

We are GraceKennedy

Unlocking Value, Unleashing Greatness

Annual Report 2024



2024 Annual Report

GraceKennedy's 103-year legacy

stands as a testament to our unwavering commitment to ***unlocking value*** and ***unleashing greatness***.

In 2024, we reinforced this commitment through innovation, strategic partnerships, and customer-centric solutions, creating value not only for our customers, shareholders, and business partners, but for the communities we serve.

At GraceKennedy, we are driven by a culture of excellence. We continue to invest in our people, technology, and sustainability, ensuring that we remain a forward-thinking leader in the markets where we operate. By embracing new opportunities and challenging ourselves to constantly improve, our amazing GK team is paving the way for our Company's long-term success.

Looking ahead, we are confident in our ability to unlock greater value and unleash our collective potential to create a lasting, and even more meaningful impact.

We are GraceKennedy:
Unlocking Value. Unleashing Greatness.





Our Vision

To be the #1 Caribbean brand with Jamaican roots and a global reach, by building on our core pillars of Foods and Financial Services to provide strong returns to our shareholders and improve the quality of life of our team members, customers and the communities we serve.

Our Purpose

To bring superior products and services to customers that contribute to a better global society and greater financial well-being.

Our Core Values

Honesty • Integrity • Trust • Commitment • Humility • Respect

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GK AT A GLANCE

\$167 B

Total Revenue ↑ 7.8%

\$12.3 B

Profit Before Tax ↑ 8.6%

\$87.0 B

Shareholders' Equity ↑ 10.0%

\$8.0 B

Profit Before Other Income ↑ 6.0%

\$8.4 B

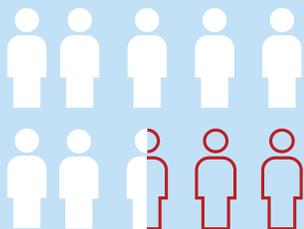
Net Profit Attributable to Shareholders ↑ 8.1%

\$236.6 B

Total Assets ↑ 7.8%

75%

Employee Engagement Score



60%

of senior management positions held by women

WHERE WE EARN

Jamaica	57.8%
North America	24.0%
Europe (including the UK)	11.6%
Other Caribbean Countries	6.5%
Other Countries	0.1%

HOW WE EARN

Food Trading	79%
Money Services	5%
Insurance	10%
Banking and Investments	6%



2,359

VOLUNTEER HOURS

contributed by GK team members



OVER 1.5 M
KILOGRAMMES

of waste prevented from entering the Kingston Harbour



1.1 M

People empowered through the GK Money Sense financial literacy campaign



OVER \$33 M

in scholarships and bursaries awarded to Jamaican students



Over 1,700 Jamaican students received tuition support from our Grace & Staff Community Development Foundation



OVER 7,700

Jamaican university students received support from our GK Foundation's GK Campus Connect Food Bank



\$298 M

INVESTED IN COMMUNITY DEVELOPMENT PROJECTS

Chairman's Message

“ GraceKennedy continues to build on its proud legacy of excellence, and our unwavering commitment to innovation, sustainability, and corporate citizenship continues to yield positive results. ”

In 2024, we achieved a historic milestone, surpassing \$167 billion in revenue and \$12 billion in profit before tax, a testament to our strategic vision, resilience, and dedication.

Our GraceKennedy Foods division delivered a robust performance, with both revenue and profit exceeding 2023 levels. Similarly, our GraceKennedy Financial Group achieved commendable growth, propelled by strong performances in our Banking & Investment and Insurance segments.

In 2024, we were honoured with several prestigious awards. Most notably, the Jamaica Chamber of Commerce recognised GraceKennedy with the Best of Chamber Award (Extra-Large Category) and its inaugural Environmental, Social, and Governance (ESG) Award.

The Jamaica Manufacturers and Exporters Association also acknowledged our contributions to economic development and environmental stewardship in Jamaica with the ESG Most Sustainable Manufacturer Award and the N. Gordon-Rowe Buy Jamaican Award.

Our award-winning corporate governance programme remains a cornerstone of our success. GraceKennedy is committed to upholding the highest standards and our governance framework ensures that we operate with integrity while advancing initiatives that drive long-term value. We remain focused on embedding ESG principles into our core strategy. We are deeply committed to sustainability, and our ongoing efforts drive our business growth while positively impacting the communities in which we operate. From reducing our environmental footprint to fostering social responsibility, GraceKennedy is dedicated to shaping a more sustainable future.

This commitment to excellence and responsible leadership is reflected in the outstanding individuals who have shaped our Company's success. Another defining moment of the year was the recognition of our now-retired Group CEO, Don Wehby, who was conferred with the prestigious Order of Jamaica by the Government of Jamaica. This national honour celebrates his outstanding contributions to business, entrepreneurship and community, reinforcing his legacy as a visionary leader.



2024 also marked the beginning of a significant transition for our Group, as we prepared for Don's retirement. Under his transformative leadership, GraceKennedy experienced extraordinary growth. Between 2011 to 2024, his tenure as Group CEO saw revenue nearly triple, rising from J\$58 billion to J\$167 billion, a clear demonstration of his dedication, and exceptional leadership. We extend our deepest gratitude to Don for his invaluable contributions and unwavering commitment to GraceKennedy's success.

A handwritten signature in black ink, appearing to read 'Gordon Shirley', enclosed within a rounded rectangular border.

Prof. Gordon Shirley, OJ
Chairman,
GraceKennedy Limited

Interview With Frank

What was the secret to GK's success in 2024?

Grounded in our core values - *Honesty, Integrity, Trust, Commitment, Humility, and Respect* - and guided by our *We Care* ethos, in 2024 we successfully navigated a dynamic global landscape and seized strategic opportunities. As a result, we delivered an impressive performance—revenue reached J\$167 billion, and profit before tax exceeded J\$12 billion for the first time in GK's history. This success was rooted in our commitment to *building a culture of excellence through great people* – our theme for last year. And a key factor to achieving this is maintaining high employee engagement. By empowering our team, we are positioning ourselves for strong, sustainable growth. Last year, we reached a record employee engagement score of 75%, reflecting not only the passion and dedication of our team but also our commitment to fostering a positive workplace culture. Equally important is the unwavering support of our wider GK family – customers, shareholders, business partners, and the communities we serve – which remains at the heart of our success.

What's in store for GK in 2025?

2025 will be a year of acceleration at GK, guided by our theme, *We Are GraceKennedy: Unlocking Value. Unleashing Greatness*. Our dynamic leadership team is propelling our momentum, as we expand our *Grace* and *Grace-owned* brands, enhance our digital offerings like the *GK One* app, and pursue growth through mergers and acquisitions, and strategic partnerships. We remain committed to investing in our people, fostering a culture of trust, innovation, and collaboration across our Group. And at the same time, we are focused on strengthening our operational efficiency and advancing our Environmental, Social and Governance agenda to drive sustainable growth and unlock value for all stakeholders. Agility will be key in achieving this—our ability to adapt will keep us competitive and ready to seize new opportunities as they arise. With our clear strategy in place, we are ready to unleash greatness and make a lasting impact in 2025 and beyond.

Frank James

Group Chief Executive Officer,
GraceKennedy Limited



What is GraceKennedy's Long-Term Vision?

“

Our long-term vision is clear: to be the number one Caribbean brand in the world. This is about more than market leadership—it's about representing Jamaican excellence on the world stage.

We are scaling our business with ambitious targets to double revenue and triple profits by 2030, with 70% of our revenue and profits coming from markets outside Jamaica. But our vision extends beyond financial growth. We are also committed to our purpose which is to bring superior products and services to customers that contribute to a better global society and greater financial well-being. Central to our strategy is empowering our people, helping them grow, build wealth, and achieve shared success, all while creating a positive impact on both people and the planet. GraceKennedy is more than just a business. We are building a legacy of excellence and opportunity for future generations.

Having recently been appointed Group CEO, what are your main priorities moving forward?

It is an incredible honour to step into this role. My predecessor Don Wehby was instrumental in shaping GraceKennedy's success, and I am truly grateful for his mentorship over the years. Don challenged and empowered me to grow, instilling in me a deep commitment to excellence. I also owe gratitude to other GK leaders of recent times—Douglas Orane and Raf Diaz—whose guidance also shaped my leadership approach and reinforced the values that define GraceKennedy. I also recognise the profound influence of their predecessors — Carlton Alexander, Luis Fred Kennedy, James Moss-Solomon Sr., Fred W. Kennedy, and Dr John Grace—whose vision and leadership built the strong foundation on which our Company stands today.

My priority now is to build on the extraordinary legacy of these great leaders by staying true to GK's core values and fostering a culture of collaboration and empowerment. I believe in being present, engaging with our people, listening, and taking decisive action. By working together, we will create lasting value, ensuring that GraceKennedy continues to thrive.

What motivates you as a leader, and how do you maintain a balance?

As a leader, I'm driven by a commitment to people and a strategic mindset. I believe that strong teams build strong businesses, and I'm passionate about fostering collaboration, empowerment, and trust. People are GK's greatest asset, and our success is rooted in their dedication. My leadership style is hands-on, and I strive to create a culture where everyone can grow, contribute, and feel valued, all while driving the company toward success.

Beyond work, family is key to maintaining a balance. My wife and children help to keep me grounded, and my faith plays a central role in my life. For me it's about finding harmony between the demands of leadership and the importance of family by always aiming to be fully present whatever the occasion. Prioritising quality time with my family, staying connected to my faith, and maintaining a sense of perspective helps me to lead with purpose and also strengthens my ability to support those around me.

Tell us about this year's theme.

Our 2025 theme, *We Are GraceKennedy: Unlocking Value, Unleashing Greatness*, is a powerful statement of both our rich history and our vibrant future.

We are GraceKennedy reflects our 103-year legacy, built on the unwavering foundation of our core values—*Honesty, Integrity, Trust, Commitment, Humility, and Respect*. These principles, instilled by our founders, define who we are and how we operate. *Unlocking Value* speaks to our commitment to creating meaningful and sustainable impact for all stakeholders—our customers, business partners, shareholders, and communities. *Unleashing Greatness* is about recognising that by empowering our people to reach their full potential and deliver our products and services at the highest standard, we position GraceKennedy for even greater success.

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



A Legacy of
Leadership:

Honouring Don Wehby

The Honourable Don G. Wehby, CD, OJ
Retired Group Chief Executive Officer,
GraceKennedy Limited

As we reflect on this year's achievements, we also take a moment to celebrate the remarkable legacy of The Honourable Don Wehby, OJ, CD, who retired as the Group CEO of GraceKennedy Limited on February 14, 2025.

For decades, Don led GK with vision, integrity, and an unwavering commitment to excellence. Under his leadership, GraceKennedy grew into one of the Caribbean's largest and most dynamic companies, more than doubling in size and expanding further into international markets. His passion and dedication have left an indelible mark on GK, shaping a future that will continue to be guided by the values he championed.

As we bid him farewell in his role as CEO, we extend our deepest gratitude for his years of service and leadership. His impact will be felt for generations to come.



"Beyond his technical expertise, Don's honesty and straightforward approach have inspired me greatly. No matter the issue, he addresses it head-on, with integrity and clarity—a quality that is rare and invaluable in today's business world."

Christopher Bovell Retired Director, GraceKennedy Limited



"His leadership upholds our core values of honesty, integrity, trust, commitment, humility, and respect. Beyond work, Don's values resonate in his family life, teaching me and countless others about the importance of balance."

– Grace Burnett CEO GraceKennedy Financial Group



"Your visionary leadership, unwavering dedication, and brilliant business mind sets you apart as a trailblazer and role model for us all."

Deidre Cousins Chief Information Officer, GraceKennedy Limited



"You consistently demonstrate your love for your country by giving back of your time. Always willing to accept the call for national service and to make an impact for change and the betterment of all Jamaicans."

Andrea Coy CEO, GK Foods



"Don has proven that leaders can, and should be, relatable, genuine and deeply rooted in a passion for people and purpose."

Romario Creary Senior Treasury Manager, GK Money Services



"His service to Government and country, his Alma Mater, his church and commitment to funding education for thousands through GraceKennedy's two Foundations are just some of the more impactful things he has done."

Radcliffe Daley President & CEO, First Global Bank





“ Mr Wehby has always been more than just a leader; he has the uncanny ability to balance bold decision-making with a deep sense of empathy. He understands that the strength of the organisation is not only evidenced in the financial performance but also in the people who make it all possible.

— *Sydney Johnson* Company Secretary & Registrar, GraceKennedy Limited

“His commitment to fostering a culture of employee engagement and recognition is truly exemplary, reflecting his deep understanding of the vital role team members play in driving GraceKennedy's success.”

Melisha Gordon Legal Counsel & Assistant Corporate Secretary, GraceKennedy Limited

“His commitment to our Foundation's mission is remarkable—he goes above and beyond to ensure we have the resources and support needed to make a lasting impact in our communities.”

Sandrina Davis CEO, Grace & Staff Community Development Foundation

“Mr Wehby importantly for me, has embodied a culture of meritocracy, creating an environment where everyone has the chance to excel and where the pursuit of excellence is always celebrated.”

Terry-Ann Graver Chief Operating Officer, First Global Bank

“He encourages you to push the boundaries of what is possible but will pull on the reins if you are going off track. He leads with his values and his heart but is laser focused on how we can grow GraceKennedy from strength to strength.”

Cathrine Kennedy General Manager, Hi-Lo Food Stores

“I consider myself very fortunate to have worked very closely with Don; he not only mentored me but also challenged and empowered me. Don, thanks for your leadership and for your friendship.”

Frank James Group CEO, GraceKennedy Limited

“His leadership has been especially impactful in guiding GraceKennedy's corporate social responsibility efforts, with a strong focus on expanding support for young people and students in need—an acknowledgment of education's vital role in building Jamaica's future.”

Andrew Leo-Rhynie Head of Mergers & Acquisitions, GraceKennedy Limited

"His belief in out-of-the-box thinking has pushed GraceKennedy to reach new heights, and he consistently encourages others to challenge the status quo and innovate."

*Fay McIntosh Retired Director,
GraceKennedy Limited*

"Our work in environmental sustainability, especially the Kingston Harbour Cleanup Project, has benefitted tremendously from his vision and dedication. His steadfast support has been instrumental in making this initiative a success, contributing to a cleaner, healthier Kingston Harbour and reinforcing our commitment to environmental stewardship."

*Caroline Mahfood CEO, GraceKennedy
Foundation*

“ For young Jamaican professionals, Don exemplifies a model of leadership that combines patriotic commitment and approachability. He connects easily with people at all levels, valuing their ideas and perspectives and empowering countless team members to innovative thinking.

— O.K. Melhado Mentor

"His genuine care for everyone he interacts with has influenced my own decision-making and actions."

*Andrew Messado Group CFO,
GraceKennedy Limited*

"Many see the business side of Don, but I have been fortunate to experience the 'softer' side. He genuinely cares about people, especially when it matters most."

*Annette Morrison Group Chief HR Officer,
GraceKennedy Limited*

"He leads with kindness, compassion, and a strong moral compass, never hesitating to help a team member or offer support when it's most needed. His balance of strength and empathy inspires us all to give our best."

*Gail Moss-Solomon General Counsel & Chief
Corporate Secretary, GraceKennedy Limited*



“

His commitment to leveraging GraceKennedy’s two foundations, the GraceKennedy Foundation and the Grace & Staff Community Development Foundation, has enabled the Company, as a corporate citizen, to engage in philanthropy, empowerment and capacity building, providing opportunities for those who might otherwise lack access to personal advancement.

— Most Rev. Kenneth D. Richards, DD, Archbishop of Kingston

“You lead by example, showing us that family is the foundation of everything, and you never hesitate to remind us to prioritise what matters most. You are more than just my boss, you are family.”

*Camile Mundell Barrett Executive Assistant,
GraceKennedy Limited*

“Over our three decades of knowing each other, I have come to admire Don not only as a dynamic leader but as someone who sets ambitious goals, holds himself and others accountable, and approaches challenges with a sharp, solution-oriented focus.”

*Douglas Orane Retired Chairman & CEO,
GraceKennedy Limited*



“Don Wehby’s strategic leadership has played a pivotal role in guiding GraceKennedy to unprecedented growth. His business acumen and commitment to the Company values of honesty, integrity and trust coupled with innovation, team engagement and customer service have solidified ‘Grace’ as a leading brand in the Caribbean and the Diaspora.”

*Prof. Gordon Shirley OJ Chairman,
GraceKennedy Limited*

“He has a natural ability to connect with people wherever he goes and is truly one of the most well-rounded individuals I know.”

Hilary Wehby Wife



"He always finds the time to participate in not only work events, but in our community outreach and social programmes. At our annual Christmas treats, he is always the first to engage the elderly and get them laughing, while singing his favourite carols with the GK choir."

Robyn Wilson Corporate Planner, GK Foods



"He has played a stellar role in the development of sports in Jamaica, transitioning from gold medal winning hurdler to advocate, visionary and patron. His commitment to supporting track and field has provided the opportunity for generations of athletes to participate in the ISSA / GraceKennedy Boys and Girls Championships."

Steven Whittingham Deputy CEO, GraceKennedy Financial Group



“ He has devoted his life to bettering others, embodying humility in everything he does. I have admired, time and again, his unending capacity to give of himself to family, GraceKennedy, friends and the many persons who he mentored and assisted directly and indirectly.

— Dorothea Ziadie Sister



Ten-Year Financial Review

	'000 2024	'000 2023	'000 2022	'000 2021
Number of Shares (including treasury shares)	988,835	994,388	995,129	995,070
Stockholders' Equity	86,982,821	79,075,571	72,631,931	68,221,622
Percentage change over prior year	10.0%	8.9%	6.5%	13.9%
Market Capitalisation	78,058,635	78,974,295	82,814,635	99,526,901
Total Borrowings	31,095,924	32,436,957	28,318,585	27,988,518

PROFIT AND LOSS ACCOUNT

Revenues	167,042,935	155,001,024	141,605,669	129,309,871
Percentage change over prior year	7.8%	9.5%	9.5%	12.0%
Profit before Taxation	12,344,447	11,368,397	10,241,577	11,676,117
Percentage change over prior year	8.6%	11.0%	-12.3%	20.3%
Profit after Taxation	8,863,828	8,378,997	7,615,157	8,940,309
Percentage change over prior year	5.8%	10.0%	-14.8%	30.4%
Net Profit Attributable to Stockholders	8,414,018	7,780,931	7,047,748	8,191,519
Percentage change over prior year	8.1%	10.4%	-14.0%	31.7%
Dividends paid to Stockholders	2,349,750	2,152,110	2,001,741	1,911,882
Percentage change over prior year	9.2%	7.5%	4.7%	20.6%

IMPORTANT RATIOS

Return on Equity	10.1%	10.3%	10.0%	12.8%
Profit before Taxation / Sales	7.4%	7.3%	7.2%	9.0%
Profit after Taxation / Sales	5.3%	5.4%	5.4%	6.9%
Dividend Payout Ratio	27.9%	27.7%	28.4%	23.3%
Earnings per Stock Unit - basic (\$)	8.52	7.86	7.11	8.27
Productivity per Employee (US\$'000)	25.83	25.26	23.01	27.39
Number of Employees	2,086	2,003	2,001	1,984
Debt to Equity Ratio	35.7%	41.0%	39.0%	41.0%
Shareholders Equity per Stock Unit (excluding treasury shares) : JA\$	88.34	79.94	73.31	68.91
Closing Stock Price - JSE : JA\$	78.94	79.42	83.22	100.02
Closing Stock Price - TTSE : TT\$	3.70	4.38	4.49	6.10
Price-Earnings Ratio	9.27	10.10	11.70	12.09

	'000 2020	'000 2019	'000 2018	'000 2017	'000 2016	'000 2015
	995,013	995,005	994,887	994,887	994,887	992,837
	59,910,259	52,326,410	44,614,427	45,222,812	42,063,925	38,047,441
	14.5%	17.3%	-1.3%	7.5%	10.6%	4.1%
	62,367,415	69,083,197	63,175,325	43,615,846	40,083,997	26,889,363
	25,233,708	24,032,254	16,529,313	16,515,615	13,242,037	13,936,107
	115,437,341	103,089,893	97,544,731	92,475,652	88,267,589	79,742,230
	12.0%	5.7%	5.5%	4.8%	10.7%	12.6%
	9,708,975	6,127,595	6,963,025	5,819,562	6,103,330	4,303,813
	58.4%	-12.0%	19.6%	-4.6%	41.8%	-6.2%
	6,856,926	5,099,916	5,643,577	4,772,100	4,534,862	3,254,020
	34.5%	-9.6%	18.3%	5.2%	39.4%	-14.3%
	6,218,055	4,487,389	5,005,915	4,116,101	4,004,539	2,759,498
	38.6%	-10.4%	21.6%	2.8%	45.1%	-16.0%
	1,585,604	1,539,049	1,339,783	1,121,519	1,010,423	820,030
	3.0%	14.9%	19.5%	11.0%	23.2%	6.5%
	11.1%	9.3%	11.1%	9.4%	10.0%	7.4%
	8.4%	5.9%	7.1%	6.3%	6.9%	5.4%
	5.9%	4.9%	5.8%	5.2%	5.1%	4.1%
	25.5%	34.3%	26.8%	27.2%	25.2%	29.7%
	6.28	4.52	5.05	4.15	4.04	2.78
	22.63	18.45	21.74	17.01	16.46	11.80
	1,934	1,828	1,789	1,894	1,940	1,996
	42.1%	45.9%	37.0%	36.5%	31.5%	36.6%
	60.54	52.74	44.98	45.56	42.39	38.36
	62.68	69.43	63.50	43.84	40.29	27.08
	3.85	3.95	2.90	3.00	2.67	1.35
	9.98	15.36	12.57	10.56	9.97	9.73

Notice of Annual General Meeting

NOTICE is hereby given that the **Annual General Meeting** of GraceKennedy Limited will be held at the GraceKennedy Headquarters, 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, 28 May 2025 at 2:00 p.m.** for the following purposes:-

- 1. To receive the Audited Group Accounts for the year ended 31 December 2024 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 2024 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 5 April 2024, 14 June 2024, 23 September 2024 and 16 December 2024 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 5 April 2024, 14 June 2024, 23 September 2024 and 16 December 2024 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, Mr Frank James, having been appointed to the Board of Directors since the last Annual General Meeting, will retire from office and, being eligible, offers himself for election.

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

Resolution No. 3 (a)

"THAT Mr Frank James 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 Dr Parris Lyew-Ayee, Jr., Mrs Vanessa Rizzioli and Mr Peter Williams who, being eligible, offer themselves for re-election.

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

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 Dr Parris Lyew-Ayee, Jr., Mrs Vanessa Rizzioli and Mr Peter Williams 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 2024 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
28 February 2025
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**

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MD&A

Management,
Discussion &
Analysis





GraceKennedy's Digital Evolution:

GK One & Beyond

Imagine a wallet that fits the world of GraceKennedy in your pocket. That's our *GK One* app, which has solidified its status as Jamaica's go-to mobile wallet for remittances, with over 80% of users returning for more. What's the secret? Instant global transfers via Western Union, and, for the first time in Jamaica, insurance - right in the palm of your hand. Adding to this momentum in 2024, our inaugural AI Day was a glimpse into the future, with robots and drones sparking the imagination of our GK team. And behind the scenes, our new *SAP S/4 HANA* system, our next-gen enterprise resource planning system, is streamlining operations and enhancing user experience, especially for our food business.

We are GraceKennedy: unlocking value through digital transformation, unleashing greatness in our products and services.

WE ARE GRACEKENNEDY





UNLOCKING VALUE. UNLEASHING GREATNESS

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GraceKennedy's Campaign Map

2024

2025

2027

2030

GROWTH & SUSTAINABILITY

- Advance digital transformation
- Grow GraceKennedy-owned brands
- Grow international foods business
- Develop strategic partnerships
- Mobilise financial resources
- Grow domestic and regional financial and money services

CUSTOMER CENTRICITY & INNOVATION

- Enhance product development through market-led insights
- Develop global market research capabilities
- Design solutions rooted in consumer needs, attitudes, and behaviours
- Seek cross-product synergies and technological solutions
- Ensure high levels of consumer satisfaction

OPERATIONAL EFFICIENCY

- Develop project and change management skills
- Leverage IT platforms and improve efficiency
- Manage capital effectively
- Enhance risk management and internal controls
- Optimise Group structure
- Target international benchmarking for operational excellence

PERFORMANCE-DRIVEN ORGANISATION

- Maintain accountability and execution culture
- Align all team members with the strategy and vision
- Build expertise to support global expansion
- Align reward system with strategy and performance
- Develop effective leaders and staff at all levels through professional development
- Create an environment conducive to innovation



Management Discussion & Analysis

Disclosures

The management of GraceKennedy Limited (GK) 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 Group's Audit 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. Our 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). 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 the UK. We distribute our Grace and Grace-owned brands and several major international brands throughout Jamaica and the wider Caribbean, including Belize and Guyana, as well as in Canada, the USA, the UK, and Europe. In Jamaica, we are also engaged in retail through our supermarket chain.
- **Financial Services (GK 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.

Performance Measurement

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 2024

Status Report

2024 was a strong year for GK, marked by a solid performance across our Food, Banking & Investment, and Insurance business segments. Despite navigating a challenging global landscape, including economic headwinds and heightened geopolitical tensions, our businesses remained steadfast in their commitment to operational excellence, driving sustained growth, and resilience.

We successfully executed on our purpose to bring superior products and services to customers that contribute to a better global society and greater financial well-being. We steadily progressed toward achieving our vision of being the number one

Caribbean brand with Jamaican roots and a global reach, by building on our core pillars of Foods and Financial Services to provide strong returns to our shareholders and improve the quality of life of our team members, customers and the communities we serve.

In 2024, we advanced our mergers and acquisitions (M&A) strategy, strengthened our focus on supply chain management, and accelerated digital transformation across our Group, enabling us to enhance operational efficiency, diversification, customer experience, and innovation in our service offerings.

A summary of our 2024 status is below.

2024 Report Card

GOALS	STATUS
Continuing to grow our businesses through greenfield projects, joint ventures, M&A or strategic partnerships.	<p>Pursuing strategic acquisitions and strong partnerships is key to realising our 2030 vision. We continue to work with investment bankers to identify targets regionally and internationally. Throughout 2024, we engaged with M&A prospects in the financial services and food industries, building a robust pipeline for 2025 and beyond.</p> <p>Following GK's purchase of additional shares in Spur Tree Spices Jamaica Limited (Spur Tree) — a manufacturer of seasonings, spices, and canned produce — our total shareholding increased to 20.18%. As a result, Spur Tree became an associated company of GK in April 2024.</p> <p>In January 2024, GK completed the acquisition of several properties along Harbour Street in downtown Kingston, Jamaica, near our Group's headquarters. The acquisition included the ICD Group's head office and associated buildings, all of which are currently tenanted and generating commercially attractive rental income. This strategic, long-term investment aligns with our vision by reinforcing our commitment to the revitalisation of downtown Kingston.</p> <p>Unibev Limited, our Jamaican manufacturing subsidiary specialising in spring water production, which was acquired in October 2023, delivered a strong performance in 2024, exceeding profitability targets.</p> <p>GK General Insurance Company Limited (GKGI) remained committed to driving revenue growth through its strategic partnership with Scotia General Insurance Agency Limited as the underwriter for ScotiaProtect, which resulted in an over 200% increase in its written premiums in 2024.</p>

GOALS	STATUS
<p>Bolstering our presence in the Jamaican food market by increasing our reach via various channels, executing strategic partnerships, and introducing new products.</p>	<p>We made considerable progress towards strengthening the reach and visibility of our business in Jamaica.</p> <p>In 2024 our food sales and distribution network was boosted by the addition of over 1,100 new points of sale. Our food service channel recorded double-digit growth, as we continue to build strong customer relationships and expand our product portfolio. In partnership with the principals we represent, we also began distributing new products. We also launched several new <i>Grace</i> products, including new flavours of sauces and seasonings, as well as assorted varieties of <i>Grace Exotic Chips</i>.</p>
<p>Optimising our food distribution channels in international markets through strategic investments and additional focus on brand building, to increase earnings.</p>	<p>Our international food business remained focused on expanding distribution points with key retailers, including <i>Kroger</i>, <i>Key Foods</i> and <i>Publix</i> in the USA, <i>Asda</i>, <i>Tesco</i>, and <i>Sainsburys</i> in the UK, and <i>Loblaws</i>, <i>Sobeys</i> and <i>Walmart</i> in Canada.</p> <p>We also continued to invest heavily in our <i>Grace</i>, <i>La Fe</i>, <i>Nurishment</i> and <i>Encona</i> brands, strengthening consumer relationships and enhancing engagement.</p>
<p>Accelerating the introduction and adoption of digital products and channels in the Financial Services Division to meet consumer needs.</p>	<p>Our <i>GK One</i> mobile app reinforced its position as Jamaica's leading digital wallet for remittances in 2024, driven by user growth and a strong repeat usage rate, exceeding 80%. We enhanced the platform with the launch of our send-remittance feature, enabling customers to send remittances within minutes to any location worldwide where <i>Western Union</i> operates. In October we introduced a third-party insurance product within the app through GKGI - a first in the Jamaican insurance industry.</p> <p>GKGI also accelerated its digital transformation with the launch of <i>GKGOOnline 2.0</i> in May, which allows customers to renew insurance policies in minutes using an enhanced web-based platform.</p>
<p>Improving the capabilities of employees through increased training, leadership development programmes and the strengthening of succession management throughout the Group.</p>	<p>We achieved our highest ever employee engagement score of 75% in 2024, surpassing the international benchmark of 67%.</p> <p>Leadership and critical skills development remained a priority in 2024. Our leadership development programme continued to strengthen GK's talent pipeline, fostering operational excellence and innovation. We also invested in strategic skills development, offering career coaching and training in key areas, empowering team members to drive business transformation and long-term success. During the year 83% of our team members participated in at least one learning activity.</p> <p>Succession management received considerable attention across all companies, resulting in 12 internal senior leadership appointments during the year. We also strengthened succession management across the Group by deepening our efforts beyond the senior leadership level.</p>

2024 Macroeconomic Overview

Several shared trends emerged across our main operating markets in 2024:

- Gradual reduction in interest rates as inflation pressures moderated;
- Strong labour market conditions, though with signs of normalisation;
- Adjustments to supply chain changes and friend-shoring;
- Continued investments in technology-driven productivity, particularly artificial intelligence (AI);
- Growing focus on climate change policies and investments in Environmental, Social, and Governance (ESG); and
- Geopolitical tensions, particularly conflicts in Eastern Europe and the Middle East, created ongoing uncertainty and occasional market fluctuations.

Jamaica

Jamaica's economy demonstrated resilience in 2024, despite a slight contraction in the latter part of the year.

Inflation trended downward, with the Bank of Jamaica maintaining a disciplined monetary approach which helped to keep the Jamaican Dollar stable. Consequently, interest rates experienced a decline, with the Bank of Jamaica policy rate reduced from 7% at the end of 2023 to 6% at the end of 2024. The country continued to make progress on its debt reduction goals, with the debt-to-GDP ratio declining further, enhancing fiscal stability. The unemployment rate also fell to a record low of 3.5% as at October 2024.

Infrastructure investments, particularly in digital connectivity and renewable energy, progressed steadily, though sustainable water management continues to be a challenge in the face of climate change. Remittances declined marginally but remained a vital source of income for many households.

Tourism, which remains a significant contributor to the local economy, continued to perform well, however total air passenger arrivals for 2024 fell short of the figures seen in 2023.

On July 3, sections of Jamaica were severely affected by Hurricane Beryl, which passed south of the island. The storm caused significant damage in the parishes of Clarendon, Manchester, and St. Elizabeth, severely impacting Jamaica's agricultural sector in 2024. The hurricane led to short-term disruptions in food supply and price volatility in local markets. In response, the government provided emergency assistance to affected farmers, agricultural input subsidies, and loan facilities to support rebuilding efforts. Despite these challenges, the sector demonstrated remarkable resilience and was on the road to recovery by the end of the year.

USA

In 2024 the US economy was characterised by steady growth, a strong labour market, and moderating inflation, with fiscal and monetary policies playing critical roles in shaping the economic landscape.

Real GDP growth was 2.2%, reflecting moderate expansion driven by strong consumer spending and government expenditure. The labour market remained robust, with the unemployment rate averaging around 4%, signalling a healthy job market.

Inflation moderated significantly, with the Consumer Price Index settling at 2.9% by year-end. This improvement was largely attributed to an ease in supply chain disruptions, as well as effective monetary policies by the Federal Reserve, which cut interest rates by 75 basis points, bringing the policy rate to 4.5% by year end.

The fiscal deficit, which had roughly doubled to US\$1.84 trillion (7.4% of GDP) in 2023, continued to rise in 2024. Despite this, the likelihood of a recession remained low, with GDP growth expected to continue at a slower pace.

Personal income and outlays showed positive trends, with personal income increasing by 0.4% in December 2024. Disposable personal income also saw an increase, driving higher personal consumption expenditures. The personal saving rate stood at 3.8%.

Internationally, the US current-account deficit widened to US\$310.9 billion in the third quarter of 2024, representing 4.2% of current-dollar GDP. The net international investment position stood at US\$23.6 trillion at the end of the third quarter.

United Kingdom

The UK economy experienced modest GDP growth in 2024 following a technical recession in late 2023. Economic activity rebounded, driven primarily by private consumption, which had been constrained by high inflation in 2023.

Inflation, which had been among the highest in G7 nations the previous year, moderated significantly in 2024, allowing the Bank of England to cautiously begin easing its monetary approach. By December 2024, the Bank of England’s policy rate stood at 4.75%, reduced from 5.25% at the start of the year, due to easing inflation pressures.

UK’s labour market showed mixed signals, with employment levels remaining relatively strong but skills shortages persisting in some key sectors. The UK housing market stabilised, while public finances remained under pressure, with debates continuing around taxation and public spending levels.

Post-Brexit trade relationships continued to evolve, with some improvements in EU trade flows, though many businesses still faced administrative hurdles.

