the Company;
- (ii) the party is an associate of the Company;
- (iii) the party is a joint venture in which the Company is a venturer;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is the Company that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any Company that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. The Company has a related party relationship with its directors and key management personnel, representing certain senior officers of the Company.

(r) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's activities are limited to the sale of ice cream and frozen novelties to Jamaican consumers, operating in a single segment, therefore no additional segment information is provided.

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

4. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk, liquidity risk and capital management. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Company'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 Company 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 Company's risk management framework. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

Audit Committee

The Board of Directors has also established an Audit Committee to assist in managing the Company's risk profile. This Committee oversees how management monitors compliance with the Company's risk management policies and reviews the adequacy of the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as outstanding receivables from credit sales.

Risk management

Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management.

Caribbean Cream Limited**Notes to the Financial Statements
28 February 2026**

4. Financial risk management (continued)**(a) Credit risk (continued)****Risk management (continued)**

Management determines concentrations of credit risk by monitoring the credit-worthiness rating of existing customers and through a monthly review of the trade receivables ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are graded as "high risk" are placed on a restricted customer list, and future credit sales are made only with approval.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Company does not hold any collateral as security.

Impairment of financial assets

The Company has one type of financial asset that is subject to the expected credit loss model of trade receivables.

Due from related parties and cash and cash equivalents are also subject to the impairment requirements of IFRS 9, however the identified impairment loss was considered immaterial.

Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 28 February 2026 and 28 February 2025 respectively 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 Company has identified the GDP, inflation 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.

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

4. Financial risk management (continued)

a) Credit risk (Continued):

Trade receivables (continued)

On that basis, the loss allowance as at 28 February 2026 and 28 February 2025 was determined as follows for trade receivables:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
28 February 2026					
Expected loss rate	0.13%	1.31%	2.33%	87.71%	4.31%
Gross carrying amount – trade receivables \$	72,555,261	11,606,651	4,215,618	4,155,686	92,533,216
Loss allowance \$	94,322	152,047	98,253	3,644,965	3,989,587
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
28 February 2025					
Expected loss rate	0.13%	1.31%	2.62%	100%	2.37%
Gross carrying amount – trade receivables \$	92,245,387	7,977,251	2,335,110	2,196,089	104,753,837
Loss allowance \$	118,503	104,502	61,179	2,196,089	2,480,273

The closing loss allowances for trade receivables as at 28 February 2026 and 28 February 2025 reconciled to the opening loss allowances as follows:

	Trade receivables 2026 \$	Trade receivables 2025 \$
Balance at beginning of year	2,480,273	2,088,628
Increase in expected credit loss allowance recognised in the profit and loss during the year	1,509,314	391,645
Balance at end of year (Note 10)	3,989,587	2,480,273

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

4. Financial risk management (continued)

a) Credit risk (continued)

Trade receivables (continued)

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 Company, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

As at 28 February 2026, there were \$3,644,965 (2025 – \$2,196,089) lifetime expected credit losses of the full value of the receivables.

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables and balances due from related parties.

While the other financial assets at amortised cost are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

At the Statement of Financial Position date, except for cash and cash equivalents, there were no other significant concentration of credit risk and the exposure to credit risk of these financial assets were considered immaterial.

Net impairment losses on financial assets recognised in statement of comprehensive income

During the year, the following losses were recognised in statement of comprehensive income in relation to impaired financial assets:

	28 February 2026	28 February 2025
	<u>\$</u>	<u>\$</u>
Impairment losses		
- movement in loss allowance for trade receivables	1,509,314	391,645
Net impairment losses on trade receivables	<u>1,509,314</u>	<u>391,645</u>

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

4. Financial risk management (continued)

b) Liquidity risk:

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The Company's liquidity management process includes:

- (i) Monitoring future cash flows and liquidity on a daily basis;
- (ii) Maintaining marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining a committed line of credit;
- (iv) Optimizing cash returns on investment.

