

PINEHILL DAIRY

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS 6 MONTHS ENDING JUNE 30 2025 FOR BARBADOS DAIRY INDUSTRIES LIMITED

Directors' Statement:

The Board of Directors presents the unaudited financial results for Barbados Dairy Industries Limited for the six months ended June 30, 2025. The period presented a challenging operational environment, but we are pleased with our revenue growth.

Sales for the six months ended June 30, 2025, were \$27.79 million, a notable increase from \$25.63 million in the corresponding period of 2024. However, despite this growth, our operating profit declined. We experienced an operating loss of \$1.75 million, a decrease from the \$0.68 million loss reported for the first half of 2024. Despite a challenging environment with escalating raw material costs, we made the strategic decision to absorb a portion of these costs rather than passing on the full impact to consumers. This approach was taken to maintain our competitive pricing, preserve customer loyalty, and ensure the continued stability of our market position, which we believe is essential for long-term value creation for our shareholders.

Shareholders' equity stood at \$30.65 million at the end of the second quarter of 2025, compared to \$36.10 million at the end of the second quarter of 2024. The decrease from the \$33.66 million at December 31, 2024, is attributable to the total comprehensive loss for the period of \$2.03 million and the payment of dividends amounting to \$0.99 million during the period.

Regarding cash flow, net cash from operating activities for the six months ended June 30, 2025, was \$1.20 million. Net working capital changes contributed positively, increasing by \$2.41 million. Cash and cash equivalents at the end of the period stood at \$5.02 million, a decrease from \$5.13 million at the beginning of the period. The Board continues to focus on prudent cash management to support our operational needs and investment plans.

Outlook

The first half of the year has been demanding with significant challenges, but management will continue to address the factors that impacted our performance. Some carryover headwinds such as milk availability which had a notable impact on overall profitability compared to the same period in the prior year have started to regularize. We remain focused on continued increase in revenue generation and operational efficiency in the upcoming quarters. We will continue to navigate the prevailing market conditions with diligence and a focus on long-term value creation for our shareholders.

We extend our gratitude to our valued customers, dedicated employees, and loyal shareholders for their continued support. Please note: These comments are based on the provided unaudited financial statements.

Chairman
Luis Alvarez

Country Manager
Shafiq London

Summary Statement of Financial Position As at 30 June 2025 With Comparatives as at 30th June 2025 and December 31 2024 (Expressed in Barbados dollars)

	Unaudited 6 Months Ended 30.06.2025	Unaudited 6 Months Ended 30.06.2024	Audited 12 Months Ended 31.12.2024
Current assets	38,483	35,391	35,626
Current liabilities	-24,660	-19,249	-19,279
Working capital	13,822	16,141	16,347
Property, plant and equipment	12,679	11,541	13,168
Pension plan asset	4,257	7,051	4,257
Deferred tax asset	1,571	1,554	1,546
Long-term liabilities	-1,244	-15	-1,244
Post-employment medical liability	-432	-174	-410
	30,653	36,098	33,664
Shareholders' equity			
Share capital	998	998	998
Other Reserves	-3,674	-4,230	-3,417
Retained earnings	33,330	39,330	36,083
	30,653	36,098	33,664

Summary Statement of Comprehensive Income 6 Months Ended 30 June 2025 With Comparatives as at 30th June 2024 and December 31 2024 (Expressed in Barbados dollars)

	Unaudited 6 Months Ended 30.06.2025 \$'000	Unaudited 6 Months Ended 30.06.2024 \$'000	Audited 12 Months Ended 31.12.2024 \$'000
Sales	27,786	25,630	52,299
Operating profit from operations before undernoted items	-1,750	-679	-3,296
Restructuring costs	0	-23	-23
Interest expense	-18	-98	-182
Income before taxation	-1,768	-799	-3,502
Taxation	0	12	-23
Net income for the period	-1,768	-787	-3,524
Other comprehensive (loss) income, net of tax	-257	-546	-243
Total comprehensive income for the period	-2,025	-1,333	-3,767
Earnings per share - basic and diluted	(0.38)	(0.17)	(0.75)

Summary Statement of Changes in Equity As at 30 June 2025 With Comparatives as at 30th June 2025 and December 31 2024 (Expressed in Barbados dollars)

	Unaudited 6 Months Ended 30.06.2025	Unaudited 6 Months Ended 30.06.2024	Audited 12 Months Ended 31.12.2024
	\$'000	\$'000	\$'000
Balance at the beginning of the period	33,664	37,431	37,431
Net comprehensive income for the period	-2,025	-1,333	-3,767
Dividends	-985	0	0
Balance at the end of the period	30,653	36,098	33,664

	Unaudited Year Ended 30.06.2025 \$'000	Audited Year Ended 31.12.2024 \$'000
Cash flows from operating activities		
Income before taxation	-1,768	-3,502
Adjustments for non-cash items	559	1,207
Operating profit before working capital changes	-1,209	-2,294
Net working capital changes	2,411	3,082
Net cash (used in) from operating activities	1,202	788
Net cash used in investing activities	-207	-1,582
Net cash used in financing activities	-1,109	-250
(Decrease) increase in cash	-114	-1,045
Cash - beginning of period	5,134	6,180
Cash - end of period	5,021	5,134