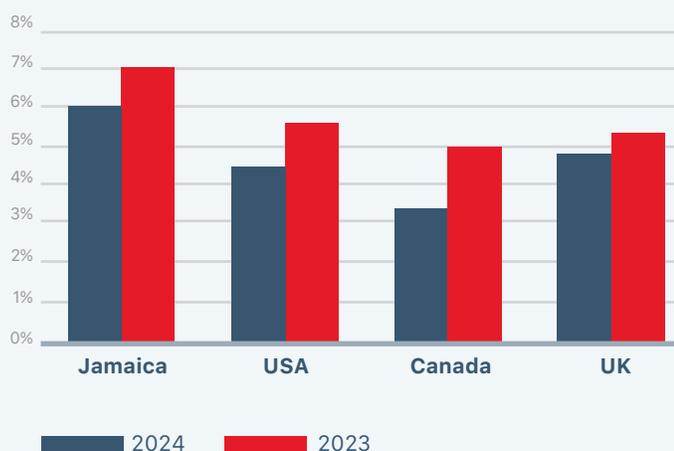
Canada

Canada’s economy also demonstrated moderate growth in 2024. Inflation declined to manageable levels, allowing the Bank of Canada to implement several rate cuts.

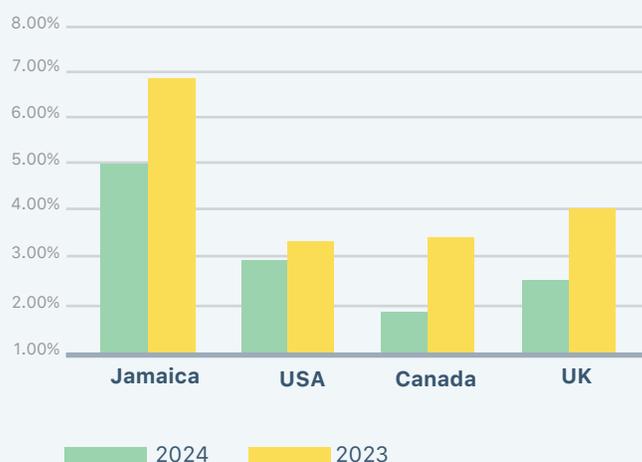
The country benefited from relatively stable commodity prices, while manufacturing faced ongoing competitive pressures. Consumer spending remained resilient despite high household debt levels, which was supported by a strong labour market and moderated inflation.

The Canadian housing market showed signs of stabilisation following significant affordability challenges in major urban centres. Immigration continued to support population growth and labour force expansion, though housing supply struggled to keep pace with demand.

Central Bank Benchmark Rates



Consumer Price Index Change



2024 Financial Performance

2024 was another year of growth for GK, marked by record-breaking revenue of \$167.0 billion, an increase of 7.8% or \$12.0 billion over the corresponding period in 2023. Profit before other income was \$8.0 billion, a \$449 million or 6.0% increase compared to prior year; while profit before tax (PBT) was \$12.3 billion, 8.6% or \$976 million higher. Net profit was \$8.9 billion, an increase of \$485 million or 5.8% when compared to the prior year.

Total assets grew by \$17.2 billion to \$236.6 billion, while total liabilities grew by \$9.0 billion to \$145.2 billion. Capital comprised shareholders' equity of \$87.0 billion and non-controlling interests of \$4.4 billion, compared to 2023, when shareholders' equity was \$79.1 billion and non-controlling interest was \$4.2 billion. Return on equity was 10.1%, compared to 10.3% in 2023, while earnings per share grew from \$7.86 to \$8.52.

Global inflation generally trended lower across our core operating markets, which was beneficial for our business lines, while some difficulties with supply chain and a slowdown in remittances carried over from the previous year.

How We Earned

GK earns from four operating segments: Food, Banking & Investments, Insurance, and Money Services. In 2024, revenue increased in three segments. Our Banking & Investments segment saw the highest percentage increase in revenue, followed by our Insurance and Food segments. Money Services recorded a decline in revenue. Profitability results were similar, with our Banking & Investments and Food segments showing impressive growth and our Insurance segment also experiencing solid gains. Money Services recorded reduced profits.

More details of the performance of our business segments can be found on page 36.

Where We Earned

Revenue by Geographical Area (\$ Millions)	2017	2018	2019	2020	2021	2022	2023	2024	2024 % Contribution to Revenue
Jamaica	47,657	51,777	57,413	61,635	69,272	78,608	88,644	96,570	57.8%
North America	24,023	24,801	25,760	31,490	34,324	37,112	38,019	40,094	24.0%
Europe (including the UK)	13,863	13,838	12,901	14,404	16,976	16,633	18,024	19,293	11.6%
Other Caribbean countries	6,673	6,941	6,879	7,682	8,529	9,092	10,143	10,923	6.5%
Africa and other regions	260	188	137	226	209	161	171	163	0.1%
Total	92,476	97,545	103,090	115,437	129,310	141,606	155,001	167,043	100%

GK's vision targets 70% of revenue earned outside Jamaica by 2030. In 2024, we generated 42.2% of our revenue outside Jamaica. North America accounted for 24.0% of our total revenue, compared to 24.5% in 2023. European markets, including the UK, maintained their contribution at 11.6%.

Statement of Financial Position Review

In 2024, our Group's asset base expanded by 8%, driven by growth in our investment portfolio, fixed assets, and loan receivables. We strategically increased our holdings of high-quality bonds to capitalise on favourable interest rates. Additionally, GK also acquired several properties near our headquarters in downtown Kingston, Jamaica, and benefited from positive revaluations across our real estate portfolio.

GK's liabilities rose by 6.6%, largely driven by a \$6.1 billion increase in banking customer deposits.

Growth in equity was primarily driven by an increase in retained earnings, reflecting a net profit attributable to stockholders of \$8.4 billion for the year. Capital and fair value reserves rose by \$2.1 billion to \$10.3 billion, mainly due to the revaluation of our real estate assets.

Stockholder Return

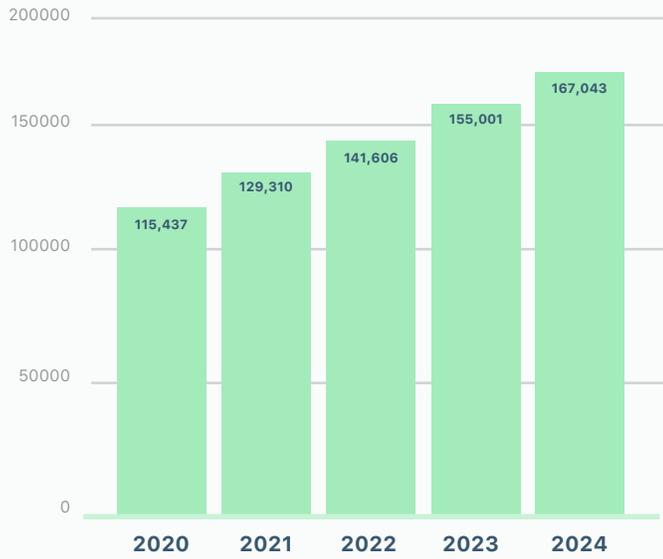
In 2024, GK's stock price recorded a slight decline of 0.6% on the Jamaica Stock Exchange (JSE), closing at \$78.94 on December 31, 2024 (\$79.42 on December 29, 2023). This contrasted with the JSE's Main Index, which saw a 3.1% increase over the same period. Notwithstanding, GK set a record for capital distributions during the year, with dividend payout totalling \$2.35 billion or \$2.36 per share. A dividend pay-out of \$2.15 billion was recorded in 2023.

The price-earnings multiple stood at 9.27 times, a moderate decline compared to the 10.10 times multiple recorded in 2023. At year-end, book value per share (excluding treasury shares) was \$88.34, and the GK stock traded at a price to book ratio of 0.86 times, compared to 1.02 times at the end of 2023.

Our share buyback programme, which began in November 2023, concluded in November 2024. During the period, GK repurchased 6.4 million of our Company's outstanding shares. The repurchase of shares was conducted on the open market through our stockbrokers in Jamaica and Trinidad & Tobago, using cash reserves.

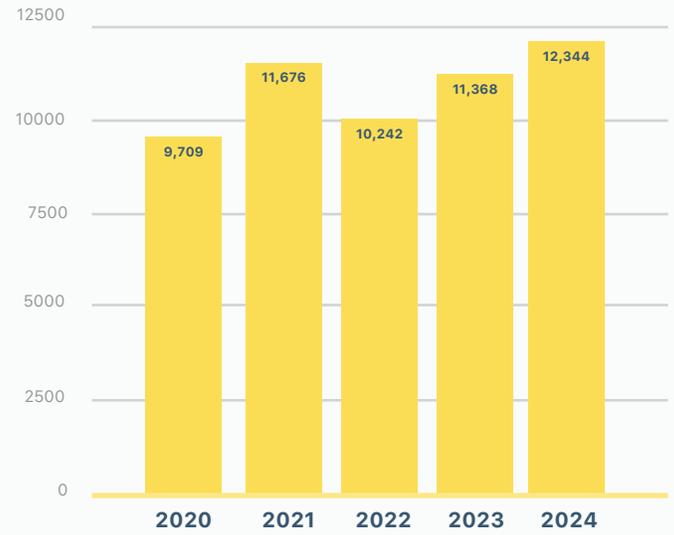
Revenue

J\$ Millions



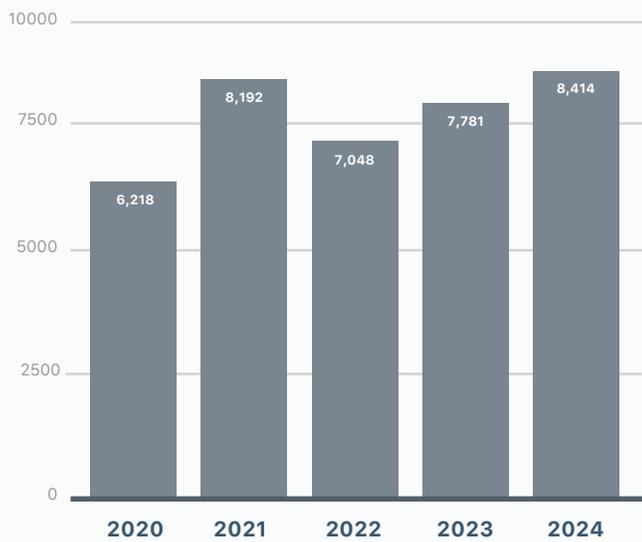
Profit Before Tax

J\$ Millions



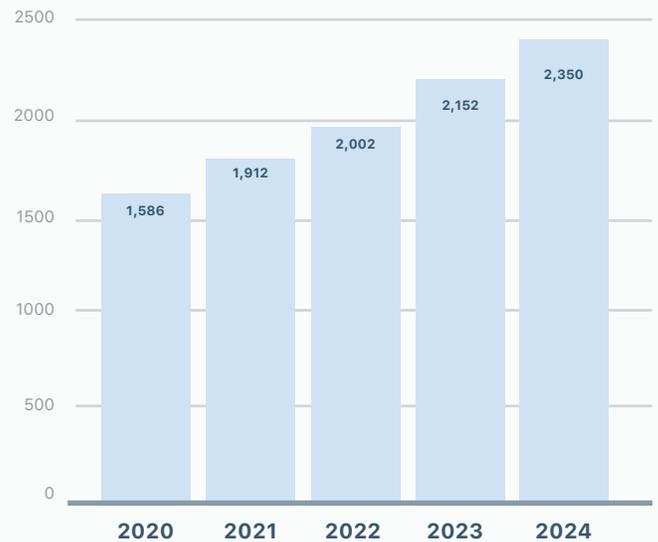
Net Profit Attributable To Stockholders

J\$ Millions



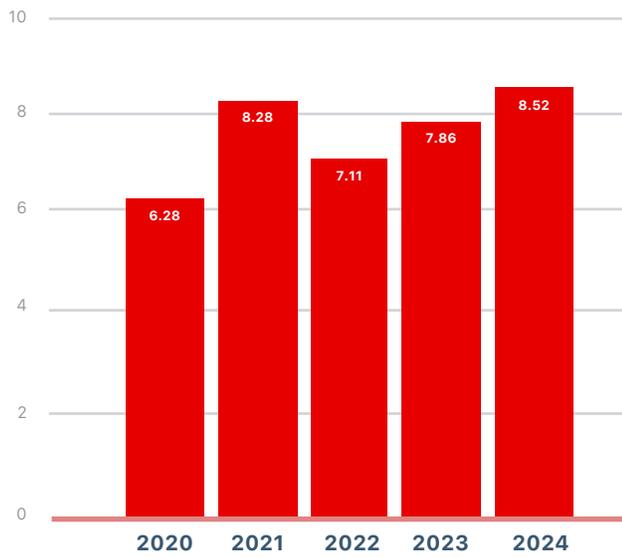
Dividend

J\$ Millions



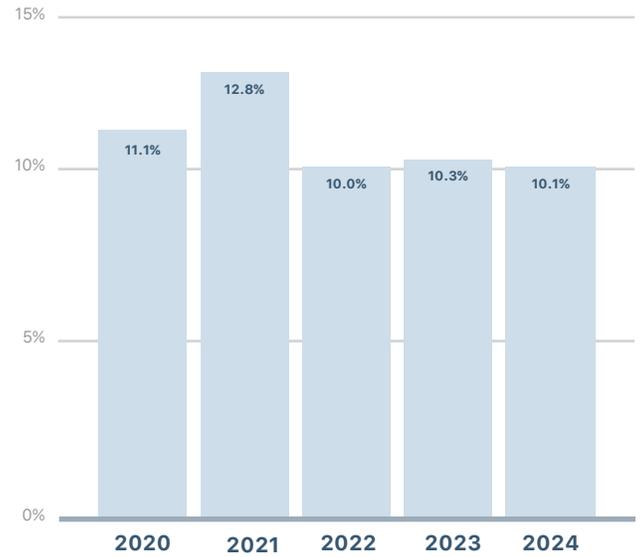
Earnings Per Stock Unit

J\$



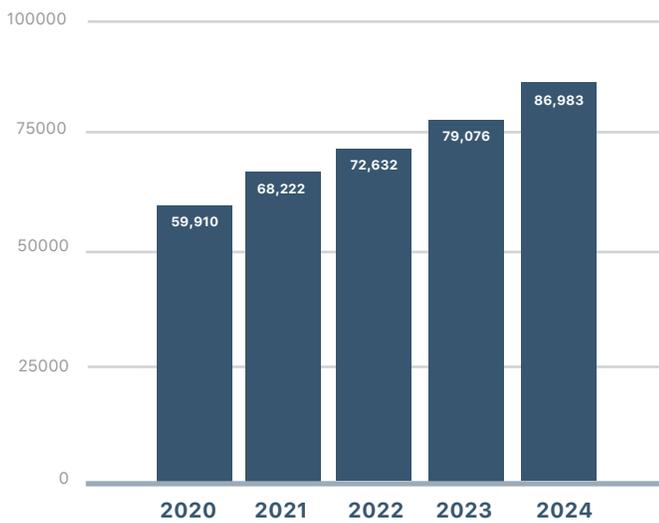
Return on Equity

%



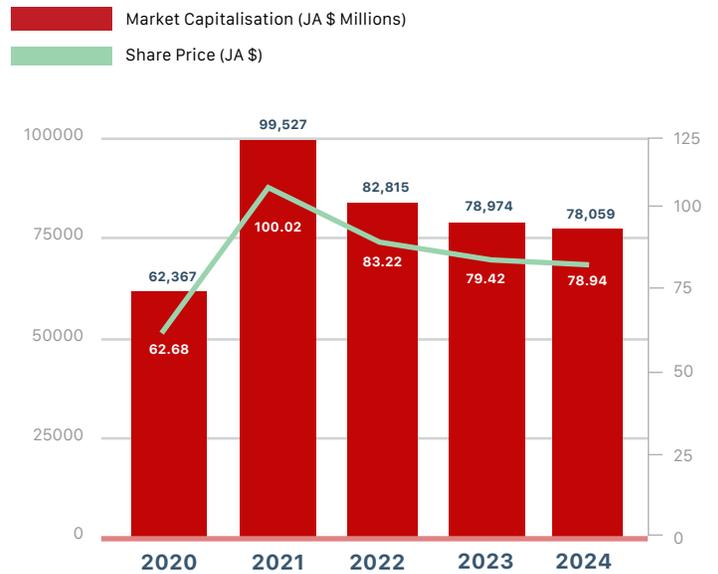
Shareholders' Equity

J\$ Millions



Market Capitalisation

J\$ Millions

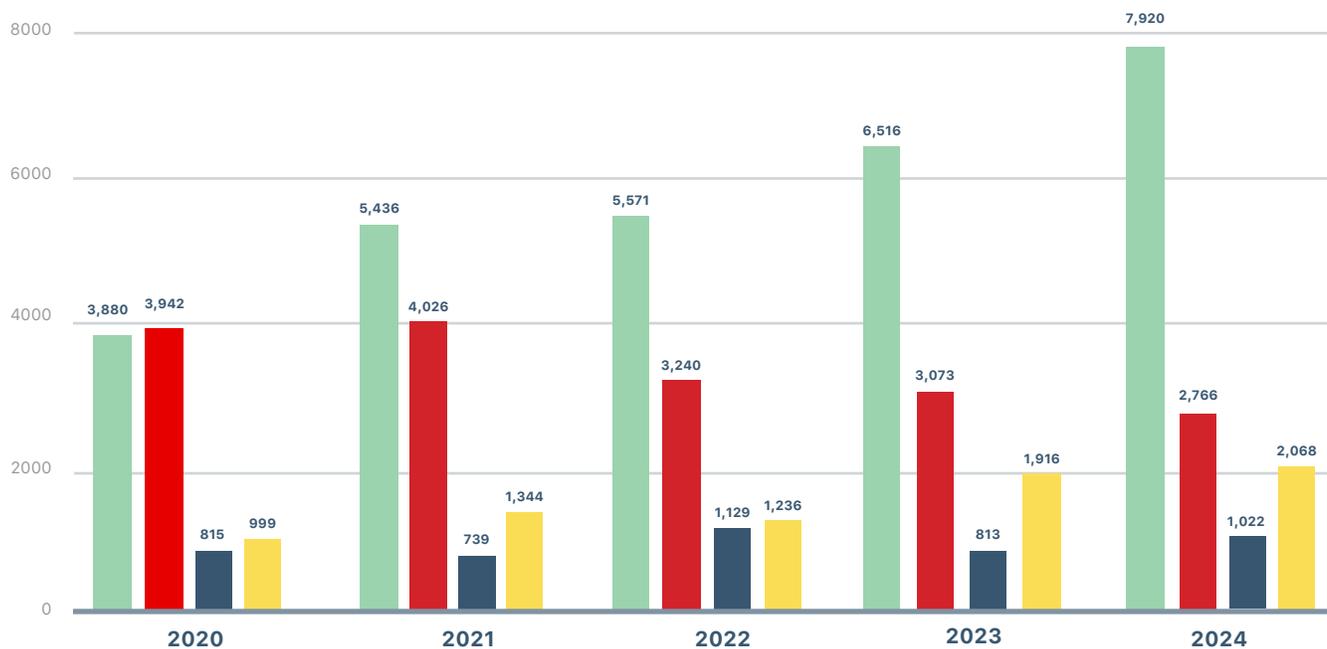


Contribution to Pre-Tax Profit by Segment

J\$ Millions



Excludes Corporate & Other Unallocated Income

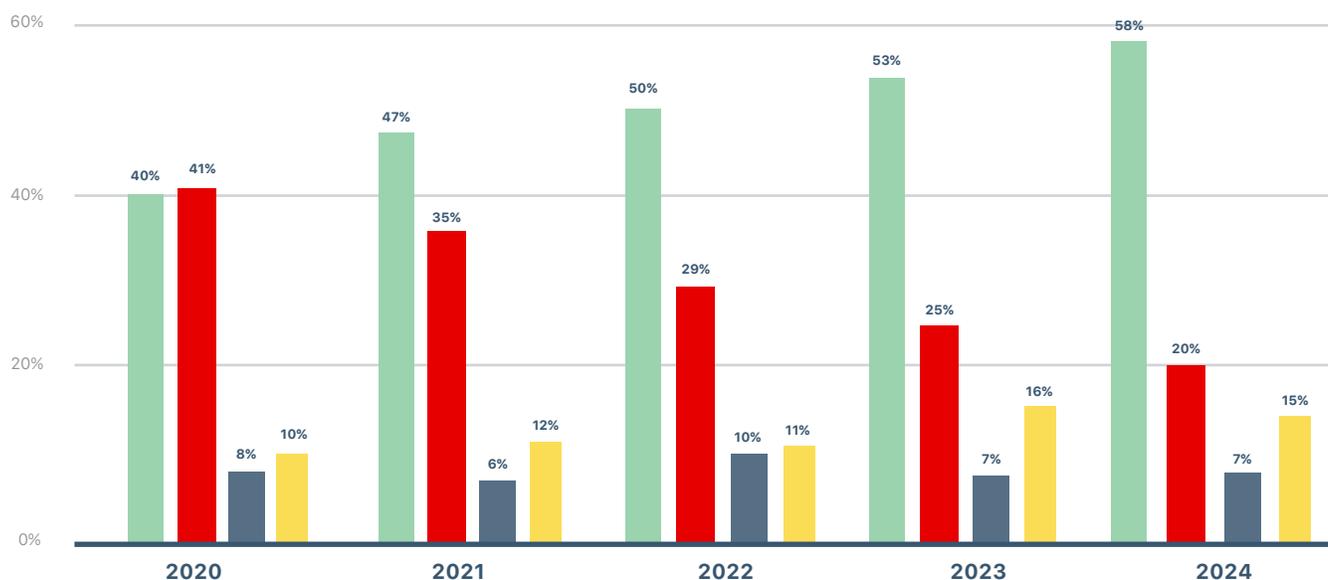


Contribution to Pre-Tax Profit by Segment

%



Excludes Corporate & Other Unallocated Income

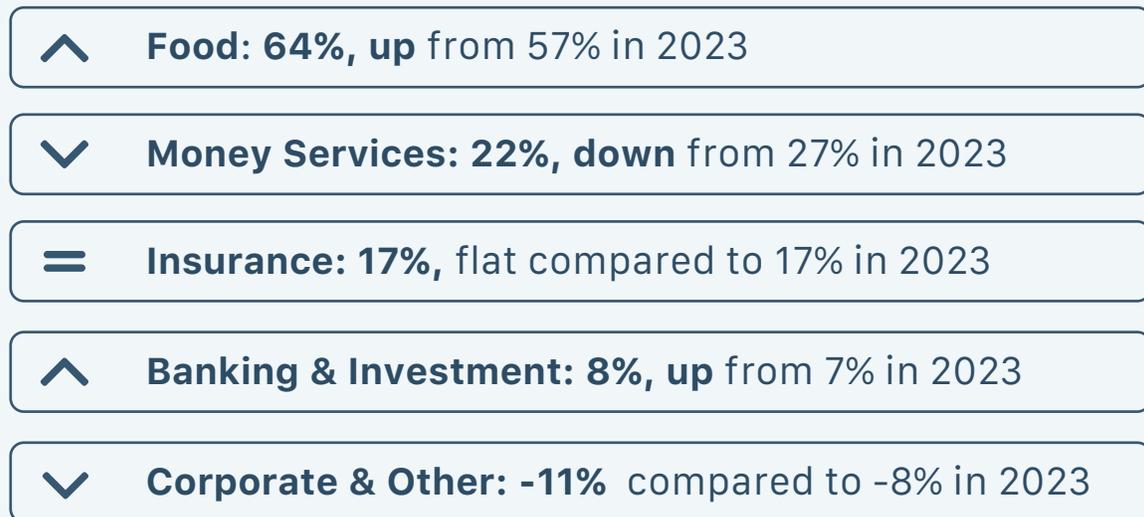


Segment Analysis

The summary segment performance in 2024 was as follows:

- Our **Food** segment reported an increase of 22% in pre-tax profits, primarily due to strong growth in revenue from key products;
- Our **Banking & Investments** segment reported a 26% increase in pre-tax profits, mainly due to improvements in the Jamaican market, which saw favourable interest rates and improved demand for our financial products and services;
- Our **Insurance** segment reported an 8% increase in pre-tax profits, primarily due to the strong performance of our general, creditor life and group health portfolios across the region; and
- Our **Money Services** segment reported a decline of 10% in pre-tax profits, largely due to reduced transaction activity and lower remittance flows in key markets, particularly Guyana.

Pre-tax profit was earned in the following proportions:



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



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 delivered a robust performance. GFS achieved growth across key product lines while enhancing operational efficiency, which positively impacted its bottom line. The expansion of distribution points, coupled with targeted promotions and improved customer engagement, drove strong results for both WBS and CBL.

Hi-Lo Food Stores delivered a commendable performance in 2024. Committed to enhancing the shopping experience for its customers, Hi-Lo has been renovating its stores, with recent upgrades completed at the University of the West Indies Mona and Manor Park locations. Renovations are also underway at the Spanish Town, St. Catherine, and Church Street, Montego Bay locations.

In 2024, our manufacturing business also delivered improved results. DIJL stood out as a strong performer, exceeding expectations in both the food service and retail sectors. NALCAN achieved notable gains in efficiency and throughput. Our most recent acquisition, Unibev Limited, also performed well, surpassing its profitability targets. While GAP's performance was negatively impacted by the passage of Hurricane Beryl and multiple periods of drought and intense rainfall affecting Jamaica, it demonstrated remarkable resilience, adapting effectively to maintain operations.

International

GK's international food businesses also delivered strong results in 2024. Grace Foods UK Limited recorded impressive revenue growth, driven by the outstanding performance of key product lines in the British market, including Nurishment.

GraceKennedy Foods (USA) LLC (GK Foods USA) delivered improved revenue compared to prior year, with growth in the *La Fe* and *Grace* brands. Grace Foods Canada Inc. produced impressive results, delivering significant growth in both its top and bottom line.

Grace Foods Latin America & Caribbean reported strong growth in profit, while GraceKennedy Belize Limited achieved moderate growth in revenue and profit.



Financial Services

Our GraceKennedy Financial Group continued to grow in 2024, delivering increased revenue and profit compared to the prior year.

GK's Banking & Investments segment produced strong revenue and profit. Our Jamaican commercial bank, First Global Bank (FGB), demonstrated growth during the period. Higher loan and investment income, due to growth in the respective portfolios, coupled with effective cost management fuelled FGB's improved profit. SigniaGlobe Financial Group Inc., our jointly owned merchant banking business in Barbados, also ended 2024 with a stable profit performance compared to prior year. GK Capital Management Limited, our investment and advisory arm in Jamaica, achieved higher revenue and profit when compared to prior year, benefiting from an improvement in its equity trading portfolio.

Our insurance segment delivered positive results, with GKGI and Canopy Insurance Limited (Canopy) both exceeding revenue and PBT over prior year. Canopy, our group life and health insurance joint venture, recorded its best performance since launch in 2019. Key Insurance Company Limited achieved strong revenue growth over the prior year. GK Life Insurance achieved growth in revenue bolstered by our 2023 acquisition of Scotia Insurance Caribbean Limited, subsequently renamed GK Life Insurance Caribbean Limited.

Our Money Services business, GraceKennedy Money Services (GKMS) experienced a decline in revenue and PBT compared to 2023. As margins continue to decline in major territories, significant investments have been made to transform the business model by delivering lower-cost digital channels through the *GK One* app. In addition to increasing market share in Jamaica, digital remittances grew by 44%. GraceKennedy Payment Services Limited, which operates our *Bill Express* and *Coin Exchange* brands, saw revenue and profit growth over prior year, driven primarily by an increase in *Bill Express* digital transactions.

Risk Management & Internal Controls

In 2024, we remained committed to robust risk management principles, ensuring the delivery of value to our customers and shareholders. Our comprehensive internal controls framework enabled us to proactively identify, assess, and manage potential risks, while ensuring regulatory compliance. By prioritising strong risk management practices, we aim to continue driving value creation while maintaining operational resilience and agility.



Risk Governance & Culture

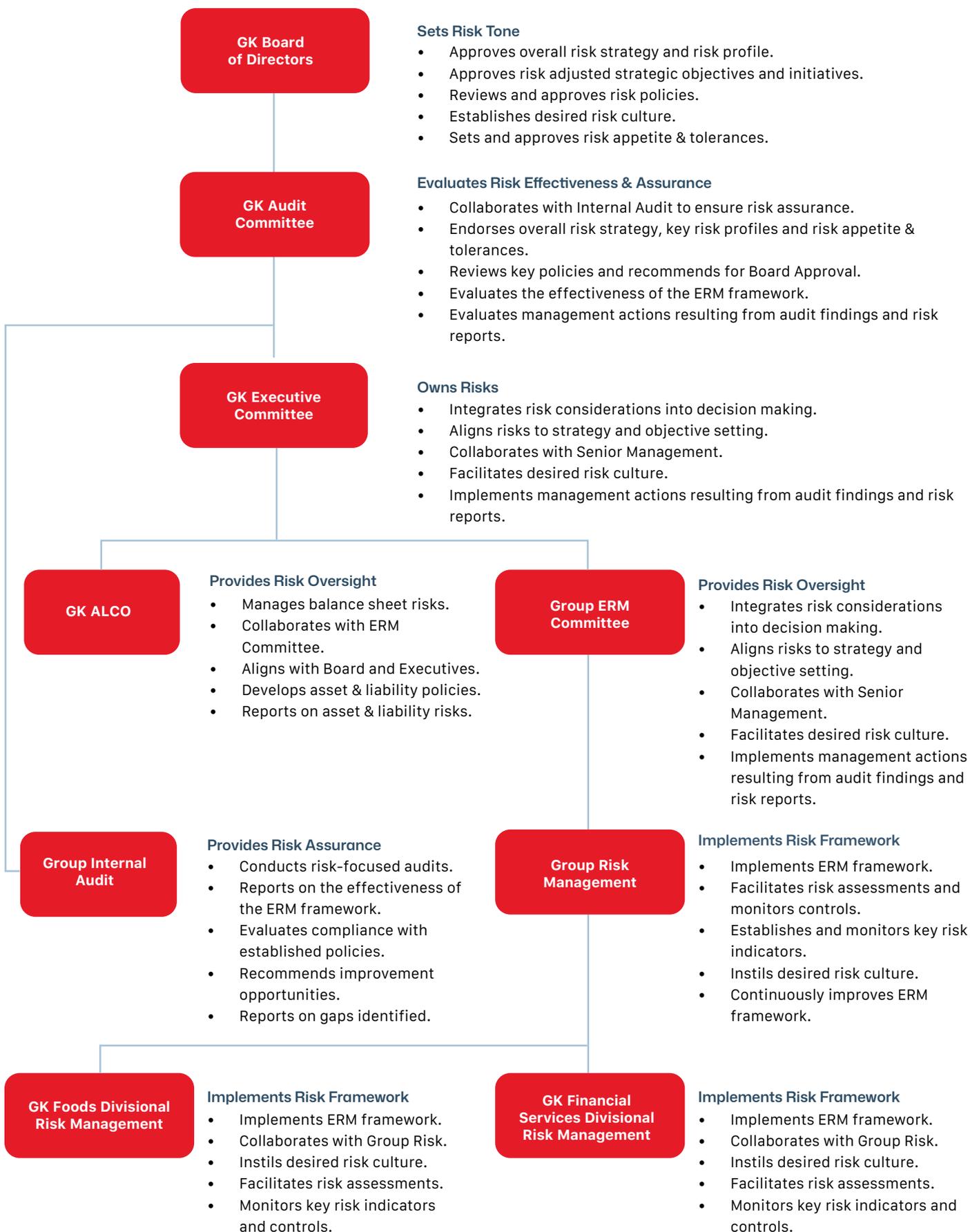
GK's dedication to risk management is demonstrated through our Enterprise Risk Management (ERM) programme. Our ERM approach ensures the implementation of internal controls aligned with our approved risk appetite statement. We integrate risk considerations into daily decision-making across our business operations.

- **Continuous Learning and Improvement:** by facilitating professional development, conducting regular risk assessments, and reviewing strategic initiatives to align with the Group's risk appetite. This ensures that our risk governance framework evolves with the changing business landscape.

Our risk governance and culture are driven by our commitment to:

- **Promoting Risk Awareness:** by emphasising risk identification, analysis, and internal control at all levels, fostering a culture of risk consciousness throughout our Group.
- **Embedding Risk in Decision-Making:** by incorporating risk considerations into strategic decision-making processes. This supports the optimal allocation of resources, fosters a proactive approach to compliance, and identifies opportunities for value creation.
- **Encouraging Accountability:** by empowering team members to take ownership of risks and implement controls to maintain residual risks within the established risk appetite. Our team is also encouraged to report issues promptly and actively participate in the continuous improvement of our risk management processes.

The diagram below illustrates GK's risk governance structure in operation, highlighting the interaction between each function.





Enterprise Risk Management Framework

Our ERM framework follows international best practices and focuses on integrating risk management with our strategy and performance. Our comprehensive ERM framework consists of five components and serves as the foundation of our approach to governance, ethical culture, and strategic alignment.



Key components of our ERM framework include:

- **Governance and Culture** – Our Board of Directors sets the tone for risk management at GK, ensuring robust governance, transparency, accountability, and effective oversight. Our core values enable risk awareness and foster a culture where proactive risk identification and open communication are key. This commitment supports ethical behaviour and responsible decision-making.
- **Strategy and Objective-Setting** – We incorporate risk management into our strategic planning process, understanding that it is not a standalone function but an integral part of shaping and executing strategy. Our strategic objectives are closely aligned with our well-defined risk appetite, ensuring that risk considerations are embedded within our business strategies.
- **Performance** – We prioritise the identification and assessment of risks that could impact the attainment of our strategic objectives. This includes conducting systematic analyses of potential risks and their severity relative to GK’s established risk appetite. By considering all our risks collectively, we gain a comprehensive understanding of our overall risk landscape. This approach helps in identifying the best methods to manage those risks, ensuring risk management supports our strategic goals.
- **Review and Revision** – Periodic reviews of entity performance are essential to our commitment to continuous improvement. These reviews assess the effectiveness of our ERM framework and its responsiveness to changes. This allows us to identify areas for enhancement, ensuring agility and efficacy in navigating the evolving risk landscape.
- **Information, Communication, and Reporting** – A consistent flow of information from internal and external sources empowers our team to make informed risk management decisions. Regular reporting provides our businesses with insights into risks, controls, and the overall performance of our ERM framework.

GK’s holistic approach to risk management positions our Group to navigate uncertainties effectively, make informed decisions, and drive sustained success across our diverse business sectors.



Key Risks

Financial Risks

Financial risks pertain to the uncertainties and potential adverse outcomes that GK encounters in managing our financial resources and meeting our financial objectives. These risks stem from various factors and events that impact our Group's financial health and stability, including market fluctuations, liquidity constraints, credit defaults, interest rate movements, and other variables affecting the value of assets, liabilities, and overall financial performance. Effective financial risk management involves the identification, assessment, and implementation of strategies to mitigate these risks, thereby ensuring our Group's capacity to navigate uncertainties and achieve our financial goals.