Undiscounted cash flows of financial liabilities

The maturity profile of the Company's financial liabilities at year end on contractual undiscounted payments was as follows:

	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Contractual cashflows	Carrying amount
	2026					
	\$	\$	\$	\$	\$	\$
Lease liabilities	11,042,607	33,127,822	133,543,009	197,611,524	375,324,962	266,666,667
Long term loans	135,139,776	121,429,487	883,475,656	-	1,140,044,919	1,012,244,453
Short term loan	9,171,829	9,171,829	-	-	18,343,658	17,986,277
Payables	479,210,932	-	-	-	479,210,932	479,210,932
	<u>634,565,144</u>	<u>163,729,138</u>	<u>1,017,018,665</u>	<u>197,611,524</u>	<u>2,012,924,471</u>	<u>1,776,108,329</u>
	2025					
	\$	\$	\$	\$	\$	\$
Lease liabilities	10,040,906	30,122,719	172,531,149	114,264,562	326,959,336	283,309,609
Long term loans	47,855,022	232,786,774	1,041,671,937	-	1,322,313,733	1,119,069,448
Short term loan	11,568,440	3,856,146	-	-	15,424,586	15,139,658
Payables	374,896,119	-	-	-	374,896,119	374,896,119
	<u>444,360,487</u>	<u>266,765,639</u>	<u>1,214,203,086</u>	<u>114,264,562</u>	<u>2,039,593,774</u>	<u>1,792,414,834</u>

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

4. Financial risk management (continued)

c) Market risk

The Company takes on exposure to market risks, 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 interest rates (4(c)(i)) and foreign currency risk (4(c)(ii)). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk exposures are measured using sensitivity analysis. There has been no significant exposure to market risks or the manner in which the Company manages and measures the risk.

(i) 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.

The Company minimizes interest rate risk by investing mainly in fixed rate instruments and contracting liabilities at fixed rates, where possible. The Company's interest rate risk arises mainly from bank loans.

At the reporting date, the interest profile of the Company's interest-bearing financial Instruments were:

	2026					
	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Non-Interest bearing	Total
	\$	\$	\$	\$	\$	\$
Receivables	-	-	-	-	183,292,126	183,292,126
Due from parent company	-	-	-	-	21,135,502	21,135,502
Cash and cash equivalents	12,307,535	16,496,634	-	-	-	28,804,169
Total financial assets	12,307,535	16,496,634	-	-	204,427,628	233,231,797
Lease liabilities	6,800,493	20,401,480	81,413,438	158,051,256	-	266,666,667
Long-term loans	118,289,579	72,268,746	821,686,128	-	-	1,012,244,453
Short term loan	8,922,225	9,064,052	-	-	-	17,986,277
Payables	-	-	-	-	479,210,932	479,210,932
Total financial liabilities	134,012,297	101,734,278	903,099,566	158,051,256	479,210,932	1,776,108,329
Total interest repricing gap	(121,704,762)	(85,237,644)	(903,099,566)	(158,051,256)	(274,783,304)	(1,542,876,532)

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

4. Financial risk management (continued)

c) Market risk (continued)

(i) Interest rate risk (continued)

	2025					Total
	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Non-Interest bearing	
	\$	\$	\$	\$	\$	
Receivables	-	-	-	-	175,459,016	175,459,016
Due from parent company	-	-	-	-	34,292,566	34,292,566
Cash and cash equivalents	21,625,136	16,215,124	-	-	236,000	38,076,260
Total financial assets	21,625,136	16,215,124	-	-	209,987,582	247,827,842
Long-term loans	5,456,851	16,370,557	237,331,246	24,150,955	-	283,309,609
Lease liabilities	27,579,470	82,734,414	1,008,755,564	-	-	1,119,069,448
Short term loan	11,312,217	3,827,441	-	-	-	15,139,658
Payables	-	-	-	-	374,896,119	374,896,119
Total financial liabilities	44,348,538	102,932,412	1,246,086,810	24,150,955	374,896,119	1,792,414,834
Total interest repricing gap	(22,723,402)	(86,717,288)	(1,246,086,810)	(24,150,955)	(164,908,537)	(1,544,586,992)

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

4. Financial risk management (continued)

(c) Market risk (continued)

(ii) Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from currency exposure primarily with respect to the US and CDN dollars. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Company undertakes certain transactions denominated in currencies other than the Jamaican dollar resulting in exposures to exchange rate fluctuations.

Financial assets denominated in foreign currency are as follows: -

	<u>2026</u>	<u>2025</u>
	\$	\$
Cash and cash equivalents	24,942,238	28,669,306
Accounts payable	<u>(138,482,413)</u>	<u>(142,500,610)</u>
Net foreign currency liabilities	<u>(113,540,175)</u>	<u>(113,831,304)</u>
	<u>2026</u>	<u>2025</u>
	\$	\$
Currency		
USD	(742,987)	(737,748)
CND	16,920	20,267
Rate of exchange		
USD	155.35	157.33
CND	<u>111.29</u>	<u>110.46</u>

The following table demonstrates the sensitivity to a reasonably possible change in the following exchange rates of the Company before tax with all other variables held constant.

Currency	Change in exchange rate	<u>2026</u>	<u>2025</u>
		\$	\$
Revaluation	1% (2025 - 1%)	1,135,402	1,138,313
Devaluation	1.5% (2025 - 4%)	<u>(1,703,102)</u>	<u>(4,553,252)</u>

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

4. Financial risk management (continued)

(d) Fair value estimates

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognized stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

The amount included in the financial statements for cash and cash equivalents, receivables, payables, short term loan and due from related parties reflect their approximates fair values because of the short-term maturity of these instruments. Long term loans and lease liabilities approximates amortized costs.

(e) Capital management

The policy of the Company's Board of Directors is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business and ensure it continues as a going concern.

The Company considers its capital to be its total equity, which currently comprises share capital and retained earnings. The Company's financial objective is to generate a targeted operating surplus, in order to strengthen and provide for the future continuity of the Company as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Directors regularly review the financial position of the Company at meetings and monitor the return on capital and the level of dividends to the ordinary shareholders. They seek to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total capital. Debt is the total of long term loans, short term loan and bank overdraft but excludes related party borrowings and non-finance lease liabilities. Total capital is calculated as equity as shown in the Company's statement of financial position plus debt. The gearing ratios at the year-end based on these calculations were as follows:

	<u>2026</u>	<u>2025</u>
	\$	\$
Total borrowings	1,030,230,730	1,134,209,106
Equity and borrowings	1,814,548,690	2,014,357,178
Gearing ratio	56.78%	56.31%

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

5. Critical accounting estimates and judgements in applying accounting policies

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. Estimates and judgements 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.

(i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Credit risk note.

(ii) Income taxes

Estimates and judgements are required in determining the provision for income taxes. The tax liability or asset arising from certain transactions or events may be uncertain during the ordinary course of business. In cases of such uncertainty, the Company recognises liabilities for possible additional taxes based on its judgement. Where, on the basis of subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

(iii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

(iv) Fair value of financial assets

The management uses its judgment in selecting appropriate valuation techniques to determine fair values of financial assets adopting valuation techniques commonly used by market practitioners supported by appropriate assumptions (note 4(d)).

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

6. Property, plant and equipment

	Freehold land & buildings	Leasehold improvements	Well infrastructure	Motor vehicles	Machinery and equipment	Computer equipment	Security systems	Construction in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost -									
1 March 2024	424,650,651	47,546,027	-	13,964,798	1,360,166,730	53,708,688	16,251,772	650,428,410	2,566,717,076
Additions	-	-	-	-	35,485,380	5,332,202	-	107,101,146	147,918,728
Disposals	-	-	-	(2,900,000)	(5,835,000)	-	-	-	(8,735,000)
28 February 2025	424,650,651	47,546,027	-	11,064,798	1,389,817,110	59,040,890	16,251,772	757,529,556	2,705,900,804
Additions	-	60,950	-	-	23,761,659	1,588,504	7,997	77,354,953	102,774,063
Transfer	-	-	39,549,758	-	215,977,720	-	-	(255,527,478)	-
Transfer to intangible assets	-	-	-	-	-	-	-	(52,591,498)	(52,591,498)
28 February 2026	424,650,651	47,606,977	39,549,758	11,064,798	1,629,556,489	60,629,394	16,259,769	526,765,533	2,756,083,369
Depreciation -									
1 March 2024	116,381,313	26,609,760	-	7,082,249	598,669,075	48,246,924	6,040,358	-	803,029,679
Charge for year	15,982,782	4,017,027	-	1,192,475	108,534,304	3,033,942	1,491,386	-	134,251,916
Relieved on disposal	-	-	-	(513,542)	(5,834,998)	-	-	-	(6,348,540)
28 February 2025	132,364,095	30,626,787	-	7,761,182	701,368,381	51,280,866	7,531,744	-	930,933,055
Charge for year	15,982,782	3,985,752	65,916	1,101,850	133,365,637	2,250,489	1,426,687	-	158,179,113
28 February 2026	148,346,877	34,612,539	65,916	8,863,032	834,734,018	53,531,355	8,958,431	-	1,089,112,168
Net book value -									
28 February 2026	276,303,774	12,994,438	39,483,842	2,201,766	794,822,471	7,098,039	7,301,338	526,765,533	1,666,971,201
28 February 2025	292,286,556	16,919,240	-	3,303,616	688,448,729	7,760,024	8,720,028	757,529,556	1,774,967,749

Freehold land and buildings include land at cost of \$105,095,012 (2025: \$105,095,012). Certain assets of the Company are pledged as securities for long term loans (see note 14).