Market Risks

GK is subject to market risks linked to fluctuations in market prices, interest rates, or foreign exchange rates which impact the fair value of financial instruments. Market volatility also influences the performance of investments and financial assets. We actively monitor market conditions through research conducted by our Risk and Treasury teams. These teams continuously analyse the price movement of financial assets both in Jamaica and internationally, enabling GK to adapt our investment strategies in response to changing market dynamics.

Liquidity Risks

Liquidity risks are associated with challenges in meeting payment obligations for financial liabilities and replacing withdrawn funds. Effective management of liquidity risk involves continuous measurement, projection of cash flows, and assessment of asset and liability maturities. At GK, this risk is diligently managed at both the subsidiary and Group levels. We employ appropriate cash flow measurements and projections, while continually assessing the maturity of assets and liabilities to ensure our liquidity requirements can be met.

Credit Risks

GK addresses credit risk arising from customers, clients, or counterparties potentially failing to meet contractual obligations, thereby causing financial loss. We meticulously manage credit exposure by instituting limits and establishing restrictions on the level of risk accepted for individual counterparties. Credit risk exposures originate from various sources including receivables, lending activities, and investment portfolios. Risk limits are established for single counterparties or groups, considering geographical and industry segments. Furthermore, credit risk is managed through the implementation of stringent standards and comprehensive credit policies.

Insurance Risks

Insurance risks are heightened when there is insufficient diversification in type, amount, and geographic location of risk. To mitigate this risk, we ensure a balanced mix between commercial and personal policies, in accordance with guidelines established by the Board of Directors. Additionally, we maintain a reinsurance programme to limit our exposure across all our business areas, collaborating with highly rated international reinsurers. Our Insurance segment continues to reduce concentration risk through regional expansion, and diversify the lines of business and channels that we utilise.

Strategic Risks

Strategic risks refer to challenges that may hinder the achievement of our strategic objectives. We proactively manage these risks through an integrated approach embedded within our annual strategic planning sessions at both the subsidiary and Group levels. Regular assessments conducted throughout the year ensure the timely identification and mitigation of potential risks. This ongoing strategic risk management process is essential to protecting shareholder value and ensuring alignment with our overall business strategy.

Operational Risks

Operational risks stem from shortcomings or failures in internal processes, people, systems, or external conditions. These risks are mitigated through internal audits, comprehensive Business Continuity Plans, and a culture of accountability. Such measures are designed to reduce disruptions to our business operations and ensure effective risk management. All team members are held accountable for managing risk and internal controls, which includes reporting policy, procedure, and legal violations through our Whistleblowing Policy. Regular internal audits are conducted to provide assurance of our risk and internal control frameworks. A detailed Business Continuity Plan, which is regularly tested and updated, is in place to minimise operational disruptions, especially during unforeseen events such as natural or man-made disasters.

Technology Risks

Technology risks involve threats to business data, critical systems, and processes associated with the use, ownership, and operation of IT. We address IT risks such as security, availability, performance, and compliance via our Enterprise Information Security Management Framework. This framework ensures robust management of our IT-related risks and includes security measures to prevent unauthorised access or use of our business data. Steps are taken to ensure the availability of critical IT systems, minimising downtime and disruptions. Continuous monitoring of IT systems ensures optimal performance.

The framework also includes measures to ensure our compliance with laws and regulations governing IT-driven business processes, such as data protection.

Cybersecurity Risks

In 2024, the number of cybersecurity incidents increased globally, with the Caribbean being one of the top regions targeted by cybercriminals. To address these cybersecurity threats, GK engaged additional cybersecurity partners, and continued to refine and improve the security of our IT infrastructure. Specific attention was given to reviewing and strengthening our Cybersecurity Incident Management Response Protocols. We also implemented tools to manage our new data privacy compliance requirements, and increased cybersecurity awareness training for the team. All GK team members and directors participate in mandatory annual cybersecurity training. These initiatives aim to ensure the resilience and security of our IT infrastructure.

Compliance Risks

Compliance risks stem from the possible failure to satisfy laws and regulations related to our business processes. These risks are managed by setting standards for evaluating, overseeing, monitoring, and reporting compliance. Regular compliance audits and reviews are conducted to ensure adherence to established standards and regulatory requirements. Compliance-related issues identified during the audits are addressed promptly.



Significant Activities and Milestones

In 2024, GK faced challenges associated with global economic conditions, geopolitical tensions, and climate change, with regulatory changes, especially surrounding data privacy, also creating new complexities. Group Risk provided crucial support in achieving our Group's strategic and operational objectives by identifying, measuring, and addressing these risks.

Throughout the year, our risk management team maintained robust risk management practices including ongoing assessments and stress tests of existing and emerging risks. Group Risk also participated in seminars and trainings to strengthen our risk awareness culture. Some key activities included:

- Advancing GK's Enterprise Privacy Management Framework through the publication of additional policies and procedures, in alignment with international standards and best practices. Additionally, we ensured that all entities subject to the Jamaica Data Protection Act were registered with the Office of the Information Commissioner. We also implemented training and awareness initiatives, reinforcing our commitment to establishing robust data privacy practices throughout the organisation.
- Strengthening our ERM Framework through greater utilisation of risk technology and AI. The use of technology has bolstered our capacity and effectiveness in risk assessments, controls testing, monitoring, and reporting.
- Conducting quarterly assessments and reporting on key risks at the business unit, division and Group levels to support strategic and operational decisions.
- Continuing the development of our risk team through participation in specialised training programmes on emerging risk areas such as climate change and AI, to upskill and build capacity to support our 2030 vision.

Group Internal Audit



Internal Controls

Our GK Board of Directors continues to execute on its mandate to ensure a robust internal control framework for GK. The various boards across the Group consistently review the effectiveness of our control environment. Their respective audit committees are charged with oversight of risk management functions, inclusive of control design and risk mitigation, to provide reasonable assurance against misstatement or loss.

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

The Group Audit Committee oversees the Internal Audit function, reviewing GIA's assessment of the adequacy and effectiveness of our internal controls, compliance with legal, statutory, regulatory, and other requirements, and management of risk. As an integral part of GK's corporate governance structure, our GIA unit and its activities are guided by a charter which is reviewed annually and approved by our Board of Directors, which it reports to independently (through the Group Audit Committee) on the effectiveness of the governance structure and risk management framework.

GK's system of internal controls is based on the control criteria framework of the Committee of Sponsoring Organisations (COSO) Internal Control Framework and the Control Objectives for Information Technologies (COBIT). Our system is designed to provide reasonable assurance that:

- GK's control activities are effectively protecting against unnecessary risks;
- Transactions are appropriately authorised and recorded;

- Assets are safeguarded;
- Clear policy development and good practice for IT controls are in place throughout our Group; and
- Accounting records are sufficiently reliable to permit the preparation of financial statements that conform in all material respects with generally accepted accounting principles.

GIA's assessment of internal controls is based on COSO and COBIT, which evaluate the internal control measures adopted by Management, with all audits being conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. Further, Management continues to maintain these internal controls through self-audits and ongoing monitoring.

GIA meets regularly with the various subsidiary audit committees and boards throughout our Group, as well as with the Group Audit Committee, providing information on key risks identified during the audits, along with the implementation status of the recommendations made. The GIA unit also reports consistently on any past due remediation items.

Control issues identified through the work of internal and external auditors are reviewed by and discussed with subsidiary, divisional and Group Audit Committees. The Group Audit Committee, during its activities, also receives reports from various members of Management on significant accounting and tax, legal, regulatory, risk, fraud, and whistleblowing-related matters, as well as matters pertaining to IT and security. The Group Audit Committee Chair reports to the Board of Directors on all significant issues considered by the Committee. The Group Audit Committee met five times in 2024.

The Terms of Reference of the Group's Audit Committee are reviewed annually, revised where appropriate, and approved by the Board of Directors. The various audit committees across our Group have oversight responsibility for:

- The reliability and integrity of the accounting principles and practices, financial statements and other financial reporting;
- Internal audit functions;
- Risk management functions and processes;
- Qualifications, independence and performance of the external auditors of our Group;
- The system of internal controls and procedures established by Management, and reviewing their effectiveness; and
- Our compliance with legal and regulatory requirements.

GK's commitment to internal controls, ethics and integrity are reinforced through our Code of Ethics and Guidelines for Business Conduct, Anti-Fraud and Whistleblowing policies and our whistleblowing hotline. GIA in conjunction with Group Security continued to promote our whistleblowing hotline, which is administered by an external provider, as a method of facilitating the anonymous reporting of suspicious activities across our business.

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 2024 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 2024 GIA also:

- Formulated and agreed with the Group Audit 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 Group Audit Committee and Board; and
- Coordinated audit efforts with, and provided support to, our external auditors.

GIA also conducted 69 audits, with a focus on regulatory compliance, IT governance and security, financial controls, cash management and the general control environment.

Our Team

Our Company's strength and success is underpinned by the great people who live our values and execute our goals. We continue to attract, develop, and retain a high performing team that advances our strategy.

GK's People Agenda takes deliberate steps to:

- Ensure sustainable workforce capacity;
- Continuously develop our team's capabilities to address current and future business needs;
- Utilise feedback to deliver a superior employee experience; and
- Expertly address the needs of leaders and other team members by providing core competency development and other solutions to enhance business priorities.



Strategic Workforce Planning

We continue to build capacity by focusing on recruiting talent through multiple channels, including headhunting, partnerships with universities and other learning institutions, social media, employee referrals, and internship programmes. By developing solid talent pools for key roles, we ensure a steady pipeline of qualified candidates for these critical positions.



Strengthening Leadership Capability

In 2024, our flagship Leadership Development programmes progressed, offering our team engaging content, expert facilitation, and high calibre learning experiences. Each programme is meticulously designed to align with our vision, fostering a strong leadership pipeline that drives operational excellence, innovation, and sustainable growth.

Our GK Diamonds Programme positively impacted 19 emerging GK leaders through a focused curriculum enhancing personal, technical, and professional competencies. Our GK Supervisory Development Programme, which targets first-tier leaders, welcomed a new cohort of 25 team members, alongside those from 2023 who are now

poised to graduate. Our Great Leaders Development Programme also welcomed a new cohort of 24 mid-tier leaders in 2024. This programme focuses on practical leadership through blended learning, integrating GK specific scenarios and exercises to ensure relevance and immediate applicability. Eighteen senior leaders participated in our Senior Leadership Development Programme, strengthening their strategic acumen and global leadership competencies to drive business transformation and long-term success.

Succession management continues to be a key priority for GK, and we closely monitor and strategically develop talent for future roles. The strength of our succession pipeline was demonstrated by the increase in senior level internal appointments during the year.



Strategic Skills Development

We continue to invest in talent development, empowering team members to take ownership of their personal growth and aspirations. In 2024, we provided comprehensive career development and coaching programmes. The outcome of these initiatives guided the development and execution of training interventions to satisfy our team members' career aspirations and accelerate internal mobility.

We also launched strategic skills development initiatives, equipping our team members with competencies to drive business success and support our transformation initiatives. This ongoing effort strengthens our team's capabilities to meet future business needs while driving growth and sustainability. Some of the training areas covered included customer relationship management, data analytics, project management, strategic business management, performance management, strategic thinking and critical analysis, and agile capabilities.

Our GK internship programme continued to provide employment opportunities in 2024 for recent Jamaican university graduates with no prior full-time work experience.



Team Experience & Culture

As an employer of choice, we uphold a culture rooted in our core values of *Honesty, Integrity, Trust, Commitment, Humility, and Respect*. These principles are embedded in our ESG strategy and clearly defined Employee Value Proposition, which are prominently highlighted in internal communications, job advertisements, and corporate social responsibility initiatives.

In 2024, we achieved our highest ever employee engagement score of 75%, surpassing our previous record of 73% in 2023. This places GK 8% above the international benchmark of 67% and reaffirms our commitment to cultivating a fulfilling and vibrant work environment.

As business demands accelerate, preserving employees' well-being and mental health are critical to sustaining our high-performance culture. As part of our commitment to fostering a supportive workplace, we continue to offer flexible work arrangements and execute wellness initiatives to help our team achieve a healthy work-life balance. Our annual Employee Appreciation Week (EAW) in May continues to serve as a platform to celebrate our amazing team. In 2024, the event featured virtual and in-person activities, fostering connection across our Group. EAW is one of many recognition initiatives which acknowledge the outstanding contributions of our team.

Our Sports, Arts & Culture (SPARC) programme continued to enhance team engagement and promote a strong sense of camaraderie throughout the Group in 2024. SPARC intra-company sporting events and social activities were well received and supported by our team members, and our highly competitive Sports Day in Jamaica was a tremendous success. Our annual Sports Awards in April celebrated and rewarded team members for their outstanding sports achievements during the previous year.

SPARC coordinated GK's participation in the Jamaica Business House Netball Association Competition, where our team secured second place in the Intermediate 'A' League. GK also competed in the Business House Football League Competition.

Our Community

Guided by our *We Care* ethos and core values of *Honesty, Integrity, Trust, Commitment, Humility and Respect*, GK strives to be a responsible corporate citizen. We actively support our team members, customers, shareholders, and the communities we serve through various programmes aimed at positively impacting people and our planet.

Environmental, Social and Governance (ESG)

GK recognises that ESG objectives are crucial for our long-term success, ensuring we operate responsibly and profitably while contributing to a sustainable future for all stakeholders. In 2024 GK continued to advance our ESG agenda. We released an annual update titled '*We Care in Action*' in September. The update detailed our progress as of June 30, 2024, towards achieving our seven ESG goals and associated targets, which are aligned with our five ESG themes and the UN Sustainable Development Goals. In December, we launched an ESG Hub on our GraceKennedy website which acts as a central repository for ESG-related policies and updates on our initiatives, and provides a platform for stakeholder feedback.

For updates on our progress as of December 31, 2024, please refer to page 58.

Corporate Social Responsibility (CSR)

We actively give back to the communities we serve around the world through our various subsidiaries. In Jamaica, our CSR programme is spearheaded by our two foundations, the GraceKennedy Foundation and the Grace & Staff Community Development Foundation.

In 2024, we strengthened our community investment initiatives by supporting national development projects in Jamaica, assisting local civil society groups — such as schools, food banks, and churches — across our markets, and directly sponsoring charitable and community development programmes.

Sports

In 2024, we reaffirmed our unwavering commitment to the advancement of Jamaican sports by supporting key youth sporting events.

For the seventeenth consecutive year, our largest sponsorship was the ISSA/GraceKennedy Boys' and Girls' Championships (Champs), held at the National Stadium in Kingston, Jamaica, in March. We also continued our long-standing support of the ISSA Grace Shield Under-19 cricket tournament between January and April through our subsidiaries, FGB and GKGI. Additionally, GKGI partnered with GK Mutual Funds to support the 47th Jamaica Independent Schools Association Prep Champs in June; and our GK One brand served as the official title sponsor of the Howard McCatty Community Basketball League for its 2024 season, which ran from April to June.

On the international stage, GK Foods continued its partnership with the Penn Relays, held annually at the University of Pennsylvania in the USA. These competitions are important platforms which allow young athletes to showcase their skills and help to identify Jamaica's next generation of sporting talent.

Diaspora Engagement

In June, GK welcomed four university students from the Jamaican diaspora to our 2024 Birthright Programme. Geared at reconnecting young second and third generation Jamaicans living overseas with their heritage, this year's seven-week programme included GK internships and cultural immersion experiences in Jamaica for its participants.

As a legacy partner, GK also actively participated in the 10th Biennial Jamaica Diaspora Conference in Montego Bay, which was hosted by the Ministry of Foreign Affairs and Foreign Trade from June 16 to 19. We supported the event via product donations, executive participation in panel discussions, and booths and displays showcasing our food products and financial services.

To learn more about GK's 2024 CSR activities, please see pages 64 to 65.

Recognition & Awards

In 2024, GK earned numerous recognitions and awards, underscoring our commitment to excellence and adherence to the highest standards, guidelines, and best practices set by the Jamaica Stock Exchange (JSE), industry organisations, and global benchmarks.

In June, we celebrated a double victory at the Jamaica Chamber of Commerce (JCC) 39th Annual Awards, where GK won the 2023 *Best of Chamber Award* in the *Extra-Large* category and the inaugural *JCC ESG Award*. In September, GK also received two awards at the Jamaica Manufacturers and Exporters Association (JMEA) M&E Awards; Grace Food Processors was honoured with the *ESG Most Sustainable Manufacturer Award*, and GK received the *Nicola Gordon-Rowe Buy Jamaican Award*, recognising our support for local products and fostering economic growth in Jamaica. Additionally, Allied Insurance Brokers was recognised at the Insurance Association of Jamaica's (IAJ) inaugural Hall of Fame and Awards, earning the *2024 Business Partner Gold Award* for over 50 years of service. Grace Burnett, CEO of GraceKennedy Financial Group (GKFG), was also honoured with the IAJ *Leadership Excellence Award*, while Sophia Ebanks, Claims Associate at Key Insurance Company Limited, and Alicia Foster of Canopy Insurance Limited were honoured in the *Employee Excellence* category.

In October, our now retired Group CEO, Don Wehby, was conferred with the prestigious *Order of Jamaica* by the Jamaican Government in recognition of his outstanding contributions to business and entrepreneurship.

At the JSE Best Practices Awards in December, GK was named first runner-up in the *PSOJ/JSE Corporate Governance* category for companies listed on the JSE Main Market, while our subsidiary, Key Insurance Company Limited, placed second runner-up. GK also secured second runner-up positions in both the *Annual Report* and *Best Website* categories.

We were also recognised internationally. CBL received Procter & Gamble's *Extraordinary Distributor of the Year Award* and the *Superior Retail Execution: HSM (Modern Supermarkets) Award* for the Latin American and Caribbean region.

WBS was awarded first place in the region from PepsiCo/Frito-Lay for its *Execution of the PepsiCo Operational Model*, and Grace Foods UK received a two-star rating from the *United Kingdom's Great Taste Awards* for its new product, *Grace Honey Jerk Seasoning*—a rating achieved by only 10% of entries.

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.



Key Focus Areas for 2025

Our GK team remains committed to our 2030 vision of being the number one Caribbean brand in the world, by building on our core pillars of Food and Financial Services. With a robust ESG framework underpinning this vision, we will continue to live our purpose to bring superior products and services to customers that contribute to a better global society and greater financial well-being. Our core values of *Honesty, Integrity, Trust, Commitment, Humility and Respect*, and our *We Care* ethos are the foundation of all that we do.

GK continues to inspire innovation, collaboration, and resilience across our business, ensuring that every team member has the opportunity to contribute positively and make a lasting impact. Unleashing the greatness within our team will enable us to provide strong returns to our shareholders and improve the quality of life of our customers, business partners and the communities we serve. Accordingly, in 2025, our team will be guided by the theme: **We are GraceKennedy: Unlocking Value, Unleashing Greatness.**

Our 2025 key strategic initiatives will be:

- Ensuring growth of our *Grace* and Grace-owned brands in Jamaica and internationally;
- Building our digital business by driving our *GK One* mobile app in Jamaica, and expanding to other countries in the region;
- Ensuring growth in revenue and profitability of our international food businesses;
- Accelerating growth through M&A, joint ventures, and strategic partnerships, and ensuring the successful integration of acquired companies;

- Transforming our GKMS business model to lead the regional money services and payments space;
- Bolstering employee engagement to foster a positive workplace culture and drive long-term organisational success;
- Improving operational efficiency and customer centricity; and
- Improving the international competitiveness of our manufacturing companies.

Our strategy for 2025 and beyond includes bold ambitions towards achieving our 2030 vision. We continue to align our strategic initiatives with four pillars:

- Growth and Sustainability
- Customer Centricity and Innovation
- Operational Efficiency
- Performance-driven Organisation



Growth and Sustainability

Our growth and sustainability pillar forms a significant component of our 2030 plans and objectives. There will continue to be a strong focus on digital transformation, growth of our *Grace* and Grace-owned brands in Jamaica and internationally, and expansion of our financial services reach across the Caribbean region.

GKFG will continue to focus on leading the regional money services and payments space. With margins tightening across major territories, the transformation of our GKMS business model becomes critical.

Our team will diligently work towards generating efficiencies in the retail network and investing in cost-effective digital solutions. We will expand digital access to our products and services through the launch of our *GK One* app in new markets.

Our food business will fuel the growth of our *Grace* and Grace-owned brands through new product innovations, channels and geographies. We will continue to focus on increasing the profitability of GK Foods USA, Grace Foods UK and Grace Foods Canada, and extending Hi-Lo's footprint across Jamaica.

M&A will fuel the inorganic growth of our Group. In addition to reaching out to potential acquisition targets and partners directly, our M&A Unit is also working with investment bankers to identify targets in our major overseas markets – North America, the UK, and Latin America and the Caribbean. In early 2025, GK acquired the remaining 30% stake in Catherine's Peak Bottling Company Limited, achieving 100% ownership of the company, which owns the Catherine's Peak spring water brand. This move further strengthens GK's strategic position in the Jamaican spring water market, building on our 2021 acquisition of 876 Spring Water and the 2023 acquisition of Unibev Limited.

Customer Centricity & Innovation

GK remains committed to meeting the diverse needs of our customers by providing superior products and services. In 2025, we will continue to invest in growing and leveraging the strength of our *Grace* and Grace-owned brands, with a particular focus on growing the *La Fe* and *Caribbean Choice* brands. We will also introduce new products in emerging categories, especially under our Better for You product category, and packaging to stay aligned with consumer trends and our ESG agenda.

GKFG will strengthen relationships with customers by offering enhanced financial experiences, including personalised services, proactive engagement, and tailored solutions. We will also drive innovation by improving the features and functionality of our *GK*

One app, with new features, such as direct-to-wallet transfers, currently in its pilot phase, which allows remittances to be sent directly to a user's wallet without any action required from the receiver. The app's multi-lingual design also supports geographical expansion into non-English speaking regions.

Additionally, GK will continue to explore the potential of artificial intelligence (AI) and robotics to unlock new opportunities for our business, while carefully managing the associated risks.



Operational Efficiency

We will continue to execute our manufacturing modernisation plan to increase export sales and achieve our ESG goals, while pursuing insourcing and private label co-packing opportunities. The modernisation of the factory line at Unibev Limited has already significantly improved its efficiency levels, and plans for further optimisation are expected to enhance our competitiveness in the spring water market and drive further growth. In line with our ESG agenda, we are reducing the use of virgin plastic in the bottling of our spring water products by 25% in 2025.

Another major strategic initiative for our food business will be the implementation of 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.

GK also continues to invest in core operating systems to drive efficiency across the Group. In 2025, we will enhance our use of our enterprise resource planning system (*SAP S/4 HANA*) functionality to further improve user experience and drive adoption initiatives for benefits realisation.

FGB will upgrade its core banking system to drive process efficiencies, including automated loan applications and digital customer onboarding.

We will continue to reduce our reliance on conventional energy sources, while generating substantial savings and creating a more environmentally friendly footprint for our business. Robust compliance and governance frameworks are critical internal controls which will be employed, to ensure that our Group continues to operate at international best standards.

Performance-Driven Organisation

A highly skilled and motivated team is critical to the success of our strategy. We recognise the importance of creating value for our team members and fostering high morale throughout our Group. In 2025, we will use the feedback from our 2024 employee engagement survey to improve our team's overall experience at GK.

We will maintain our focus on succession planning by accelerating development activities to ensure successor readiness. We have identified strategic capabilities which are needed to future-proof our organisation, and we will continue to strengthen our team's capacity in this regard.

The refresh of our HR operating model continues. In 2025 HR processes will be reviewed, standardised and simplified to drive operational efficiency. We will also optimise technology for service delivery and strengthen analytical capabilities for decision-making.

GK recognises that our people lie at the heart of our business. Our focus on talent acquisition, retention and employee engagement will continue. A new competency model will be implemented to guide recruitment, performance management, and learning and development programmes across the Group. We will also continue to strategically build a global talent pool to support our 2030 aspirations.

Risk Management & Internal Controls

Uncertainties and complexities in the risk landscape are expected to continue in 2025. The risk team, in collaboration with our businesses, is poised to take an agile and responsive approach to identification and assessment of risks. This will ensure that we implement appropriate risk responses to meet the challenges ahead and take advantage of the opportunities which arise.

In 2025, we will continue to place emphasis on enhancing the critical skillsets required of our team in a dynamic risk environment. Stress testing, scenario planning, identifying, and monitoring key risk indicators will be areas of focus, as well as extracting value from new and existing technology, AI and automation.

In 2025, GIA will focus heavily on our Financial Group, and our Group IT Security and Data Privacy policies, procedures, and governance, and will continue to monitor the following at the Group level:

- Continuous risk assessment, enhancing risk management and governance practices;
- Key stakeholder priorities;
- Compliance; and
- Optimising internal audit processes and resources.

GIA will also continue its focus on training and leveraging technology to ensure it is equipped to meet new challenges in our ever-evolving business environment.



Our Communities

GK’s commitment to supporting the communities we serve remains a priority in 2025. To advance our ESG goals and targets, we continue to integrate them across the Group. We are refining our monitoring and reporting framework and plan to include our annual progress update on 2025 activities alongside next year’s GK annual report.

Our focus on community investment remains strong, with ongoing initiatives from our Grace & Staff Community Development Foundation, GraceKennedy Foundation, and subsidiaries. These efforts will continue to drive positive social and environmental impact, strengthening our role as a responsible corporate citizen.



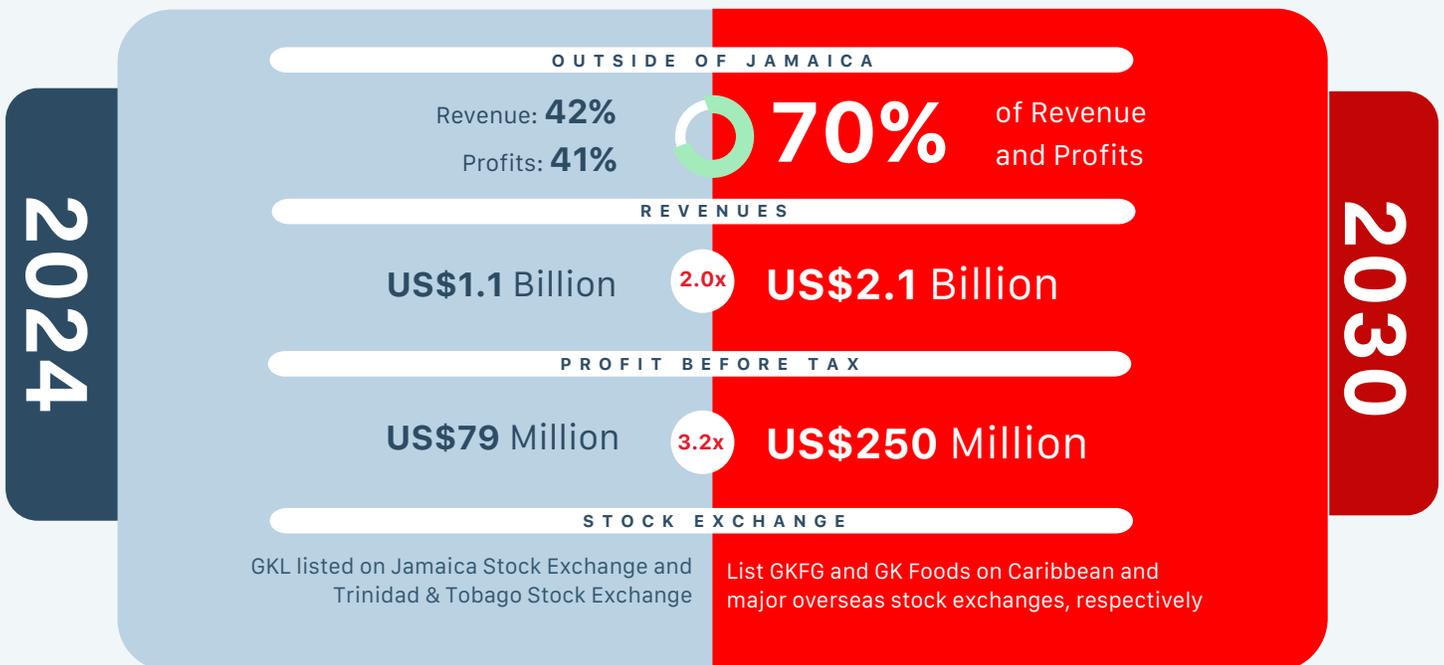
Our 2030 Vision

GK’s 2030 vision of becoming the number one Caribbean brand in the world sees our Group earning 70% of our revenues and profits outside of Jamaica. In 2025, we will continue to work assiduously towards achieving this vision by:

- Growing our international food business while continuing to solidify our strong presence in Jamaica;
- Expanding our financial services offering within the Caribbean; and
- Integrating ESG into our core business strategy to positively impact our global society and enhance the financial well-being of all our stakeholders.

With our highly skilled and motivated team aligned to our core values - *Honesty, Integrity, Trust, Commitment, Humility, and Respect* – and guided by our *We Care* ethos, and people at the centre of all that we do, GK is well positioned to achieve our 2030 vision.

Strategic Objectives



 Motivate employees to pursue growth, create a better life, attain wealth and achieve common goals

ESG Integrate Environmental, Social, and Governance (ESG) principles into the core business to enhance long-term stakeholder value

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We
Care




GraceKennedy
GROUP

PAY TO THE
ORDER OF

MINISTRY OF AGRICULTURE

SIX MILLION TWO HUNDRED & FIFTY

FOR

DONATION

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GraceKennedy's Response to Hurricane Beryl:

Turning Disaster into Hope

When Hurricane Beryl hit in 2024, Jamaica's farmers were devastated. GraceKennedy stepped in to support their recovery. We provided J\$6.25 million towards the purchase of a vital generator for the Hounslow pumping station in St Elizabeth, ensuring 360 farmers get the water they desperately need, particularly during power outages. Additionally, we delivered J\$3.5 million worth of seeds, mulch, and other critical farming supplies to help farmers rebuild their livelihoods. Partnering with international donors, we also remitted cash assistance through our Western Union network to those most affected across Jamaican communities.

We are GraceKennedy: unlocking value in community investment, unleashing greatness in resilience.

WE CARE IN ACTION





WE CARE IN ACTION

We Care

At GraceKennedy, our commitment to our core values, *Honesty, Integrity, Trust, Commitment, Humility and Respect*, and our *We Care* ethos, forms the foundation of our award-winning corporate governance programme. We are dedicated to being responsible global citizens and we take a holistic approach to promoting the well-being of people and our planet through GK's Environmental, Social and Governance (ESG) agenda, which builds on our longstanding corporate social responsibility (CSR) programme.

In 2023, we set seven ambitious ESG goals, each aligned with one of our five core ESG themes. These goals are supported by preliminary targets which map out our initial steps toward executing our comprehensive ESG strategy. In 2024 we began turning these ambitions into action. Our multi-disciplinary ESG workstreams have been working diligently to achieve these targets, with many tracking on or ahead of schedule. In September 2024, we published our annual ESG update - *We Care in Action* - outlining our progress between September 2023 and August 2024.

Environmental, Social, and Governance

GraceKennedy is actively integrating Environmental, Social, and Governance (ESG) principles into our operations. Grounded in our strong foundation of good corporate governance, ESG reflects our deep belief that creating positive impact drives long-term value and strengthens resilience, for both GK and the communities we serve.



2023/24 ESG Status Update



Scan to read our ESG Statement

The following section details additional updates, covering the period January 1 to December 31, 2024.

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

Targets

Build a hub on the GraceKennedy website where stakeholders can engage with our ESG materials, including policies and reports, by December 2024.

Broaden our existing stakeholder engagement programme to support the ongoing assessment of our ESG priorities, by December 2024.

Develop and implement a framework for monitoring and integrating stakeholder feedback on ESG, by December 2024.

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

Updates

- Our ESG Hub was successfully launched on the new GraceKennedy website (www.gracekennedy.com) in December 2024. The Hub is a central repository for ESG-related policies and provides updates on our ESG efforts. It also allows visitors to the site the opportunity to share feedback on our activities, thereby strengthening stakeholder engagement.

- We continue to seek input on our ESG programme utilising GK’s existing stakeholder engagement tools. ESG-themed questions are included in our annual Employee Engagement and Board Evaluation surveys, and formed part of our 2024 GK Brand Equity survey.

Going forward, we will continue to enhance our stakeholder engagement programme by integrating additional survey tools to gather feedback on our ESG priority areas.

- In December 2024, we documented our stakeholder engagement framework, enabling ongoing materiality assessments and agile realignment of our ESG priorities and strategy.

- GK’s ESG Statement, which is part of our ESG policy framework, was updated to align with the insights from our 2023 ESG Materiality Assessment.

The development of the Group ESG Policy, which is scheduled for publication by December 31, 2025, has begun, and is being spearheaded by the Corporate Governance Workstream.

Providing a Safe, Diverse and Respectful Workplace



Goal

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

Targets

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

Roll out diversity training for all GK businesses, by December 2024.

Maintain an employee engagement score in line with international benchmarks.

Updates

- A comprehensive Group Health, Safety, and Wellness Policy is on track for publication by December 31, 2025. The development of the policy is being spearheaded by the Work, Safety & Wellbeing Workstream, and is being informed by existing GraceKennedy policies.
- Our first Groupwide Diversity, Equity, Inclusion, and Belonging (DEIB) training was launched in December 2024. The online training module introduced GK team members to the core principles of DEIB and achieved an 87% completion rate across the Group.
- In 2024, our employee engagement score was 75%, which is well above the international benchmark of 67%, as set by the Society for Human Resource Management (SHRM).

The score is based on responses from GK's annual employee engagement survey, which asks team members to provide feedback on key areas such as their work environment, growth opportunities, and whether they consider the work they are engaged in as meaningful.

Promoting Responsible Products & Services



Goal

Build trust and inspire confidence among our stakeholders by fostering a culture of responsible data use and bolstering our privacy and data security framework

Targets

Build trust and inspire confidence among our stakeholders by fostering a culture of responsible data use and bolstering our privacy and data security framework.

Updates

- Cybersecurity training is conducted across the Group annually and achieved a 99% completion rate among GK team members in 2024.

To further enhance data privacy awareness, in 2024 we advanced our Enterprise Privacy Management Framework by publishing additional policies and procedures aligned with international standards. We also launched an internal data privacy awareness campaign and implemented training initiatives across the Group. By year end 2024, all companies within the GraceKennedy Financial Group and the GK Foods Division had published privacy notices on their websites.

Both initiatives are part of our ongoing efforts to strengthen cybersecurity and data privacy practices among our GK team and external stakeholders. We are on track to further expand this programme by December 2026.