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

7. Right-of-use assets and related lease obligations

(i) Amounts recognized in the Statement of Financial Position

The statement of financial position shows the following amounts relating to leases: -

Right-of-use assets

	<u>2026</u>	<u>2025</u>
	\$	\$
Balance as at beginning of the year	254,102,405	79,832,313
Remeasurement	-	208,310,863
Amortization	<u>(32,344,757)</u>	<u>(34,040,771)</u>
Balance as at end of year	<u>221,757,648</u>	<u>254,102,405</u>

Lease liabilities

	<u>2026</u>	<u>2025</u>
	\$	\$
Balance as at beginning of the year	283,309,609	89,213,854
Remeasurement	-	208,310,863
Lease payments	(34,535,868)	(33,533,255)
Interest expense	18,452,187	19,577,556
Foreign exchange gains	<u>(559,261)</u>	<u>(259,409)</u>
Balance as at end of the year	<u>266,666,667</u>	<u>283,309,609</u>

	<u>2026</u>	<u>2025</u>
	\$	\$
Current	27,201,974	21,827,408
Non-current	<u>239,464,693</u>	<u>261,482,201</u>
Balance as at end of year	<u>266,666,667</u>	<u>283,309,609</u>

(ii) Amounts recognized in the Statement of Comprehensive Income

The statement of comprehensive income shows the following amounts relating to leases:

	<u>2026</u>	<u>2025</u>
	\$	\$
Foreign exchanges gains (included in finance costs)	(559,261)	(259,409)
Amortization of right-of-use assets (included in direct expenses and administrative expenses)	32,344,757	34,040,771
Interest expense (included in administrative expenses)	<u>18,452,187</u>	<u>19,577,556</u>

Caribbean Cream Limited**Notes to the Financial Statements
28 February 2026****7. Right-of-use assets and related lease obligations (continued)****(iii) Amounts recognized in the Statement of Cash Flows**

	<u>2026</u>	<u>2025</u>
	\$	\$
Total cash outflows for leases	<u>34,535,868</u>	<u>33,533,255</u>

8. Intangible assets

	<u>Computer software</u>
	\$
Cost	
1 March 2024	<u>62,965,846</u>
28 February 2025	62,965,846
Transfer from property, plant and equipment (Note 6)	<u>52,591,498</u>
28 February 2026	<u>115,557,344</u>
Amortization -	
1 March 2024	3,157,972
Charge for year	<u>12,477,010</u>
28 February 2025	15,634,982
Charge for year	<u>21,095,977</u>
28 February 2026	<u>36,730,959</u>
Net book value -	
28 February 2026	<u>78,826,385</u>
28 February 2025	<u>47,330,864</u>

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

9. Deferred tax assets/(liabilities)

Deferred income taxes are calculated in full on all temporary differences under the liability method using the applicable tax rate. Assets and liabilities recognised on the statement of financial position are as follows:

	<u>2026</u>	<u>2025</u>
	\$	\$
Deferred tax assets/(liabilities)	<u>7,318,953</u>	<u>(22,702,819)</u>

The movement on the net deferred income tax balance is as follows:

	<u>2026</u>	<u>2025</u>
	\$	\$
Net liabilities at beginning of year	(22,702,819)	(29,637,669)
Deferred tax credited to the statement of comprehensive income (Note 25)	<u>30,021,772</u>	<u>6,934,850</u>
Net assets/(liabilities) at end of year	<u><u>7,318,953</u></u>	<u><u>(22,702,819)</u></u>

Deferred income tax assets and liabilities are attributable to the following items:

	<u>2026</u>	<u>2025</u>
	\$	\$
Deferred income tax assets/(liabilities):		
Property, plant and equipment	(62,164,980)	(32,658,491)
Lease liability, net of right-of-use assets	11,227,255	7,301,804
Interest payable	1,134,006	763,082
Unrealized foreign exchange gains	492,426	(1,259,904)
Provision for expected credit loss	997,397	620,069
Provision for vacation leave	2,650,426	2,530,621
Tax losses	<u>52,982,423</u>	<u>-</u>
Net assets/(liabilities) at end of year	<u><u>7,318,953</u></u>	<u><u>(22,702,819)</u></u>

The amounts shown in the statement of financial position include the following:

	<u>2026</u>	<u>2025</u>
	\$	\$
Deferred tax assets/(liabilities) to be settled/(recovered):		
- after more than 12 months	(2,044,698)	(25,356,687)
- within 12 months	<u>9,363,651</u>	<u>2,653,868</u>
	<u><u>7,318,953</u></u>	<u><u>(22,702,819)</u></u>

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

10. Inventories

	<u>2026</u>	<u>2025</u>
	\$	\$
Raw materials	171,393,729	172,481,412
Finished goods	87,013,235	58,907,351
Goods-in-transit	37,440,871	91,948,457
Other	53,327,518	44,666,018
	<u>349,175,353</u>	<u>368,003,238</u>

During the year, inventories of \$1,340,289,938 (2025: \$1,371,718,530) were recognised as an expense in direct expenses, while inventories valued at \$19,039,175 (2025: \$21,783,072) were charged to the statement of comprehensive income.

11. Receivables

	<u>2026</u>	<u>2025</u>
	\$	\$
Trade receivables	92,533,216	104,753,837
Less: Provision for impairment losses on financial assets (Note 4(a))	(3,989,589)	(2,480,273)
	88,543,627	102,273,564
Prepayments and deposits	37,028,875	35,057,385
General consumption tax	48,519,544	37,282,918
Other	9,200,080	845,149
	<u>183,292,126</u>	<u>175,459,016</u>

12. Due from parent company

	<u>2026</u>	<u>2025</u>
	\$	\$
Scoops Unlimited Limited	<u>21,135,502</u>	<u>34,292,566</u>

This balance is due from Scoops Unlimited Limited, the parent company. This balance is unsecured, interest free and has no fixed repayment terms.

Caribbean Cream Limited**Notes to the Financial Statements
28 February 2026****13. Cash and cash equivalents**

	<u>2026</u>	<u>2025</u>
Cash at bank and on hand	\$	\$
Cash at bank	12,071,535	21,625,136
Cash on hand	236,000	236,000
	<u>12,307,535</u>	<u>21,861,136</u>
Short term investment		
JMMB Investment Limited	16,496,634	16,215,124
	<u>28,804,169</u>	<u>38,076,260</u>

Cash at bank substantially comprise savings and operating accounts at licensed commercial banks in Jamaica. The rate of interest earned on the Company's foreign currency savings accounts ranges from 0.0 % to 0.4 % (2025: 0.0% to 0.3%).

Short term investment represents a United States denominated investment account at a licensed non-deposit taking institution in Jamaica which earns interest at a rate of 2.88% (2025 – 2.51%) per annum.

14. Share capital

	<u>2026</u>	<u>2025</u>
	<u>No. of shares</u>	<u>No. of shares</u>
Authorised ordinary shares of no par value	5,100,000,000	5,100,000,000
Issued and fully paid ordinary stock units at no par value	<u>378,568,115</u>	<u>378,568,115</u>
	<u>2026</u>	<u>2025</u>
	\$	\$
Stated capital at the beginning and end of year	<u>111,411,290</u>	<u>111,411,290</u>

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

15. Long term loans

		<u>2026</u>	<u>2025</u>
		\$	\$
CIBC Caribbean Bank (Jamaica) Limited	(a)	94,199,998	104,666,665
CIBC Caribbean Bank (Jamaica) Limited	(b)	429,333,333	466,666,666
CIBC Caribbean Bank (Jamaica) Limited	(c)	476,988,900	532,497,228
CIBC Caribbean Bank (Jamaica) Limited	(d)	<u>11,722,222</u>	<u>15,238,889</u>
		1,012,244,453	1,119,069,448
Less: Current portion		<u>(27,578,471)</u>	<u>(110,313,884)</u>
		<u>984,665,982</u>	<u>1,008,755,564</u>