Goal

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

Targets

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

Updates

- Launched in late May 2024, the GK Money Sense Street Smart financial literacy campaign reached 1.1 million people on social media by year-end, while the campaign's *Every Mickle Mek a Muckle* radio mini-series reached over 400,000 Jamaicans. *The Money Sense* blog became the most visited page on the GKFG website, attracting over 17,000 views, and the *Street Smart* budgeting template was accessed more than 500 times. Further reinforcing the campaign's impact, the *GK Money Sense WhatsApp Channel*, the first of its kind in Jamaica's financial sector, was launched in November.

As the programme expands further, we aim to establish baseline financial literacy scores for 4,000 individuals, encourage 1,200 people to adopt positive financial habits, and facilitate the opening of 120 new accounts, including FGB savings accounts and *GK One* cards, by December 2025.

Promoting Responsible Products & Services



Goal

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

Targets

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.

Updates

- We are on track to launch a comprehensive product development programme for our *Better for You* strategy, with specific targets and timelines, by December 2025.

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

Targets

Develop and initiate the implementation of strategies to reduce the use of virgin plastic in products we manufacture internally and through third parties, by December 2024.

Updates

- Our Global Supply Chain Unit is committed to reducing virgin PET (type 1 plastic) in our packaging. By December 31, 2025, we aim to achieve a 25% reduction in virgin PET for our Jamaican spring water lines and the shrink wrap used in our distribution centres.

We continue to explore ways to incorporate recycled materials in the PET packaging of our Grace-owned and manufactured beverage products, and we are collaborating with third-party manufacturers to align on sustainable packaging strategies. While our current focus is on PET, we are also evaluating opportunities to incorporate recycled and biodegradable materials into other packaging.

Targets

Expand programme for measuring and tracking scope 1 and 2 greenhouse gas (GHG) emissions across the Group and implement GHG reduction strategy for all GK businesses, by December 2026.

Launch a sustainability strategy for all GK businesses, including policies and programmes focused on and reducing the environmental impact of our operations and products, by December 2025.

Updates

- Grace Foods UK is currently tracking and reporting greenhouse gas emissions in line with UK Streamlined Energy and Carbon Reporting (SECR) regulations. We are currently investigating available options to implement a standardised emissions tracking system across the entire GK Group, aiming for implementation to commence by the end of 2025. This standardised approach will allow us to accurately measure and manage our carbon footprint, as we work towards launching a comprehensive emissions reduction roadmap by the end of 2026.
- Our Group sustainability strategy is currently under development and is on track for completion and launch by December 31, 2025.

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.

Targets

Launch an online portal within the ESG hub which tracks the corporate social responsibility (CSR) activities being undertaken across the Group, by December 2024.

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.

Updates

- The new ESG Hub on the GraceKennedy website showcases key CSR metrics, including employee volunteer hours, corporate charitable contributions (community investment), and the volume of solid waste prevented from entering the Kingston Harbour through our environmental initiatives.
- For the year ended December 31, 2024, GK team members contributed a total 2,359 volunteer hours to community service projects, including educational activities, mentoring, and beach cleanups. Corporate charitable contributions reached J\$298 million, reflecting a 48% increase over the J\$201 million recorded in 2023.

Corporate Social Responsibility

In Jamaica, our corporate social responsibility (CSR) programme is spearheaded by our two dedicated foundations: the Grace & Staff Community Development Foundation (Grace & Staff) and the GraceKennedy Foundation (GKF). Details of the initiatives undertaken by both Foundations in 2024 are available on pages 66 to 73.



Scan to read our CSR Policy

Our subsidiaries in Jamaica and overseas also directly engage with the communities in which they operate through various CSR initiatives.

We Care at Home

Championing Youth Through Sports

The ISSA/GraceKennedy Boys' and Girls' Athletic Championships (Champs) remains GraceKennedy's flagship annual sponsorship, highlighting our unwavering commitment to youth development through sports in Jamaica. The 2024 event, held from March 19 to 23, marked our 17th year as title sponsor. We invested over J\$178 million in the event, supported by executions from our Grace Foods, Western Union, and First Global Bank brands. Grace Foods also provided catering and hydration at development meets leading up to the meet. During the meet, GraceKennedy Money Services (GKMS) introduced the *Western Union ICON Award*, which celebrates individuals whose passion and dedication have made an enduring impact on Champs, with the aim of inspiring future generations of athletes. We also honoured the late Hubert Lawrence, a beloved track and field analyst, with a special tribute during the Champs halftime show, including a J\$1 million donation by Grace Foods to his alma mater, St. Jago High School.

Empowering Education Through Back-to-School Support

Ahead of the 2024/2025 academic year, GraceKennedy invested over J\$70 million in back-to-school initiatives, reinforcing our commitment to education. This included the expansion of our Grace & Staff tuition assistance programme and providing scholarships and bursaries through the GraceKennedy Foundation. Our subsidiaries also supported various islandwide back-to-school activities through promotions and donations.

Support for Agricultural Resilience in St. Elizabeth

In response to the devastation caused by Hurricane Beryl to Jamaica's farming communities in 2024, we made a J\$10 million donation to bolster agricultural resilience in St. Elizabeth. This contribution included J\$6.25 million towards the purchase of a new generator at the National Irrigation Commission's Hounslow pumping station, directly benefiting 360 farmers. We also donated J\$3.5 million in agricultural inputs, such as seedlings, mulch, fertiliser, and irrigation hoses. This investment is part of our broader ESG efforts to promote sustainable agriculture and climate resilience in Jamaica, including our GK General Insurance (GKGI) *Weather Protect* policy and small business loans for farmers through First Global Bank (FGB).

Strengthening Connections with the Diaspora

GraceKennedy continued our legacy partnership with the Ministry of Foreign Affairs and Foreign Trade's Jamaica Diaspora Conference, which hosted its 10th staging from June 16 to 19, 2024, at the Montego Bay Convention Centre. In addition to our cash sponsorship, our brands actively engaged in the conference through various executions by Grace Foods and our GraceKennedy Financial Group (GKFG). Members of our GK team also participated in plenary discussions on key topics, including diaspora engagement, real estate wealth, and strengthening youth connections to the island.

Championing National Child Month

For 62 years, GraceKennedy has proudly supported the National Child Month Committee (NCMC) in its efforts to raise awareness of the issues impacting Jamaica's children.

In 2024, we continued as the main sponsor of National Child Month, held annually in May, contributing J\$1.25 million to support a range of activities. Our sponsorship covered event expenses for the official launch and the donation of a laptop to the top recipient of the NCMC Academic Achievement Awards. We also provided products, and event management support for various initiatives.

The 2024 theme, *Stand Up, Speak Out, Protect the Rights of Our Children*, called on all Jamaicans to take a stand in defending the rights and well-being of the nation's youth.

Other Community Support

On August 24, 2024, Grace Foods brought Jamaicans together for a day of food, fun, and philanthropy at the inaugural *Grace Food Festival* held at Hope Gardens in Kingston. The event celebrated Jamaica's rich culinary heritage while giving back to the community, with proceeds directed to three deserving charities, House of SDM, Girls Do Good Foundation, and Feeding of the 5000, which shared a J\$1 million donation. Grace Foods also continued its commitment to social impact through its *Graceful Wish* initiative, which brought hope and support to communities across the island in 2024. The campaign granted several Jamaican communities *Graceful Wishes* valued at over J\$2 million. Talk Show Host Susan Simes personally delivered gifts, creating heartfelt moments that highlighted the transformative power of kindness.

GKFG also played a pivotal role in supporting various social impact initiatives in 2024, including

Read Across Jamaica Day, island-wide Labour Day activities, and its 10th consecutive year as sponsor of the Kiwanis Club of New Kingston Little Bee Spelling Competition. GKGI also continued its long-standing support of Jamaica Biz Town Centre, a programme that provides financial literacy and entrepreneurship education to students, in partnership with Junior Achievement Jamaica and the Ministry of Education. Additionally, through its subsidiaries, GKFG supported the ISSA Grace Shield Under-19 Cricket Tournament (sponsored by GKGI and FGB), the Howard McCatty Community Basketball League (sponsored by *GK One*), and the Jamaica Independent Schools Association Prep Champs (sponsored by GKGI and GK Mutual Funds).

We Care Abroad

GraceKennedy's commitment to social responsibility extends beyond Jamaica, making a positive impact in the communities we serve worldwide. In the Caribbean region in 2024, GraceKennedy Belize, GraceKennedy Belize Limited supported flood victims and local schools through product donations while Grace Foods Latin America & Caribbean (LACA) contributed to various charities including Mustard Seed Communities, and Missionaries of the Poor.

Further afield in Canada, Grace Foods partnered with the Jamaican Canadian Association to support its scholarship programme and also contributed to hurricane relief efforts in the Caribbean. Grace Foods UK made cash and in-kind donations to hospitals and community initiatives, including a partnership with a local primary school on its *Christmas in a Bag* campaign, which delivered gifts to sick children at the Great Ormond Street Hospital. Meanwhile, in the US, GraceKennedy Foods USA (GK Foods USA) launched its inaugural back to school supply drive.

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Grace
& Staff
Report





Grace & Staff:

45 Years of Uplifting Jamaica

For 45 years, the Grace & Staff Community Development Foundation has been a cornerstone of community upliftment in Jamaica. We marked this milestone in 2024 with a week of inspiring events, from our anniversary church service to a powerful documentary screening. Giving Tuesday was another highlight, as our team came together to support life-changing initiatives. To cap it off, our Volunteer Banquet honoured the incredible individuals who make this vital work possible. From education to community support, Grace & Staff has been a beacon of hope, building a bridge of care and understanding since 1979.

We are GraceKennedy: unlocking value by uplifting the communities we serve, unleashing greatness in human connection.

Grace & Staff Community Development Foundation Report

The Grace & Staff Community Development Foundation (Grace & Staff) was established in 1979 in response to deteriorating social and economic conditions in communities adjacent to GraceKennedy's headquarters in downtown Kingston. As a partnership between the management and staff of GK, the Foundation has since extended its impact to other communities surrounding our operations across Jamaica.

In 2024, Grace & Staff celebrated its 45th anniversary and further strengthened its mission of Building a *Bridge of Human Care and Understanding* by expanding its programmes focused on education, volunteerism and community upliftment.

Education

Investing in Future Generations

Education remains at the heart of Grace & Staff's mission, as the Foundation works towards ensuring that financial barriers do not hinder the potential of Jamaica's youth. In 2024, through its tuition assistance programme, the Foundation supported 1,726 students, investing over J\$40 million in their academic pursuits.

Our six Grace & Staff hybrid homework centres offered academic reinforcement through after-school sessions, which were attended weekly by an average of 421 students in 2024—264 in person and 157 online. By offering structured tutoring, mentorship, and access to technology, the centres continue to foster an environment where students can thrive.

Fostering a Love for Reading: Read Across Jamaica Day

In partnership with GK Money Services, Grace Food Processors (Meats), and Grace Agro Processors Hounslow, the Foundation championed literacy across the island by reaching 14 schools, one in each parish, on Read Across Jamaica Day, which was celebrated on May 8.

Strengthening Partnerships for Greater Impact

The Micro:bit Education Foundation, a not-for-profit organisation dedicated to inspiring every child to shape their best digital future, played a pivotal role in supporting Grace & Staff's STEM education initiatives beginning February 2024. The Micro:bit Education Foundation's mission aligns closely with that of Grace & Staff, by fostering digital creativity through innovative technology, free, user-friendly educational resources, and global collaborations to implement high-impact educational programmes.

At the heart of the programmes delivered by the two foundations in 2024 is the *micro:bit*—a compact, programmable computer designed to enhance students' understanding of coding. Wearable and versatile, the device also supports engineering projects and scientific measurements, making it an invaluable tool for hands-on learning.

Empowering Minds through STEM Education

The Grace & Staff STEM Centre continues to make strides in advancing STEM education. The Centre's six-week Micro:bit Coding for Primary Schools initiative, which began in February, introduced 100 students from six primary schools and homework centres—Calabar Primary, St. Michael's Primary, Edward Seaga Primary, Dela Vega Homework Centre, Quarry Hill Homework Centre, and Majesty Gardens Homework Centre—to fundamental coding principles.

Our Code Queens Project, sponsored by CUSO International and supported by the Micro:bit Education Foundation, was another groundbreaking initiative offered at the Centre in 2024. The six-month programme, which began in October, introduced 20 teenage girls to coding using micro:bit devices, empowering them with digital skills, while also building their confidence and addressing mental health concerns.

To celebrate its 10th anniversary, the Centre hosted an Open Day on November 26, welcoming students and teachers from four primary schools in downtown Kingston. Attendees participated in a range of hands-on STEM activities designed to spark curiosity and encourage collaboration.

Students from Norman Manley High, Vauxhall High, and Clan Carthy High also participated in school tours of the STEM Centre in 2024, gaining valuable exposure to career opportunities in STEM fields.

Community Upliftment

Prioritising Mental Health

Under the guidance of Counselling Psychologist Dr Curtis Sweeney, in 2024 Grace & Staff provided 855 counselling sessions to direct beneficiaries, community members, and GK team members. Additionally, the Foundation's mentorship programme flourished, with 70 dedicated mentors fostering meaningful connections and guiding Grace & Staff youth beneficiaries toward success.

Building Stronger Families

In November, the Foundation hosted a parenting workshop under the theme *Building Parent-Child Bonds Through Technology*. The workshop featured insightful presentations on mental health and self-care, the positive use of artificial intelligence, and how social media can be a tool for strengthening parent-child relationships.

Grace & Staff also partnered with the Westmoreland Youth Information Centre on the *Youth Advancement through Parenting Education* initiative throughout 2024. The holistic approach fostered sustainable family dynamics and economic independence for young parents in Westmoreland, equipping them with employability skills and positive parenting strategies.

Celebrating Teachers in Western Jamaica with Sandals Foundation

In collaboration with the Sandals Foundation, Grace & Staff recognised and celebrated 70 teachers in western Jamaica with a special Teachers' Day brunch on May 8, acknowledging their invaluable contributions to shaping young minds.

Transforming Entrepreneurship Dreams into Reality

Grace & Staff's *BizLift* project provided an important platform for economic empowerment in 2024, equipping 15 parents of Grace & Staff beneficiaries with entrepreneurial training and financial support. The six-week programme, which began in June culminated in a business pitch competition, where three outstanding small business owners were awarded grants to further develop their enterprises.

Spreading holiday cheer in Jamaican Communities

GraceKennedy's annual Christmas outreach, coordinated by Grace & Staff, brought joy and festivities to nearly 1,000 community members across Central Kingston, Craig Town, Majesty Gardens, Payne Avenue, and Spanish Town.

In partnership with GK's Business Systems Department, Grace & Staff also hosted two Christmas treats for students at North Street Primary School in Kingston and Beam of Light Basic School in St. Mary in 2024.

Volunteerism

The spirit of volunteerism thrived in 2024, with 796 hours dedicated to community initiatives. Our volunteers remain the driving force behind our mission, exemplifying the GK *We Care* ethos in action.

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GK Foundation Report





The Kingston Harbour Cleanup Project:

Making Waves of Change

Since 2022, the Kingston Harbour Cleanup Project (KHCP) - powered by our GraceKennedy Foundation and its partners The Ocean Cleanup and Clean Harbours Jamaica - has been transforming one of Jamaica's most vital waterways – the Kingston Harbour. By December 2024, over 3 million kilogrammes of waste had been removed by the KHCP interceptors installed at the mouths of seven of Kingston's gullies—a major victory for the marine health of the seventh largest natural harbour in the world. Under the ground-breaking initiative our *Earth Week Great Mangrove Cleanup* also mobilised over 1,000 volunteers in 2024, with a single site clearing 15,000 kilogrammes of trash from the Harbour coastline. Later in the year, our *Great Mangrove Trash Tournament* engaged boaters in the Harbour, removing an additional 18,100 kilogrammes of waste. Meanwhile, the launch of the *KHCP Environmental Warden Programme* is empowering residents in surrounding communities to advocate for and uphold sustainable practices. With every initiative, we are helping to bring the Kingston Harbour back to life.

We are GraceKennedy: unlocking the value of sustainability, unleashing greatness in environmental stewardship.

GraceKennedy Foundation Report

Established in 1982, the GraceKennedy Foundation (GKF) is committed to upholding GraceKennedy's legacy as a responsible corporate citizen. Through impactful initiatives focused on environmental sustainability, healthy lifestyles, and education, GKF is positively transforming lives throughout Jamaica.

In 2024, the Foundation reinforced its impact by successfully implementing the following programmes:

Environment

Championing Environmental Stewardship

Through its GK Earth365 programme and the Kingston Harbour Cleanup Project (KHCP), GKF is promoting environmental stewardship within the GK Group and the communities we serve in Jamaica.

During Earth Week 2024 (April 22–27), GKF mobilised over 1,000 GK team members, corporate partners, and community volunteers in executing a series of cleanups, culminating in *The Great Mangrove Cleanup* on April 27. At the event, volunteers removed more than 21,300 kilogrammes of waste from seven mangrove sites within Kingston Harbour.

Then in September, GKF marked *International Coastal Cleanup Day 2024* with its annual cleanup of Gun Boat Beach, where 370 volunteers, including over 100 GK team members, collected 3,926 kilogrammes of waste from the Kingston Harbour coastline.

Building on this momentum, in November GKF partnered with the Royal Jamaica Yacht Club to host *The Great Mangrove Cleanup Trash Tournament*. This event engaged 75 local fishermen and yacht club members, who deployed 21 recreational and fishing vessels in a three-hour excursion to remove 8,200 kilogrammes of waste from 'hard-to-reach' mangrove areas in the Harbour.

These cleanups formed a critical part of the KHCP's activities in 2024, which has so far prevented over 3 million kilogrammes of waste from entering Kingston Harbour, 1.5 million of which was removed last year.

Launched in 2022, KHCP is a collaborative initiative led by GKF, The Ocean Cleanup, and Clean Harbours Jamaica, in partnership with Jamaican government agencies, private sector organisations, and local community groups. The project's impact continued to grow in 2024, with waste-trapping 'interceptor barrier' technology now installed at eight of the 11 most polluting gullies which empty into the Kingston Harbour, including the latest barrier launched at Sandy Gully in October.

Further enhancing community engagement under KHCP, an environmental warden programme was introduced in July, which trains residents of communities surrounding the Harbour to advocate for proper waste disposal and sustainable environmental practices. These wardens also serve as important liaisons between KHCP and their communities.

In addition to these initiatives, 14 Kingston-based GK subsidiaries actively participate in ongoing recycling efforts. In 2024 this resulted in the collection of over 2,000 kilogrammes of plastic waste for recycling.

Supporting Academic Research toward Sustainable Development

In October 2024, GKF hosted ESG in Action, a seminar bringing together academics, corporate leaders, and members of the public to showcase the impactful work of our two GKF-funded Professorial Chairs at The University of the West Indies (UWI). The event demonstrated how the Chairs' research aligns with GK's commitment to Environmental, Social, and Governance (ESG) principles, advancing sustainable development in Jamaica.

Professor Mona Webber, the James S. Moss-Solomon Sr. Chair in Environment, is leading extensive research on coastal and marine preservation, which includes the conservation of Jamaica's seagrasses, mangroves, and queen conch populations. Meanwhile, Professor Lila Rao Graham, the S. Carlton Alexander Chair in Management, is driving research on data-driven innovation to accelerate progress toward the Sustainable Development Goals.

Healthy Lifestyles

Supporting Student Well-Being and Success

The GK Campus Connect Food Bank has been playing a vital role in supporting Jamaican tertiary students facing food insecurity since 2019. Each month, it provides food packages to 300 students and offers additional assistance to student-led feeding programmes during high-stress periods such as exams and orientation.

In 2024, these efforts reached nearly 8,000 students, underscoring GK's commitment to student well-being and academic success.

Education

Empowering Young Jamaicans Through Scholarships and Student Support

For the 2024/25 academic year, GKF awarded scholarships valued at over J\$27 million to 78 university students from UWI, University of Technology, Edna Manley College of the Visual and Performing Arts, and Caribbean Maritime University. Notably, 43% of the 2024 recipients were first-generation university students. In addition, 15 laptops were donated to scholars in need.

GKF also awarded the prestigious Carlton Alexander Memorial Bursary to 22 children of GK team members, with a total value exceeding J\$2 million. The GK Campus Connect Programme continues to foster leadership and professional growth among scholars, with 86% of participants reporting meaningful connections being made within GK. Through initiatives such as the Ace with Grace tutoring programme and other outreach activities, scholars contributed 3,226 hours of community service during the 2023/24 academic year.

In February 2024, GKF hosted its *Campus Connect: Making the A Grade – Health Edition* seminar, equipping over 170 students with essential tools for health, nutrition, and stress management. Then in October 2024, GKF partnered with GKFG and the UWI Guild to host financial seminars, providing more than 160 students with valuable insights into financial literacy and planning.

Strengthening Cultural Ties to the Jamaican Youth Diaspora

In the summer of 2024, the GKF hosted four university students of Jamaican heritage from the United States, United Kingdom, and Canada under its annual *Jamaican Birthright Programme*. Designed to deepen their connection to their Jamaican roots, the annual programme offers participants hands-on experience interning at GK while learning about Jamaica's rich culture through Heritage Pathway Tours.

Reflecting on his experience as a 2024 Birthright participant, Tariq Brown from the UK shared,

“ Seeing the depth within my Jamaican culture, from the history to the heritage to the people, is my biggest takeaway from this internship. In the UK, we can be very starved of what it means to be truly Jamaican. It's not just the food or the dancing, it's the rich heritage and history, and I'm glad I was able to experience this firsthand.

Since 2004, the programme has provided over 60 second and third-generation Jamaicans from the Diaspora with a unique blend of professional development and cultural immersion, strengthening ties to the Jamaican youth diaspora.

Investing in Early Childhood and Special Needs Education

In 2024 GKF awarded six grants valued at over J\$2.8 million to equip institutions dedicated to advancing early childhood and special needs education.

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Leadership
Team &
Corporate
Data





Connecting the GK Team:

Leadership and Vision in 2024

In 2024, we kicked off the year with a bang, launching our inaugural Leadership Summit. Over 200 GK senior managers and executives from around the world gathered in Kingston, Jamaica, setting the stage for a year of growth and excellence. Then, we went virtual, connecting over 1,000 GK team members worldwide for our first-ever Groupwide CEO's Forum. These events weren't just meetings; they were sparks, igniting a unified vision and driving our global team toward collective success.

We are GraceKennedy: unlocking the value of global connection, unleashing greatness in collaborative leadership.

Board of Directors

As at February 28, 2025

Prof. Gordon V. Shirley, OJ

Chairman, GraceKennedy Limited and GraceKennedy Foods (USA) LLC. President & Chief Executive Officer of the Port Authority of Jamaica. Chair of GraceKennedy's Compensation Sub-Committee and Member of GraceKennedy's Corporate Governance & Nomination Committee. Chairman, Clarendon Alumina Production Limited Chairman Police Service Commission



Frank A. R. James

GraceKennedy Group Chief Executive Officer. Finance and Investment professional. Chairman, GK Foods & Services Limited



Dr Indianna D. Minto-Coy

Deputy Executive Director and Senior Lecturer at the Mona School of Business & Management (MSBM) at The University of the West Indies, Jamaica and a Director of A&I Consulting Ltd. A member of GraceKennedy's Audit Committee and Corporate Governance & Nomination Committee.



Gina M. Phillipps Black

Attorney-at-law and Partner in the law firm, Myers, Fletcher & Gordon. Chair of GraceKennedy's Corporate Governance & Nomination Committee.



Dr Parris A. R. Lyew-Ayee, Jr

Managing Director of PAMAS Ltd. A member of GraceKennedy's Audit Committee, Corporate Governance & Nomination Committee, and Compensation Sub-Committee.



Andrew R. Messado

GraceKennedy Group Chief Financial Officer. Finance and Accounting professional. Fellow of the Institute of Chartered Accountants of Jamaica (ICAJ).



Vanessa N. H. Rizzioli

Director, Cranwicke Consulting, United Kingdom. A member of GraceKennedy's Audit Committee and Corporate Governance & Nomination Committee.



Peter E. Williams

Retired partner of PricewaterhouseCoopers Jamaica's assurance practice and fellow of the Institute of Chartered Accountants of Jamaica (ICAJ) and Association of Chartered Certified Accountants (ACCA). Chairman of GraceKennedy's Audit Committee, a member of the Corporate Governance & Nomination Committee and Compensation Sub-Committee.



Directors & Corporate Data

As at December 31, 2024

Directors

Prof. Gordon V. Shirley, OJ
Chairman

Don G. Wehby, OJ
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

Gail 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



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Senior
Management





Game On!

GraceKennedy's Winning Spirit Through Sports

Sports play a vital role in GraceKennedy's culture, driving teamwork and community spirit. We're proud to fuel the sporting dreams of young aspiring Jamaican athletes by sponsoring national events like the world-renowned ISSA/GraceKennedy Boys' and Girls' Championships. And who better to inspire us than our GK brand ambassadors, Olympic champions Shelly-Ann Fraser-Pryce and Hansle Parchment? Meanwhile, within GK, our SPARC programme brings us together, with exciting competitions which engage and energise our team.

We are GraceKennedy: unlocking the value of teamwork, unleashing greatness through sports and camaraderie.



Our Senior Management Team

(photos appear in this order):

Executive Office:

Frank James, Andrew Messado, Gail Moss-Solomon, Annette Morrison, Tawana Gray, Judith Chung Gordon, Lee-Anne Bruce, Suzanne Nam, Deidre Cousins, Greig Lindo, Andrew Leo-Rhynie, Caroline Mahfood, Sandrina Davis

GK Foods:

Andrea Coy, Orlean Mears, Kerry-Ann Lincoln, Zak Mars, Carl Barnett, Nariesha Murray-Graham, Shaun Lawson-Freeman, Danielle Longman, Dave DaCosta, Derrick Reckord, Oswald Lyn, Ricardo Bryan, Nimal Amitirigala, Jack Zhu, Brian Mitchell, Himanshu Gandhi, Radcliffe Walker, Tamara Thompson, Andrew Wildish, Cathrine Kennedy, Renee Nathan

GK Financial Group:

Grace Burnett, Steven Whittingham, Marcia Henry Lawrence, Debra Dodd, Nichole Case, Kerry-Ann Heavens, Amanda Beepat, Radcliffe Daley, Terry-Ann Graver, Kareem Tomlinson, Chaluk Richards, Marie Beckford, Crisy Laurent, Margaret Campbell, Shari Brown, Lovy Jean, Diandra Shand-Ogbe, Troy Williams, Donald Edwards, Tammara Glaves-Hucey

Executive Office

As at February 28, 2025

Frank James

Group Chief Executive Officer

Andrew Messado

Group Chief Financial Officer

Gail Moss-Solomon

General Counsel & Chief Corporate Secretary

Annette Morrison

Group Chief Human Resources Officer

Tawana Gray

Group Comptroller

Judith Chung Gordon

Group Chief Compliance Officer & Senior Legal Counsel

Lee-Anne Bruce

Chief Audit Executive

Suzanne Nam

Head of Corporate Communications

Deidre Cousins

Chief Information Officer

Greig Lindo

Head of Treasury & Corporate Finance

Andrew Leo-Rhynie

Head of Mergers & Acquisitions

GraceKennedy Foundation

Caroline Mahfood

Chief Executive Officer

Grace & Staff Community Development Foundation

Sandrina Davis

Chief Executive Officer

GK Foods

As at February 28, 2025

Andrea Coy

Chief Executive Officer

Orlean Mears

Chief Human Resources Officer

Deidre Cousins

Chief Information Officer

Kerry-Ann Lincoln

Chief Financial Officer

Zak Mars

Head of Global Sourcing & Supply Chain

Carl Barnett

Senior General Manager, Manufacturing

Nariesha Murray-Graham

Chief Supply Chain Officer

Shaun Lawson-Freeman

Chief Legal Counsel & Corporate Secretary

Danielle Longman

Head of Planning & Strategy – GK Foods
International Business

Consumer Brands Limited

Tamara Thompson

General Manager

Dairy Industries (Jamaica) Limited

Radcliffe Walker

General Manager

Grace Agro Processors Division

Carl Barnett

General Manager

Grace Food Processors (Meats)

Carl Barnett

General Manager

Grace Food Processors (NALCAN)

Andrew Wildish

General Manager

Grace Foods Canada, Inc.

Nimal Amitirigala

President

Jack Zhu

Chief Financial Officer

Grace Foods Latin American and Caribbean (GF
LACA)

Danielle Longman

General Manager

Grace Foods Limited

Dave DaCosta

Managing Director

Grace Foods & Services

Tamara Thompson

General Manager

Grace Foods UK Ltd

Brian Mitchell

Managing Director

Himanshu Gandhi

Chief Financial Officer

GraceKennedy (Belize) Limited

Danielle Longman

Managing Director

GraceKennedy Foods (USA) LLC.

Derrick Reckord

President & CEO

Oswald Lyn

Chief Financial Officer

Ricardo Bryan

Senior Vice President – Sales

Hi-Lo Food Stores Division

Cathrine Kennedy

General Manager

Unibev Limited

Andrew Wildish

General Manager

World Brands Services Division

Renee Nathan

General Manager

GK Financial Group

As at February 28, 2025

GraceKennedy Financial Group Limited

Grace Burnett

Chief Executive Officer

Steven Whittingham

Deputy Chief Executive Officer

Marcia Henry Lawrence

Chief Human Resources Officer

Debra Dodd

Divisional Chief Financial Officer

Nichole Case

Chief Information Officer

Kerry-Ann Heavens

Chief Legal Counsel & Corporate Secretary

Allied Insurance Brokers Limited

Amanda Beepat

Managing Director

First Global Holdings Limited

Grace Burnett

Chief Executive Officer

First Global Bank Limited

Radcliffe Daley

President and CEO

Terry-Ann Graver

Chief Operating Officer

GK Capital Management Limited

Kareem Tomlinson

Managing Director

GK General Insurance Company Limited

Chaluk Richards

General Manager

GK Insurance Brokers Limited

Marie Beckford

General Manager

GK Insurance (Eastern Caribbean) Limited

Chaluk Richards

Director

GK Investments Limited

Kareem Tomlinson

Managing Director

GK Life Insurance Caribbean Limited

Crisy Laurent

General Manager

GK Life Insurance Eastern Caribbean Limited

Crisy Laurent

General Manager

GK Mutual Funds Limited

Kareem Tomlinson

Managing Director

GraceKennedy Currency Trading Services Limited

Margaret Campbell

Chief Operating Officer

GraceKennedy Money Services (Anguilla) Limited

Shari Brown

Regional Manager

GraceKennedy Money Services (Bahamas) Limited

Margaret Campbell

Chief Operating Officer

Lovy Jean

Operations and Business Network Manager

GraceKennedy Money Services (BVI) Limited

Shari Brown

Regional Manager

Diandra Shand-Ogbe

Business Network Officer

GraceKennedy Money Services (Caribbean) SRL

Grace Burnett

President & CEO

GraceKennedy Money Services (Cayman)
Limited

Margaret Campbell
Chief Operating Officer

Diandra Shand-Ogbe
Business Network Officer

GraceKennedy Money Services (Montserrat)
Limited

Shari Brown
Regional Manager

GraceKennedy Money Services (St Kitts &
Nevis) Limited

Shari Brown
Regional Manager

GraceKennedy Money Services (St Vincent &
The Grenadines) Limited

Shari Brown
Regional Manager

GraceKennedy Money Services (Turks &
Caicos) Limited

Margaret Campbell
Chief Operating Officer

Lovy Jean

Operations and Business Network Manager

GraceKennedy Payment Services Limited

Margaret Campbell
Chief Operating Officer

GraceKennedy Remittance Services Limited

Grace Burnett
President & CEO

Margaret Campbell
Chief Operating Officer

GraceKennedy Remittance Services (Guyana)
Limited

Troy Williams
Country Manager

GraceKennedy (Trinidad & Tobago) Limited

Donald Edwards
Country Manager

Key Insurance Company Limited

Tammara Glaves-Hucey
General Manager

Executive Committee



Frank James

Group Chief Executive Officer



Andrea Coy

Chief Executive Officer, GK Foods



Annette Morrison

Group Chief Human Resources Officer



Andrew Messado

Group Chief Financial Officer



Grace Burnett

Chief Executive Officer,
GraceKennedy Financial Group



Gail Moss-Solomon

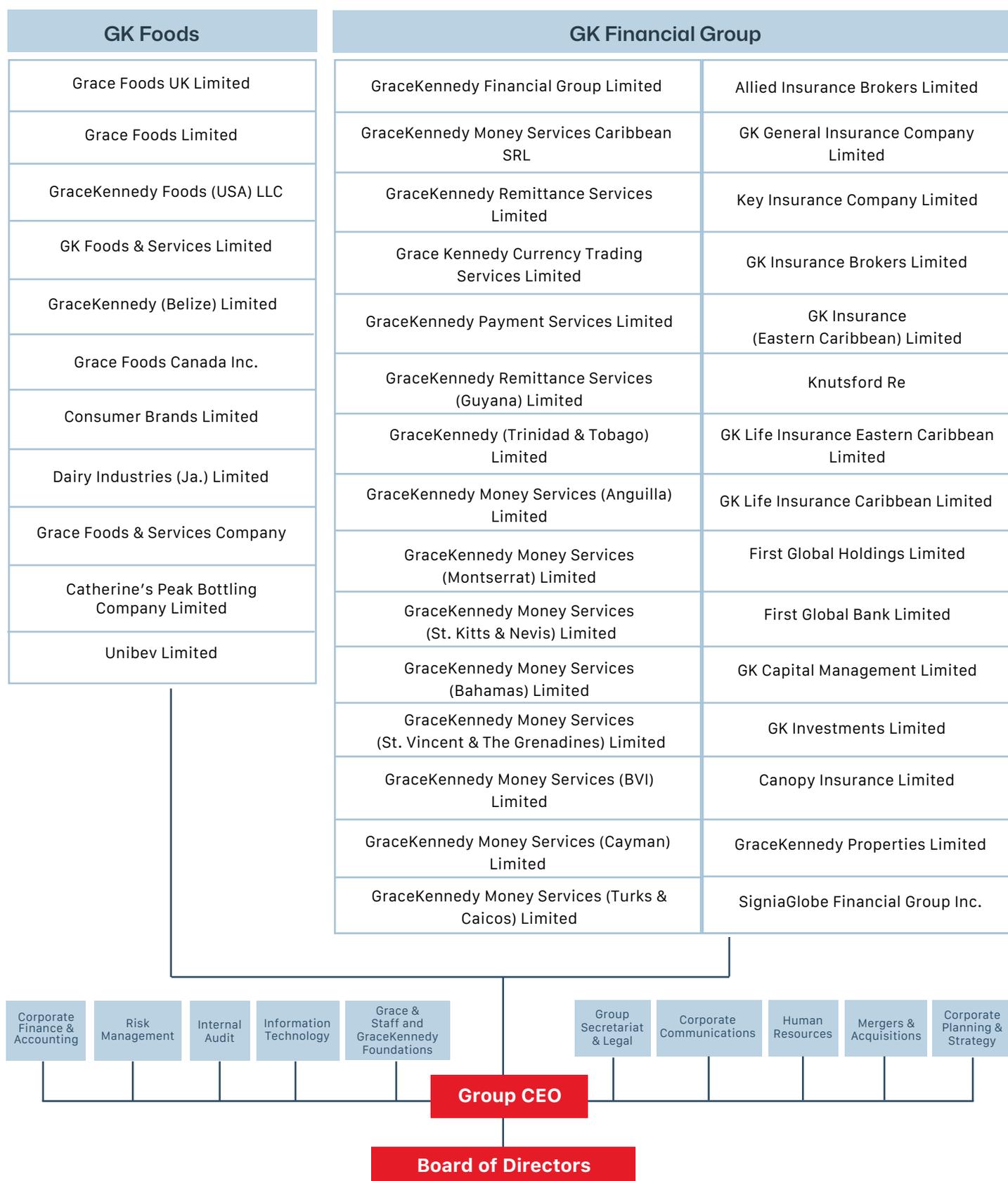
General Counsel &
Chief Corporate Secretary



Steven Whittingham

Deputy Chief Executive Officer,
GraceKennedy Financial Group

Organisational Chart*



*Excludes non operating and non core entities. Refer to Note 2(b) and 2(c) of the Audited Financials for a comprehensive list of entities.