- (a) The loan, which commenced January 1, 2021, attracts interest at floating 6 months weighted average treasury bill yield plus 4.80% per annum, reset quarterly. Interest rate is subject to a cap of 6.50% and an all in floor rate of 5.80%. The loan is repayable within a 60-month term with a balloon payment at the end of the term.
- (b) This is a non-revolving demand instalment loan, which commenced January 1, 2021, to provide funding for capital expenditure. The loan is available by way of multiple drawdowns within 18 months after the satisfaction of the conditions precedent. At the end of the 60-month term, a balloon payment is due. The loan attracts fixed interest rate at 5.80% per annum for the first 18 months. Thereafter it will attract floating interest at the 6-month weighted average treasury bill yield plus 4.80% per annum, reset quarterly.
- (c) The loan facility commenced November 10, 2022, to provide funding for capital expenditure. The loan is repayable within 7 years with a moratorium on principal for 12 months. At the end of the 84-month term, a balloon payment is due. During the year, the Company drew down \$Nil (2025: \$65,811,500) in accordance with the terms of the existing loan facility. The loan attracts fixed interest rate at 8.50% per annum for the first 2 years. Thereafter it will attract floating interest at the 6-month weighted average treasury bill yield plus 4.50% per annum for 4 years, reset every 6 months.
- (d) The loan commenced June 23, 2023 to provide funding for capital expenditure. The loan is repayable within 6 years. The loan attracts fixed interest rate at 6.50% per annum, and is repayable in 72 monthly instalments expiring in May 2029.

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

15. Long term loans (continued)

The loan facilities are secured by the following:

- (i) First fixed and floating charge debenture stamped for J\$737,000,000 with power to upstamp giving CIBC Caribbean Bank (Jamaica) Limited a first ranking floating charge over all other present and future property and assets.
- (ii) First priority right of mortgage stamped for J\$61,750,000 with power to upstamp giving CIBC Caribbean Bank (Jamaica) Limited a first fixed mortgage and charge over the property located at 2A and 2D Sutherland Road, Kingston 10, registered at Volume 1288 and 1293 and Folios 348 and 575.
- (iii) First priority right of mortgage stamped for J\$104,000,000 with power to upstamp giving CIBC Caribbean Bank (Jamaica) Limited a first fixed mortgage and charge over the property located at 3 South Road, Kencot Park, Kingston 10, registered at Volume 1101 and Folio 714.
- (iv) First priority right of mortgage stamped for J\$17,550,000 with power to upstamp giving CIBC Caribbean Bank (Jamaica) Limited a first fixed mortgage and charge over the property located at 15 Central Road, Kencot Park, Kingston 10, registered at Volume 1180 and Folio 866.
- (v) Second fixed and floating charge debenture stamped for J\$600,000,000 with power to upstamp giving CIBC Caribbean Bank (Jamaica) Limited a first ranking floating charge over all other present and future property and assets.
- (vi) First priority right of mortgage stamped for J\$21,100,000 with power to upstamp giving CIBC Caribbean Bank (Jamaica) Limited a first fixed mortgage and charge over the property located at 15 Central Road, Kencot Park, Kingston 10, registered at Volume 1180 and Folio 866.

Caribbean Cream Limited**Notes to the Financial Statements
28 February 2026****16. Payables**

	<u>2026</u>	<u>2025</u>
	\$	\$
Trade payables	362,002,853	249,319,119
Accrued charges	51,667,825	50,712,162
Interest payable	4,536,019	3,052,329
Other	61,004,235	71,812,509
	<u>479,210,932</u>	<u>374,896,119</u>

17. Short term loan

	<u>2026</u>	<u>2025</u>
	\$	\$
Bank of Nova Scotia Jamaica Limited	<u>17,986,277</u>	<u>15,139,658</u>

This represents an annual Insurance Premium Financing facility, which attracts interest at a rate of 9.50% (2025: 9.00%) per annum and is repayable over 9 months in equal instalments of \$4,585,914.00 (2025: \$3,856,146.92).

18. Revenue

Turnover represents the invoiced value of goods and services net of discounts allowed and General Consumption Tax.

19. Direct expenses

	<u>2026</u>	<u>2025</u>
	\$	\$
Amortization of right-of-use assets	14,281,877	14,578,897
Depreciation	118,530,289	94,954,084
Repairs and maintenance	129,055,733	98,134,845
Raw materials	1,188,391,025	1,171,475,459
Staff costs (Note 23)	151,898,913	143,382,763
Utilities	193,074,495	172,862,839
Other costs	293,912,599	239,625,606
	<u>2,089,144,931</u>	<u>1,935,014,493</u>

Caribbean Cream Limited**Notes to the Financial Statements
28 February 2026****20. Other income**

	<u>2026</u>	<u>2025</u>
	\$	\$
Storage income	-	4,680,000
Gain on disposal of property, plant and equipment	-	1,700,496
Rental income	4,920,000	-
Other	787,441	861,569
	<u>5,707,441</u>	<u>7,242,065</u>

21. Expenses by nature

	<u>2026</u>	<u>2025</u>
	\$	\$
Administrative expenses:		
Amortization of right-of-use assets	18,062,880	19,461,874
Amortization of intangible assets	21,095,977	12,477,010
Audit fee	5,700,000	3,960,000
Cleaning sanitation	11,453,655	26,674,558
Depreciation	39,648,824	39,297,832
Directors' fees	3,384,563	4,640,208
Insurance	36,676,407	31,688,366
Legal and professional fees	84,051,744	73,528,487
Lease interest expense	18,452,187	19,577,556
Managements' remuneration	15,580,447	11,706,395
Office and general expense	19,039,448	18,370,759
Rental equipment	7,987,800	10,002,379
Repairs and maintenance	102,270,585	149,583,978
Staff costs (Note 23)	267,364,392	250,955,350
Security	62,851,963	87,117,395
Utilities	110,690,657	108,937,889
	<u>824,311,529</u>	<u>867,980,036</u>
Selling and distribution:		
Selling, advertising, promotion, and distribution	12,072,124	10,618,035
Travelling, entertainment and subsistence allowance	4,197,904	3,846,083
Licenses and permits	1,864,060	1,427,185
Transportation and delivery	53,845,688	52,681,976
Motor vehicle expenses	11,854,793	11,762,330
	<u>83,834,569</u>	<u>80,335,609</u>
Finance costs, net (Note 24)	107,555,916	99,800,593
Direct expenses (Note 19)	2,089,144,931	1,935,014,493
Impairment losses on financial assets (Note 4(a))	1,509,314	391,645
	<u>3,106,356,259</u>	<u>2,983,522,376</u>

Caribbean Cream Limited**Notes to the Financial Statements
28 February 2026****22. Operating (loss)/profit**

The following have been charged/(credited) in arriving at operating (loss)/profit:

	<u>2026</u>	<u>2025</u>
	\$	\$
Auditors' remuneration- current year	4,500,000	3,960,000
- prior year	1,200,000	-
Amortization of right-of-use assets (Note 7)	32,344,757	34,040,771
Depreciation (Note 6)	158,179,113	134,251,916
Amortization of intangible assets	21,095,977	12,477,010
Impairment losses on financial assets	1,509,314	391,645
Gain on disposal of property, plant and equipment	-	(1,700,496)
Directors' emoluments: -		
- Fee	3,384,563	4,640,208
- Managements' remuneration	15,580,447	11,706,395
Staff costs (Note 23)	<u>419,263,305</u>	<u>394,338,113</u>

23. Staff costs

	<u>2026</u>	<u>2025</u>
	\$	\$
Staff costs comprise:		
Salaries and wages	326,421,359	285,308,051
Statutory contributions	37,061,709	33,233,943
Travelling allowance	3,388,411	4,502,767
Staff welfare and training	34,133,011	50,746,956
Health and group life insurance	<u>18,258,815</u>	<u>20,546,396</u>
	<u>419,263,305</u>	<u>394,338,113</u>
Staff costs are included in:		
Administrative expenses (Note 21)	267,364,392	250,955,350
Direct expenses (Note 19)	<u>151,898,913</u>	<u>143,382,763</u>
	<u>419,263,305</u>	<u>394,338,113</u>

Caribbean Cream Limited**Notes to the Financial Statements
28 February 2026****24. Finance costs, net**

	<u>2026</u>	<u>2025</u>
	\$	\$
Interest income	(446,978)	(759,856)
Foreign exchange losses	9,148,576	2,901,465
Loan interest expense	89,463,674	87,975,384
Overdraft interest	273,544	114,015
Bank and other charges	7,754,732	8,142,403
Other interest expense	1,362,368	1,427,182
	<u>108,002,894</u>	<u>100,560,449</u>
	<u>107,555,916</u>	<u>99,800,593</u>

25. Taxation

- (a) Taxation is computed on the (loss)/profit for the year adjusted for taxation purposes and comprises:

	<u>2026</u>	<u>2025</u>
	\$	\$
Income tax	-	7,727,817
Deferred income taxes (Note 9)	(30,021,772)	(6,934,850)
	<u>(30,021,772)</u>	<u>792,967</u>

No income tax has been charged in these financial statements as the company suffered a loss for tax purposes.