Shareholdings of Directors

As at December 31, 2024

Ordinary Stock Units of no par value	Total	Direct	Connected Parties	% Ownership
Donald G. Wehby	14,573,339	12,218,732	2,354,607	1.46%
Gordon V. Shirley	700,323	700,323	-	0.07%
Andrew Messado	978,486	978,486	-	0.10%
Gina Phillipps Black	208,006	208,006	-	0.02%
Parris Lyew-Ayee Jr.	172,111	172,111	-	0.02%
Indianna Minto-Coy	53,891	53,891	-	0.01%
Peter Williams	28,393	28,393	-	0.00%
Vanessa Rizzioli	19,300	19,300	-	0.00%
Total	16,733,849			

Shareholdings of Executive Committee Members and Senior Officers

As at December 31, 2024

Ordinary Stock Units of no par value	Total	Direct	Connected Parties	% Ownership
Donald G. Wehby	14,573,339	12,218,732	2,354,607	1.46%
Frank A. R. James	3,336,638	3,336,638	-	0.34%
Gail Moss-Solomon	1,264,588	1,264,588	-	0.13%
Grace Burnett	1,223,851	1,223,851	-	0.12%
Andrea Coy	1,166,951	1,166,951	-	0.12%
Andrew Messado	978,486	978,486	-	0.10%
Steven Whittingham	781,482	781,482	-	0.08%
John A. Leo Rhynie	89,442	89,442	-	0.01%
Lee-Anne Bruce	58,015	58,015	-	0.01%
Tawana Gray	6,480	2,100	4,380	0.00%
Judith Chung	2,100	2,100	-	0.00%
Greig Lindo	2,500	2,500	-	0.00%
Jason Bailey	0	0	-	0.00%
Annette Morrison	0	0	-	0.00%
Total	23,483,872			

Top Ten (10) Stockholders

As at December 31, 2024

Name	Ordinary Stock Units	%
National Insurance Fund	61,158,758	6.15%
Resource in Motion Limited	55,657,479	5.59%
GraceKennedy Limited Pension Scheme	44,922,201	4.51%
NCB Insurance Agency and Fund Managers A/C WT109	33,131,800	3.33%
Sagicor Pooled Equity Fund	25,541,243	2.57%
ATL Group Pension Fund Trustees Nominee Ltd.	23,952,905	2.41%
Douglas Orane	20,557,188	2.07%
NCB Insurance Agency and Fund Managers A/C WT157	16,798,182	1.69%
FredKenn Limited	14,677,381	1.47%
Donald G. Wehby	14,573,339	1.46%

Stockholders' Profile

As at December 31, 2024

Name	Stock Units	%
Insurance Companies, Trust Companies & Pension Funds	311,077,601	31.26%
Private Individuals	294,627,854	29.60%
Investment Companies/Unit Trusts	142,436,824	14.31%
Private Companies	103,890,993	10.44%
Others	108,193,458	10.87%
Directors & Senior Managers	24,665,896	2.48%
Nominee Companies	9,337,888	0.94%
Publicly Listed Companies	1,010,482	0.10%
	995,240,996	100.00%





The Grace Food Festival:

A Culinary Celebration

Kingston came alive in August with the vibrant Grace Food Festival, a celebration of Jamaica's rich culinary heritage. The inaugural event drew enthusiastic crowds, showcasing GraceKennedy's deep-rooted connection to the island's culture and the unifying power of food.

Attendees were immersed in a sensory experience, exploring a diverse array of food vendors, artisan crafts, captivating live performances, family-friendly activities, and a bustling shopping village. Throughout the day, giveaways and promotions added to the excitement, making it an unforgettable celebration of Jamaica's vibrant flavors, traditions, and community spirit.

We are GraceKennedy: unlocking the value of our culinary heritage, unleashing greatness in every shared cultural moment.

Directors' Report

For the year ended December 31, 2024

1. The Directors are pleased to present their report for the year ended 31 December 2024 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	167,042,935
Profit Before Taxation	12,344,447
Net Profit After Tax	8,863,828
Net Profit After Tax Attributable to Stockholders	8,414,018

3. Dividends

The following dividends were paid during the year:

- \$0.52 per ordinary stock unit was paid on 5 April 2024
- \$0.55 per ordinary stock unit was paid on 14 June 2024
- \$0.55 per ordinary stock unit was paid on 23 September 2024
- \$0.75 per ordinary stock unit was paid on 16 December 2024

The Directors recommend that the interim dividends paid on 5 April 2024, 14 June 2024, 23 September 2024 and 16 December 2024 be declared as final for the year under review.

4. Directors

The Directors as at 31 December 2024 were as follows:

Prof. Gordon V. Shirley, O.J. – Chairman

Don G. Wehby, O.J. – 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

Peter E. Williams

Vanessa N. H. Rizzioli

5. In accordance with Article 108 of the Company's Articles of Incorporation, Mr Frank James having been appointed to the Board of Directors since the last Annual General Meeting, will retire from office and, being eligible, offers himself for election.
6. The Directors retiring from office by rotation pursuant to Article 102 of the Company's Articles of Incorporation are Dr Parris Lyew-Ayee, Jr., Mrs Vanessa Rizzoli and Mr Peter Williams being eligible, offer themselves for re- election.

7. Subsequent Event

Subsequent to year end 31 December 2024, Mr Don Wehby resigned from the Board of Directors effective 14 February 2025. Mr Frank James was appointed a director of the Board of Directors effective 14 February 2025.

8. Auditors

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

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



A handwritten signature in black ink, appearing to read 'Gordon Shirley'.

By Order of the Board
28 February 2025
Prof. Gordon Shirley, O.J.
Chairman

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Group
Audit
Committee
Report





STEM Stars:

Celebrating 10 Years of Innovation

A decade of sparking curiosity! The Grace & Staff STEM Centre celebrated its 10th anniversary in 2024 with a day of hands-on fun. Students built spaghetti bridges, coded with micro:bits, and even turned plastic bottles into lava lamps. And of course, there was music! Since 2014, the STEM Centre has been nurturing future scientists and engineers in Central Kingston, proving that learning can be both educational and exhilarating.

We are GraceKennedy: unlocking the value of education, unleashing greatness in future innovators.

Group Audit Committee Report

For the year ended December 31, 2024

1. Composition

The Group Audit Committee (the Committee) consists of four independent non-executive members of the Board of Directors (the Board), 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 Committee’s TOR

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 2018, the Private Sector Organisation of Jamaica’s, Jamaica Corporate Governance Code 2021 and the Jamaica Stock Exchange’s Corporate Governance Guidelines.

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.

2. Audit Committee Members:

1. Peter E. Williams (Chairman)
2. Dr Parris A. R. Lyew-Ayee Jr.
3. Dr Indianna D. Minto-Coy
4. 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 Committee, then approved by the GraceKennedy Board of Directors.

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, 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.

4. Activities

The Committee met five times during 2024 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 one meeting. 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;
- on behalf of the Board, reviewed communications from PwC 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 audit —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;
- carried out the annual assessment of the performance of the CAE and reviewed GIA’s TOR;
- reviewed the composition, duties and responsibilities of GK’s and its other 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 2024 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, 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 and Management Training Workshops. Topics covered included: The Rise of Artificial Intelligence and the Case for Governance; Enterprise Risk Management; Data Privacy and Protection Insights; Cybersecurity Risk Management; Anti-money Laundering/CFT Best Practices & Navigating Emerging Trends; and the Function of Internal Audit.

Certain members of the Group Audit Committee, as well as chairs of some of the audit committees of GK subsidiaries, also attended PwC's 2024 IFRS In Focus seminar.



Peter E. Williams
Chairman,
on behalf of the Audit Committee

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Corporate Governance & Nomination Committee Report





Awards & Accolades:

GraceKennedy's Pursuit of Excellence

In 2024, GraceKennedy received prestigious awards celebrating our excellence and impact. We proudly accepted the Best of Chamber and inaugural ESG Award from the Jamaica Chamber of Commerce and were recognised in multiple categories at the Jamaica Stock Exchange Best Practices Awards for excellence in corporate governance. Grace Food Processors earned top honours from the Jamaica Manufacturers and Exporters Association for sustainable manufacturing and championing Jamaican products. Internationally, our distributors Consumer Brands Limited and World Brands Services were recognised for excellence by their principal brands, Proctor & Gamble and PepsiCo/Frito-Lay respectively, while our Honey Jerk Seasoning received rave reviews from the UK's Great Taste Awards. Another defining moment was the awarding of the Order of Jamaica to our now-retired Group CEO, Don Wehby, for his outstanding contributions to business and entrepreneurship—an honour befitting his remarkable legacy.

We are GraceKennedy: unlocking value in our award-winning products and services, unleashing greatness in the way we do business.

Corporate Governance & Nomination Committee Report

For the year ended December 31, 2024

GraceKennedy’s unwavering commitment to excellence in corporate governance is foundational to unlocking value and unleashing greatness for our shareholders and other stakeholders. The following report details how our governance practices generate value, ensure transparency, and drive long-term success.

Our Board of Directors

Composition, Role, Responsibilities and Independence

The board of directors consists of eight members: two executives and six non-executives. Among the eight members, five are males and three females with backgrounds in science, engineering, business, accounting, academia and law. In 2024, the board surpassed the goal of at least 30% representation for each gender. The mix of executive and non-executive members ensures that decisions are based on internal knowledge balanced with external perspectives, independent decision-making, professional and cognitive diversity which are required for our long-term success. This balanced mix of perspectives and the wealth of skills and expertise brought by the board members, some of which are set out in the table below, enhances our ability to be agile in navigating challenges and identifying and seizing opportunities.

Name of Director	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
Dr Parris A. R. Lyew-Ayee, Jr	D.Phil. (Geography), BSc. Earth Sciences	Environment and Hazards, Technology, Data Analytics	Audit Committee Member Corporate Governance & Nomination Committee Member Compensation Sub-Committee Member
Andrew R. Messado	MSc. (Accounting), BSc. (Accounting), Fellow Chartered Accountant (FCA)	Accounting, Finance	Audit Committee (Invitee) Compensation Sub-Committee (Invitee)
Dr Indianna D. Minto-Coy	PhD, London School of Economics & Political Science, MSc (Government), BSc (Public Administration & International Relations)	Diasporas, Migration, Entrepreneurship, Corporate Governance	Audit Committee Member Corporate Governance & Nomination Committee Member

Name of Director	Academic Qualifications & Professional Affiliations	Expertise	Committee/Sub-Committee
Gina M. Phillipps Black	Bachelor of Laws (LLB), Certificate of Legal Education (CLE)	Legal, Corporate Governance	Corporate Governance & Nomination Committee Chairman Audit Committee (Invitee)
Vanessa N. H. Rizzioli	Master of Law (LLM) (Corporate, Securities and Commercial Law), Bachelor of Laws (LLB), GradCGI, Graduate of the Chartered Governance Institute UK & Ireland	Transactional Legal Practise, Corporate Governance	Corporate Governance & Nomination Committee Member Audit Committee Member
Don G. Wehby, CD	MSc. (Accounting), BSc. (Accounting), Fellow Chartered Accountant (FCA)	Accounting, Finance	Audit Committee (Invitee) Compensation Sub-Committee (Invitee) Corporate Governance & Nomination Committee (Invitee)
Peter E. Williams	B.A. (History and Political Science), Fellow of the Association of Chartered Certified Accountants (UK) and Institute of Chartered Accountants of Jamaica (ICAJ)	Accounting, Finance	Audit Committee Chairman Corporate Governance & Nomination Committee Member Compensation Sub-Committee Member

The independence of our board members is vital to our governance framework. Assessing the independence of board members is an important aspect of reviewing the board’s composition, aligned with our governance framework requirements. Our Corporate Governance Code specifies the criteria for determining a director’s independence: a director must not have any interest, position, affiliation, or relationship that might influence or reasonably be perceived to influence their ability to bring unbiased discussion and independent judgement on issues considered by the board.



During the reporting period, all non-executive directors, including the Chairman, were deemed independent. Our Group CEO, Don Wehby¹, and Group CFO, Andrew Messado, were the two executive directors on the board during the calendar year 2024.

¹Retired as at February 14, 2025

The Chairman

Our board is led by an independent non-executive Chairman, Professor Gordon Shirley, who ensures the effective conduct of board meetings and facilitates accurate and timely communication. His leadership promotes thoughtful debate and constructive challenge, ensuring that the board's decisions align with GK's strategic goals.

Company Secretary

Our Company Secretary, Gail Moss-Solomon, supports the Chairman in ensuring the board and its committees operate efficiently and effectively. She facilitates information flow between the board and its committees, monitors the Company's and the board's compliance with legal, regulatory, and financial obligations, and facilitates constructive engagement and stakeholder relations.

Board Committees

Our 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 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 include the Corporate Governance & Nomination Committee (CGNC), the Audit Committee, and the Banking & Transfer Committee. Additionally, the Compensation Subcommittee operates as a permanent subcommittee under the CGNC.

The board and its committees are mandated to review their Terms of Reference (TOR) at least 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 staff intranet and on GK's website.



Scan to visit our policy hub and read the Terms of Reference

Board Meetings and Agenda

Our 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 2024, the board met five times, with additional special sessions as the board members felt were required.

Agendas are carefully prepared following consultation between the board Chairman and Company Secretary to address both standing and extraordinary matters, ensuring thorough review and informed decision-making. The Company Secretary ensures that meeting materials are circulated in advance, with sufficient time to allow directors to review and prepare to participate meaningfully in meetings. This structured approach to meetings and agenda setting not only promotes efficiency but also fosters a culture of accountability and productivity. By addressing both routine and urgent issues, the board can provide effective oversight and strategic guidance. Additionally, private sessions for non-executive directors are held regularly to promote open discussion without management present, further reinforcing the board's commitment to independent oversight and effective governance.

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.

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.

Name of Director	Executive (E)/ Non- Executive (NE)	Board*	Corporate* Governance & Nomination Committee	Audit Committee*	Compensation Sub- Committee	Date of Appointment to Board
Prof. Gordon V. Shirley, OJ	NE	5/5	4/4	N/A	2/2	30-May-96
Dr Parris A. R. Lyew-Ayee, Jr	NE	5/5	4/4	5/5	2/2	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	4/4	5/5	N/A	26-Jun-18
Gina M. Phillipps Black	NE	5/5	4/4	N/A	N/A	08-Feb-12
Vanessa Rizzioli	NE	5/5	4/4	5/5	N/A	28-Jul-22
Don G. Wehby, CD	E	2/5**	N/A	N/A	N/A	05-Oct-09
Peter E. Williams	NE	5/5	4/4	5/5	2/2	1-Apr-21

* Includes Special and Ad Hoc meetings

**Absent with permission of the board.

At GK, board members are required to avoid conflicts of interest. GK’s directors are required to declare their interests annually and must also update their declarations in between the annual disclosure should this change. At each board/committee meeting the Chair reminds directors of their responsibility to make these declarations and asks that any conflicts of interest that arise based on the meeting papers or other circumstances be declared at the start of the meeting. Any potential conflicts are managed appropriately through a rigorous process that includes recusal from discussions or decisions where a conflict exists, ensuring that directors remain unbiased and capable of providing independent judgment.

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 extended to a more comprehensive format to include the individual assessment of each director. The comprehensive format 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. For the comprehensive evaluation, one-on-one discussions are held with each director, led by the Chairman with support from the Chair of the CGNC. The Chair of the CGNC, along with the Chairman of the Audit Committee, conducts the one-on-one discussion with the board's Chairman regarding his performance evaluation.

The results of the individual director evaluations are crucial for assessing a director's contribution, independence, and commitment to the Company. It also assists the CGNC with identifying necessary training areas for directors and senior managers. Once every three years, this evaluation is conducted by an external facilitator to ensure an unbiased and thorough assessment. The next external evaluation is due in 2026.

To ensure the highest standards of governance and accountability, the CGNC reviews evaluation reports from the Chairs of key subsidiaries' boards in the GK Group. Additionally, the audit committees of regulated entities within the Group are evaluated biennially. The findings from these evaluations

allow 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.

Board attendance and performance are important considerations when evaluating whether a retiring director should be considered for re-election. The CGNC and board evaluate the performance of a director who is eligible for re-election, along with other factors such as required proficiencies, time availability, and their independence.

Currently, our board does not have tenure limits for non-executive directors, outside of the rotation provisions specified in our 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.

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.

The nomination process involves identifying and shortlisting candidates based on a comprehensive Director's Competency Matrix and board composition reviews, ensuring an appropriate balance of skills and experience. Emphasising diversity and inclusion, the CGNC seeks to bring a wide range of perspectives and experiences to the board. During 2024, the CGNC led the review of the Director's Competency Matrix template to ensure that it remains aligned with the evolving needs of the board and GK's strategic goals. Key features of the matrix include a comprehensive evaluation of directors' skills, attributes, and experiences, which supports effective oversight and strategic guidance relevant to the industries and geographies in which GK operates.

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

Additionally, the CGNC ensures that a nominee's skills and expertise align with GK's strategic goals, values, and governance practices. Succession planning is an integral part of the process, ensuring continuity and stability in board leadership. By adhering to these rigorous standards, the CGNC ensures that the board is well-equipped to provide effective oversight and strategic guidance.

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 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.

Orientation of New Directors

New board members undergo a comprehensive induction process designed to integrate them smoothly into their roles. 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 our business.

Our 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 our business.

Training and Development

Continuous learning and development are crucial for our directors to stay updated with industry trends and governance practices, and to refresh the skills of directors and management in performing their duties. Training is also informed by individual needs and areas for improvement flowing out of board evaluations, and board and committee discussions. Our annual Directors' Training Workshops serve as a tool for addressing these needs. Standing agenda items for these workshops include corporate governance, audit, strategy, and information technology including cybersecurity. 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 2024 included:

- Artificial Intelligence
- Enterprise Risk Management
- Data Privacy
- Cybersecurity Risk Management
- AML/CFT Best Practices & Navigating Emerging Trends
- The Function of Internal Audit

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 our team.

Ethical Standards

GK's strong reputation in corporate governance is founded on our Code of Ethics & Guidelines for Business Conduct (the Code). The Code aligns with our 2030 Vision and addresses emerging/developing areas such as ESG, data privacy and cybersecurity. Compliance with the Code is mandatory for all team members and directors.

Upon joining GK, all team members and directors receive a copy of the Code. Each year, they must confirm that they adhered to the Code in the previous year. Compliance with the Code is essential, and any actual or potential non-compliance is reported through the Company Secretary to the CGNC. Breaches may lead to disciplinary actions for team members or termination/non-renewal of office for directors.



Scan to read the Code of Ethics & Guidelines for Business Conduct

Policy and Procedures

Beyond the Code, GK has established various policies to guide our operations and business conduct, protect the Company's interests, mitigate risk, and ensure legal and regulatory compliance. These policies cover areas such as human resources, finance, audit, legal, and risk, and are designed to ensure consistency and transparency across all levels of the organisation. They are accessible on GK's intranet site, which promotes accountability and good governance.

By adhering to best practices in governance, we can mitigate risks, protect the interests of our stakeholders, and maintain compliance with legal and regulatory requirements. This structured approach not only enhances operational efficiency but also fosters a culture of integrity and ethical conduct, which is essential for GK's long-term success and sustainability. For instance, through our Delegation of Authority Policy, the board delegates specific authority to the GK Group CEO

and senior management, and identifies which matters need the board's approval.

Our 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 committee, and periodic updates are provided to the Group CEO and board. 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 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 job loss or reprisals. Reports are periodically reviewed by our 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.



Scan to read the Whistle Blowing Policy

In 2024, the board reviewed and approved the board policies which were scheduled for review. This continuous review process is essential for maintaining alignment with current legal and regulatory requirements and for ensuring the relevance and effectiveness of policies to help mitigate risks, adapt to the evolving business environment nationally and internationally, and to foster a culture of integrity and accountability within the organisation.

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, 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 2024 AGM was held in a hybrid format, facilitating wide participation across stakeholders and interested groups. The minutes and recordings of the AGM are also available on our website.

Other ways GK engages stakeholders include the Groupwide CEO forum, leadership summit, investor briefings, website, and on social media. Through these platforms, stakeholders receive updates on Company performance, strategic initiatives, and key developments. The leadership summit offers direct interaction between senior executives, fostering transparency and collaboration, while the Groupwide CEO forum seeks to motivate our team around our key strategic objectives. Investor briefings provide detailed financial insights and future outlooks, while our website and social media

channels keep stakeholders informed and engaged with real-time updates and announcements.

In 2024, we improved the structure and appearance of our website, enhancing user experience and improving accessibility. This redesign also included the launch of our new ESG Hub, which showcases our actions and commitment to environmental, social, and governance (ESG) principles. The ESG Hub provides resources and updates on our sustainability initiatives, community engagement, and governance practices, ensuring that stakeholders have access to timely, accurate and comprehensive information on our efforts.



Scan to see GK's social media pages

Compensation Sub-Committee Report

The Compensation Sub-Committee is comprised of independent non-executive directors, Prof. Gordon Shirley (Chairman), Dr Parris Lyew-Ayee, Jr., and Peter Williams. The sub-committee met twice during 2024, in keeping with the requirements of its TOR to discharge its responsibilities. All members attended the scheduled meetings.

The sub-committee determines the total compensation of the Group CEO and senior executives, and the remuneration of the non-executive directors of GraceKennedy and its subsidiaries. Decisions taken by the sub-committee regarding compensation must support the business objectives of the Group, best practices, and all applicable rules and regulations.

The sub-committee is guided by the Corporate Governance Code and its TOR in determining the levels of remuneration of GK's senior executives and directors. One of the key principles regarding compensation which the sub-committee considers in fulfilling its responsibilities is, remuneration of GK's executives and directors should be sufficient to attract, retain and motivate persons of the quality required to run the Company successfully.

Executive Compensation

During the period covered by this report, the sub-committee reviewed and made recommendations regarding the total compensation of the Group CEO and senior executives, and assessed the performance of the Group CEO for the previous year against stated objectives.

The sub-committee 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 2024, the sub-committee considered the goals and targets under the LTI Scheme and the LTI allocations for 2025. 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 2024. In keeping with our thrust to improve efficiency, and standardise the fees paid to directors, it was agreed that per meeting fees would no longer be paid to GK's directors.

BOARD FEES (2024) (Payable to Non-Executive Directors only)	
Annual Retainers	
All Directors	\$3,850,520
Additional Retainer Board Chair	\$4,208,370
Additional Retainer Corporate Governance & Nomination Committee Chair	\$533,070
Additional Retainer Audit Committee Chair	\$1,402,800
Additional Retainer Compensation Sub-Committee Chair	\$355,360

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

In keeping with the authority delegated by the shareholders in the AGM, the sub-committee 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 2025. Executives who serve as directors on boards within the Group do not receive fees for services performed in this capacity.

Unlocking Value, Unleashing Greatness

In 2024, GraceKennedy upheld its tradition of excellence, embodying this year's theme We are GraceKennedy: Unlocking Value, Unleashing Greatness. Our commitment to strong corporate governance and enhancing stakeholder value was recognised with multiple prestigious awards.

At the Jamaica Stock Exchange Best Practices Awards, we earned accolades for corporate governance, corporate disclosures and investor relations, as well as for our website and annual report. Additionally, we received the inaugural Jamaica Chamber of Commerce ESG Award, highlighting our dedication to environmental sustainability, social well-being, and ethical governance.

Guided by our core values—*Honesty, Integrity, Trust, Commitment, Humility, and Respect*—GraceKennedy remains steadfast in upholding the highest ethical and governance standards, as we pursue our strategic goals and create lasting value for all our stakeholders.



Gina Phillipps Black

Chair, on behalf of the Corporate Governance & Nomination Committee

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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, 2024, 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, 2024;
- 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, 2024;
- the company income statement for the year then ended;
- the company statement of comprehensive income for the year then ended;
- 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.

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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). We have 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.

In assessing the risk of material misstatement to the Group's consolidated financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the consolidated financial statements, we designed and performed audit procedures over various components. The Group comprised 52 reporting components, of which we selected 30 components, which represent the principal business units within the Group and covered entities within Jamaica, Barbados, Belize, Cayman, British Virgin Islands, Trinidad and Tobago, Turks & Caicos Islands, Eastern Caribbean Countries, Canada, the United Kingdom, the United States of America, and Guyana.

Of the 30 components selected, we performed an audit of the complete financial information of 15 components which were selected based on their size, risk characteristics or both. For the remaining 15 components, we performed audit procedures on specific accounts and / or specified procedures within that component that we considered had the potential for the greatest impact on the significant accounts in the consolidated financial statements, either due to the size of these accounts or their risk profile. The audit work performed covered 97% of the Group's total revenues and 95% of total assets.

In relation to the remaining components, we performed other procedures, including analytical review procedures and testing of consolidation journals, intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group's consolidated financial statements.

For components that are in scope of the Group audit, we used component auditors from PwC network firms and non-PwC firms who are familiar with the local laws and regulations to perform this audit work.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of insurance contract liabilities for insurance contracts (Group)</p> <p><i>Refer to notes 2(r), 4(iv) and 17 to the financial statements for disclosures of related material accounting policies, estimates and balances.</i></p> <p>As at 31 December 2024, total insurance contract liabilities amounted to \$11.65 billion or 8% of total liabilities for the Group. Insurance contract liabilities are determined in accordance with IFRS 17 - Insurance Contracts.</p> <p>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.</p> <p>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.</p> <p>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 was derived using government bond rates available in the market denominated in the same currency as the product being measured.</p> <p>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.</p>	<p>The approach to addressing the matter, with the assistance of our actuarial experts, involved the following procedures, amongst others:</p> <ul style="list-style-type: none"> • 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. • 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 pattern, which is used to discount the reserves, to the claims settlement pattern 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
<p>Goodwill Impairment (Group)</p> <p><i>Refer to notes 2(b), 2(g), 4(i), 4(ix) and 11 to the consolidated and stand-alone financial statements for disclosures of related material accounting policies and balances.</i></p> <p>The total carrying value of goodwill is \$4.2 billion or 2% of total assets as at December 31, 2024.</p> <p>On 26 October 2023 the Group acquired 100% of the share capital of Unibev and recognized goodwill amounting to \$1.16 billion from the transaction, which represents 27% of the total goodwill recorded on the statement of financial position.</p> <p>The accounting for the transaction was finalized in current year as the group utilized the one year measurement period provision under IFRS 3 - Business Combinations.</p> <p>In accordance with IAS 36, 'Impairment of Assets', management performed an annual goodwill impairment assessment to determine whether the carrying value exceeded the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated and is therefore impaired at the reporting date. Goodwill relating to the recoverable amount of a CGU is calculated as the higher of the value-in-use and fair value less costs of disposal.</p> <p>Management determined the recoverable amount by reference to value-in-use which is based on discounted cash flow projections over which management makes significant judgements on key inputs. As a result of the assessment, management determined there was no impairment as at December 31, 2024.</p> <p>We focused on this area based on the finalization of the acquisition transaction in current year and; the goodwill impairment assessment requires significant management judgement and estimation, is sensitive to changes in key assumptions and due to the potential impact of the increased volatility of prices in various markets on those key assumptions.</p> <p>The key assumptions were assessed by management as being:</p> <ul style="list-style-type: none"> ● revenue growth rate; ● terminal growth rate; ● EBITDA margin ; ● Capital expenditure; and ● discount rate. 	<p>Our approach to addressing the matter, with the assistance of our internal valuation expert, involved the following procedures, amongst others:</p> <ul style="list-style-type: none"> ● Updated our understanding of management's approach to performing their annual impairment assessment. This included the process by which management's key assumptions and methodologies were developed and assessing their appropriateness. ● Compared previous forecasts to actual results in order to assess the performance of the business and the extent to which reliance could be placed on management's ability to forecast. ● Assessed whether the five-year forecast used in the valuation model was consistent with the group's strategic plan and that the key assumptions were subject to oversight from the Board of Directors. ● Evaluated the revenue growth rate and the discount rate against valuations of similar companies. ● Compared the key assumptions, revenue growth rate, terminal growth rate, EBITDA margin, capital expenditure and discount rate to externally derived benchmark data. ● Tested the calculations for mathematical accuracy and assessed the sensitivity of the calculations by varying the key assumptions and adjustments within management's cash flow forecast.

Key audit matter	How our audit addressed the key audit matter
<p>IFRS 9 ‘Financial Instruments’ – Probabilities of Default, Forward-Looking Information and Significant Increase in Credit Risk (Group)</p> <p><i>Refer to notes 2(h), 3(c)(i), 4(viii), 6 and 9 to the financial statements for disclosures of related material accounting policies, estimates and balances.</i></p> <p>As at 31 December 2024, the Group’s loans and advances totalled \$44.69 billion net of impairment. The Group’s debt securities measured at amortised cost and fair value through other comprehensive income (FVOCI) totalled \$61.47 billion net of impairment. In aggregate, the above exposures represent 45% of total assets at the reporting date. The resultant impairment recorded under the expected credit loss (ECL) impairment model amounted to \$1.83 billion for loans and advances and \$496.6 million for debt securities.</p> <p>In assessing impairment, IFRS 9 prescribes a forward-looking ECL impairment model which takes into account reasonable and supportable forward-looking information as well as probability of default (PD).</p> <p>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 and advances and investments.</p> <p>For loans and advances, 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.</p> <p>For debt securities, 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.</p> <p>The estimation and application of forward-looking information requires 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.</p> <p>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).</p>	<p>Our approach to addressing the matter, with the assistance of our valuation specialist, involved the following procedures, amongst others:</p> <ul style="list-style-type: none"> • Updated our understanding of management’s ECL model including any changes to source data and assumptions. • Tested the completeness of all loans and advances and debt securities to determine whether all items were included in the ECL models by agreeing the models to detailed loans and securities 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: <p>Loans and advances</p> <p>PD:</p> <ul style="list-style-type: none"> • 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. • Reperformed the calculation of days past due, a key data input into the PD parameter, in the Group’s banking system on a sample basis. <p>SICR:</p> <ul style="list-style-type: none"> • Evaluated staging of loans and advances and compared our results to those identified and classified by management. <p>Debt Securities</p> <p>PD:</p> <ul style="list-style-type: none"> • 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
<p>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.</p> <p>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.</p> <p>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 and advances and debt securities.</p>	<p>SICR:</p> <ul style="list-style-type: none"> • 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 securities 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. <p>Forward-Looking Information (loans and advances and debt securities):</p> <ul style="list-style-type: none"> • 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 increase in the weighting used for the worst-case scenario 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 judgment 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 performance 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 Williams.

A handwritten signature in blue ink that reads "PricewaterhouseCoopers". The signature is written in a cursive style and is positioned above the printed text of the firm's name.