Subject to agreement with the Commissioner General, Tax Administration Jamaica, the company has tax losses of approximately \$211,929,695 (2025: \$Nil) that can be carried forward indefinitely for offset against future taxable profits. However, the amount that can be utilised in any one year is restricted to 50% of that year's taxable profit, unless the company's gross sales is less than the General Consumption Tax (GCT) threshold, which is currently \$10 million.

- (b) The taxation charged in the statement of comprehensive income differs from the theoretical amount that would arise using the applicable tax rate, as follows:

	<u>2026</u>	<u>2025</u>
	\$	\$
(Loss)/profit before taxation	(125,851,884)	18,584,557
Tax calculated at a tax rate of 25%	(31,462,971)	4,646,139
Adjusted for the effects of: -		
Employment Tax Credit	-	(3,311,922)
Expenses not allowed for tax purposes	572	2,140
Other charges and allowances	1,440,627	(543,390)
	<u>(30,021,772)</u>	<u>792,967</u>

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

25. Taxation (continued)

Remission of income tax

The Company was granted a 10-year income tax remission under the Junior Market incentive, starting from its listing on May 17, 2013. Remission received:

- (a) 100% tax relief for the first 5 years
- (b) 50% tax relief for the following 5 years

This benefit ended on May 16, 2023, and the Company is now fully taxable.

26. Earnings per Stock Unit Attributable to Stockholders of the Company

	<u>2026</u>	<u>2025</u>
	\$	\$
Net (loss)/profit attributable to shareholders of the Company	<u>(95,830,112)</u>	<u>17,791,590</u>
Weighted average number of shares	<u>378,568,115</u>	<u>378,568,115</u>
Basic earnings per share (\$ per share)	<u>(0.25)</u>	<u>0.05</u>

Earnings per stock unit (“EPS”) is computed by dividing the (loss)/profit attributable to stockholders of the Company of (\$95,830,112) (2025: \$17,791,590) by the weighted average number of ordinary stock units in issue during the year, numbering 378,568,115 (2025: 378,568,115).

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

27. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transactions and balances are recognised and disclosed below for the following:

- (a) Enterprises over which a substantial interest in the voting power is owned by key management personnel, including directors and officers and close members of families; or
- (b) Enterprises over which such a person, in (a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the Company.

As at the statement of financial position date the following balances were outstanding (Note 12): -

	<u>2026</u>	<u>2025</u>
	\$	\$
Due from parent company		
Scoops Unlimited Limited	21,135,502	34,292,566
	<u>21,135,502</u>	<u>34,292,566</u>

Amounts credited/ (charged) to the statement of comprehensive income: -

	<u>2026</u>	<u>2025</u>
	\$	\$
Sales		
Scoops Unlimited Limited	337,722,199	315,076,698
Expenses		
Directors' fees	(3,384,563)	(4,640,208)
Directors' emoluments	(15,580,447)	(11,706,395)
Salaries and other short-term employee benefits	11,052,751	(9,059,122)
	<u>11,052,751</u>	<u>(9,059,122)</u>

Caribbean Cream Limited

Notes to the Financial Statements 28 February 2026

28. Contingent liabilities and commitments

In the normal course of business, the Company is subject to various claims, disputes and legal proceedings, which occur as part of the normal course of business. Provision is made for such matters when, in the opinion of management and its legal advisors, it is probable that payment will be made by the Company, and the amount can be reasonably estimated. In respect of claims asserted against the Company, which, according to the principles outlined above, have not been provided for, management is of the opinions as at 28 February 2026, there were no legal claims threatened against the Company.

Management reported that as at 28 February 2026, the Company had capital commitments amounting to approximately \$60 million (2025: \$41 million).

29. Subsequent event

The Directors confirm that there have been no material events subsequent to the end of the reporting period that have not been reflected in these financial statements.