Chartered Accountants
Kingston, Jamaica
February 28, 2025

GraceKennedy Limited

Consolidated Statement of Financial Position

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Assets			
Cash and deposits	5	23,186,348	27,044,833
Investment securities	6	83,786,725	54,107,105
Pledged assets	6	78,777	-
Receivables	7	20,408,927	20,288,461
Inventories	8	23,524,544	21,419,655
Loans receivable	9	44,694,263	41,126,156
Taxation recoverable		2,157,503	1,962,407
Investments in associates and joint ventures	10	6,737,995	5,091,316
Investment properties	38	1,556,595	885,500
Intangible assets	11	10,814,162	11,009,653
Fixed assets	12	33,781,349	30,434,522
Deferred tax assets	13	1,504,596	1,617,877
Pension plan asset	14	4,408,661	4,497,214
Total Assets		236,641,445	219,484,699
Liabilities			
Deposits		66,408,158	60,348,124
Securities sold under agreements to repurchase		75,000	-
Bank and other loans	15	31,095,924	32,436,957
Payables	17	25,009,853	22,392,580
Insurance contract liabilities	17(a)	11,647,146	10,944,098
Taxation		1,983,111	1,871,452
Provisions	18	55,541	52,751
Deferred tax liabilities	13	1,513,587	1,662,442
Other post-employment obligations	14	7,446,261	6,519,587
Total Liabilities		145,234,581	136,227,991
Equity			
Capital and reserves attributable to the company's owners			
Share capital	19	243,552	157,805
Capital and fair value reserves	20	10,317,121	8,251,105
Retained earnings		65,730,904	60,474,240
Banking reserves	21	4,820,711	4,520,711
Other reserves	22	5,870,833	5,671,710
		86,982,821	79,075,571
Non-Controlling interests	23	4,424,043	4,181,137
Total Equity		91,406,864	83,256,708
Total Equity and Liabilities		236,641,445	219,484,699

Approved for issue by the Board of Directors on 28 February 2025 and signed on its behalf by:



Gordon Shirley

Chairman



Frank James

Group Chief Executive Officer

GraceKennedy Limited

Consolidated Income Statement

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Revenue from products and services		160,359,776	149,012,040
Interest revenue		6,683,159	5,988,984
Revenues	25	167,042,935	155,001,024
Direct and operating expenses		(158,553,238)	(146,920,862)
Net impairment losses on financial assets		(503,515)	(543,452)
Expenses	26	(159,056,753)	(147,464,314)
Profit before Other income		7,986,182	7,536,710
Other income	27	4,543,251	4,100,724
Profit from Operations		12,529,433	11,637,434
Interest income – non-financial services		863,334	681,679
Interest expense – non-financial services		(1,948,269)	(1,724,850)
Share of results of associates and joint ventures	10	899,949	774,134
Profit before Taxation		12,344,447	11,368,397
Taxation	29	(3,480,619)	(2,989,400)
NET PROFIT		8,863,828	8,378,997
Attributable to:			
Owners of GraceKennedy Limited	30	8,414,018	7,780,931
Non-Controlling interests	23	449,810	598,066
		8,863,828	8,378,997
		\$	\$
Earnings per Stock Unit for profit attributable to the owners of the company during the year:	32		
Basic		8.52	7.86
Diluted		8.43	7.79

GraceKennedy Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Profit for the year		8,863,828	8,378,997
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Gains/(losses) on revaluation of land and buildings		1,984,699	(571,252)
Changes in fair value of equity instruments at fair value through other comprehensive income		148,340	(273,196)
Remeasurements of post-employment benefit obligations		(76,951)	859,244
Share of other comprehensive income of associates and joint ventures		161,354	(29,484)
		2,217,442	(14,688)
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Foreign currency translation adjustments		2,236	649,448
Changes in fair value of debt instruments at fair value through other comprehensive income		(58,083)	76,515
Share of other comprehensive income of associates and joint ventures		20,267	46,991
		(35,580)	772,954
Other comprehensive income for the year, net of tax		2,181,862	758,266
Total comprehensive income for the year		11,045,690	9,137,263
Attributable to:			
Owners of GraceKennedy Limited		10,419,710	8,606,890
Non-Controlling interests	23	625,980	530,373
		11,045,690	9,137,263

GraceKennedy Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

(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
Balance at 1 January 2023		990,793	264,596	8,994,935	54,287,035	4,220,711	4,864,654	3,802,342	76,434,273
Profit for the year		-	-	-	7,780,931	-	-	598,066	8,378,997
Other comprehensive income for the year		-	-	(727,485)	858,384	-	695,060	(67,693)	758,266
Total comprehensive income for 2023		-	-	(727,485)	8,639,315	-	695,060	530,373	9,137,263
Transactions with owners:									
Repurchase of shares	19 (a)	(789)	(61,687)	-	-	-	-	-	(61,687)
Sale of treasury shares	19 (b)	147	4,931	6,232	-	-	-	-	11,163
Purchase of treasury shares	19 (b)	(3,500)	(269,392)	-	-	-	-	-	(269,392)
Share-based payments:									
Value of services received	19 (e)	-	-	-	-	-	415,065	2,493	417,558
Exercised		-	-	-	-	-	(108,038)	(677)	(108,715)
Transfer of shares to employees	19 (a)	48	4,061	-	-	-	(4,061)	-	-
Transfer of treasury shares to employees	19 (b)	2,453	215,296	(22,577)	-	-	(190,970)	(1,749)	-
Increase in non-controlling interests on acquisition of subsidiary	23	-	-	-	-	-	-	211,261	211,261
Dividends paid by subsidiaries to non-controlling interests	23	-	-	-	-	-	-	(362,906)	(362,906)
Dividends paid	31	-	-	-	(2,152,110)	-	-	-	(2,152,110)
Total transactions with owners		(1,641)	(106,791)	(16,345)	(2,152,110)	-	111,996	(151,578)	(2,314,828)
Transfers between reserves:									
To banking reserves		-	-	-	(300,000)	300,000	-	-	-
Balance at 31 December 2023		989,152	157,805	8,251,105	60,474,240	4,520,711	5,671,710	4,181,137	83,256,708
Profit for the year		-	-	-	8,414,018	-	-	449,810	8,863,828
Other comprehensive income for the year		-	-	2,072,852	(76,788)	-	9,628	176,170	2,181,862
Total comprehensive income for 2024		-	-	2,072,852	8,337,230	-	9,628	625,980	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	2,796	481,143
Exercised		-	-	-	-	-	(105,779)	(623)	(106,402)
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)	(1,410)	-
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	(383,074)	(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	4,424,043	91,406,864

GraceKennedy Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
SOURCES/(USES) OF CASH:			
Operating Activities	33	18,089,716	17,427,013
Financing Activities			
Loans received		8,222,979	16,762,011
Loans repaid		(10,839,587)	(14,141,373)
Dividends paid by subsidiary to non-controlling interests	23	(383,837)	(362,906)
Repurchase of shares	19	(436,532)	(61,687)
Purchase of treasury shares	19	(100,156)	(269,392)
Sale of treasury shares	19	-	11,163
Exercise of share based payments	19	(106,402)	(108,715)
Interest paid – non financial services		(2,103,206)	(1,607,489)
Dividends	31	(2,349,750)	(2,152,110)
		(8,096,491)	(1,930,498)
Investing Activities			
Additions to fixed assets ^(a)	12	(2,754,918)	(2,265,443)
Proceeds from disposal of fixed assets		182,421	288,152
Additions to investment properties		(551,455)	-
Additions to investments		(15,633,496)	(14,792,210)
Cash outflow on acquisition of subsidiaries	39	-	(4,001,322)
Cash outflow on purchase of interest in associates and joint ventures		(965,307)	-
Proceeds from sale of investments		6,087,869	9,481,426
Additions to intangibles	11	(983,165)	(1,115,250)
Interest received – non financial services		847,903	663,577
		(13,770,148)	(11,741,070)
(Decrease)/increase in cash and cash equivalents		(3,776,923)	3,755,445
Cash and cash equivalents at beginning of year		26,433,336	22,431,564
Exchange and translation gains on net foreign cash balances		64,119	246,327
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	22,720,532	26,433,336

The principal non-cash transactions include:

^(a) Acquisition of right-of-use asset of \$1,520,595,000 (2023: \$1,440,778,000), (Note 12).

GraceKennedy Limited

Company Statement of Financial Position

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

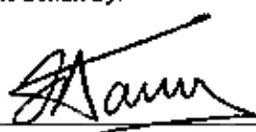
	Note	2024 \$'000	2023 \$'000
Assets			
Cash and deposits	5	1,700,580	2,147,963
Investment securities	6	7,649,235	7,083,227
Receivables	7	2,747,579	2,831,736
Inventories	8	4,714,630	3,732,265
Loans receivable	9	4,329,625	5,603,020
Subsidiaries	35	1,836,371	1,630,716
Taxation recoverable		350,048	439,485
Investments in associates	10	49,698	49,698
Investments in subsidiaries		23,255,517	23,145,517
Intangible assets	11	1,139,038	1,114,297
Fixed assets	12	1,954,652	2,206,176
Deferred tax assets	13	21,841	-
Pension plan asset	14	4,408,861	4,497,214
Total Assets		54,157,475	54,461,314
Liabilities			
Bank and other loans	15	10,879,783	13,386,968
Payables	17	4,809,129	4,057,730
Subsidiaries	35	4,436,472	3,384,036
Taxation		264,843	264,845
Deferred tax liabilities	13	-	137,451
Other post-employment obligations	14	3,310,788	2,959,894
Total Liabilities		23,701,015	24,190,924
Equity			
Share capital	19	243,552	157,805
Capital and fair value reserves	20	375,674	386,625
Retained earnings		29,368,100	29,368,644
Other reserves	22	469,134	357,316
Total Equity		30,456,460	30,270,390
Total Equity and Liabilities		54,157,475	54,461,314

Approved for Issue by the Board of Directors on 28 February 2025 and signed on its behalf by:



Gordon Shirley

Chairman



Frank James

Group Chief Executive Officer

GraceKennedy Limited

Company Income Statement

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Revenue	25	32,790,185	30,959,416
Cost of goods sold		(23,951,570)	(22,794,055)
Gross Profit		8,838,615	8,165,361
Other income	27	7,177,156	6,657,219
Administration expenses		(12,967,338)	(11,994,090)
Net impairment losses on financial assets		(60,180)	(30,493)
Profit from Operations		2,988,253	2,797,997
Interest income		1,102,236	1,027,249
Interest expense		(1,169,426)	(1,036,739)
Profit before Taxation		2,921,063	2,788,507
Taxation	29	(158,014)	(164,305)
NET PROFIT	30	2,763,049	2,624,202

GraceKennedy Limited

Company Statement of Comprehensive Income

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	2024	2023
	\$'000	\$'000
Profit for the year	2,763,049	2,624,202
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss:</i>		
Gains on revaluation of land and buildings	16,831	256
Changes in fair value of equity instruments at fair value through other comprehensive income	(20,946)	(20,217)
Remeasurements of post-employment benefit obligations	17,073	1,572,279
Other comprehensive income for the year, net of tax	12,958	1,552,318
Total comprehensive income for the year	2,776,007	4,176,520

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 2024

(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 2023		990,793	264,596	422,931	27,324,273	291,322	28,303,122
Profit for the year		-	-	-	2,624,202	-	2,624,202
Other comprehensive income for the year		-	-	(19,961)	1,572,279	-	1,552,318
Total comprehensive income for 2023		-	-	(19,961)	4,196,481	-	4,176,520
Transactions with owners:							
Repurchase of shares	19 (a)	(789)	(61,687)	-	-	-	(61,687)
Sale of treasury shares	19 (b)	147	4,931	6,232	-	-	11,163
Purchase of treasury shares	19 (b)	(3,500)	(269,392)	-	-	-	(269,392)
Share-based payments:							
Value of services received	22	-	-	-	-	278,106	278,106
Exercised		-	-	-	-	(72,632)	(72,632)
Transfer of shares to employees	19 (a)	48	4,061	-	-	(4,061)	-
Transfer of treasury shares to employees	19 (b)	2,453	215,296	(22,577)	-	(135,419)	57,300
Dividends paid	31	-	-	-	(2,152,110)	-	(2,152,110)
Total transactions with owners		(1,641)	(106,791)	(16,345)	(2,152,110)	65,994	(2,209,252)
Balance at 31 December 2023		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)
Transfers between reserves:							
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

GraceKennedy Limited

Company Statement of Cash Flows

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
SOURCES/(USES) OF CASH:			
Operating Activities	33	4,750,430	5,147,029
Financing Activities			
Loans received		4,446,340	11,191,841
Loans repaid		(6,549,834)	(7,894,829)
Repurchase of shares	19	(436,532)	(61,687)
Purchase of treasury shares	19	(100,156)	(269,392)
Sale of treasury shares	19	-	11,163
Exercise of share based payments	19	(71,304)	(72,632)
Interest paid		(1,246,526)	(962,573)
Dividends	31	(2,349,750)	(2,152,110)
		(6,307,762)	(210,219)
Investing Activities			
Additions to fixed assets ^(a)	12	(155,266)	(170,148)
Proceeds from disposal of fixed assets		159,495	348,302
Additions to investments		(1,671,835)	(967,537)
Loans receivable, net		1,273,396	(2,930,221)
Proceeds from sale of investments		1,099,367	1,132,042
Investment in subsidiary		(110,000)	(2,169,881)
Additions to intangibles	11	(194,302)	(593,758)
Interest received		1,086,803	1,009,149
		1,487,658	(4,342,052)
(Decrease)/increase in cash and cash equivalents		(69,674)	594,758
Cash and cash equivalents at beginning of year		1,709,083	1,112,845
Exchange and translation gains on net foreign cash balances		178	1,480
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	1,639,587	1,709,083

The principal non-cash transactions include:

^(a) Acquisition of right-of-use assets of \$115,342,000 (2023: \$Nil), (Note 12).

GraceKennedy Limited

Notes to the Financial Statements

31 December 2024

(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.

- Amendment to IFRS 16, Leases on sale and leaseback, included requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction.
- Amendments to IAS 1, 'Presentation of financial statements.' These amendments clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.
- Amendment to IAS 7 and IFRS 7 - Supplier finance, required disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

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 2024

(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 2025 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:

- Amendments to IAS 21 - 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 Group is currently assessing the impact of these amendments.
- 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 is currently assessing the impact of these amendments

- 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
- 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.
- 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.

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

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(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

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(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	70	70	30
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	-	73.2	26.8
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	-

GraceKennedy Limited

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(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 %
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	-
GK Foods (UK) Limited and its subsidiaries –	United Kingdom (UK)	Food	-	100	-
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.

In the prior year, the Group acquired 100% of the share capital of GK Life Insurance Caribbean Limited (formerly Scotia Insurance Caribbean Limited) and 100% of the share capital of Unibev Limited. The Group also purchased additional shares in Catherine's Peak Bottling Company Limited, increasing its shareholdings from 35% to 70%, (Note 39).

GraceKennedy Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

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	
					2024	2023
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	-
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	-
Spur Tree Spices Jamaica Limited	31 December	Jamaica	Food	Associate	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.

During the 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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(expressed in Jamaican dollars unless otherwise indicated)

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.

GraceKennedy Limited

Notes to the Financial Statements

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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.

GraceKennedy Limited

Notes to the Financial Statements

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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.

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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.

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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.

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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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2. 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.

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	2024			2023		
	1 year	5 years	10 years	1 year	5 years	10 years
General insurance (issued and reinsurance held)	4.99%	6.37%	7.53%	6.18%	6.07%	7.03%

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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% (2023: 75%). The methods and assumptions used to determine the risk adjustment for non-financial risk were not changed in 2024 and 2023.

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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:

	2024		2023	
	Policy Limit	Maximum Net Retention	Policy Limit	Maximum Net Retention
	\$'000	\$'000	\$'000	\$'000
Commercial property:				
Fire and consequential loss	1,556,022	46,681	1,542,681	89,475
Boiler and machinery	933,613	7,002	925,608	6,942
Engineering	1,244,818	9,336	1,234,144	9,256
Burglary, money and goods in transit	46,681	46,681	38,567	37,752
Glass and other	46,681	46,681	38,567	37,752
Liability	840,252	46,681	462,804	46,280
Marine, aviation and transport	93,361	3,112	92,561	2,314
Motor	60,000	15,000	60,000	15,000
Pecuniary loss:				
Fidelity	46,681	46,681	38,567	37,752
Surety/Bonds	2,058,928	411,786	269,969	53,994
Personal accident	46,681	46,681	38,567	37,752
Personal property	1,556,022	46,681	617,072	92,561

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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 2015 - 2023 has changed at successive year-ends, up to 2024. 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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At the end of accident year	4,562,226	1,630,066	1,833,062	2,642,477	1,865,116	2,818,174	2,982,559	3,784,637	4,383,242	5,023,059	
1 year later	4,427,917	1,669,442	1,994,545	2,948,800	2,766,170	2,367,285	2,748,196	3,019,836	3,963,383		
2 years later	4,309,659	1,676,307	2,257,756	2,757,606	2,477,629	2,391,044	2,781,819	3,491,195			
3 years later	4,232,554	1,729,743	2,253,454	2,610,755	2,510,100	2,385,766	2,970,447				
4 years later	4,183,897	1,724,528	2,159,602	2,677,927	2,515,664	2,452,475					
5 years later	4,078,423	1,656,942	2,148,727	2,678,079	2,603,482						
6 years later	3,939,788	1,650,617	2,175,000	2,740,627							
7 years later	3,943,527	1,672,752	2,191,215								
8 years later	3,948,888	1,686,302									
9 years later	3,986,513										
Estimates of undiscounted net cumulative claims	3,986,513	1,686,302	2,191,215	2,740,627	2,603,482	2,452,475	2,970,447	3,491,195	3,963,383	5,023,059	31,108,698
Cumulative net claims paid	(3,698,593)	(1,584,338)	(2,074,275)	(2,581,511)	(2,338,986)	(2,212,581)	(2,546,486)	(2,885,151)	(2,964,422)	(2,108,324)	(24,994,667)
Undiscounted net claims	287,920	101,964	116,940	159,116	264,496	239,894	423,961	606,044	998,961	2,914,735	6,114,031
Effect of discounting											284,598
Risk adjustment											321,150
Liability for incurred claims											6,719,779

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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:

	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)

	2023		
	Gross \$'000	Net \$'000	Profit before Taxation \$'000
10% increase in claims development factor	62,741	56,279	(56,279)
1% increase in inflation	69,863	63,994	(63,994)

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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 \$3,112,000 and \$411,786,000 (2023: \$2,314,000 and \$92,561,000).
- 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	
	2024 \$'000	2023 \$'000
Property	818,942	1,002,270
Motor	41,001	23,267
Marine	7,027	754
Liability	2,491	75,440
Pecuniary loss	(963)	902
Accident	(811)	(867)
	867,687	1,101,766

(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.

GraceKennedy Limited

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31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

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.

GraceKennedy Limited

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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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Standard risk	14,370,946	14,087,804	2,109,875	2,015,787
Past due	3,844,128	4,296,755	140,939	252,150
Credit impaired	1,221,868	1,251,100	344,364	464,231
Gross carrying amount	19,436,942	19,635,659	2,595,178	2,732,168
Loss allowance	(955,665)	(830,873)	(40,101)	(33,692)
Carrying amount	18,481,277	18,804,786	2,555,077	2,698,476

Loss allowance

The loss allowance as at 31 December 2024 and 31 December 2023 was determined as follows for trade and premium receivables:

	Group					
	at 31 December 2024			at 31 December 2023		
	Gross carrying amount \$'000	Loss allowance \$'000	Expected loss rate	Gross carrying amount \$'000	Loss allowance \$'000	Expected loss rate
Less than 1 month	10,827,654	79,688	0.74%	10,809,079	166,550	1.54%
Within 1 to 3 months	5,213,223	75,433	1.45%	6,071,512	115,998	1.91%
Over 3 months	3,396,065	800,544	23.57%	2,755,068	548,325	19.90%
	19,436,942	955,665		19,635,659	830,873	

	Company					
	at 31 December 2024			at 31 December 2023		
	Gross carrying amount \$'000	Loss allowance \$'000	Expected loss rate	Gross carrying amount \$'000	Loss allowance \$'000	Expected loss rate
Less than 1 month	1,551,139	1,731	0.11%	1,434,954	1,607	0.11%
Within 1 to 3 months	802,226	2,369	0.30%	995,097	2,612	0.26%
Over 3 months	241,813	36,001	14.89%	302,117	29,473	9.76%
	2,595,178	40,101		2,732,168	33,692	

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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)

Trade and premium receivables (continued)

Loss allowance (continued)

The movement on the loss allowances for trade and premium receivables is as follows:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At 1 January	830,873	741,993	33,692	52,426
Movement on loss allowance recognised in income statement during the year	231,061	191,668	30,279	29,508
Receivables written off during the year as uncollectible	(30,222)	(35,647)	(13,503)	(19,492)
Unused amount reversed	(76,047)	(67,141)	(10,367)	(28,750)
At 31 December	955,665	830,873	40,101	33,692

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

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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.

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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 unlikelihood 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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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.

<u>Economic factor</u>	<u>Scenarios</u>	<u>Range</u>
Gross Domestic Product (GDP)	Base	0.2% to 2.3%
	Upside	2.2% to 4.3%
	Downside	-1.8% to 0.3%
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 2024 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Group's economic variable assumptions.

<u>Forward Looking Indicator</u>	<u>Change in basis points:</u>	<u>Effect on ECL \$'000</u>	<u>Forward Looking Indicator</u>	<u>Change in basis points:</u>	<u>Effect on ECL \$'000</u>
GDP growth	+ 100bp	12,021	Unemployment rate	+ 100bp	(1,793)
GDP growth	- 100bp	(12,021)	Unemployment rate	- 100bp	1,793

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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			
	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

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3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and leases (continued)

	Group			
	2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	\$'000	\$'000	\$'000	\$'000
Low risk	5,719	-	-	5,719
Standard risk	27,621,876	8,146,159	31,632	35,799,667
Past due	3,029,739	2,467,976	86,860	5,584,575
Credit impaired	-	21,112	1,535,481	1,556,593
Gross carrying amount	30,657,334	10,635,247	1,653,973	42,946,554
Loss allowance	(454,311)	(558,976)	(807,111)	(1,820,398)
Carrying amount	30,203,023	10,076,271	846,862	41,126,156

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 \$1,718,790,000 (2023: \$1,739,410,000).

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			
	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

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3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases (continued)

	Group			
	2023			
	Stage 1 12-month ECL \$'000	Stage 2 Lifetime ECL \$'000	Stage 3 Lifetime ECL \$'000	Total \$'000
At 1 January	396,585	639,439	616,804	1,652,828
Movements with income statement impact:				
Transfers:				
Transfer from Stage 1 to Stage 2	(14,615)	48,587	-	33,972
Transfer from Stage 1 to Stage 3	(330)	-	13,953	13,623
Transfer from Stage 2 to Stage 1	15,869	(61,597)	-	(45,728)
Transfer from Stage 2 to Stage 3	-	(19,627)	40,786	21,159
New financial assets originated	141,262	22,183	-	163,445
Changes in PDs/LGDs/EADs	(12,563)	(23,463)	177,511	141,485
Financial assets derecognised during the period	(71,897)	(46,546)	(41,943)	(160,386)
Total net income statement charge	57,726	(80,463)	190,307	167,570
At 31 December	454,311	558,976	807,111	1,820,398

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 (2023: \$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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Public sector	126,154	81,355	-	-
Professional and other services	7,380,624	6,064,551	-	-
Personal	21,188,850	17,953,915	-	-
Agriculture, fishing and mining	1,685,554	1,825,034	-	-
Construction and real estate	5,230,618	4,722,960	60,000	253,172
Electricity, gas and water	955,403	1,387,754	-	-
Distribution	5,456,366	4,474,820	14,134	114,273
Manufacturing	3,592,708	4,198,492	1,200,000	1,600,000
Transportation	1,862,423	1,686,500	-	-
Tourism and entertainment	2,071,572	2,350,301	276,501	284,914
Financial and other money services	3,617,338	3,941,209	3,001,820	3,570,967
Brokers and agents	2,035,928	2,703,819	-	-
Supermarket chains	3,857,895	4,109,255	570,288	613,037
Wholesalers	1,854,350	2,054,747	605,616	637,562
Retail and direct customers	2,877,645	2,981,437	646,379	688,423
Other	1,886,069	1,677,608	494,871	502,412
	65,679,497	62,213,757	6,869,609	8,264,760
Loss allowance	(2,785,626)	(2,651,271)	(40,101)	(33,692)
	62,893,871	59,562,486	6,829,508	8,231,068
Interest receivable	281,669	368,456	55,194	70,428
	63,175,540	59,930,942	6,884,702	8,301,496

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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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Government of Jamaica:				
At amortised cost	4,992,268	5,220,744	2,104,204	1,996,602
At fair value through other comprehensive income	3,266,646	4,418,249	-	-
Corporate:				
At amortised cost	14,148,553	11,982,936	4,437,382	4,002,058
At fair value through other comprehensive income	2,308,538	1,960,326	-	-
Other government:				
At amortised cost	1,066,539	235,259	-	-
At fair value through other comprehensive income	954,799	1,773,968	-	-
Bank of Jamaica	14,709,598	13,370,596	-	-
Other	20,015,667	12,601,103	1,048,700	977,348
	61,462,608	51,563,181	7,590,286	6,976,008

GraceKennedy Limited

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31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At 1 January	315,164	254,990	82,073	61,596
Loss allowance recognised in income statement	159,205	60,107	40,242	20,477
Unused amounts reversed	(1,303)	67	-	-
At 31 December	473,066	315,164	122,315	82,073

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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At 1 January	48,538	98,638	-	-
Loss allowance recognised in income statement	(24,979)	(50,100)	-	-
At 31 December	23,559	48,538	-	-

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

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.

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

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				Total \$'000
	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'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

	Group				Total \$'000
	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	
	As at 31 December 2023:				
Deposits	50,950,988	9,645,914	12,347	-	60,609,249
Securities sold under agreements to repurchase	14,171	6,241	-	-	20,412
Bank and other loans	7,044,433	6,937,714	13,790,615	8,331,434	36,104,196
Trade and other payables	25,764,537	7,572,141	-	-	33,336,678
Total financial liabilities (contractual dates)	83,774,129	24,162,010	13,802,962	8,331,434	130,070,535

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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	3 to 12	1 to 5	Over	Total
	Months	Months	Years	5 Years	
	\$'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

	Company				
	1 to 3	3 to 12	1 to 5	Over	Total
	Months	Months	Years	5 Years	
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 December 2023:					
Bank and other loans	2,995,827	1,609,574	7,093,857	3,806,592	15,505,850
Trade and other payables	4,057,730	-	-	-	4,057,730
Subsidiaries	3,384,036	-	-	-	3,384,036
Total financial liabilities					
(contractual dates)	10,437,593	1,609,574	7,093,857	3,806,592	22,947,616

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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Floating rate –				
Expiring within one year	23,404,449	21,646,874	8,865,559	7,460,268

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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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 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
As at 31 December 2023:				
Loan commitments	2,042,439	-	-	2,042,439
Guarantees, acceptances and other financial facilities	197,767	-	-	197,767
Capital commitments	1,192,720	-	-	1,192,720
	3,432,926	-	-	3,432,926

(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 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
As at 31 December 2023:							
Financial Assets							
Cash and deposits	12,342,319	7,563,704	570,700	735,761	162,944	5,669,405	27,044,833
Investment securities and pledged assets	24,071,335	27,934,594	-	-	-	2,101,176	54,107,105
Trade and other receivables	8,147,942	6,035,629	2,115,011	978,499	57,530	1,470,175	18,804,786
Loans receivable	37,384,926	3,731,360	-	-	-	9,870	41,126,156
Total financial assets	81,946,522	45,265,287	2,685,711	1,714,260	220,474	9,250,626	141,082,880
Financial Liabilities							
Deposits	31,822,491	27,943,146	311,658	160,920	109,909	-	60,348,124
Bank and other loans	24,954,899	6,040,479	950,500	282,025	-	209,054	32,436,957
Trade and other payables	18,978,873	9,456,842	1,698,416	924,892	765,174	1,512,481	33,336,678
Total financial liabilities	75,756,263	43,440,467	2,960,574	1,367,837	875,083	1,721,535	126,121,759
Net financial position	6,190,259	1,824,820	(274,863)	346,423	(654,609)	7,529,091	14,961,121

GraceKennedy Limited

Notes to the Financial Statements

31 December 2024

(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						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)

	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 2023:							
Financial Assets							
Cash and deposits	2,114,098	33,865	-	-	-	-	2,147,963
Investment securities	3,638,066	3,425,161	-	-	-	-	7,063,227
Trade and other receivables	2,656,953	41,523	-	-	-	-	2,698,476
Subsidiaries	1,411,065	218,653	-	998	-	-	1,630,716
Loans receivable	5,563,092	39,928	-	-	-	-	5,603,020
Total financial assets	15,383,274	3,759,130	-	998	-	-	19,143,402
Financial Liabilities							
Bank and other loans	12,519,660	867,308	-	-	-	-	13,386,968
Trade and other payables	3,085,760	967,160	-	-	4,810	-	4,057,730
Subsidiaries	3,343,050	40,986	-	-	-	-	3,384,036
Total financial liabilities	18,948,470	1,875,454	-	-	4,810	-	20,828,734
Net financial position	(3,565,196)	1,883,676	-	998	(4,810)	-	(1,685,332)

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)

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 4% increase (2023: 4%) and a 1% decrease (2023: 1%) 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 2024 \$'000	% Change in Currency Rate	Effect on Profit before Taxation 2023 \$'000
	2024		2023	
Currency:				
USD	+4%	214,434	+4%	140,856
GBP	+4%	(6,447)	+4%	2,734
CAN	+4%	(5,117)	+4%	2,247
EURO	+4%	(4,392)	+4%	(3,836)
USD	-1%	(53,609)	-1%	(35,214)
GBP	-1%	1,612	-1%	(683)
CAN	-1%	1,279	-1%	(562)
EURO	-1%	1,098	-1%	959
Company				
	% Change in Currency Rate	Effect on Profit before Taxation 2024 \$'000	% Change in Currency Rate	Effect on Profit before Taxation 2023 \$'000
	2024		2023	
Currency:				
USD	+4%	65,590	+4%	76,292
CAN	+4%	-	+4%	40
EURO	+4%	(505)	+4%	(186)
USD	-1%	(16,397)	-1%	(19,073)
CAN	-1%	-	-1%	(10)
EURO	-1%	126	-1%	47

GraceKennedy Limited

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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 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

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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 2023:							
Assets							
Cash and deposits	14,071,367	1,065,286	-	-	-	11,908,180	27,044,833
Investment securities and pledged assets	10,400,500	5,150,886	8,569,233	12,572,549	7,361,028	10,052,909	54,107,105
Loans receivable	3,559,264	1,562,287	4,793,817	8,464,366	22,728,070	18,352	41,126,156
Trade and other receivables	-	-	-	-	-	18,804,786	18,804,786
Total financial assets	28,031,131	7,778,459	13,363,050	21,036,915	30,089,098	40,784,227	141,082,880
Liabilities							
Deposits	45,149,821	5,617,079	9,576,861	4,363	-	-	60,348,124
Bank loans	2,038,754	4,754,144	3,778,294	7,200,890	14,664,875	-	32,436,957
Trade and other payables	-	-	-	-	-	33,336,678	33,336,678
Total financial liabilities	47,188,575	10,371,223	13,355,155	7,205,253	14,664,875	33,336,678	126,121,759
Total interest repricing gap	(19,157,444)	(2,592,764)	7,895	13,831,662	15,424,223	7,447,549	14,961,121

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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 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)

	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 2023:							
Assets							
Cash and deposits	1,260,107	-	-	-	-	887,856	2,147,963
Investment securities	-	553,829	2,643,500	986,915	2,747,661	131,322	7,063,227
Loans receivable	-	653,171	1,618,525	3,260,895	-	70,429	5,603,020
Trade and other receivables	-	-	-	-	-	2,698,476	2,698,476
Subsidiaries	-	-	-	-	-	1,630,716	1,630,716
Total financial assets	1,260,107	1,207,000	4,262,025	4,247,810	2,747,661	5,418,799	19,143,402
Liabilities							
Bank loans	1,537,287	1,332,873	384,901	2,075,000	8,056,907	-	13,386,968
Trade payables	-	-	-	-	-	4,057,730	4,057,730
Subsidiaries	-	-	-	-	-	3,384,036	3,384,036
Total financial liabilities	1,537,287	1,332,873	384,901	2,075,000	8,056,907	7,441,766	20,828,734
Total interest repricing gap	(277,180)	(125,873)	3,877,124	2,172,810	(5,309,246)	(2,022,967)	(1,685,332)

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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 (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: 2024	Effect on Profit before Taxation 2024	Effect on Other Components of Equity 2024	Change in basis points: 2023	Effect on Profit before Taxation 2023	Effect on Other Components of Equity 2023
JMD / USD	\$'000	\$'000	JMD / USD	\$'000	\$'000
-50 / -50	119,924	(85,382)	-25 / -25	54,466	(37,975)
+25 / +25	(59,962)	42,727	+25 / +25	(54,466)	37,975

Company					
Change in basis points: 2024	Effect on Profit before Taxation 2024	Effect on Other Components of Equity 2024	Change in basis points: 2023	Effect on Profit before Taxation 2023	Effect on Other Components of Equity 2023
JMD / USD	\$'000	\$'000	JMD / USD	\$'000	\$'000
-50 / -50	-	-	-25 / -25	-	-
+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 +6%/-2% (2023: +6%/-3%) change in the quoted prices for these equities would be an increase/decrease in the carrying value of +\$84,498,000/-\$28,166,000 (2023: +\$102,537,000/-\$51,269,000) in income and +\$44,237,000/-\$14,746,000 (2023: +\$35,813,000/-\$17,907,000) in other comprehensive 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)

(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% (2023: 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 (2023: 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.

GraceKennedy Limited

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31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

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 2024, the Group's strategy, which was unchanged from 2023, was to maintain a debt to equity ratio not exceeding 100%. The debt to equity ratios at 31 December 2024 and 2023 were as follows:

	Group	
	2024	2023
	\$'000	\$'000
Total borrowings (Note 15)	31,095,924	32,436,957
Owners' equity	86,982,821	79,075,571
Gearing ratio	35.7%	41.0%

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 \$4,625,829,000.

(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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	17,778,135	21,019,901	1,700,580	1,295,592
Deposits	5,408,213	6,024,932	-	852,371
	23,186,348	27,044,833	1,700,580	2,147,963

Included in deposits is interest receivable of \$23,207,000 (2023: \$36,891,000) and \$Nil (2023: \$2,390,000) for the Group and company, respectively. The weighted average effective interest rate on deposits was 5.93% (2023: 5.90%) and Nil (2023: 7.97%) 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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	17,778,135	21,019,901	1,700,580	1,295,592
Deposits	5,408,213	6,024,932	-	852,371
	23,186,348	27,044,833	1,700,580	2,147,963
Bank overdrafts (Note 15)	(465,816)	(611,497)	(60,993)	(438,880)
	22,720,532	26,433,336	1,639,587	1,709,083

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6. Investment Securities and Pledged Assets

(a) Investment securities

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At amortised cost:				
Bank of Jamaica	14,709,598	13,370,596	-	-
Government of Jamaica securities	4,992,268	5,220,744	2,104,204	1,996,602
Foreign government securities	1,066,539	235,259	-	-
Corporate bonds	14,148,553	11,982,936	4,437,382	4,002,058
Other debt securities	20,015,667	12,601,103	1,048,700	977,348
Other	4,338	639	335	335
	54,936,963	43,411,277	7,590,621	6,976,343
At fair value through other comprehensive income:				
Quoted equities	737,284	596,884	58,614	86,884
Government of Jamaica securities	3,266,646	4,418,249	-	-
Foreign government securities	954,799	1,773,968	-	-
Corporate bonds	2,308,538	1,960,326	-	-
	7,267,267	8,749,427	58,614	86,884
At fair value through profit or loss:				
Quoted equities	1,408,304	1,708,951	-	-
Other securities	252,968	237,450	-	-
	1,661,272	1,946,401	-	-
Total	63,865,502	54,107,105	7,649,235	7,063,227
Less: Pledged assets (Note 6b)	(78,777)	-	-	-
Investment securities in the statement of financial position	63,786,725	54,107,105	7,649,235	7,063,227

Included in investment securities is interest receivable of \$681,006,000 (2023: \$758,620,000) and \$108,556,000 (2023: \$95,498,000) for the Group and the company respectively.

The effective interest rate on the investment securities for the Group and company are 6.68% (2023: 7.08%) and 8.48% (2023: 6.84%), respectively.

Included in investment securities for the Group is \$28,915,204,000 (2023: \$18,647,138,000) and company \$1,147,570,000 (2023: \$1,058,431,000) which matures within the next 12 months.

Included in Bank of Jamaica securities is \$6,936,152,000 (2023: \$6,502,293,000) 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% (2023: 6%) of Jamaica dollar currency deposits liabilities and 14% (2023: 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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Total in the statement of financial position (Note 6a)	78,777	-	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	
	2024	2023
	\$'000	\$'000
Pledged assets with right to sell or repledge	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 \$737,284,000 and \$58,614,000 for the Group and company respectively as at 31 December 2024. Dividends of \$18,131,000 and \$740,000 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 losses/net gains of \$19,396,000 in the income statement during the year, being reclassified from other comprehensive income on sale.

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7. Receivables

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Trade receivables, less provision for impairment	15,083,148	15,452,635	2,367,778	2,628,056
Due from insurance agents and brokers	1,003,580	1,255,785	-	-
Reinsurance contract assets (a)	255,601	95,179	-	-
Receivable from associates and joint ventures (Note 35e)	83,269	43,469	6,870	17,419
Prepayments	1,928,650	1,483,675	192,502	133,260
Other receivables	2,055,679	1,957,718	180,429	53,001
	20,409,927	20,288,461	2,747,579	2,831,736

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	
	2024	2023
	\$'000	\$'000
Reinsurance held Asset for remaining coverage		
Brought forward	(1,722,935)	(1,096,604)
Reinsurance expenses	(6,561,193)	(5,904,513)
Premiums and other directly attributable expenses paid	5,071,869	5,279,998
Exchange difference	243	(1,816)
Carried forward	(3,212,016)	(1,722,935)
Reinsurance held Asset for incurred claims - Present value of future cash flows		
Brought forward	1,680,080	1,621,869
Claims outstanding	1,905,459	1,774,985
Actuarial claims adjustment	(127,550)	-
Discount	(97,829)	(153,116)
Incurred claims recovery	970,016	1,037,175
Recoveries from reinsurance	(39,284)	(1,034,408)
Finance income recognised in P&L	(10,873)	55,321
Exchange difference	58	123
Carried forward	2,599,997	1,680,080
Claims outstanding	2,836,249	1,905,485
Claims adjustment	(127,550)	(127,550)
Discount	(108,702)	(97,855)
Reinsurance held Asset for incurred claims - Risk adjustment		
Brought forward	138,034	72,968
Incurred claims recovery - risk adjustment	(11,403)	65,060
Exchange difference	9	6
Carried forward	126,640	138,034
Total Reinsurance contract (liabilities)/assets (net)	(485,379)	95,179
Reinsurance contract assets (gross)	255,601	95,179
Reinsurance contract liabilities (gross) (Note 17)	(740,980)	-
	(485,379)	95,179

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8. Inventories

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Raw materials and spares	1,427,820	1,404,377	-	-
Finished goods	2,891,715	2,831,339	-	-
Merchandise	15,366,511	14,164,552	3,676,122	2,942,701
Goods in transit	3,838,498	3,019,387	1,038,508	789,564
	23,524,544	21,419,655	4,714,630	3,732,265

The inventory write-down recognised as an expense amounted to \$295,293,000 (2023: \$362,467,000) and \$86,575,000 (2023: \$82,128,000) for the Group and the company respectively.

9. Loans Receivable

(a) Loans receivable comprise:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Finance leases, less deferred profit	371	4,404	-	-
Loans and receivables:				
Loans to subsidiaries (Note 35e)	-	-	4,329,625	5,603,020
Loans to associates and joint ventures (Note 35e)	584,936	597,431	-	-
Loans to others	44,108,956	40,524,321	-	-
	44,694,263	41,126,156	4,329,625	5,603,020

Loans receivable are due within 10 years from the statement of financial position date.

Included in loans receivable is interest receivable of \$281,669,000 (2023: \$368,456,000) and \$55,194,000 (2023: \$70,428,000) for the Group and company, respectively.

Included in loans receivable is \$12,007,605,000 (2023: \$12,755,588,000) and \$2,079,081,000 (2023: \$2,271,697,000) 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	
	2024	2023
	\$'000	\$'000
Gross receivables from finance leases:		
Not later than 1 year	375	4,471
Later than 1 year and not later than 5 years	-	375
	375	4,846
Unearned future finance income on finance leases	(4)	(442)
Net investment in finance leases	371	4,404
The net investment in finance leases is analysed as follows:		
Not later than 1 year	371	4,033
Later than 1 year and not later than 5 years	-	371
Total	371	4,404

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10. Investments in Associates and Joint Ventures

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At beginning of year	5,091,316	5,346,501	49,698	574,698
Amounts recognised in the income statement	899,949	774,134	-	-
Amounts recognised in other comprehensive income	181,621	17,507	-	-
Dividends paid	(400,198)	(448,146)	-	-
Additions	965,307	-	-	-
Transfer to subsidiary	-	(598,680)	-	(525,000)
Amounts recognised in the statement of financial position	6,737,995	5,091,316	49,698	49,698

	Group	
	2024	2023
	\$'000	\$'000
Dairy Industries (Jamaica) Limited	2,266,333	1,942,901
CSGK Finance Holdings Limited	2,486,518	2,334,787
Spur Tree Spices Jamaica Limited	838,939	-
Canopy Insurance Limited	472,550	253,285
Immaterial associated companies	673,655	560,343
Amounts recognised in the statement of financial position	6,737,995	5,091,316

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.

In the prior year, the Group purchased additional shares in Catherine's Peak Bottling Company Limited, increasing its shareholdings from 35% to 70%. The company was subsequently transferred from an associate to a subsidiary.

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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 2024 and 31 December 2023 is as follows:

Summarised statement of financial position

	Dairy Industries (Jamaica) Limited		CSGK Finance Holdings Limited	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current				
Cash and cash equivalents	271,028	296,200	4,067,074	2,157,085
Other current assets (excluding cash)	4,268,544	3,891,277	6,619,142	6,274,771
Total current net assets	4,539,572	4,187,477	10,686,216	8,431,856
Financial liabilities (excluding trade payables)	141,971	305,280	18,394,735	13,266,620
Other current liabilities (including trade payables)	868,962	636,960	550,097	424,948
Total current liabilities	1,010,933	942,240	18,944,832	13,691,568
Non-current				
Assets	1,568,158	1,235,713	23,328,635	22,149,375
Liabilities	564,132	595,148	10,096,982	12,220,086
Net assets	4,532,665	3,885,802	4,973,037	4,669,577

	Spur Tree Spices Jamaica Limited		Canopy Insurance Limited	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current				
Cash and cash equivalents	97,048	-	954,143	443,546
Other current assets (excluding cash)	627,199	-	84,073	37,297
Total current net assets	724,247	-	1,038,216	480,843
Financial liabilities (excluding trade payables)	269,020	-	253,877	217,682
Other current liabilities (including trade payables)	129,989	-	34,522	-
Total current liabilities	399,009	-	288,399	217,682
Non-current				
Assets	929,005	-	195,283	243,409
Liabilities	410,179	-	-	-
Net assets	844,064	-	945,100	506,570

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10. Investments in Associates and Joint Ventures (Continued)

Summarised income statement

	Dairy Industries (Jamaica) Limited		CSGK Finance Holdings Limited	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Revenue	5,935,431	5,701,048	2,256,997	2,173,083
Depreciation and amortisation	(85,214)	(87,774)	(79,605)	(84,322)
Interest income - non-financial services	131,587	52,773	-	-
Interest expense - non-financial services	(41,042)	(34,945)	-	-
Profit before income tax	1,095,848	887,513	622,375	603,893
Taxation expense	(271,692)	(222,934)	(57,272)	(38,007)
Profit after tax	824,156	664,579	565,103	565,886
Other comprehensive income	322,707	(58,968)	32,093	78,846
Total comprehensive income	1,146,863	605,611	597,196	644,732
Dividends received by the Group from associates	250,000	200,000	146,868	185,324

	Spur Tree Spices Jamaica Limited		Canopy Insurance Limited	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Revenue	750,571	-	3,962,510	3,158,334
Depreciation and amortisation	(38,581)	-	(25,325)	(36,277)
Interest income - non-financial services	-	-	56,100	28,442
Interest expense - non-financial services	18,303	-	-	-
Profit before income tax	49,912	-	283,805	55,163
Taxation expense	(66)	-	(65,275)	(11,930)
Profit after tax	49,846	-	218,530	43,233
Total comprehensive income	49,846	-	218,530	43,233

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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	
	2024	2023	2024	2023
Summarised financial information	\$'000	\$'000	\$'000	\$'000
Opening net assets at 1 January	3,885,802	3,680,191	4,669,577	4,395,493
Profit for the period	824,156	664,579	565,103	565,886
Other comprehensive income	322,707	(58,968)	32,093	78,846
Dividends paid	(500,000)	(400,000)	(293,736)	(370,648)
Closing net assets	4,532,665	3,885,802	4,973,037	4,669,577
Interest in associates (%)	50.0	50.0	50.0	50.0
Interest in associates (J\$)	2,266,333	1,942,901	2,486,518	2,334,787
Carrying value	2,266,333	1,942,901	2,486,518	2,334,787

	Spur Tree Spices Jamaica Limited		Canopy Insurance Limited	
	2024	2023	2024	2023
Summarised financial information	\$'000	\$'000	\$'000	\$'000
Opening net assets at 1 January	-	-	506,570	463,337
Net assets of entity on purchase of interest	794,218	-	-	-
Profit for the period	49,846	-	218,530	43,233
Additional investment	-	-	220,000	-
Closing net assets	844,064	-	945,100	506,570
Interest in associates and joint ventures (%)	20.2	-	50.0	50.0
Interest in associates and joint ventures (J\$)	170,501	-	472,550	253,285
Intangible assets	668,438	-	-	-
Carrying value	838,939	-	472,550	253,285

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	
	2024	2023
	\$'000	\$'000
Profit	85,985	131,902
Other comprehensive income	4,220	7,568
Total comprehensive income	90,205	139,470

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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 2023	5,562,019	2,180,952	5,677,324	47,000	13,467,295
Additions	-	-	1,115,250	-	1,115,250
Acquisition through business combination (Note 39)	1,837,558	2,492,396	-	-	4,329,954
Retirement of asset	-	-	(897)	-	(897)
Exchange differences	129,399	72,411	3,181	-	204,991
At 31 December 2023	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
Accumulated Amortisation					
At 1 January 2023	2,907,746	308,489	3,864,099	18,464	7,098,798
Amortisation charge for the year	498,217	-	450,512	6,714	955,443
Retirement of asset	-	-	(897)	-	(897)
Exchange differences	51,208	-	2,388	-	53,596
At 31 December 2023	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
Net Book Amount					
31 December 2024	3,611,961	4,216,032	2,971,061	15,108	10,814,162
31 December 2023	4,071,805	4,437,270	2,478,756	21,822	11,009,653

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:

	2024 \$'000	2023 \$'000
Food		
- Jamaica operations	1,876,036	2,106,980
- United Kingdom operations	534,631	537,727
- United States operations	1,163,590	1,153,613
Insurance		
- Jamaica operations	171,937	171,937
- Caribbean operations	395,473	392,648
Other/Unallocated		
- Jamaica operations	74,365	74,365
	4,216,032	4,437,270

For the year ended 31 December 2024, 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	9.00%	20.05%	1.22%	15.16%
- United Kingdom operations	11.06%	7.67%	0.95%	10.00%
- United States operations	12.35%	7.47%	1.32%	12.64%
Insurance				
- Jamaica operations	7.08%	6.53%	0.32%	14.03%
- Caribbean operations	8.60%	41.23%	1.77%	14.30%
Other/Unallocated				
- Jamaica operations	19.74%	16.83%	0.76%	16.52%

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11. Intangible Assets (Continued)

	Computer Software \$'000
	Company
Cost	
At 1 January 2023	1,738,164
Additions	593,758
Retirement of asset	(897)
At 31 December 2023	2,331,025
Additions	194,302
Retirement of asset	(72,507)
At 31 December 2024	2,452,820
Accumulated Amortisation	
At 1 January 2023	1,117,664
Amortisation charge for the year	99,961
Retirement of asset	(897)
At 31 December 2023	1,216,728
Amortisation charge for the year	169,561
Retirement of asset	(72,507)
At 31 December 2024	1,313,782
Net Book Amount	
31 December 2024	1,139,038
31 December 2023	1,114,297

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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 2023	14,848,095	3,398,760	12,190,472	12,011,003	549,286	42,997,616
Additions	141,709	102,889	885,575	1,440,778	1,135,270	3,706,221
Acquisition through business combination (Note 39)	1,737,878	10,811	813,831	13,375	-	2,575,895
Revaluation adjustment	(681,252)	-	-	-	-	(681,252)
Transfers	-	111,785	344,573	-	(456,358)	-
Disposals	(205,000)	(13,135)	(201,531)	(434,567)	(22,979)	(877,212)
Exchange differences	34,900	42,422	97,356	292,877	138	467,693
At 31 December 2023	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
Accumulated Depreciation						
At 1 January 2023	-	1,978,094	8,104,319	4,546,085	-	14,628,498
Acquisition through business combination (Note 39)	7,380	4,459	441,092	4,239	-	457,170
Charge for the year	270,443	208,087	1,103,100	1,446,002	-	3,027,632
On disposals	(15,651)	(4,268)	(197,306)	(385,633)	-	(602,858)
Exchange differences	26	26,263	73,175	144,533	-	243,997
At 31 December 2023	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
Net Book Amount						
31 December 2024	17,924,812	1,820,629	5,506,317	7,421,156	1,108,435	33,781,349
31 December 2023	15,614,132	1,440,897	4,605,896	7,568,240	1,205,357	30,434,522

^(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 2023	108,000	121,107	1,221,061	3,321,976	17,748	4,789,892
Additions	-	970	167,990	-	1,188	170,148
Disposals	-	(11,170)	(25,789)	(1,328,902)	-	(1,365,861)
At 31 December 2023	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
Accumulated Depreciation						
At 1 January 2023	-	93,205	736,096	1,183,757	-	2,013,058
Charge for the year	2,050	3,924	150,775	222,228	-	378,977
On disposals	-	(2,606)	(25,790)	(975,636)	-	(1,004,032)
At 31 December 2023	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
Net Book Amount						
31 December 2024	126,000	40,453	461,427	1,310,904	15,868	1,954,652
31 December 2023	105,950	16,384	502,181	1,562,725	18,936	2,206,176

^(a) The categorisation of the right-of-use assets is detailed in Note 16.

GraceKennedy Limited

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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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cost	12,103,144	11,795,035	44,660	44,660
Accumulated depreciation	1,622,059	1,419,306	19,731	18,615
Net Book Amount	10,481,085	10,375,729	24,929	26,045

- (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).

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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At beginning of year	(44,565)	(448,186)	(137,451)	265,278
Acquisition through business combinations (Note 39)	-	(11,554)	-	-
Income statement credit (Note 29)	341,460	493,724	162,928	114,369
Tax charge relating to components of other comprehensive income (Note 29)	(304,569)	(72,280)	(3,636)	(517,098)
Exchange differences	(1,317)	(6,269)	-	-
At end of year	(8,991)	(44,565)	21,841	(137,451)

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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 \$2,335,534,000 (2023: \$1,885,875,000).

Deferred income tax liabilities of \$1,721,671,000 (2023: \$1,476,938,000) 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 \$6,886,682,000 (2023: \$5,907,751,000).

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 2023	1,569,402	481,852	36,427	456,118	749,853	3,293,652
Acquisition through business combinations	7,147	-	-	-	4,407	11,554
(Credited)/charged to the income statement	(48,636)	25,070	(26,438)	(37,948)	(35,906)	(123,858)
(Credited)/charged to other comprehensive income	(110,000)	(106,189)	-	706,134	-	489,945
Exchange differences	3,854	(1)	-	-	2,763	6,616
At 31 December 2023	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
Deferred tax assets						
At 1 January 2023	536,316	89,865	570,356	1,160,267	488,662	2,845,466
Credited/(charged) to the income statement	27,781	-	(11,353)	134,990	218,448	369,866
(Charged)/credited to other comprehensive income	-	(59,813)	-	477,478	-	417,665
Exchange differences	(7)	-	10	-	344	347
At 31 December 2023	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

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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 2023	45,941	15,914	-	456,118	33,723	551,696
Charged/(credited) to the income statement (Credited)/charged to other comprehensive income	3,790 (256)	- (6,739)	3,353 -	(37,948) 706,134	(2,172) -	(32,977) 699,139
At 31 December 2023	49,475	9,175	3,353	1,124,304	31,551	1,217,858
Credited to the income statement Charged/(credited) to other comprehensive income	(2,129) 5,269	- (7,324)	(3,353) -	(60,264) 38,125	(17,795) -	(83,541) 36,070
At 31 December 2024	52,615	1,851	-	1,102,165	13,756	1,170,387
	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 2023	113,127	-	-	516,451	187,396	816,974
(Charged)/credited to the income statement Credited to other comprehensive income	(3,784) -	- -	- -	41,482 182,041	43,694 -	81,392 182,041
At 31 December 2023	109,343	-	-	739,974	231,090	1,080,407
Credited to the income statement Credited to other comprehensive income	12,321 -	- -	- -	55,289 32,434	11,777 -	79,387 32,434
At 31 December 2024	121,664	-	-	827,697	242,867	1,192,228

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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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Deferred tax assets	1,504,596	1,617,877	21,841	-
Deferred tax liabilities	(1,513,587)	(1,662,442)	-	(137,451)
	(8,991)	(44,565)	21,841	(137,451)

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	3,394,158	2,895,838	949,361	849,317
Deferred tax assets to be recovered within 12 months	1,063,091	737,506	242,867	231,090
	4,457,249	3,633,344	1,192,228	1,080,407

Deferred tax liabilities:

Deferred tax liabilities to be settled after more than 12 months	(3,053,776)	(2,546,071)	(1,154,780)	(1,173,779)
Deferred tax liabilities to be settled within 12 months	(1,412,464)	(1,131,838)	(15,607)	(44,079)
	(4,466,240)	(3,677,909)	(1,170,387)	(1,217,858)
Deferred tax (liabilities)/assets net	(8,991)	(44,565)	21,841	(137,451)

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 \$770,341,000 (2023: \$634,018,000) and \$197,142,000 (2023: \$168,240,000) 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	
	2024	2023
	\$'000	\$'000
Present value of funded obligations	36,838,521	33,826,316
Fair value of plan assets	(44,627,709)	(43,480,856)
	(7,789,188)	(9,654,540)
Limitation on asset due to uncertainty of obtaining economic benefit	3,380,527	5,157,326
Asset in the statement of financial position	(4,408,661)	(4,497,214)

The movement in the defined benefit obligation over the year is as follows:

	Group and Company	
	2024	2023
	\$'000	\$'000
Beginning of year	33,826,316	20,490,560
Current service cost	576,701	284,835
Interest cost	3,301,304	2,566,548
	3,878,005	2,851,383
Remeasurements -		
Loss from change in financial assumptions	178,066	11,623,776
Experience gains	(51,125)	(71,678)
	126,941	11,552,098
Members' contributions	336,677	330,061
Benefits paid	(1,329,418)	(1,397,786)
End of year	36,838,521	33,826,316

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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	
	2024	2023
	\$'000	\$'000
Beginning of year	43,480,856	41,533,819
Interest income on plan assets	4,275,628	5,315,351
Return on plan assets, excluding amounts included in interest income	(2,013,093)	(2,183,269)
Members' contributions	336,677	330,061
Employers' contributions	555	562
Benefits paid	(1,329,418)	(1,397,786)
Administration costs	(123,496)	(117,882)
End of year	44,627,709	43,480,856

The amounts recognised in the income statement are as follows:

	Group and Company	
	2024	2023
	\$'000	\$'000
Current service cost	576,701	284,835
Interest income (net)	(458,591)	(250,361)
Administration costs	123,496	117,882
Total, included in staff costs (Note 28)	241,606	152,356

As at the last valuation date, the present value of the defined benefit obligation was comprised of approximately \$18,799,370,000 (2023: \$16,940,949,000) relating to active employees, \$3,379,680,000 (2023: \$3,231,625,000) relating to deferred members and \$14,659,471,000 (2023: \$13,653,742,000) 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			
	2024 \$'000	%	2023 \$'000	%
Equity	17,909,873	40%	17,340,656	41%
Debt	5,417,811	12%	3,552,792	8%
Real estate	8,013,425	18%	7,602,407	17%
Government securities	12,186,244	27%	13,601,734	31%
Other	1,100,356	3%	1,383,267	3%
	44,627,709	100%	43,480,856	100%

The pension plan assets include the company's ordinary stock units with a fair value of \$3,548,405,000 (2023: \$3,591,530,000) and buildings occupied by Group companies with fair values of \$1,751,801,000 (2023: \$1,566,091,000).

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 2025 are \$574,000. The actual return on plan assets was \$2,262,535,000 (2023: \$3,132,082,000).

The principal actuarial assumptions used were as follows:

	2024	2023
Discount rate	9.0%	10.0%
Long term inflation rate	5.0%	6.0%
Future salary increases	6.5%	7.5%
Future pension increases	5.0%	6.0%

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:

	2024	2023
Male	25.40	25.30
Female	27.70	27.60

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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		
			2024	2023	2024	2023	
Discount rate	1%	Decrease by	12.3%	12.5%	Increase by	15.3%	15.6%
Future salary increases	1%	Increase by	2.7%	2.9%	Decrease by	2.4%	2.6%
Expected pension increase	1%	Increase by	11.6%	11.7%	Decrease by	9.8%	9.8%

Group and Company							
Impact on post-employment obligations							
			Increase in Assumption by One Year		Decrease in Assumption by One Year		
			2024	2023	2024	2023	
Life expectancy		Increase by	2.5%	2.5%	Decrease by	2.6%	2.5%

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 (2023: 7.5% per year) and a discount rate of 9.5% per year (2023: 11.0% 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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Present value of unfunded obligations	7,446,261	6,519,587	3,310,788	2,959,894

Movement in the defined benefit obligation is as follows:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Beginning of year	6,519,587	4,298,567	2,959,894	2,065,803
Current service cost	274,549	161,176	80,845	49,744
Interest cost	670,268	533,006	298,788	251,801
Past service cost - vested benefits	(2,929)	(2,560)	2,723	(1,915)
	941,888	691,622	382,356	299,630
Remeasurements -				
(Gain)/loss from change in demographic assumptions	(180,973)	152,757	(60,418)	54,171
Loss from change in financial assumptions	598,675	1,707,801	251,321	695,769
Experience gains	(150,839)	(123,922)	(61,169)	(21,777)
	266,863	1,736,636	129,734	728,163
Benefits paid	(282,077)	(207,238)	(161,196)	(133,702)
End of year	7,446,261	6,519,587	3,310,788	2,959,894

The amounts recognised in the income statement were as follows:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current service cost	274,549	161,176	80,845	49,744
Interest cost	670,268	533,006	298,788	251,801
Past service cost	(2,929)	(2,560)	2,723	(1,915)
Total included in staff costs (Note 28)	941,888	691,622	382,356	299,630

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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Gratuity Plan	1,131,940	1,115,147	616,325	608,064
Group Life Plan	1,950,613	1,479,079	943,007	734,062
Insured Group Health	2,983,770	2,599,041	1,026,853	923,276
Self Insured Health Plan	982,724	939,621	424,791	404,638
Supplementary Pension Plan	397,214	386,699	299,812	289,854
Liability in the statement of financial position	7,446,261	6,519,587	3,310,788	2,959,894

The sensitivity of the post-employment medical benefits to changes in the principal assumptions is:

	Change in Assumption	Group					
		Impact on post-employment obligations					
		Increase in Assumption			Decrease in Assumption		
		2024	2023	2024	2023		
Discount rate	1%	Decrease by	13.9%	13.5%	Increase by	17.8%	17.0%
Medical inflation rate	1%	Increase by	18.1%	17.5%	Decrease by	14.4%	13.9%

	Change in Assumption	Company					
		Impact on post-employment obligations					
		Increase in Assumption			Decrease in Assumption		
		2024	2023	2024	2023		
Discount rate	1%	Decrease by	12.8%	12.4%	Increase by	16.2%	15.5%
Medical inflation rate	1%	Increase by	16.5%	15.8%	Decrease by	13.5%	12.8%

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 2024 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	6.1
Group Life Plan	18.0
Insured Group Health	19.1
Pension Plan	14.9
Self Insured Health Plan	11.2
Superannuation Plan	6.3

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15. Bank and Other Loans

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Secured on assets	8,014,146	6,651,741	-	-
Unsecured	23,081,778	25,785,216	10,879,783	13,386,968
	31,095,924	32,436,957	10,879,783	13,386,968

(a) Unsecured loans of subsidiaries are supported by letters of comfort from the parent company. Interest rates on these loans range between 2.2% - 11.4% (2023: 2.2% - 10.8%).

(b) Bank and other loans comprise:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Bank overdrafts (Note 5)	465,816	611,497	60,993	438,880
Bank borrowings	17,141,166	18,432,265	9,212,611	10,998,308
Lease liabilities (Note 16)	8,442,996	8,602,845	1,606,179	1,846,907
Other loans	5,045,946	4,790,350	-	102,873
Total borrowings	31,095,924	32,436,957	10,879,783	13,386,968

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 \$226,441,000 (2023: \$330,929,000) and \$56,388,000 (2023: \$133,493,000) for the Group and the company, respectively.

Included in bank borrowings and other loans is \$9,519,572,000 (2023: \$11,702,579,000) and \$3,239,340,000 (2023: \$4,059,404,000) 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 5.95% (2023: 5.67%) 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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Properties	6,579,509	7,008,475	1,310,904	1,485,096
Equipment	243,829	230,949	-	77,629
Motor vehicles	597,818	328,816	-	-
Total right-of-use assets	7,421,156	7,568,240	1,310,904	1,562,725
Current	1,563,154	1,468,362	181,053	184,601
Non-current	6,879,842	7,134,483	1,425,126	1,662,306
Total lease liabilities	8,442,996	8,602,845	1,606,179	1,846,907

Additions to the right-of-use assets were \$1,520,595,000 (2023: \$1,440,778,000) and \$115,342,000 (2023: \$Nil) for the Group and company respectively.

(b) Amounts recognised in the income statement

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Depreciation charge of right-of-use assets				
Properties	1,340,400	1,275,200	232,226	222,228
Equipment	78,725	77,393	-	-
Motor vehicles	127,441	93,409	-	-
	1,546,566	1,446,002	232,226	222,228
Interest expense	469,177	447,596	138,406	143,790
Expense relating to short term leases	18,755	15,607	13,824	12,367

The total cash outflow for leases was \$2,168,376,000 (2023: \$1,596,351,000) and \$508,300,000 (2023: \$699,608,000) 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 2024, potential undiscounted future cash outflows of \$4,471,136,000 (2023: \$4,394,865,000) 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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Trade payables	9,987,684	8,673,129	1,538,639	1,211,229
Reinsurance contract liabilities (Note 7 (a))	740,980	-	-	-
Payable to associates (Note 35 (e))	384,885	451,396	160,212	152,618
Accruals	6,553,155	6,166,720	1,726,243	1,532,420
Customer loyalty programme	330,820	334,274	158,059	148,745
Contract liabilities	495,300	506,510	10,167	5,662
Other payables	6,517,029	6,260,551	1,215,809	1,007,056
	25,009,853	22,392,580	4,809,129	4,057,730

All payables balances are due within the next 12 months.

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17(a). Insurance Contract Liabilities

	General 2024 \$'000	Life 2024 \$'000	Total 2024 \$'000	General 2023 \$'000	Life 2023 \$'000	Total 2023 \$'000
Insurance Liability for remaining coverage						
Brought forward	4,508,692	198,701	4,707,393	3,622,799	54,341	3,677,140
On acquisition	-	-	-	-	221,914	221,914
Premium balances	5,476,275	255,353	5,731,628	4,442,867	314,065	4,756,932
Deferred commissions	(594,274)	(56,652)	(650,926)	(494,790)	(37,810)	(532,600)
Deferred overhead costs	(498,391)	-	(498,391)	(476,291)	-	(476,291)
Expense balances	125,082	-	125,082	151,013	-	151,013
Insurance revenue	(13,892,249)	(1,492,904)	(15,385,153)	(13,083,259)	(1,336,977)	(14,420,236)
Insurance acquisition costs amortisation	2,622,781	430,069	3,052,850	2,303,928	266,702	2,570,630
Premiums received	14,169,877	1,408,046	15,577,923	14,110,560	1,278,422	15,388,982
Insurance acquisition costs paid	(2,772,079)	(381,546)	(3,153,625)	(2,444,736)	(285,573)	(2,730,309)
Exchange differences	2,953	5,218	8,171	(600)	(128)	(728)
Carried forward	4,639,975	167,584	4,807,559	4,508,692	198,701	4,707,393
Premium balances	5,753,903	170,494	5,924,397	5,476,276	255,352	5,731,628
Deferred commissions	(635,960)	(2,910)	(638,870)	(594,274)	(56,651)	(650,925)
Deferred overhead costs	(636,058)	-	(636,058)	(498,391)	-	(498,391)
Expense balances	158,090	-	158,090	125,081	-	125,081
Insurance Liability for incurred claims - Present value of future cash flows						
Brought forward	5,824,559	109,744	5,934,303	5,728,934	40,557	5,769,491
On acquisition	-	-	-	-	58,585	58,585
Claims outstanding	6,317,056	109,744	6,426,800	6,209,040	99,142	6,308,182
Claims adjustment	2,120	-	2,120	-	-	-
Discount	(597,750)	-	(597,750)	(575,058)	-	(575,058)
Expense balances	103,133	-	103,133	94,952	-	94,952
Incurred claims and other directly attributable expenses	6,082,513	443,715	6,526,228	5,427,134	72,043	5,499,177
Claims and other directly attributable expenses paid	(5,368,690)	(384,135)	(5,752,825)	(5,311,716)	(62,262)	(5,373,978)
Finance expenses recognised in P&L	(136,795)	-	(136,795)	(22,450)	-	(22,450)
Exchange differences	(2,957)	(1,765)	(4,722)	2,657	821	3,478
Carried 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)	2,121	-	2,121
Discount	(844,159)	-	(844,159)	(597,750)	-	(597,750)
Expense balances	121,731	-	121,731	103,132	-	103,132
Insurance Liability for incurred claims - Risk adjustment						
Brought forward	247,598	-	247,598	253,479	-	253,479
Incurred claims and expenses	73,530	-	73,530	(6,005)	-	(6,005)
Exchange differences	23	-	23	124	-	124
Carried forward	321,151	-	321,151	247,598	-	247,598
Insurance acquisition cash flows assets						
Brought forward	(23,661)	-	(23,661)	(18,062)	-	(18,062)
Acquisition cash flows assets derecognised and other changes	(5,294)	-	(5,294)	(5,599)	-	(5,599)
Carried forward	(28,955)	-	(28,955)	(23,661)	-	(23,661)
Other pre-recognition cash flows assets						
Brought forward	(15,684)	94,149	78,465	(10,034)	44,036	34,002
Pre-recognition cash flows derecognised and other changes	(3,114)	(94,149)	(97,263)	(5,650)	50,113	44,463
Carried forward	(18,798)	-	(18,798)	(15,684)	94,149	78,465
Total Insurance contract liabilities	11,312,003	335,143	11,647,146	10,541,504	402,594	10,944,098

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18. Provisions

Provisions comprise restoration costs as follows:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At beginning of year	52,751	49,467	-	-
Additional provisions	2,334	2,216	-	-
Exchange differences	456	1,068	-	-
At end of year	55,541	52,751	-	-

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			
	2024	2023	2024	2023
	Units ('000)	Units ('000)	\$'000	\$'000
Authorised -				
Ordinary shares	1,200,000	1,200,000		
Issued and fully paid -				
Ordinary stock units	988,835	994,388	575,964	576,521
Treasury shares	(4,226)	(5,236)	(332,412)	(418,716)
Issued and outstanding	984,609	989,152	243,552	157,805

- (a) During the year, the company transferred 63,000 (2023: 48,000) units to employees at a fair value of \$5,059,000 (2023: \$4,061,000). The shares were issued under the Long Term Incentive (LTI) Scheme. The company, under its share buy-back programme which commenced in 2023, repurchased 5,616,000 (2023: 789,000) units at a fair value of \$436,532,000 (2023: \$61,687,000).
- (b) During the year, the company through its employee investment trust sold Nil (2023: 147,000) units of its own shares at a fair value of \$Nil (2023: \$11,163,000), purchased 1,324,000 (2023: 3,500,000) units at a fair value of \$100,156,000 (2023: \$269,392,000) and transferred 2,334,000 (2023: 2,453,000) units to employees at a fair value of \$179,624,000 (2023: \$192,719,000). The total number of treasury shares held by the company at the end of the year was 4,226,000 (2023: 5,236,000) at a cost of \$332,412,000 (2023: \$418,716,000).
- (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:

	29 Feb. 2024	1 Mar. 2023	1 Mar. 2022	25 Feb. 2021	27 Feb. 2020	25 Jun. 2019	10 May 2018	11 May 2017	12 May 2016
Number of shares	4,492,784	3,839,914	3,945,179	3,835,373	3,786,693	1,650,497	1,759,004	1,967,156	2,551,665
Subscription price	\$74.32	\$78.07	\$103.52	\$79.52	\$67.79	\$61.72	\$47.77	\$42.09	\$28.00

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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	
	Offer	Total								
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
2023										
Movement on this option:	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
At 1 January	-	3,844	3,702	3,619	613	630	547	199	-	13,154
Granted	3,840	-	-	-	-	-	-	-	-	3,840
Exercised	-	-	-	(296)	(172)	(190)	(216)	(153)	-	(1,027)
Forfeited	-	(6)	(22)	-	-	-	-	-	-	(28)
Expired	-	-	-	-	-	-	-	-	(46)	(46)
At 31 December	3,834	3,822	3,702	3,323	441	440	331	-	-	15,893

(d) Movements in the number of share options outstanding and their related weighted average exercise price are as follows:

	2024		2023	
	Average exercise price	Options	Average exercise price	Options
	in \$ per share	'000	in \$ per share	'000
Movement on this option:				
At 1 January	80.34	15,893	78.62	13,154
Granted	74.32	4,493	78.07	3,840
Exercised	51.47	(247)	51.75	(1,027)
Forfeited	-	-	98.38	(28)
Expired	42.09	(174)	28.00	(46)
At 31 December	79.67	19,965	80.34	15,893

Shares totalling 11,638,000 (2023: 8,238,000) 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:

		2024	2023
	Exercise price in \$ per share	Options '000	Options '000
2024	42.09	-	331
2025	47.77	440	440
2026	61.72	441	441
2027	67.79	3,233	3,323
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	-
		19,965	15,893

- (e) The fair value of options granted determined using the Black-Scholes valuation model was \$572,954,000. 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 \$965,640,000 and the fair value of restricted stock grants earned and vested is \$347,925,000.

The expense recognised in the income statement for share-based payments was \$481,143,000 (2023: \$417,558,000).

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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
	2024				2023			
	\$'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	259,086	-	-	259,086	265,922	-	-	265,922
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	-	-	7,301,317	7,301,317	-	-	5,328,516	5,328,516
Fair value gains, net of deferred taxes	-	-	352,549	352,549	-	-	252,498	252,498
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
	2,428,222	235,033	7,653,866	10,317,121	2,435,058	235,033	5,581,014	8,251,105

	Company					
	Capital Reserve	Fair Value Reserves	Total	Capital Reserve	Fair Value Reserves	Total
	2024			2023		
	\$'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	-	68,045	68,045
Fair value gains, net of deferred taxes	-	266,291	266,291	-	294,073	294,073
	24,507	351,167	375,674	24,507	362,118	386,625

GraceKennedy Limited

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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	Share-based Payments	Total	Share-based Payments
	\$'000	\$'000	\$'000	\$'000
At 1 January 2023	4,362,796	501,858	4,864,654	291,322
Equity holders' share of other comprehensive income	695,060	-	695,060	-
Share-based payment expense	-	415,065	415,065	278,106
Transfer of treasury shares to employees	-	(190,970)	(190,970)	(135,419)
Exercised directly through equity	-	(108,038)	(108,038)	(72,632)
Transfer of shares to employees	-	(4,061)	(4,061)	(4,061)
At 31 December 2023	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

(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

	2024	2023
	\$'000	\$'000
Beginning of year	4,181,137	3,802,342
Share of total comprehensive income:		
Share of net profit of subsidiaries	449,810	598,066
Revaluation surplus	177,884	(50,873)
Remeasurement of post-employment benefit obligations	(4,795)	(18,564)
Other	3,081	1,744
	625,980	530,373
Addition of non-controlling interest (Note 39)	-	211,261
Employee share option scheme: value of services received	2,796	2,493
Share-based payments exercised	(623)	(677)
Transfer of treasury shares to employees	(1,410)	(1,749)
Dividends paid	(383,837)	(362,906)
End of year	4,424,043	4,181,137

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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 \$4,424,043,000 of which \$3,651,502,000 is for GraceKennedy Money Services Caribbean SRL. The non-controlling interest in respect of other subsidiaries is not material.

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	
	2024	2023
	\$'000	\$'000
Current		
Assets	14,252,398	13,539,162
Liabilities	(3,671,412)	(2,171,656)
Total current net assets	10,580,986	11,367,506
Non-current		
Assets	6,223,869	4,515,952
Liabilities	(2,198,846)	(1,955,083)
Total non-current net assets	4,025,023	2,560,869
Net assets	14,606,009	13,928,375

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23. Non-Controlling Interests (Continued)

Summarised income statement

	GraceKennedy Money Services Caribbean SRL	
	2024	2023
	\$'000	\$'000
Revenue	8,624,096	8,847,441
Profit before income tax	2,726,672	3,011,176
Taxation expense	(1,103,351)	(730,855)
Profit after tax	1,623,321	2,280,321
Other comprehensive income	27,396	(73,025)
Total comprehensive income	1,650,717	2,207,296
Total comprehensive income allocated to non-controlling interest	412,679	551,824
Dividends paid to non-controlling interest	(351,396)	(346,058)

Summarised cash flows

	GraceKennedy Money Services Caribbean SRL	
	2024	2023
	\$'000	\$'000
Cash flows from operating activities		
Cash generated from operations	4,518,727	2,529,623
Interest paid	(150,746)	(131,545)
Income tax paid	(884,331)	(971,650)
Net cash generated from operating activities	3,483,650	1,426,428
Net cash used in investing activities	(1,405,072)	(337,352)
Net cash used in financing activities	(1,564,709)	(1,533,497)
Net increase/(decrease) in cash and cash equivalents	513,869	(444,421)
Cash and cash equivalents at the beginning of year	8,460,058	8,867,057
Exchange gains on cash and cash equivalents	31,141	37,422
Cash and cash equivalents at end of year	9,005,068	8,460,058

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

	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)

	2023					
	Food	Banking & Investments	Insurance	Money Services	Unallocated/ Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE						
External sales	122,377,271	9,264,296	14,395,388	8,847,441	116,628	155,001,024
Inter-segment sales	272,000	339,174	1,024,636	-	(1,635,810)	-
Total Revenue	122,649,271	9,603,470	15,420,024	8,847,441	(1,519,182)	155,001,024
Operating results	7,006,255	753,263	1,810,276	3,056,538	151,028	12,777,360
Unallocated expense	-	-	-	-	(1,139,926)	(1,139,926)
Profit from operations	-	-	-	-	-	11,637,434
Finance income	11,301	2,637	96,341	147,152	424,248	681,679
Finance expense	(952,076)	(244,619)	(12,508)	(130,363)	(385,284)	(1,724,850)
Share of results of associates and joint ventures	450,511	302,006	21,617	-	-	774,134
Profit before taxation	6,515,991	813,287	1,915,726	3,073,327	(949,934)	11,368,397
Taxation						(2,989,400)
Net Profit						8,378,997
Operating assets	80,328,593	90,346,975	31,078,624	17,414,799	(12,853,106)	206,315,885
Investment in associates and joint ventures	2,339,777	2,488,121	253,285	10,133	-	5,091,316
Unallocated assets	-	-	-	-	8,077,498	8,077,498
Total assets	82,668,370	92,835,096	31,331,909	17,424,932	(4,775,608)	219,484,699
Operating liabilities	40,285,280	79,410,759	15,509,906	3,804,592	(12,836,027)	126,174,510
Unallocated liabilities	-	-	-	-	10,053,481	10,053,481
Total liabilities	40,285,280	79,410,759	15,509,906	3,804,592	(2,782,546)	136,227,991
Other segment items						
Additions to non-current assets ^(b)	3,461,663	742,376	254,322	363,110	-	4,821,471
Depreciation	(2,280,363)	(339,438)	(138,374)	(269,457)	-	(3,027,632)
Amortisation	(364,755)	(269,919)	(265,295)	(55,474)	-	(955,443)

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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	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total for reportable segments	13,776,807	12,318,331	239,501,447	224,260,307	145,277,002	139,010,537
Inter-segment eliminations	-	-	(10,930,762)	(12,853,106)	(10,985,380)	(12,836,027)
Unallocated amounts:						
Corporate central office results	(50,355)	103,802	-	-	-	-
Post-employment benefits	(900,862)	(636,178)	-	-	-	-
Share-based payments	(481,143)	(417,558)	-	-	-	-
Taxation recoverable	-	-	2,157,503	1,962,407	-	-
Deferred tax assets	-	-	1,504,596	1,617,877	-	-
Pension plan asset	-	-	4,408,661	4,497,214	-	-
Taxation	-	-	-	-	1,983,111	1,871,452
Deferred tax liabilities	-	-	-	-	1,513,587	1,662,442
Other post-employment obligations	-	-	-	-	7,446,261	6,519,587
Total unallocated	(1,432,360)	(949,934)	8,070,760	8,077,498	10,942,959	10,053,481
Total per financial statements	12,344,447	11,368,397	236,641,445	219,484,699	145,234,581	136,227,991

Geographical information

	Revenue ^(a)		Non-current Assets ^(b)	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Jamaica	96,570,400	88,644,350	36,927,150	31,472,844
United Kingdom	18,371,630	17,277,050	2,121,218	2,413,310
United States of America	29,998,928	28,695,283	8,084,826	7,375,600
Canada	10,095,167	9,323,276	190,008	307,491
Other Caribbean countries	10,922,871	10,143,415	5,566,899	5,851,746
Other European countries	921,209	746,501	-	-
Africa	8,174	4,807	-	-
Other countries	154,556	166,342	-	-
Total	167,042,935	155,001,024	52,890,101	47,420,991

^(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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Timing of revenue recognition –				
Goods transferred at a point in time	131,339,489	122,377,271	32,790,185	30,959,416
Services transferred at a point in time	13,476,722	12,738,753	-	-
Services transferred over time	158,512	140,095	-	-
Insurance contract revenue	15,385,053	13,755,921	-	-
Interest revenue –				
Interest income on investments	1,970,928	1,849,769	-	-
Interest income on loans receivable	4,712,231	4,139,215	-	-
	167,042,935	155,001,024	32,790,185	30,959,416

26. Expense by Nature

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Auditors' remuneration	513,407	355,586	58,926	43,435
Advertising and marketing	4,776,065	4,337,062	1,965,070	1,804,509
Amortisation of intangibles	1,007,956	955,443	169,561	99,961
Commissions and other money services costs	1,348,500	1,422,938	-	-
Cost of inventory recognised as expense	86,510,308	81,893,528	23,147,859	22,086,509
Depreciation	3,277,047	3,027,632	404,418	378,977
Impairment losses on financial assets (net)	503,515	543,452	60,180	30,493
Information technology	2,280,139	2,130,407	684,876	821,938
Insurance	1,554,956	1,349,518	270,920	232,437
Interest expense and other financial services expenses	2,069,775	1,456,360	-	-
Insurance service expenses	6,699,271	6,037,633	-	-
Net expenses from reinsurance contracts	4,656,531	4,178,684	-	-
Legal, professional and other fees	6,713,762	6,249,890	1,247,028	1,290,350
Occupancy costs	4,118,761	3,807,992	547,382	475,170
Repairs and maintenance expenditure	1,600,986	1,471,737	31,191	41,717
Staff costs (Note 28)	25,157,854	22,433,984	6,937,584	6,303,250
Transportation	3,198,214	2,912,476	876,669	817,502
Other expenses	3,069,706	2,899,992	577,424	392,390
	159,056,753	147,464,314	36,979,088	34,818,638

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27. Other Income

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Dividend income	40,055	26,066	2,189,159	2,020,249
Net foreign exchange gains/(losses)	863,438	831,388	(18,725)	(40,481)
Change in fair value of investment properties	96,140	95,600	-	-
Change in value of investments – fair value through profit or loss	61,735	(108,650)	-	-
Gain on disposal of investments	-	22,219	-	-
Gain/(loss) on disposal of fixed assets	7,499	13,800	19,682	(13,528)
Fees and commissions	1,415,702	1,467,515	4,871,190	4,568,889
Finance income from insurance contracts issued	136,795	22,468	-	-
Finance (expense)/income from reinsurance contracts held	(10,873)	55,346	-	-
Interest income	1,011,400	951,498	-	-
Rebates, reimbursements and recoveries	234,849	247,431	74,055	60,214
Rent	383,152	262,216	-	-
Miscellaneous	303,359	213,827	41,795	61,876
	4,543,251	4,100,724	7,177,156	6,657,219

28. Staff Costs

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	17,373,346	15,940,816	4,343,518	4,104,684
Pension (Note 14)	241,606	152,356	241,606	152,356
Pension contributions to defined contribution scheme (Note 14)	770,341	634,018	197,142	168,240
Other post-employment benefits (Note 14)	941,888	691,622	382,356	299,630
Share-based payments	481,143	417,558	313,957	278,106
Statutory contributions	1,776,831	1,613,925	494,195	470,750
Other costs	3,572,699	2,983,689	964,810	829,484
	25,157,854	22,433,984	6,937,584	6,303,250

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29. Taxation

Taxation is based on the profit for the year adjusted for taxation purposes:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current tax	3,942,193	3,607,466	320,942	278,674
Adjustment to prior year provision	(120,114)	(124,342)	-	-
Deferred tax (Note 13)	(341,460)	(493,724)	(162,928)	(114,369)
	3,480,619	2,989,400	158,014	164,305

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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Profit before tax	12,344,447	11,368,397	2,921,063	2,788,507
Tax calculated at a tax rate of 25%	3,086,112	2,842,099	730,266	697,127
Adjusted for the effects of:				
Different tax rates in other countries	(244,019)	(234,027)	-	-
Different tax rate of regulated Jamaican companies	596,764	440,498	-	-
Income not subject to tax	(158,356)	(235,470)	(494,113)	(540,912)
Expenses not deductible for tax purposes	630,713	465,367	8,244	1,850
Adjustment to prior year provision	(120,114)	(124,342)	-	-
Share of profits of associates and joint ventures included net of tax	(224,987)	(193,534)	-	-
Employment tax credit	(83,690)	-	(83,690)	-
Other	(1,804)	28,809	(2,693)	6,240
Tax expense	3,480,619	2,989,400	158,014	164,305

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29. Taxation (Continued)

The tax (charge)/credit relating to components of other comprehensive income is as follows:

	Group					
	2024			2023		
	Before tax \$'000	Tax (charge)/ credit \$'000	After tax \$'000	Before tax \$'000	Tax credit/ (charge) \$'000	After tax \$'000
<i>Items that will not be reclassified to profit or loss:</i>						
Revaluation surplus/(deficit)	2,299,428	(314,729)	1,984,699	(681,252)	110,000	(571,252)
Fair value gains/(losses)	197,116	(48,776)	148,340	(379,385)	106,189	(273,196)
Remeasurements of post-employment benefit obligations	(114,365)	37,414	(76,951)	1,087,900	(228,656)	859,244
Share of other comprehensive income of associates and joint ventures	161,354	-	161,354	(29,484)	-	(29,484)
	2,543,533	(326,091)	2,217,442	(2,221)	(12,467)	(14,688)
<i>Items that may be subsequently reclassified to profit or loss:</i>						
Foreign currency translation adjustments	2,236	-	2,236	649,448	-	649,448
Fair value (losses)/gains	(79,605)	21,522	(58,083)	136,328	(59,813)	76,515
Share of other comprehensive income of associates and joint ventures	20,267	-	20,267	46,991	-	46,991
	(57,102)	21,522	(35,580)	832,767	(59,813)	772,954
Other comprehensive income	2,486,431	(304,569)	2,181,862	830,546	(72,280)	758,266
Deferred tax (Note 13)	-	(304,569)	-	-	(72,280)	-
Company						
	2024			2023		
	Before tax \$'000	Tax (charge)/ credit \$'000	After tax \$'000	Before tax \$'000	Tax credit/ (charge) \$'000	After tax \$'000
	Before tax \$'000	Tax (charge)/ credit \$'000	After tax \$'000	Before tax \$'000	Tax credit/ (charge) \$'000	After tax \$'000
<i>Items that will not be reclassified to profit or loss:</i>						
Revaluation surplus	22,100	(5,269)	16,831	-	256	256
Fair value losses	(28,270)	7,324	(20,946)	(26,956)	6,739	(20,217)
Remeasurements of post-employment benefit obligations	22,764	(5,691)	17,073	2,096,372	(524,093)	1,572,279
Other comprehensive income	16,594	(3,636)	12,958	2,069,416	(517,098)	1,552,318
Deferred tax (Note 13)	-	(3,636)	-	-	(517,098)	-

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. Pillar Two legislation has not been enacted in Jamaica, the jurisdiction in which GraceKennedy Limited is incorporated. 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.

The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect.

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30. Net Profit Attributable to the Owners of GraceKennedy Limited

Dealt with as follows in the financial statements of:

	2024	2023
	\$'000	\$'000
The company	2,763,049	2,624,202
Intra-group dividends, gain on disposal of subsidiaries within the Group and other eliminations on consolidation	(2,188,363)	(2,020,010)
Adjusted company profit	574,686	604,192
The subsidiaries	6,939,383	6,402,605
The associates and joint ventures	899,949	774,134
	8,414,018	7,780,931

31. Dividends

	2024	2023
	\$'000	\$'000
Paid,		
Interim – 52 cents per stock unit (2023 : 50 cents)	515,875	496,343
Interim – 55 cents per stock unit (2023 : 50 cents)	545,250	495,815
Interim – 55 cents per stock unit (2023 : 52 cents)	545,219	515,988
Final – 75 cents per stock unit (2023 : 65 cents)	743,406	643,964
	2,349,750	2,152,110

In the current year, the company paid dividends of \$743,406,000 out of Retained Earnings totalling \$19,815,770,000 as at 31 December 2013, leaving a balance of \$19,072,364,000.

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.

	2024	2023
Net profit attributable to owners (\$'000)	8,414,018	7,780,931
Weighted average number of stock units outstanding ('000)	987,907	989,910
Basic earnings per stock unit (\$)	8.52	7.86

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.

- 6,430,000 (2023: 4,994,000) ordinary stock units for the full year in respect of stock options for directors.
- 13,535,000 (2023: 10,899,000) ordinary stock units for the full year in respect of the stock options for managers.
- 9,591,000 (2023: 7,915,000) ordinary stock units for the full year in respect of the restricted stock grants earned.

	2024	2023
Net profit attributable to owners (\$'000)	8,414,018	7,780,931
Weighted average number of stock units outstanding ('000)	987,907	989,910
Adjustment for share options and restricted stock grants ('000)	10,143	8,720
	998,050	998,630
Diluted earnings per stock unit (\$)	8.43	7.79

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33. Cash Flows from Operating Activities

Reconciliation of net profit to cash generated from operating activities:

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Net profit		8,863,828	8,378,997	2,763,049	2,624,202
Items not affecting cash:					
Depreciation	12	3,277,047	3,027,632	404,418	378,977
Amortisation	11	1,007,956	955,443	169,561	99,961
Change in value of investment properties		(96,140)	(95,600)	-	-
Change in value of investments		(61,735)	108,650	-	-
(Gain)/loss on disposal of fixed assets		(7,499)	(13,800)	(19,682)	13,528
Gain on disposal of investments		-	(22,219)	-	-
Share-based payments	19	481,143	417,558	313,957	278,106
Exchange loss/(gain) on foreign balances		83,200	(190,815)	(28,891)	16,886
Interest income – non financial services		(863,334)	(681,679)	(1,102,236)	(1,027,249)
Interest income – financial services		(7,820,481)	(6,881,989)	-	-
Interest expense – non financial services		1,948,269	1,724,850	1,169,426	1,036,739
Interest expense – financial services		1,928,658	1,456,360	-	-
Taxation expense	29	3,480,619	2,989,400	158,014	164,305
Unremitted equity income in associates and joint ventures		(499,751)	(325,988)	-	-
Pension plan surplus		241,051	151,794	241,051	151,794
Other post-employment obligations		659,811	484,384	221,160	165,928
		12,622,642	11,482,978	4,289,827	3,903,177
Changes in working capital components:					
Inventories		(2,104,889)	849,837	(982,365)	930,175
Receivables		(121,466)	(674,062)	84,553	(588,383)
Loans receivable, net		(3,621,464)	(4,262,160)	-	-
Payables and insurance contract liabilities		3,320,320	517,561	743,141	405,702
Deposits		5,778,458	7,001,898	-	-
Securities sold under repurchase agreements		69,924	(40,974)	-	-
Subsidiaries		-	-	846,781	1,040,473
Provisions		2,790	3,284	-	-
Total provided by operating activities		15,946,315	14,878,362	4,981,937	5,691,144

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33. Cash Flows from Operating Activities (Continued)

Reconciliation of net profit to cash generated from operating activities (continued):

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash provided by operating activities	15,946,315	14,878,362	4,981,937	5,691,144
Interest received – financial services	8,000,315	6,774,434	-	-
Interest paid – financial services	(1,814,384)	(1,317,749)	-	-
Translation (losses)/gains	(137,013)	447,607	-	-
Taxation paid	(3,905,517)	(3,355,641)	(231,507)	(544,115)
Net cash provided by operating activities	18,089,716	17,427,013	4,750,430	5,147,029

Reconciliation of movements of liabilities to cash flows arising from financing activities:

Amounts represent bank and other loans, excluding bank overdrafts

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At 1 January	31,825,460	25,572,133	12,948,088	9,562,447
Lease liability to acquire right-of-use asset	1,520,595	1,440,778	115,342	-
On acquisition through business combination (Note 39)	-	1,670,948	-	-
Loans received	8,222,979	16,762,011	4,446,340	11,191,841
Loans repaid	(10,839,587)	(14,141,373)	(6,549,834)	(7,894,829)
Foreign exchange adjustments	5,149	369,017	(10,202)	71,765
Net interest movements	(104,488)	151,946	(130,944)	16,864
At 31 December	30,630,108	31,825,460	10,818,790	12,948,088

34. Contingent Liabilities

- (a) On 20 December 2021, the Board of Inland Revenue in Trinidad and Tobago (Board) raised an assessment on a subsidiary in Trinidad & Tobago for additional corporation tax for income year 2015 for an equivalent of J\$418,478,000, inclusive of interest, if applicable. Subsequent to this assessment, the subsidiary filed an objection to the Board.

The main grounds of the assessment and subsequent objection relates to disallowing certain realised losses on the basis that it was unable to verify aspects of the underlying asset. As part of its objection, the subsidiary has provided documentary evidence to the Board, which are from multiple third party independent sources, to confirm the substance and validity of the deduction.

The subsidiary is of the strong view that the decision will be favourable and expects to be successful in its appeal. On this basis, no provision has been recorded.

- (b) 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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
(a) Sales of goods and services				
Sales of goods	156,894	5,252	681,829	682,212
Sales of services	263,973	195,167	3,880,659	3,527,871
(b) Purchase of goods and services				
Purchases of goods	5,506,656	5,213,621	14,224,244	12,936,747
Purchases of services	461,329	392,060	1,101,136	974,194
(c) Interest				
Interest income	38,657	37,682	519,487	533,840
Interest expense	146,823	64,748	319,657	248,552

Dividends received by the company from subsidiaries and associates were \$1,938,363,000 (2023: \$1,816,539,000) and \$250,000,000 (2023: \$203,471,000) 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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Salaries and other short-term employee benefits	683,372	674,358	504,510	519,451
Fees paid to directors	42,619	38,416	34,335	32,970
Post-employment benefits	60,546	61,523	54,069	55,171
Share-based payments	305,646	266,835	248,576	219,453
	1,092,183	1,041,132	841,490	827,045

The following amounts are in respect of directors' emoluments:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Fees	42,619	38,416	34,335	32,970
Management remuneration	236,657	230,062	236,657	230,062
Share-based payments	100,330	113,549	100,330	113,549
	379,606	382,027	371,322	376,581

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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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Sale of goods and services –				
Sales of goods	1,384	1,801	302	1,133
Sales of services	5,819	3,806	-	-
Purchase of goods and services –				
Purchase of services	-	2,188	-	2,188
Interest earned and incurred –				
Interest income	12,679	11,737	-	-
Interest expense	17,689	15,709	-	-

(e) Year-end balances with related parties

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash and deposits with subsidiaries	-	-	200,450	407,717
Investment securities with subsidiaries	-	-	738,902	665,137
Receivable from subsidiaries	-	-	1,836,371	1,630,716
Receivable from associates and joint ventures (Note 7)	83,269	43,469	6,870	17,419
Loans receivable from subsidiaries (Note 9)	-	-	4,329,625	5,603,020
Loans receivable from associates and joint ventures (Note 9)	584,936	597,431	-	-
Payable to subsidiaries	-	-	4,436,472	3,384,036
Payable to associates and joint ventures (Note 17)	384,885	451,396	160,212	152,618
Loans & leases payable to subsidiaries	-	-	1,605,974	1,794,167
Deposits payable to associates and joint ventures	1,966,373	1,114,094	-	-

(f) Loans to related parties

Loans receivable from subsidiaries are repayable in the years 2025 - 2028 and bear interest at 3.0% - 10.8% (2023: 3.0% - 10.0%). No provision was required in 2024 and 2023 for loans made to subsidiaries.

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35. Related Party Transactions and Balances (Continued)

(f) Loans to related parties (continued)

	Company	
	2024	2023
	\$'000	\$'000
Loans to subsidiaries:		
At 1 January	5,603,020	2,672,800
Loans advanced during the year	568,524	4,617,441
Loan repayments received	(1,827,075)	(1,729,073)
Exchange differences	391	1,629
Interest charged	450,136	504,342
Interest received	(465,371)	(464,119)
At 31 December	4,329,625	5,603,020

(g) Year end balances with directors and other key management

Balances with directors and other key management personnel (and their families)

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Receivables	6,115	1,525	133	322
Loans receivable	199,325	169,117	-	-
Payables	1,841	20,193	-	-
Loans payable	44,160	28,713	-	-
Deposits payable	479,040	531,773	-	-

(h) Loans to directors and other key management

The loans receivable attract interest at rates ranging between 4.72% - 9.00% (2023: 4.72% - 7.58%) and are repayable in the years 2025 - 2045. These loans are secured and are made on terms similar to those offered to other employees. No provision was required in 2024 and 2023 for the loans made to directors and senior managers.

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Loans to directors and other key management:				
At 1 January	169,117	170,168	-	-
Loans advanced during the year	40,279	9,894	-	-
Loan repayments received	(10,071)	(10,945)	-	-
Interest charged	12,679	11,737	-	-
Interest received	(12,679)	(11,737)	-	-
At 31 December	199,325	169,117	-	-

(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 6,430,000 (2023: 4,994,000).

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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			
	2024			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'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

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(expressed in Jamaican dollars unless otherwise indicated)

36. Fair Values Estimation (Continued)

Financial Instruments (continued)

	Group			
	2023			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Assets				
Financial assets at fair value through other comprehensive income:				
Quoted equities	596,884	-	-	596,884
Government of Jamaica securities	-	4,418,249	-	4,418,249
Foreign governments	-	1,773,968	-	1,773,968
Corporate bonds	-	1,960,326	-	1,960,326
Financial assets at fair value through profit or loss:				
Quoted equities	1,708,951	-	-	1,708,951
Other securities	237,450	-	-	237,450
Total Assets	2,543,285	8,152,543	-	10,695,828

	Company			
	2024			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Assets				
Financial assets at fair value through other comprehensive income:				
Quoted equities	58,614	-	-	58,614
Total Assets	58,614	-	-	58,614

GraceKennedy Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

36. Fair Values Estimation (Continued)

Financial Instruments (continued)

	Company			
	2023			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Assets				
Financial assets at fair value through other comprehensive income:				
Quoted equities	86,884	-	-	86,884
Total Assets	86,884	-	-	86,884

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.

GraceKennedy Limited
Notes to the Financial Statements
31 December 2024
(expressed in Jamaican dollars unless otherwise indicated)

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 \$17,924,812,000 (2023: \$15,614,132,000) and \$126,000,000 (2023: \$105,950,000) for the Group and company respectively.

The carrying value of investment properties classified as level 3 is \$1,556,595,000 (2023: \$885,500,000).

Reconciliation of the opening and closing balances of the Group's land and buildings:

	Group headquarters	Distribution centre	Other land and buildings	Total
	2024			
	\$'000	\$'000	\$'000	\$'000
At 1 January 2023	3,485,900	5,081,000	6,281,195	14,848,095
Acquisition of subsidiary	-	-	1,730,498	1,730,498
Additions and transfers in	9,341	-	132,368	141,709
Revaluation adjustment	(305,231)	(379,940)	3,919	(681,252)
Disposals and transfers out	-	-	(189,349)	(189,349)
Depreciation	(68,859)	(122,532)	(79,052)	(270,443)
Translation adjustment	-	-	34,874	34,874
At 31 December 2023	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

GraceKennedy Limited

Notes to the Financial Statements

31 December 2024

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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%.

GraceKennedy Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

37. Financial Instruments by Category

	Group			Total \$'000
	Assets at amortised cost \$'000	Assets at fair value through profit or loss \$'000	Assets at fair value through other comprehensive income \$'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			Total \$'000
	Assets at amortised cost \$'000	Assets at fair value through profit or loss \$'000	Assets at fair value through other comprehensive income \$'000	
At 31 December 2023:				
Cash and deposits	27,044,833	-	-	27,044,833
Investment securities and pledged assets	43,411,277	1,946,401	8,749,427	54,107,105
Loans receivable	41,126,156	-	-	41,126,156
Trade and other receivables	18,804,786	-	-	18,804,786
Total financial assets	130,387,052	1,946,401	8,749,427	141,082,880

	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

GraceKennedy Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

37. Financial Instruments by Category (Continued)

	Group	Other financial liabilities at amortised cost \$'000
At 31 December 2023:		
Deposits		60,348,124
Bank and other loans		32,436,957
Trade and other payables		22,392,580
Total financial liabilities		115,177,661

	Company		
	Assets at fair value through other comprehensive income \$'000	Assets at amortised cost \$'000	Total \$'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	58,614	18,012,274	18,070,888

	Company		
	Assets at fair value through other comprehensive income \$'000	Assets at amortised cost \$'000	Total \$'000
At 31 December 2023:			
Cash and deposits	-	2,147,963	2,147,963
Investment securities and pledged assets	86,884	6,976,343	7,063,227
Loans receivable	-	5,603,020	5,603,020
Trade and other receivables	-	2,698,476	2,698,476
Subsidiaries	-	1,630,716	1,630,716
Total financial assets	86,884	19,056,518	19,143,402

GraceKennedy Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

37. Financial Instruments by Category (Continued)

	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

	Company	Other financial liabilities at amortised cost \$'000
At 31 December 2023:		
Bank and other loans		13,386,968
Trade and other payables		4,057,730
Subsidiaries		3,384,036
Total financial liabilities		20,828,734

38. Investment Properties

	Group	
	2024	2023
	\$'000	\$'000
At 1 January	885,500	789,900
Additions	551,455	-
Change in fair value	96,140	95,600
Transfer from fixed assets (Note 12)	23,500	-
At 31 December	1,556,595	885,500

The following amounts have been recognised in the income statement:

	Group	
	2024	2023
	\$'000	\$'000
Rental income arising from investment properties	107,947	54,264
Direct operating expenses arising from investment properties	29,849	17,070

Investment properties comprise commercial properties that are leased to third parties.

GraceKennedy Limited
Notes to the Financial Statements
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39. Business Combinations

In the prior year, the Group acquired shares in the following companies outlined below.

- (i) An additional 35.0% of the share capital of Catherine's Peak Bottling Company Limited. The share purchase brought the Group's total shareholdings in the company to 70.0%, having previously held 35.0% of the share capital since 2018. The company's main activity is the sale of Catherine's Peak pure spring bottled water. GraceKennedy is the exclusive distributor of the Catherine's Peak branded products in Jamaica.
- (ii) 100.0% of the share capital of Scotia Insurance Caribbean Limited (SICL). SICL is a licensed life insurance company, which offers credit protection to customers on personal loans, residential mortgages, personal lines of credit, personal and small business credit cards. The company currently operates in Barbados, Belize, British Virgin Islands, Cayman Islands and Turks & Caicos Islands. The company subsequently changed its name to GK Life Insurance Caribbean Limited.
- (iii) 100.0% of the share capital of Unibev Limited (Unibev). Unibev is a Jamaican manufacturing company specializing in fully integrated beverage solutions. It is involved in all aspects of the beverage manufacturing process, including, sourcing raw materials and packaging. Its manufacturing facility, located in Spring Garden, Portland, includes a Blue Mountain spring water source.

	Catherine's Peak Bottling Company Limited \$'000	Scotia Insurance Caribbean Limited \$'000	Unibev Limited \$'000	Total \$'000
Total consideration	1,211,180	3,587,039	1,557,381	6,355,600
Fair value of net assets acquired	(704,202)	(3,201,623)	(399,584)	(4,305,409)
Non-controlling interest (Note 23)	211,261	-	-	211,261
Goodwill	718,239	385,416	1,157,797	2,261,452
Reconciliation of goodwill acquired:				
As previously reported (Note 11)	718,239	385,416	1,388,741	2,492,396
Transfers to other assets	-	-	(230,944)	(230,944)
As currently reported	718,239	385,416	1,157,797	2,261,452
Purchase consideration settled in cash	612,500	3,023,490	1,557,381	5,193,371
Cash and cash equivalents in business acquired	(35,030)	(1,200,573)	43,554	(1,192,049)
Cash outflow at end of year	577,470	1,822,917	1,600,935	4,001,322

There were no acquisitions of subsidiaries in the year ended 31 December 2024.

GraceKennedy Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

40. Subsequent Events

- (a) On 29 January 2025, the Group acquired the remaining 30.0% of the share capital of Catherine's Peak Bottling Company Limited, for a purchase consideration of \$504,000,000. The share purchase brings the Group's total shareholdings in the company to 100.0%, having previously held 70.0% of the share capital. The company is the owner of the Catherine's Peak spring water brand and is one of the main bottlers of spring water within Jamaica. It sells its products mainly through distributors including to companies within the Group.
- (b) In February 2025, the Government of the United States of America (US) issued Executive Orders imposing tariffs on Canada, Mexico and China. In addition, the US indicated a plan to introduce reciprocal tariffs on a broader scale to cover other countries.

The imposition of tariffs on imports into the United States (U.S.) may have an impact on the Group given its possible inflationary effect from higher raw material and finished goods costs. The GK Foods division is particularly susceptible to the increase in cost on both the demand and supply side. If the U.S. moves ahead with the plan to impose reciprocal tariffs, this may affect preferential tariff arrangements for the Caribbean region under the Caribbean Basin Economic Recovery Act which may make products exported to the U.S. less competitive. Supply chain disruptions may also be exacerbated by longer processing times associated with the complexities of the new tariff regimes.

The Group is in the process of assessing the impact of the various proposed tariff structures on its business and will, among other activities, onboard alternative suppliers to diversify its supply chain, near-shore source raw materials, diversify its product mix, implement strategic inventory management plans, cost saving and competitive pricing strategies to offset costs.

Inflationary pressures may prompt central banks to raise interest rates or halt rate cuts, which could increase borrowing costs. The Group will leverage its borrowing options to minimize the cost of funding.

The Group has a robust risk management framework, and has taken a proactive approach to identifying, assessing and developing risk response strategies to the potential impact.

- (c) On 28 February 2025, the Board of Directors approved an interim dividend in respect of 2025 of 55 cents per ordinary stock unit. The dividend is payable on 7 April 2025 to shareholders on record as at 14 March 2025.

Form of Proxy

I/We.....
of.....
being a member/members of GraceKennedy Limited hereby appoint
.....of.....
or failing him/her.....
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, 28 May 2025 at 2:00 p.m. at GraceKennedy Headquarters, 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.

	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 2025

.....
Signature

.....
Signature

.....
Signature



Note:

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 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.



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